

Introduction to Entrepreneurship

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Entrepreneurial Opportunities

In this video you will learn:

- What we mean if we talk about an entrepreneurial opportunity
- How 3D printing is revolutionizing the world (and how you can participate)
- Why Sony produced an 18-h music CD
- How you can discover new opportunities (actually, while you are watching this video)

Entrepreneurial opportunities

Entrepreneurs discover, evaluate, and exploit business opportunities.

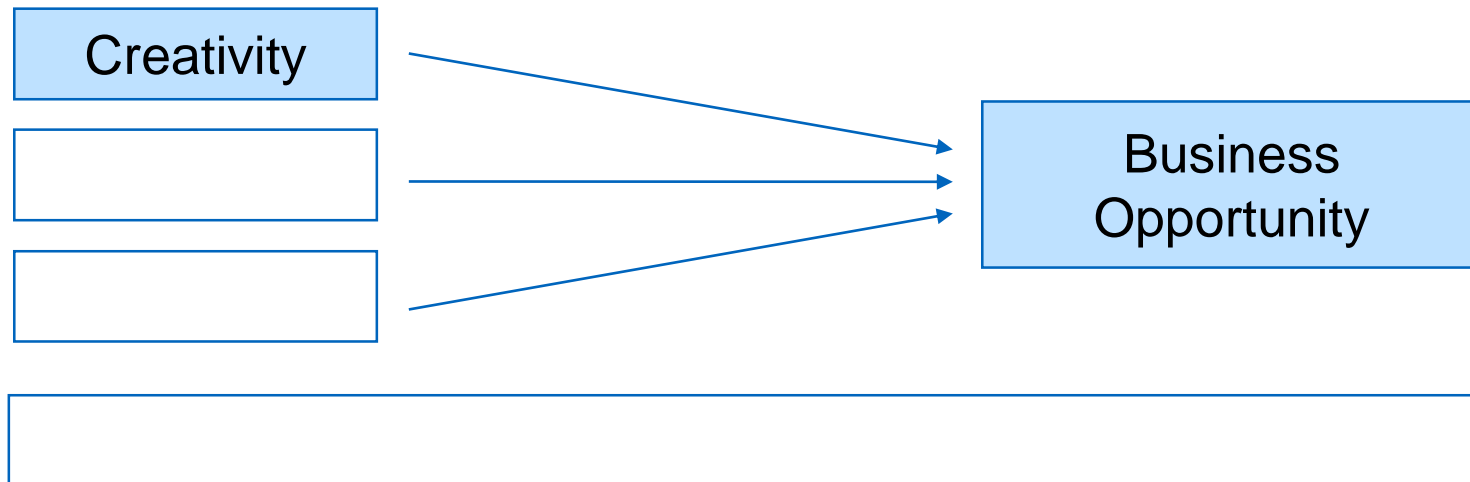
“An opportunity [...] is anchored in a product or service, which creates or adds value for its buyer or end user” (Hisrich et al., 2005)

“Perceiving a possibility for new profit” (Christensen et al., 1989)

“The chance to meet a market need” (Ardichvili et al., 2003)

“Entrepreneurial opportunities are those situations in which new goods, services, raw materials, and organizing methods can be introduced and sold at greater than their cost of production” (Shane and Venkataraman, 2000)

What factors contribute to opportunity identification?



What is creativity?

“The generation of ideas, insights, or problem solutions that are both novel and potentially useful.” (Baas, et al. 2008)

Creativity can be reactive as it is often a reaction to problems or challenges, however, it can also be proactive.

Creativity involves convergent and divergent thinking, i.e., logic, previous knowledge, and, rationality as well as intuition, gut feeling, and, irrationality.



Baas, De Dreu, & Nijstad (2008); Runco (2004); Runco (2006);
Runco & Chand (1995)

This is creativity



**CREATIVITY IS SOMETHING
YOU CAN LEARN BY USING
TECHNIQUES**

Techniques of creativity – Analogical reasoning

“Applying the knowledge from one domain as a kind of model to help in understanding or developing ideas in another domain” (Ward, 2004, p. 180)



Techniques of creativity – conceptual combination

Mentally combining different, previously unrelated concepts.

Think about different needs of different customer groups.

Examples: affordable luxury, healthy fast food, glamping



Overdoing conceptual combination...

Not all results might be useful, though...



Techniques of creativity – Checklist method

- Put to other uses? New ways to use as is? Other uses if modified?
- Adapt? What else is like this? What other ideas does this suggest? What could I copy?
- Modify? New twist? Change meaning, color, motion, odor, form, shape?
- Magnify? What to add? Greater frequency? Stronger? Larger? Thicker? Exaggerate?
- Minify? What substitute? Smaller? Condensed? Lower? Shorter? Lighter?
- Substitute? Who else instead? What else instead? Other ingredient? Other material?
- Other process? Other place? Other approach? Other tone of voice? Change schedule?
- Rearrange? Interchange components? Other pattern? Other layout? Other sequence?
- Reverse? Transpose positive and negative? How about opposites? Turn it backward?
- Combine? How about a blend, an alloy, an assortment? Combine units?
- Combine purposes? Combine appeals? Combine ideas?

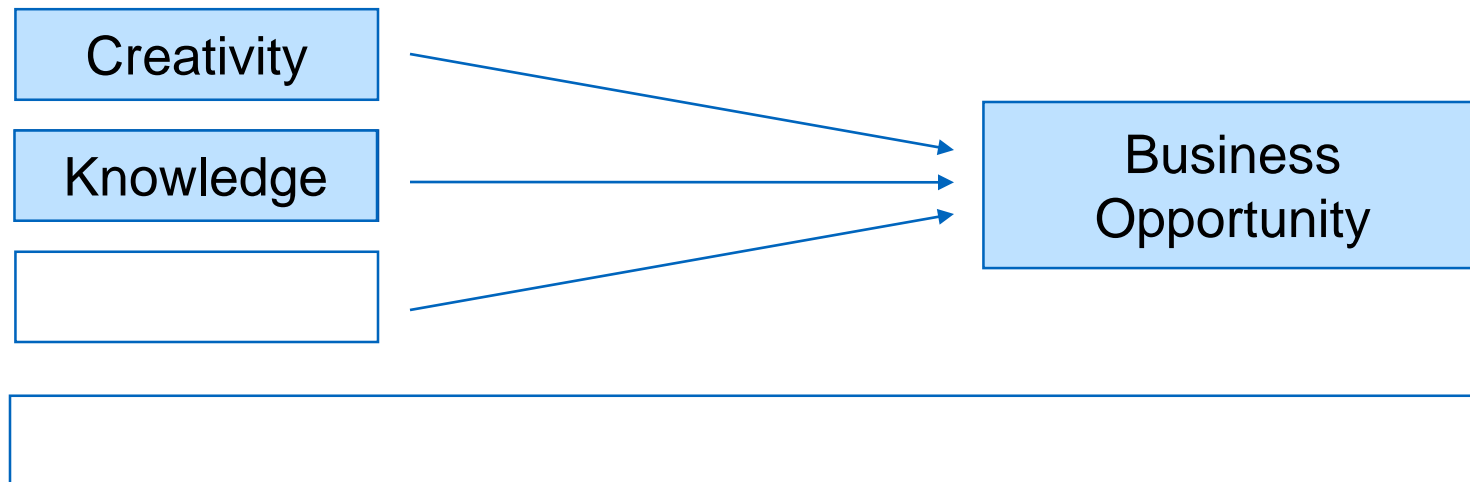
Techniques of creativity – WIBNI

WIBNI

= Wouldn't it be nice if...

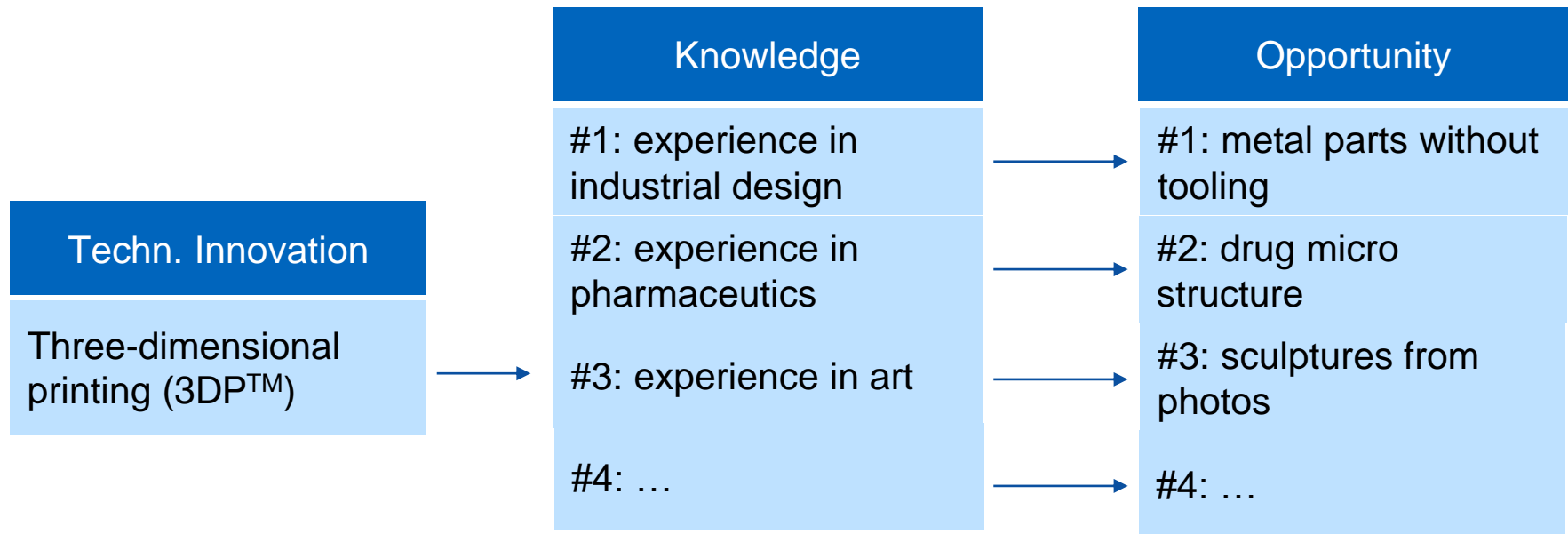
- Wouldn't it be nice if people could reach different locations within a few seconds?
- Wouldn't it be nice if you could send a post card from this moment?
- Wouldn't it be nice to move without packing?
- Wouldn't it be nice if we could cure this disease?
- Wouldn't it be nice if there weren't any famines?
- ...

What factors contribute to opportunity identification?



Knowledge & opportunity identification

- Prior experience determines the discovery of a particular opportunity
- Other experience – other opportunities
- No relevant experience – no opportunities



Shane (2000); Venkataraman (1997)


3D printing today – limitless opportunities



Knowledge & opportunity identification

All individuals are not equally likely to recognize a given entrepreneurial opportunity.

People's prior knowledge about markets, customers, and other products influences their discovery of business opportunities.



People's prior knowledge determines whether or not they will identify an opportunity!

Knowledge and creativity

The 18-hour CD

Sony nearly missed a golden opportunity when they temporarily abandoned work on developing music CDs in the mid-1970s

Why?

Putting 18 hours of music on a single CD would not be commercially viable

But why 18 hours?

Sony used the size and shape of LP record albums as their starting point

Knowledge can be restricting in developing opportunities

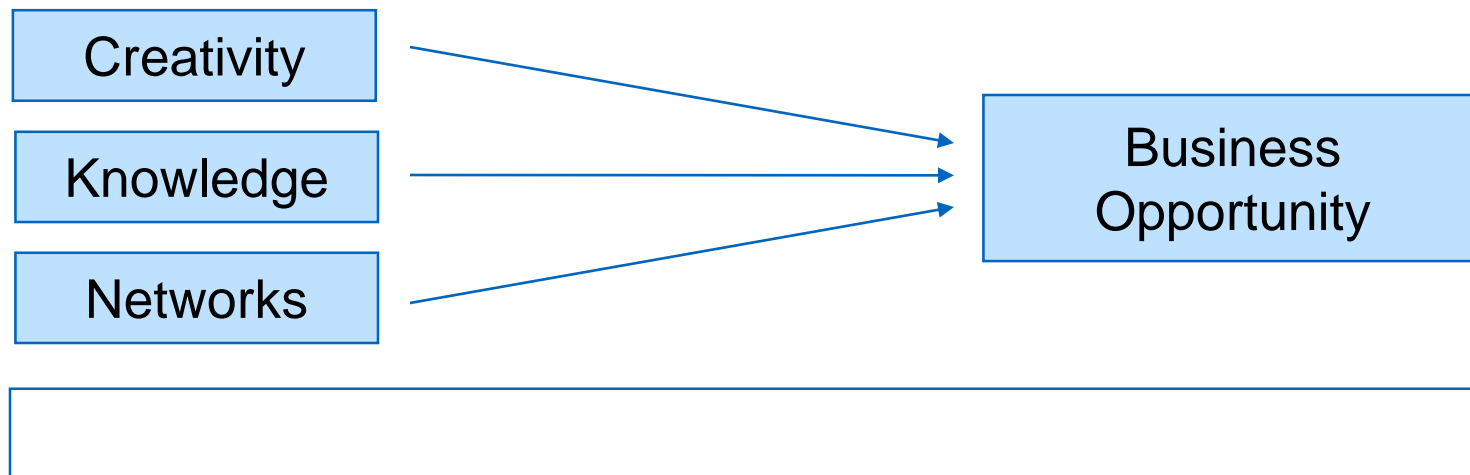
Creativity is needed to overcome restrictions



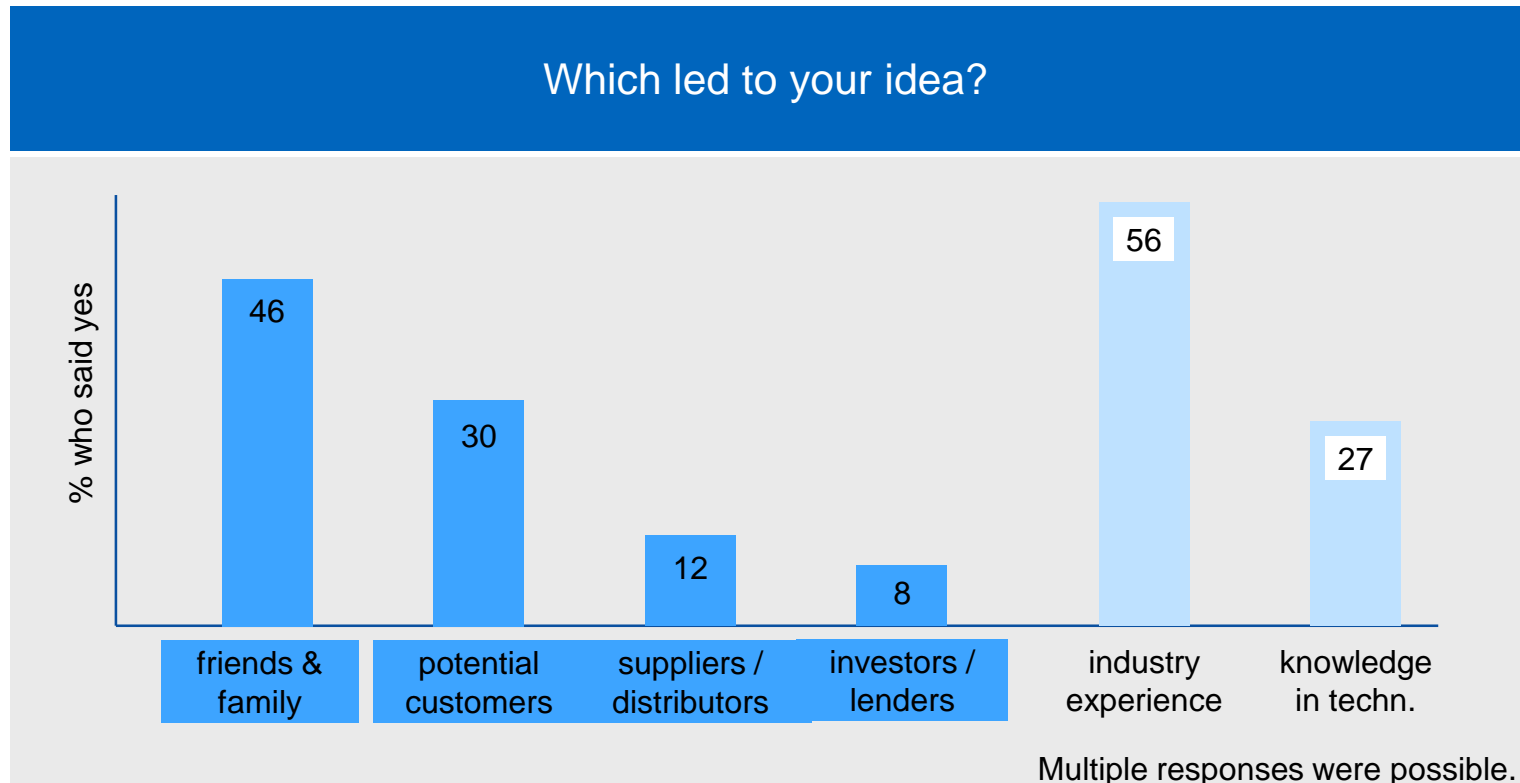
Your task: Assess your knowledge (10 minutes)

	My knowledge	Useful for?
Studies		
Jobs		
Trainings		
Part time jobs		
Interests		
Hobbies		
Courses in school		
Etc.		

What factors contribute to opportunity identification?



The role of social networks



Hills et al. (2004), based on data from the Panel Study of Entrepreneurial Dynamics (PSED)

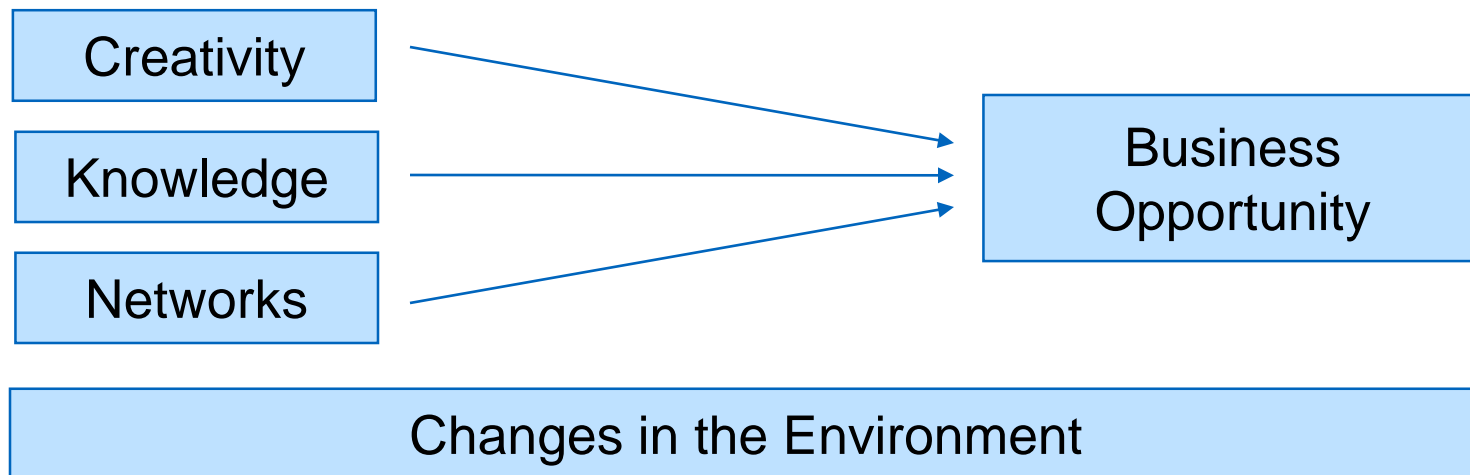
The role of one' private environment

	Increasing the odds to start by	In conclusion: Social capital...
Parents in business	1.4	<p>provides information on</p> <ul style="list-style-type: none"> • technological change • social / demographic change • political / regulatory change • ... <p>encourages to go ahead</p> <p>promises support</p>
Encouragement by friends	1.9	
Friends in business	2.0	
Married	n.s.	

Your task: Assess your networks (10 min)

My social networks	Useful for?
Parents	
Siblings	
Relatives	
Friends	
Colleagues	
Neighbors	
Students	
Professors	

What factors contribute to opportunity identification?



Based on Ardichvili et al. (2003); Baron (2006); Shane (2003)

Opportunities from the environment

“Opportunities emerge from a complex pattern of changing conditions - changes in political, economic, societal, technological, conditions (PEST). They come into existence at a given point in time because of a juxtaposition or confluence of conditions which did not exist previously but is now present.”



Sources of opportunities



Be aware of and learn more about political, economic, social, and technological changes!



Anticipate what consequences these changes will have!



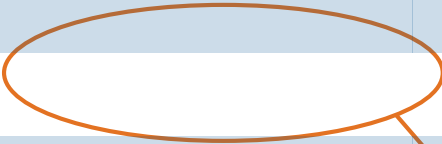
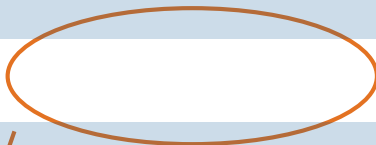
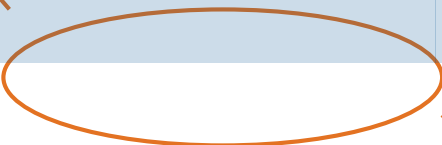
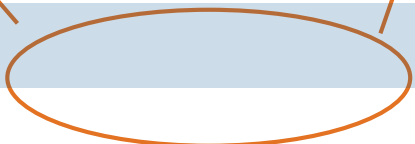
Think of potential business opportunities!

Sources of opportunities

Technological inventions	Demographic change	Trends / Changes in social values	Laws

Opportunities for you

Connect the three success factors and use your creativity to generate business ideas!

My knowledge	My social networks	Changes in environment	Idea?
			
			
			

Session summary:

- “Entrepreneurial opportunities are those situations in which new goods, services, raw materials, and organizing methods can be introduced and sold at greater than their cost of production” (Shane and Venkataraman, 2000)
- Creativity, knowledge, networks, and environmental changes are key triggers of opportunity identification.
- Knowledge can also limit opportunity identification
- One can systematically assess knowledge, networks, and the environment and then use creativity (techniques) to identify new entrepreneurial opportunities.

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