THE IMPORTANCE OF CHANCE EVENTS IN ENTREPRENEURIAL OPPORTUNITY DEVELOPMENT (SUMMARY)

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Principal Topic

A persistent challenge for scholars is the reconciliation of the retrospective clarities of entrepreneurial opportunities with their prospective opaqueness. While recent conceptual work acknowledges that entrepreneurial opportunities start out as mere venture ideas and are developed through a process of learning and social interaction, we still lack a substantive understanding of how the process unfolds from initial idea to fully shaped opportunity. In the context of recent observations of the sequence of activities constituting the start-up process as rather unstructured, a higher level of abstraction is needed to capture the process and its generative mechanisms.

Method

We “zoom in” the opportunity development process by using grounded theory (Glaser and Strauss, 1967). Our sample of nine nascent entrepreneurs includes males and females, services and manufacturing, social enterprises, etc. We seek to extract commonalities among the nine narratives through the method of constant comparison, whereby we build and refine the conceptual categories that emerge from the data until we reach theoretical saturation.

Results and Implications

We identify three overarching concepts - actions, context and chance events – that constitute the building blocks of the opportunity development process. The generative mechanism for the unfolding of the process over time is a series of junctions. At each junction lie chance events that trigger insights or commitment that in turn lead to actions that take the process forward. The chance events themselves emerge from encounters occurring in the context of the business of daily living that provide the nascent entrepreneur with new information; such information proves meaningful in the entrepreneur’s personal, work, environmental or new business context. Each junction is by itself necessary but not sufficient for the ultimate outcome of the process.

The main contribution of the paper is its head-on encounter with process, thereby delivering on the field’s long-term aspirations to develop understanding of the entrepreneurial process. The process is open ended in nature, providing very loose coupling between initial idea and its ultimate realization (or lack thereof). What lies in between are a series of exogenous, non-foreseeable events that provide crucial input in view of the final outcome. This suggests that a process understanding introduces a major reconceptualization of research related to opportunity development and business emergence.

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