



# Entrepreneurial opportunity pursuit through business model transformation: a project perspective

Paolo Di Muro <sup>a,\*</sup>, J. Rodney Turner <sup>b</sup>

<sup>a</sup> School of Management, Politecnico di Milano, Italy

<sup>b</sup> SKEMA Business School, Lille, France, School of Management, Politecnico di Milano, Italy and Shanghai University China

Received 19 August 2017; received in revised form 30 June 2018; accepted 4 July 2018  
Available online xxxx

## Abstract

The purpose of this article is to improve our understanding of the theoretical and managerial implications of entrepreneurial pursuit once an opportunity has emerged as a possible and desirable future situation. We suggest opportunity pursuit is a project in nature and, through analytical conceptualization, we frame a newly termed and defined concept of “Opportunity Project”, described as the unique, temporary and judgmental transformation of business models, with the purpose of turning opportunities from a state of possibility to that of beneficial change delivery. The perspective proposed in this paper extends literature by (1) offering a novel consistent project-oriented view capable of clarifying the underlying and explicit mechanisms activated during the entrepreneurial pursuit of opportunities, (2) posing business model transformation as a critical dimension of such perspective and (3) suggesting a four stage cycle aimed at judgmental alignment and adaptation of strategy and execution. Doing so, this paper corroborates the ongoing movement of project management from an operational discipline towards organization and strategy fields and suggests, to two so far segregated communities of entrepreneurship and project management researchers, a joint stream of interest is possible and that it has potential to disclose knowledge and support entrepreneurial action in practice.

© 2018 Elsevier Ltd. APM and IPMA. All rights reserved.

*Keywords:* Entrepreneurship; Opportunity; Projects; Business model; Strategy

## 1. Introduction

The field of entrepreneurship remains emerging (Shane, 2012; Kuratko et al., 2015) and debated (Alvarez and Barney, 2007; Dimov, 2011; Davidsson, 2015) with lack of consensus about its fundamental dimensions and meaning (Hansen et al., 2009; Shane, 2012). Entrepreneurship has developed as a business discipline by “borrowing, building upon and adapting theoretical and conceptual work” from other disciplines and is interdisciplinary (Kuratko et al., 2015, p.1), thus posing the bases for the perspective we propose here, at the intersection

between entrepreneurial opportunity and project management streams of research.

We associate the concept of entrepreneurship with “the effort to create purposeful, focused change in an enterprise’s economic or social potential” (Drucker, 1985b, p.1), enacted by individuals or teams when starting new firms or inside established organizations (Shane and Venkataraman, 2000; McMullen et al., 2007) “organizing efforts that previously had not existed” (Shane, 2003, p.4). We build on Shane and Venkataraman (2000, p.218), who claim entrepreneurship is centered around “how, by whom and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited” with “downside risk, because time, effort, and money must be invested before the distribution of the returns is known” (p.223).

\* Corresponding author.

E-mail addresses: [paolo.dimuro@polimi.it](mailto:paolo.dimuro@polimi.it), (P. Di Muro), [rodneyturner@europrojex.co.uk](mailto:rodneyturner@europrojex.co.uk). (J.R. Turner).

### 1.1. A project perspective of opportunity pursuit

We believe the emphasis on how (means, processes, quality), whom (resources and organization), effects (scope and inherent change), money (cost), risk, time and unprecedented effort underpins the application of a project perspective, that we expect to result capable of offering a higher degree of understanding of the underlying and explicit mechanisms activated during an entrepreneurial pursuit of opportunities. We believe a project perspective holds potential for scholars and practitioners to clarify the dynamics of opportunity seizing that are still conceptually undefined and empirically elusive (Short et al., 2010; Dimov, 2011), as well as to describe how opportunity pursuit is formulated, appraised and governed in time as a unique development aimed at delivering beneficial change. Working at the intersection between the fields of entrepreneurship and project organizing, this paper aims at offering a consistent view capable of corroborating the ongoing movement of project management from an operational discipline towards organization and strategy fields, as well as overtaking isolated perspectives proposed by earlier studies and typical of entrepreneurship research (Venkataraman, 1997; Shane and Venkataraman, 2000; Alvarez and Busenitz, 2001), thus bridging two so far segregated communities of researchers (Kuura et al., 2014). Also, we expect this work can provide guidance to formulate, appraise and govern opportunity pursuit in practice, supporting managerial decisions in the course of strategy and execution phases.

In particular, we are interested in creating an analytical framework for opportunity pursuit by applying a project perspective to show how elements typical of projects – temporariness, uniqueness and beneficial change – can properly describe the action-based and judgmental nature of opportunity enactment but are instead underexplored in extant literature. To further develop our reasoning, in the second part of the article we will initially address the construct of business model – the fundamental logic at the intersection of strategy and execution that describes unique value offered and how an organization will configure to deliver it at sustainable profits (Eisenmann, 2012) – and compare its elements to project functions to deduce the dimensions of opportunity-related projects. We will then progress depicting the dynamic and transformational development of such projects building on project stage cycles theory (Turner, 2014). The research aims can thus be summarized into two main research questions being (1) “can the pursuit of opportunities be described within the framework of projects?” and (2) “what is the role of business model in the formulation of such projects?”.

## 2. Literature review

This section reviews earlier literature about (1) opportunities in entrepreneurship research, in order to identify earlier perspectives and their underlying factors, (2) the nature of opportunities, (3) project orientation, to provide with a landscape of established research, (4) earlier research at the intersection between entrepreneurial opportunities and project

orientation, to clarify theoretical gaps and room for advancement and (5) the role of business model in opportunity pursuit and associated dimensions.

### 2.1. Opportunities as entrepreneurial focus

Opportunities are focal to entrepreneurship (Shane, 2000; Venkataraman et al., 2012; Shane, 2012; Alvarez and Barney, 2013) to a point that entrepreneurship is claimed to be “the process by which individuals – either on their own or inside organizations – pursue opportunities” (Stevenson and Jarillo, 1990, p.23); Shane and Venkataraman (2000, p.218) argued entrepreneurship is an opportunity-based behaviour and that the entrepreneurial act centers primarily around “how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited”; in a similar vein, Timmons and Spinelli (2004, p.101) suggested entrepreneurship is “a way of thinking, reasoning and acting that is opportunity obsessed”. Casson (2000, p.2) noted “an entrepreneur is someone who specializes in identifying new opportunities for coordination” and Short et al. (2010, p.40) claimed “without an opportunity, there is no entrepreneurship. A potential entrepreneur can be immensely creative and hardworking, but without an opportunity to target with these characteristics, entrepreneurial activities cannot take place”. Entrepreneurial opportunities are exploited when they match with twofold individual needs, that is meeting two tests as suggested by Stevenson and Gumpert (1985): (1) representing a desirable future state and involving growth or at least change, that couples with (2) an individual's belief that the new state is reachable, that is when an opportunity is judged to be a “future situation which is deemed desirable and feasible” (Stevenson and Jarillo, 1990, p.23). This confirms the centrality of the individual-opportunity nexus (Venkataraman, 1997; Shane and Venkataraman, 2000; Eckhardt and Shane, 2003a), as it associates the presence of lucrative opportunities and of enterprising individuals ready to act. This readiness is hardware – access to tangible resources – and software, as individuals have different desires, they perceive themselves with different capabilities and capabilities depend on innate skills, training and the competitive environment (Stevenson and Jarillo, 1990). Opportunities also configure as social constructions that do not exist independent of entrepreneur's perceptions (Alvarez and Barney, 2007) and imagination (Klein, 2008) and they are intertwined with individual beliefs (McMullen and Shepherd, 2006; Shepherd et al., 2007) and judgment (Hebert and Link, 1989; Klein, 2008, 2016).

### 2.2. On the nature of opportunities

Though central in research about entrepreneurship and in practice, opportunity still remains a vague construct and the dynamics of opportunity recognition, selection and seizing are conceptually undefined (Davidsson, 2015) and empirically elusive (Eckhardt and Shane, 2003a, 2003b; Dimov, 2011). Scholars have extensively debated about the nature of

Download English Version:

<https://daneshyari.com/en/article/6747996>

Download Persian Version:

<https://daneshyari.com/article/6747996>

[Daneshyari.com](https://daneshyari.com)