INDIVIDUAL FACTORS INFLUENCING THE WAY ENTREPRENEURS INTERPRET AN OPPORTUNITY (INTERACTIVE PAPER)

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INTERACTIVE PAPER

INDIVIDUAL FACTORS INFLUENCING THE WAY ENTREPRENEURS INTERPRET AN OPPORTUNITY

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Principal Topic

Opportunity identification has always been considered as a central aspect of entrepreneurship (Gaglio, 2004, Kirzner, 1979; Shane and Venkataraman, 2000, Shane, 2003). However, there is no agreement among scholars on how to define and how to operationalize opportunity identification. In this paper, we focus on the process by which individuals interact with the opportunity identified to develop personal business concepts. Opportunities are vague ideas about potential profit making while business concepts are elaborated ideas corresponding to a personal opportunity. Business concepts are thus, subjective constructs resulting from individual interpretation of the opportunity identified. In an effort to document this process of opportunity interpretation, we are conducting an empirical study which explores mental processes underlying new business concepts elaboration. This analysis allows the identification of individual factors influencing opportunity interpretation rather than analyzing properties that prompt individuals to become entrepreneurs (Venkataraman 1997). In doing so, we are focusing on the nexus of the individuals and the opportunities.

Method

The aim of the study is to identify mental processes used by entrepreneurs to interpret opportunities. The explanatory nature of this inquiry suggests the use of a multi case study methodology. Interviews are conducted with potential entrepreneurs who are still in the process of new venture creation. This reduce methodological bias related to reported information once the opportunity has been validated through venture creation. Potential entrepreneurs following an entrepreneurship program are approached to understand the way they interpret the opportunity identified and how they construct business concepts.

Results and Implications

The interviews conducted show that opportunity interpretation is a conception process. Individuals formulate business concepts as a relationship between their personal aspirations and desires and the environment acceptance. Perception of individual resources plays a mediating role in this relationship.

The paper has two main contributions. First, it adds to the comprehension of one of the main and central questions to the domain of entrepreneurship: “how entrepreneurs interact with the entrepreneurial process to construct business concepts”? Second, it stresses the subjectivity of business concept development process and highlights individual factors influencing the way entrepreneurs interpret opportunities.

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