

A Conceptual Framework for Describing the Phenomenon of New Venture Creation

There are four main types of factors that influence entrepreneurship: individual, organizational, process-related and environmental. Note that each type is interrelated.

Individual factors

- Need for achievement
- Locus of control
- Risk taking propensity
- Job satisfaction
- Previous work experience
- Entrepreneurial parents
- Age
- Education

Organizational factors

- Overall cost and leadership
- Differentiation
- Focus
- The new product or service
- Parallel competition
- Franchise entry
- Geographical transfer
- Supply shortage
- Tapping unutilized resources
- Customer contract
- Becoming a second source
- Joint ventures
- Licensing
- Market relinquishment
- Sell off of division
- Favoured purchasing by government
- Governmental rule changes

Process-related factors

- The entrepreneur locates a business opportunity
- The entrepreneur accumulates resources
- The entrepreneur markets products and services
- The entrepreneur produces the product
- The entrepreneur builds an organization
- The entrepreneur responds to government and society

Environmental factors

- Venture capital availability

- Presence of experienced entrepreneurs
- Technically skilled labor force
- Accessibility of suppliers
- Accessibility of customers or new markets
- Governmental influences
- Proximity of universities
- Availability of land or facilities
- Accessibility of transportation
- Attitude of the area population
- Availability of supporting services
- Living conditions
- High occupational and industrial differentiation
- High percentages of recent immigrants in the population
- Large Industrial base
- Larger size urban areas
- Availability of financial resources
- Barriers to entry
- Rivalry among existing competitors
- Pressure from substitute products
- Bargaining power of buyers
- Bargaining power of suppliers