

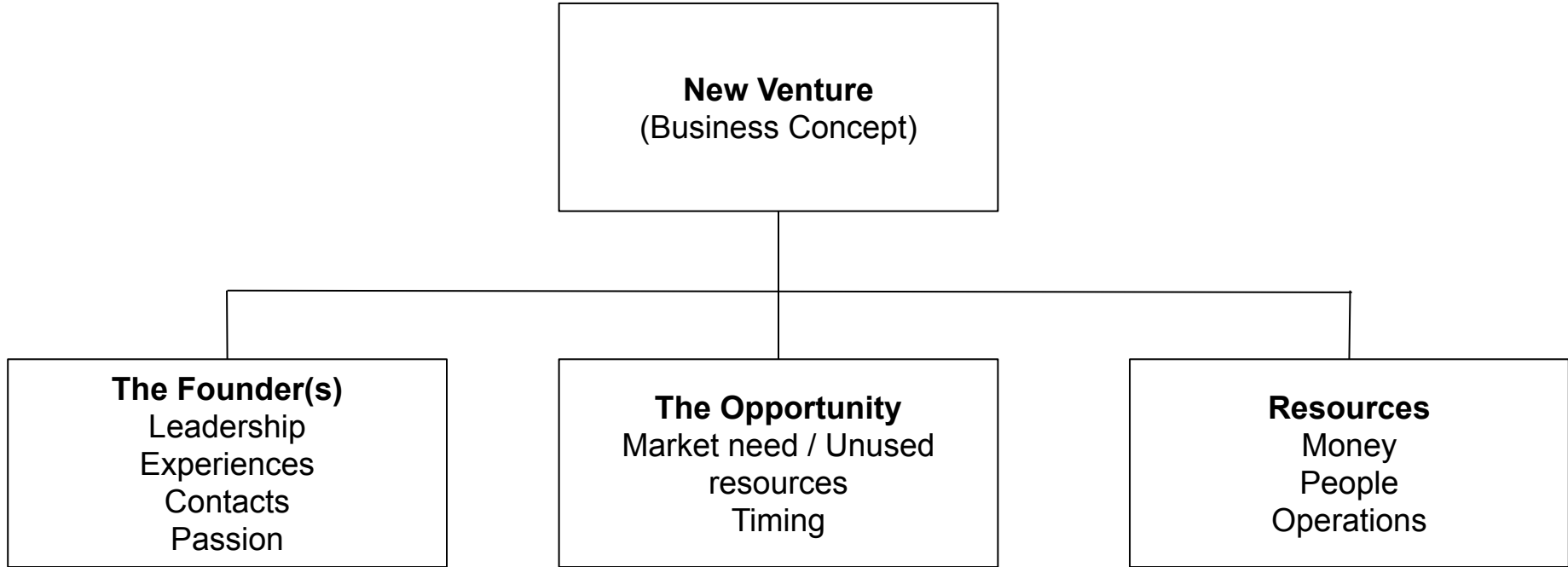
Entrepreneurship, Ideas & Opportunities

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What is Entrepreneurship?

- "Entrepreneurship is a **process** by which individuals, either on their own or inside organization, pursue opportunities without regard to the **resources** they currently **control**." (Stevenson, Jarillo, 1990)
- "Entrepreneurship is the **mindset and process** to create and develop economic activity by blending risk-taking, **creativity** and/or innovation with sound management, within a **new or an existing organization**." (Green Paper on Entrepreneurship, European Commission, 2003)
- "Entrepreneurship is the process of creating something different with **value** by devoting the necessary **time** and **effort**, assuming the accompanying **financial, psychic, and social risks**, and receiving the resulting **rewards** of **monetary** and **personal satisfaction**." (Hisrich & Peters, 1989)

- "Entrepreneurship is when you act upon opportunities and ideas and transform them into **value for others**. The value that is created can be financial, cultural, or social." (Moberg and Stenberg, 2012)



Entrepreneurial Process

1. Identify an opportunity

2. Develop the concept

3. Determine the required resources

4. Acquire the resources

5. Implement and manage

6. Harvest the venture

changing demographics, emergence of new market segments, process needs, new technologies, regulatory or social change

new products, new services, new sales channels, unique selling point

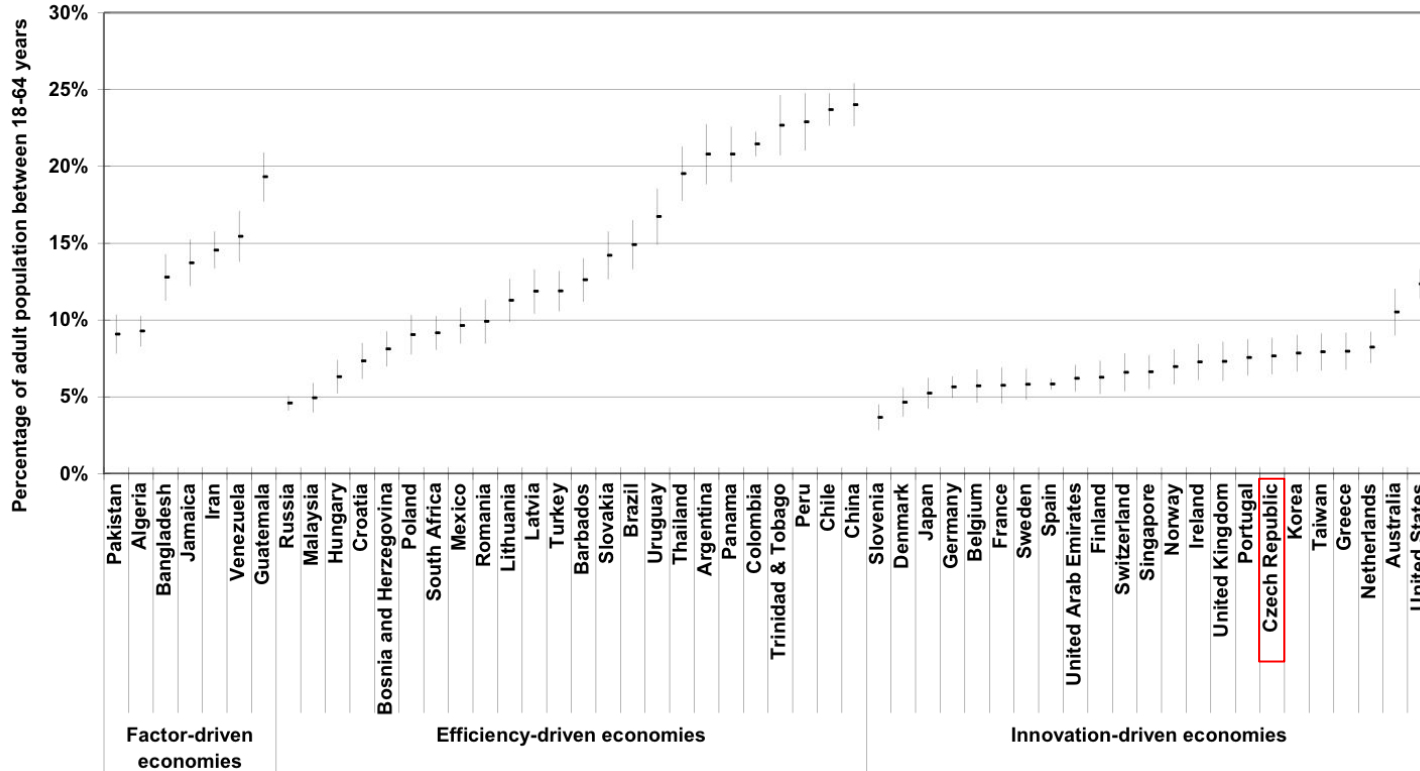
skilled employees, management expertise, marketing, sales, technical expertise, money, production facilities, licences

debt, equity, outsourcing, leasing, contract labour, joint ventures, barter, gifts, supplier financing

implementation of concept, monitoring performance, growth management, expansion, achieving goals

family succession, selling the venture, go public vs. bankruptcy

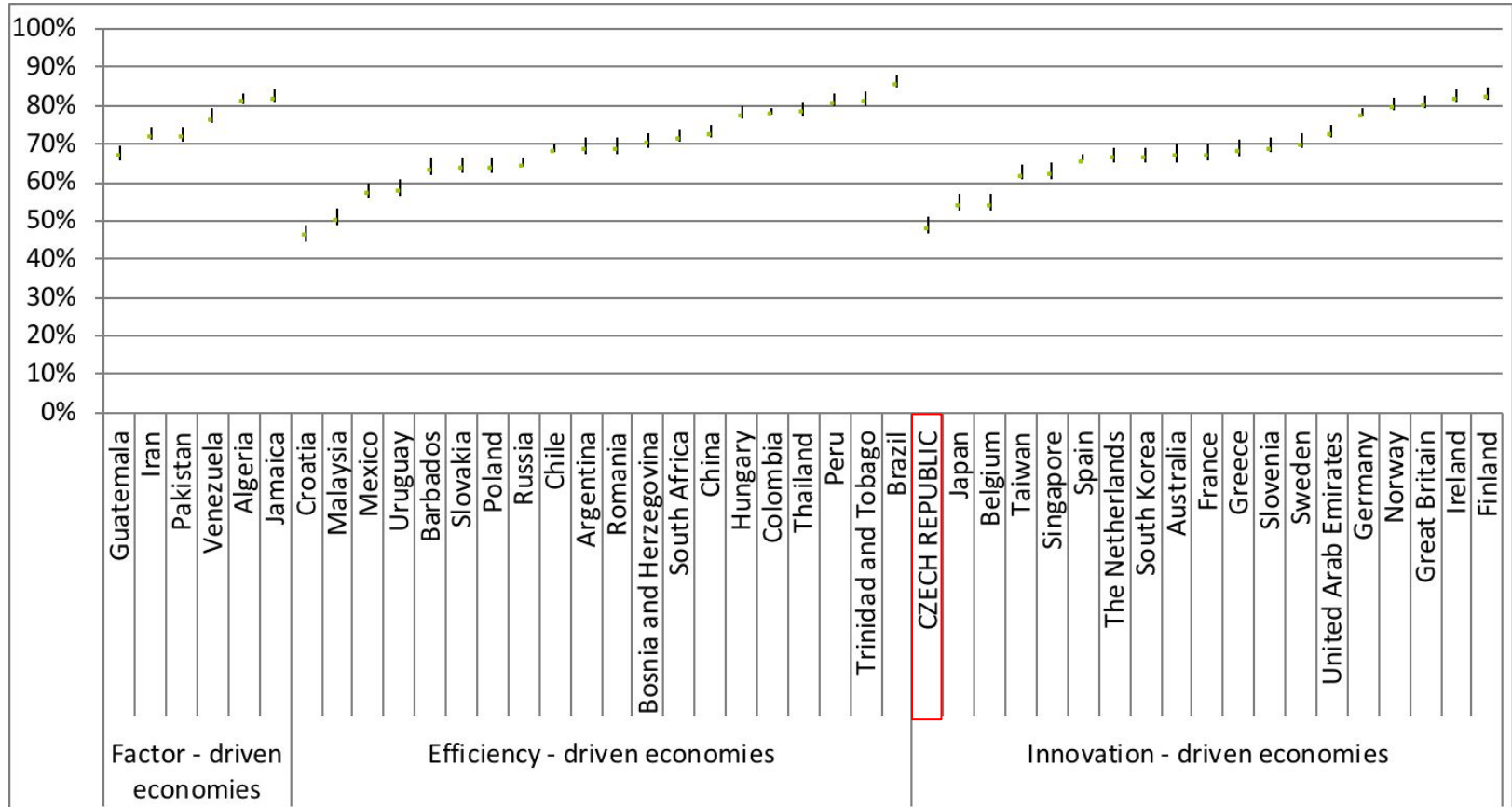
New entrepreneurial activity (GEM 2011)



Entrepreneurial activity in CR

- The number of people involved in early-stage entrepreneurial activity in CR: 540.000
- The number of people who own and manage actively in CR: 554.000
- Main area of new businesses: consumer oriented services
- Manufacturing and construction decreasing, but still high in comparison with other countries

Status of successful entrepreneurs – Country comparison



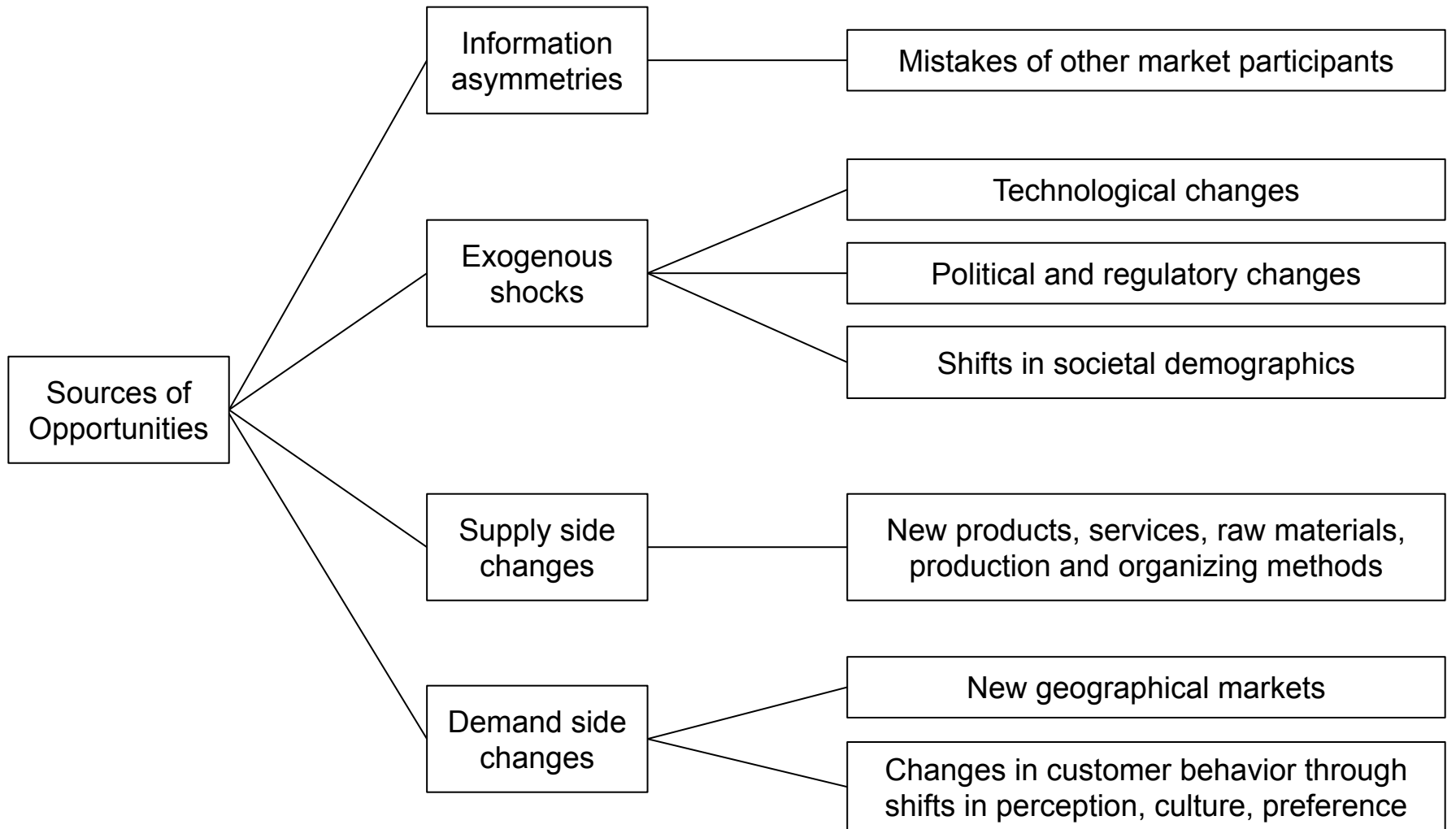
Source: Adult population survey in GEM 2011; % of YES to successful entrepreneurs have a high status in society.

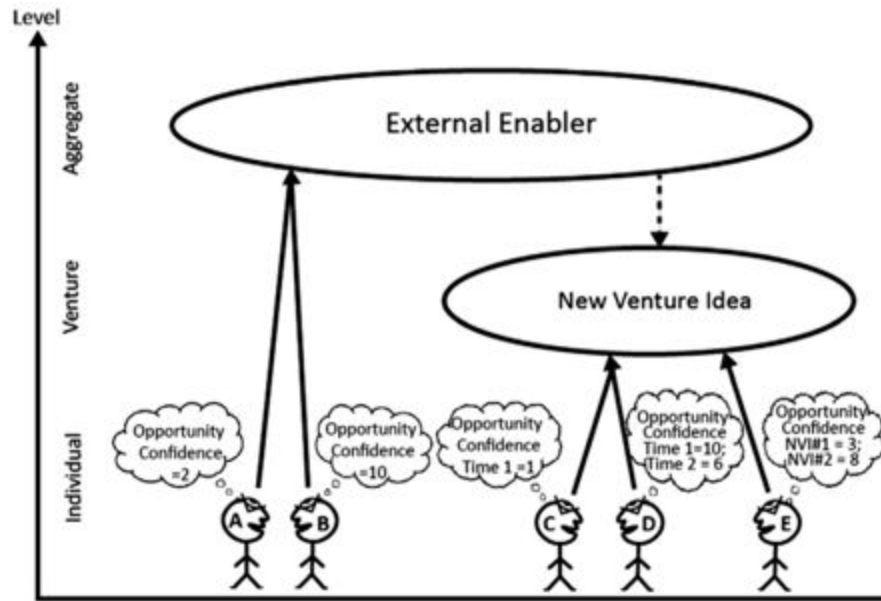
What is an opportunity?

- Possibility to **satisfy** market **needs** through a new combination of resources that will offer **added value**. (Kirzner, 1973)
- Situation in which new goods, services, raw materials, and organizing methods can be introduced and **sold** at a **greater price** than their cost of production. (Shane & Venkataraman, 2000)
- 3 central characteristics of opportunities (Baron 2004)
 - Potential economic value (i.e. potential to generate profit)
 - Newness (i.e. something that did not exist previously)
 - Perceived desirability (of the new product or service in society)

Types of opportunities

- Unfulfilled market needs
 - Value sought
- Unused or inefficiently used resources
 - Value creation capability
- Combination



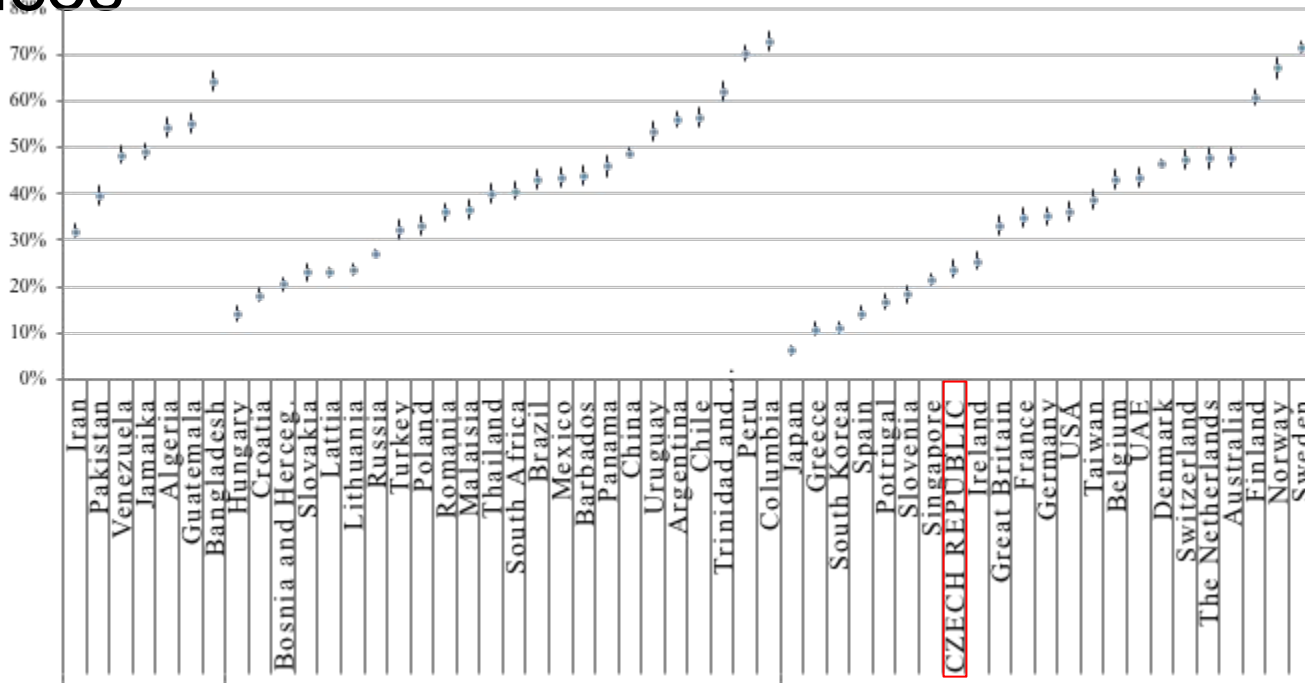


What is not an Opportunity

- Timing
 - Too late – market is saturated
 - Too early – people are not ready or the technology is not available

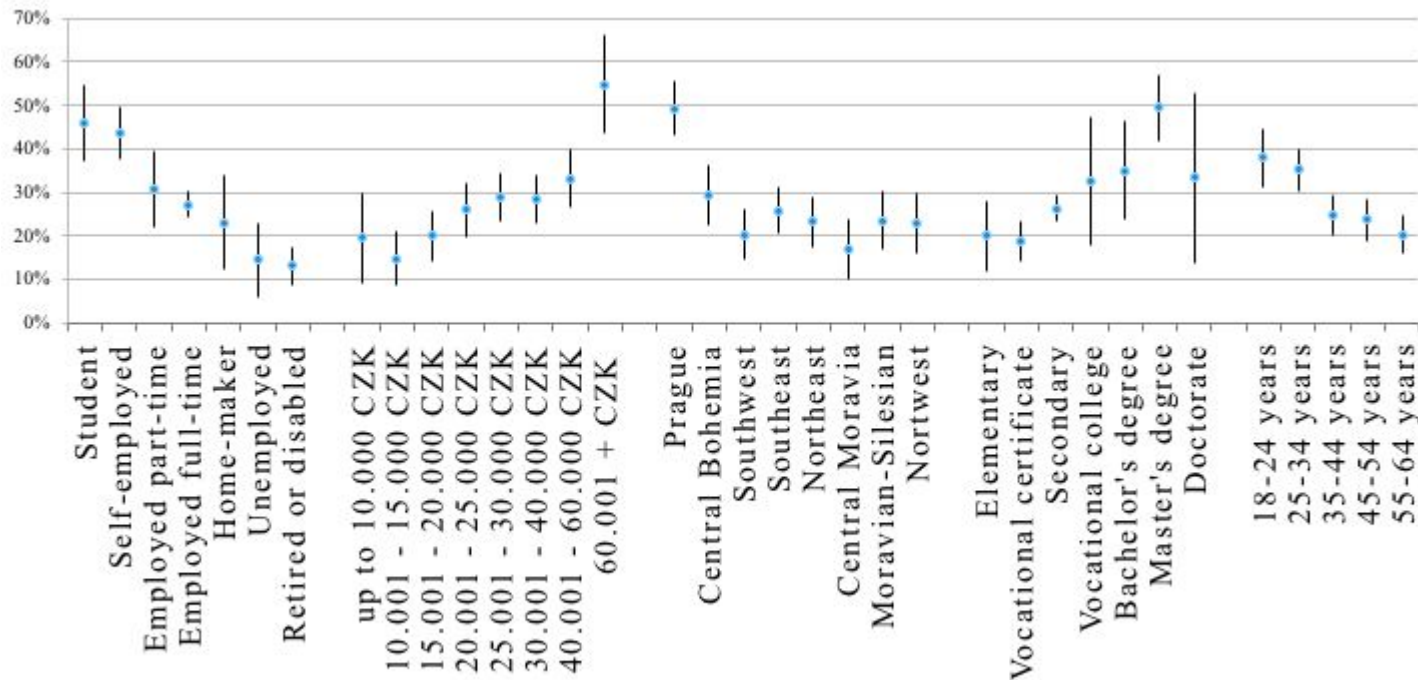
- Hobby-projects
 - The market is not big enough to create sustainable business

Opportunity recognition - cultural / national influences



Source: Adult population survey in 54 world countries within the GEM 2011 project, Population (18-64 years) thinking that there will be a good occasion for launching business in their region in the next half year (%)

Perception of good opportunities – demographic differences



Idea

- Not every idea is a good opportunity.
- The idea is just a beginning.
- In order to have a great idea, you need to have many ideas (and select).

Entrepreneurial Alertness

- Is a propensity to notice and be sensitive to information about objects, incidents, and patterns of behaviour in the environment, with a special sensitivity to maker and user problems, unmet needs and interests and novel combinations (Ray & Cardozo, 1996).

The Interactive Components of Strategy

