Entrepreneurial opportunity issues

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Abstract: Entrepreneurial opportunity resides on the level of the individual, the company and the economy. There are overlapping concepts of entrepreneurship, economic, social and administrative. Therefore, current research has introduced the concept of entrepreneurship from the standpoint of economic and social psychology as well as administration, which is based on the opportunity, in addition to the concept of the entrepreneur, centred on the role of entrepreneurship and innovation as the most important requirements to sustain the economy based on the knowledge. Also, the concept of economic intelligence challenges posed by the activities of a knowledge-based economy, methods and tools within the stages of the process of intelligence economic are discussed. The conclusion that the roots of entrepreneurship are economic, focused on what happens when entrepreneurs create a company; however, the current focus is managerial and centred on how entrepreneurs create and manage the company.

Keywords: entrepreneurial opportunity; entrepreneurship approaches; economic intelligence; EI; knowledge management; KM.


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1 Introduction

Studies on entrepreneurship can be divided into three main categories that have been characterised as entrepreneurship:

- What happens when entrepreneurs act (effects): concerns the results of the actions of the entrepreneur, not the actions per se but the causes of individual entrepreneurial action.
- Why entrepreneurs act (causes): considers the motives of individual entrepreneurial behaviour by both the individual entrepreneur and the environment.
- How entrepreneurs act: the characteristics of entrepreneurial management can become the centre of attention (this suggests a practical view of how entrepreneurs succeed).

The aim of this research is to discuss the various approaches of entrepreneurship, based on classical entrepreneurship literature by Stevenson and Jarillo (1990), who argued that the management literature on entrepreneurship is divided in three categories. Economists have dominated the effects of entrepreneurship in the USA. In contrast, the studies of psychologists and sociologists have focused on the causes of entrepreneurship. Studies on entrepreneurial management that focuses on the managerial behaviour of the entrepreneur are located between the causes and the results.

The differences in perspectives lead to difference in the definitions of entrepreneurship. This paper addresses the divergence of approaches from the point of view of opportunity.

Entrepreneurship is based on anticipation of the opportunity, from knowledge that focuses on strategic vigilance and economic intelligence. The risk associated with entrepreneurship needs to secure information which get it from an economic security. Intelligence and economic security are economic defense and economic defense is economic intelligence. The various stages of the life of an entrepreneurial organisation are linked to needs for special kinds of knowledge. The research question is, How can economic intelligence contribute to entrepreneurship of business organisations by providing beneficial information to make the right decision?

2 Concept

Although economic writers began recognising the entrepreneur as early as 1725 with the writing of Richard Cantillon and continued through Adam Smith, Jean-Baptiste Say, John Stuart Mill, and others, it was the Australian economist, Joseph A. Schumpeter, who in the 1930s succinctly recognised and defined the role and activities that entrepreneurs contribute to the evolution of the economic system (McDaniel, 2005). Richard Cantillon focused on the economic role of the entrepreneur rather than on who performs that role.

The entrepreneurship consists of the process of creating something new 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 and independence [Manuel, (2006), p.3].
Entrepreneurship is a process of systematic search and an intent to change and guide environmental opportunities after systematic analysis; it's a philosophy and way of thinking of an individual, so that entrepreneurship can exist in private business, government and in the fields of education, science, technology and others.

Stevenson and Jarillo (1990) pointed out that the literature on entrepreneurship is based on three basic categories crystallised from concept of entrepreneurship as follows (Christensen, 2004; Stevenson and Jarillo, 1990):

- Dominance (effects) of entrepreneurship on economic approach, and (What) happens when entrepreneurs create a project. Thus, the focus was on the results of the actions of entrepreneurs rather than on the entrepreneurs themselves or even on their actions and effects on the general economic system.

- The focused psychology-sociology approach considers the reasons (Causes) of individual entrepreneurial action and (Why) entrepreneurs take risks. Thus the research attention was heading “towards an entrepreneur as an individual, affect his characteristics and characteristics of the environment in the motives of the individual entrepreneurial behavior” [Stevenson and Jarillo, (1990), p.21]. The focus of this approach is:
  1. individuals conduct entrepreneurial activities, regardless of how they are defined
  2. their characteristics (personality, background, skills, etc.) matter
  3. environmental variables are also relevant.

The core of the psychology-sociology approach is based on individual entrepreneurial behaviour, which depends on the motivation of the entrepreneur, such as dependence on environmental characteristics.

- Directed administrative approach (How) considers how entrepreneurs act to create the company and focuses on the characteristics of entrepreneurial management. Thus the administrative approach becomes the centre of research attention.

Thus the concept of entrepreneurship was based on economic and social theory and then on administrative theory. Evolution this concept to a wider range of meanings from different angles. Three approaches have crystallised, as follows:

- Economic approach: in this approach, the entrepreneur represents the fourth production factor (in addition to land, capital and labour). Richard Cantillon was a leading researcher of this concept. According to other researchers, there is a clear distinction between the entrepreneur and the supplier of financial capital, the entrepreneur is the pioneer of new paths, others have suggested two different meanings for entrepreneur: the organiser who culminates the process of organising resources into a new productive venture, the firm; and the innovator who transforms ideas and inventions into “economically viable entities, whether or not these take the form of a business firm” [Llussa et al., (2009), p.3]. Because innovation creates new demand, Schumpeter was the first to link entrepreneurs and innovation, as he believed that entrepreneurs are innovators who create opportunities in organisations, new methods of production, markets or new organisations to create more businesses.

Systematic innovation consists of a purposeful and organised search for changes, and in the systematic analysis of the opportunities such, changes might support economic
or social innovation, and innovation can be defined from the supply side as changing
the yield of resources or from the demand side as changing the value and satisfaction
obtained from the resources by the consumer (Kamalanabhan, 2006).

- The psychology-sociology approach stresses the characteristics of entrepreneurial
activity as initiative, innovation, risk acceptance and independence and define
entrepreneurship as “a social phenomenon entailing multilateral and complex
relationship with various of domains and spaces of social life, the entrepreneurship
can shape social change as initiated through various social setting, relationships and

- Administrative approach: the pioneer of business administration Drucker, defined the
entrepreneur as always searching for change, responding to it, and exploiting it as an
opportunity (Drucker, 1985; Sethi, 2005). In this view, the entrepreneur does not
cause change but invests in the opportunity created by change. Entrepreneurs create
something new, something different; they change and transmute value, so innovation
is a specific tool of entrepreneurs and hence an effective entrepreneur converts a
source into a resource. This vision is based on the viewpoint of economist Jean
Baptiste Say; an entrepreneur shifts economic resources out of an area of lower and
into an area of higher productivity and greater yield (Drucker, 1985). Further,
entrepreneurship is “the process of creating value by bringing together a unique
package of resources to exploit an opportunity.” [Dornelas et al., (2003), p.2].

Opportunity is a desirable and possible future status. Thus, the opportunity is a flexible
concept. Opportunities vary among individuals, depending on time, desires and
capabilities. So the entrepreneurial process means work individually or within
organisations to pursue opportunities regardless of the resources that are under control.
So we can find the entrepreneurship wherever it was an opportunity require resources
more than those that under the control.

According to the Oxford English Dictionary, opportunity involves an end or purpose
and things favourable to the achievement of it. An entrepreneurial opportunity consists of
the following (Venkataraman and Sarasvathy, 2000):

- supply side: new or existing ideas or inventions.
- demand side: one or more ends, which may be subjective (endogenous) aspirations
  or objective (exogenous) goals or both
- beliefs about things favourable to the achievement of those ends
- possible implementations of those ends with the creation of new economic artefacts.

Thus entrepreneurial opportunity resides at the individual, company and economic level,
such that the concept of the opportunity posed by Peter Drucker become the central focus
of many definitions of entrepreneurship and is based on managerial theories.

Entrepreneurship became the initiative and ingenuity involved in the creation of
investment opportunities and the risk posed by unfamiliar achievements with limited
potential. Its components are based on risk, innovation, flexibility, independence,
perseverance, the ability to attack, to adapt and to be proactive.
3 Economic intelligence

Intelligence is defined as the ability to explain the interrelationships between the facts to accomplish the required goals. Organisational intelligence is the processing, interpretation and convert the information into useful knowledge for decision-making. While the economic intelligence deal with the necessary knowledge to make strategic decisions that relate to the surrounding environment, especially markets, competitors, products and technology factors.

The EI is defined as encompassing all of the coordinated measures of information collection, processing, distribution and protection that are of value to economic players and that are achievable by legal means (Clerc, 1996).

EI is a set of coordinated actions of search, processing and distribution for exploitation of useful information for economic actors. EI research has developed methods by which to identify relevant sources of information and to analyse and manipulate the collected information to provide what the user needs for decision-making (Oladejo et al., 2009). In addition, EI concerns the set of concepts, methods and tools that unify all of the coordinated actions of research, acquisition, treatment, storage and diffusion of information that are relevant to individual or clustered enterprises and organisations in the framework of a strategy (Cetisme Project, 2002).

The EI represents the control and protection of strategic information that enables the entrepreneur to optimise decision-making. EI is further defined as the art of observation and the art of detecting threats and opportunities by coordinating the collection, sorting, storage, validation, analysis and dissemination of useful or strategic information to those in need. The notion of EI also concerns the set of concepts, methods and tools that unify all of the coordinated actions of research, acquisition, treatment, storage and diffusion of information that are relevant to individuals or organisations in the framework of a strategy with aimed of economic benefits (Briciu et al., 2009).

The concept of EI evolved through four periods (Briciu et al., 2009):

- in the 1980s and early 1990s, the definitions focused on processes, tools and techniques
- in the 1990s, definitions focused on the use of economic intelligence or strategic vigils and their overall objectives
- in the late 1990s, the concepts of management and collective intelligence, organisational learning and collaborative work emerged
- in the 2000s, the definition expanded to include, in addition to the previous notions, those of cultural identity, regionalism and the concept of economic defense.

There are three major economic actors involved in the process [Oladejo et al., (2009), p.5):

- decision-makers, who must formulate exact descriptions of the decision/problem
- watchers, or those charged with obtaining relevant information associated with the decision/problem at hand, who must locate, supervise, validate and emphasise the strategic information needed to solve the problem
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- a project coordinator who serves as a link between decision-makers and watchers as well as end users.

4 EI and knowledge management

EI shares with technological watchers (see Figure 1) and knowledge management (KM) in the formation of strategic intelligence based on internal information from KM as well as external information that provided from EI with technological watch which supports the strategic vigilance. The EI process watches all environment indicators, especially those that concern economic competitiveness and are based on knowledge process.

The function of intelligence is not to pursue knowledge for its own sake but rather to throw light on the probable consequences of present or future action (Millikan, 1956). KM identifies, creates, represents, and distributes the knowledge.

According to the Cetisme Project (2002), KM follows some of the concepts associated with EI:

- competitive intelligence (CI) could be considered as centred in market and competence issues
- business intelligence focuses on dealing with quantitative information and the software methods and tools to process it (e.g., data mining, data warehouse)
- technology watch refers to a system focused on the active monitoring of technological topics or issues, such as patents, intellectual property rights, research, products, standards, trends analysis and foresight programs that have been at the forefront of intelligence methods and tools
- economic and technologic intelligence (ETI) covers the same field as EI, especially stressing the aspects linked to technology
- KM focuses on existing knowledge inside of the organisation and ways of capturing it in a collaborative framework
- other intelligence techniques and methods, such as defense and lobbying, are sometimes called strategic intelligence.

EI is based on the exploitation of publicly available sources and differs from economic espionage in that it makes use of legal means to acquire information and the pursuit of EI, at the organisation, industry, and state levels. At the operational level, EI can be thought of as both a product and a process. The product of EI is workable information and knowledge, and the process of EI is the systematic acquisition, evaluation and production of that usable information and knowledge (Clerc, 1996).

Entrepreneurship and economic growth are two sides of the same coin, and both depend on knowledge. “Entrepreneurship can contribute to economic growth by serving as a mechanism that permeates the knowledge filter” [Audretsch et al., (2006), p.188].

The entrepreneurship is the main factor in change and stimulation of development with continuous creativity and innovation [Fathi, (2014), p.25].

Gib, Clark and Freson stated that entrepreneurship is as systematic, conscious and goal-oriented process that transfers needed knowledge and information for entrepreneurship. This notion includes improvement and development of attitudes and
abilities of non-entrepreneurs. Therefore business intelligence and entrepreneurship in one commercial system or unit are necessary and interdependent on each other (Fathi, 2014).

EI has many benefits, including science, technology and economy.

Intelligence is represents the top of mental model (Figure 2).

**Figure 1** Economic intelligence and KM as part of strategic intelligence

The preliminary data are based on acts and facts and derive from the physical world. After the data are structured, they become information and turn information into knowledge after it is measured based on personal criteria. This process generates understanding and personal meaning. Finally, the intelligence crystallised in applied to solve the problem or situation during decision-making.

The difference between data and information, knowledge and intelligence can be determined according to the following:

- **Data**: raw, unconnected figures, words, events, existing without a conceptual framework of reference. With the context missing, there is little or no meaning at all in the data.
- **Information**: where there is an understanding of the relationships between data, or between pieces of data and other information, but not providing a foundation for why the data is what it is, nor an indication as to how the data is likely to change over time.
Figure 2  From data to intelligence

Knowledge: when a pattern relation exists in the data and information, the pattern has the potential to represent knowledge, provided that the user is able to realise and understand the patterns and their implications. The pattern tends to create its own context rather than being context dependent, providing a high level of reliability or predictability as to how the pattern will evolve over time.

Intelligence (or wisdom) arises when the user understands the principles responsible for the patterns representing knowledge. Information, knowledge, intelligence and wisdom are more than simply collections: a collection of data is not information, a collection of information is not knowledge, a collection of knowledge is not wisdom, a collection of wisdom is not truth [Cetisme Project, (2002), p.18].

Table 1 shows a review of activities, methods and tools for different stages of the process of economic intelligence.
<table>
<thead>
<tr>
<th>Stage of economic intelligence process</th>
<th>Actors</th>
<th>Activities and areas of expertise</th>
<th>Examples of tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Identification of the problems</td>
<td>Decision maker</td>
<td>• Knowledge of environment</td>
<td>Analysis methods and tools:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Pareto, SWOT, Ishikawa diagram, BCG, six sigma.</td>
</tr>
<tr>
<td>2 Transformation of decision problem</td>
<td>Decision maker and watcher</td>
<td>• Skills for decision problem analysis and informational problem projection</td>
<td>Needs analysis and tools:</td>
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<td>into information</td>
<td></td>
<td>• Monitoring and evaluating the translation process</td>
<td>• Auditing method and tools, TQM, PDPA</td>
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<td></td>
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<td>• Brainstorming tools and concept mapping.</td>
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<td></td>
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<td></td>
<td>• Computer supported cooperative work.</td>
</tr>
<tr>
<td>3 Identification of relevant information sources and validation of sources</td>
<td>Watcher</td>
<td>Search for formal and informal sources:</td>
<td>Databases, documentary software</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Valuation of the indicators by information retrieval</td>
<td>Enterprise information portal (EIP)</td>
</tr>
<tr>
<td>4 Collection and validation of</td>
<td>Watcher</td>
<td>• Skills and abilities for information systems and documentary language</td>
<td>Intelligence agents</td>
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<tr>
<td>Information</td>
<td></td>
<td></td>
<td>• Specialised portals</td>
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<td></td>
<td></td>
<td></td>
<td>• Documentation</td>
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<td></td>
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<td>• Archives and recording tools</td>
</tr>
<tr>
<td>5 Processing the collected information for the calculation of indicators.</td>
<td>Watcher</td>
<td>• Intellectual and physical processing of documents (description, tracking, indexing, memorisation, abstract)</td>
<td>Automatic abstracting and summarizing tools</td>
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<td></td>
<td></td>
<td></td>
<td>• Classification tools</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• Infometry, statistical methods and tools</td>
</tr>
<tr>
<td>6 The adapted presentation of</td>
<td>Watcher</td>
<td>Describing a final format for presenting information (contingency tables, graphs, notes, reporting)</td>
<td>Collaboration tools</td>
</tr>
<tr>
<td>informational solutions</td>
<td></td>
<td></td>
<td>• Dissemination tools</td>
</tr>
<tr>
<td>7 Interpretation of the information</td>
<td>Decision maker</td>
<td>• Ability to analyze and interpret information</td>
<td>• Decision support systems (DSS), SIS</td>
</tr>
<tr>
<td>8 Decision making for the resolution of the problem</td>
<td>Decision maker</td>
<td>• Knowledge of decision-making process</td>
<td>• Management tools, scoreboard, decision matrix</td>
</tr>
<tr>
<td>Protection of informational patrimony (throughout the entire process)</td>
<td>Watcher and decision maker</td>
<td>• Monitoring the informational indicator</td>
<td>• Decision support systems (DSS), SIS, data warehouse, data mining</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Identifying, disseminating, storing, sharing and protecting knowledge</td>
<td>• Management tools, scoreboard, decision matrix</td>
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<td>• Selective dissemination of information</td>
<td>• Security software for systems</td>
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<td>• Patents, quality norms, brand image, etc.</td>
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<td></td>
<td>• Securisation of LAN and PAN networks, video surveillance systems</td>
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<td></td>
<td></td>
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<td>• Intranet, virtual private networks</td>
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</tbody>
</table>

Source: Briciu et al. (2009, p.29)
5 Conclusions

- Entrepreneurship as an idea centres on the notion of risk and opportunity so that the essence is the desire to continue the opportunity regardless of the availability of resources. An entrepreneur is innovative and an opportunity-finder.
- Entrepreneurship reflects exploration; management represents exploitation. Entrepreneurship also reflects beginnings and strategic management refers to goals.
- Entrepreneurship exists under both opportunity and risk.

Three approaches to entrepreneurship include:

- Economic: focuses on the results of the actions of entrepreneurs rather than on the entrepreneurs themselves or even their actions and the effects on the overall economic system.
- Social-psychological: focuses on the entrepreneur as an individual, including the individual’s characteristics and characteristics of the environment as motives of the individual entrepreneur’s behaviour.
- Administrative: focuses on entrepreneurial management characteristics. Thus managerial behaviour of an entrepreneur becomes or represents the link between cause and effect. The how is the most suitable to the business school as it focuses on understanding and improving managerial practice.

To enhance the role of EI in business entrepreneurship, one must:

- Promote transparency and freedom of publication through the horizontal flow of information.
- Establish and develop scientific research centres.
- Support the role of commercial, agricultural and industrial activities with available the useful information.
- Encourage investment bodies to be incubators of business.
- Support scientific centres with systems and information and communications technology.
- Provide the infrastructure necessary.
- Protect informational heritage and intellectual property of organisations.
- Promote organisations learning for efficient acquisition, protection and use of information.

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References


Notes

The following three references for articles in French:

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