

6-10-2006

TYPES OF OPPORTUNITY IDENTIFICATION AND DEVELOPMENT PROCESSES (INTERACTIVE PAPER)

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Recommended Citation

Alsos, Gry A. and Rasmussen, Einar (2006) "TYPES OF OPPORTUNITY IDENTIFICATION AND DEVELOPMENT PROCESSES (INTERACTIVE PAPER)," *Frontiers of Entrepreneurship Research*: Vol. 26: Iss. 9, Article 11.

Available at: <http://digitalknowledge.babson.edu/fer/vol26/iss9/11>

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INTERACTIVE PAPER SESSION

TYPES OF OPPORTUNITY IDENTIFICATION AND DEVELOPMENT PROCESSES

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Principal Topic

Without opportunity there is no entrepreneurship. The interest into the process of opportunity emergence and development is growing. This has resulted in thoughtful discussions about definitions of opportunity as a concept; the value of the opportunity concept to entrepreneurship research; as well as exploration of opportunity generation processes, opportunity evaluation processes, and opportunity exploitation processes. So far, few empirical studies have investigated entrepreneurial opportunities. This study adds empirical data by investigating the opportunity identification and development process in nine cases.

Entrepreneurial opportunities have been defined as situations in which new goods, services, raw materials, markets, and organizing methods can be introduced through the formation of new means, ends, or means-ends relationships. Opportunities vary largely in complexity and characteristics, and so do the processes through which they are identified. The literature has discussed at least two dimensions of such variations. First, opportunities may be of a Schumpeterian or Kirznerian type, related to the use of *new* versus differences in access to *existing* information respectively. Secondly, opportunities may be more or less pushed by alertness or deliberate search. Taking these two dimensions into account, this study develops a typology of the opportunity identification processes. Characteristics of different types of opportunity identification processes are identified using a broad empirical sample. Further, this paper explores how these characteristics vary and change throughout the process.

Method

Acknowledgment of the possible large variation in opportunity identification processes, calls attention to the need for studies including a variety of situations and contexts. This study uses theoretical sampling to choose cases representing broad variations on the two dimensions in the typology. The cases were found in highly different entrepreneurial settings, including university spin-offs, technology start-ups, farm-based diversification, and youth enterprises.

Results and Implications

Opportunity identification processes of different types are found to vary across characteristics such as source of initial idea, how much the initial idea changes during the development process, type of knowledge utilized, and time used to develop the opportunity. Interestingly, the cases did not consistently fit to the initial typology, but varied on the dimensions throughout the opportunity development process. Hence, opportunity identification is not an instant happening, but a process where characteristics, speed, and action patterns fluctuate.

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