Opportunity-based new venture creation: An opportunity, outcome and process (O-O-P) framework

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Outline

Focus:
- New venture
- Role of ‘opportunity’ in entrepreneurial startup process (IO-nexus)

Issues to address:
- Is ‘opportunity’ a necessary & sufficient determinant?
  - An object (antecedent) of entrepreneurial phenomenon?
    - Why venture
  - Or subject of entrepreneurial process?
    - For what venture outcome (end/s)
    - How to (mean/s) venture → exploit opportunity; achieve outcome

Purpose of research: a priori General theory/conceptual framework
- a priori general theory / conceptual O-O-P framework:
  ‘From opportunity, through opportunity, to opportunity’

Causality:
Antecedent (opportunity) →→ End (outcome) →→ Mean (process) : a priori

Solves circularity:
Antecedent (opportunity) →→ Mean (process) ↔ End (outcome) : a posteriori
O-O-P framework: Development

‘From opportunity, through opportunity, to opportunity’

Integrates/develops theory for research & practice, revealing:

(1). Nature of key variables

• **Antecedent** – *What (opportunity)*:
  → **Ontology** of opportunity (*what, where, why, when*) in the yin-yang universe

  ✓ Duality: **Nexus** of 2 elements interacting under imperfect conditions in new or existing markets as either root-origin or instrumental mean and vice versa.

  ✓ 8 opportunity-nexuses /types

  ✓ Each: unique risk/uncertainty profile, 1 of 2 unique orientations

→ **Epistemology** of opportunity: *How* formed:

  ✓ 3 extant traditions:
    – Discoverist-realist, constructionist, & creationist-evolutionist

  → +1 new view: Regressionist

• **End** – *For what (venture outcome)*:

  ✓ Related back to root-origin

• **Mean** – *How (process/action)* exploit opportunity to achieve outcome

  ✓ 2 continua of orientations

(2). **Causality:**

Antecedent (*Opportunity/root-origin*) →→ End (*Venture Outcome*) →→ Mean (*Process*)
O-O-P framework: Contribution

‘From opportunity, through opportunity, to opportunity’

Antecedent (Opportunity/root-origin) ➔ End (Venture Outcome) ➔ Mean (Process)

Operationalizes theory for research & practice:

- **Opportunity-hexadecadrant** –
  - Shows opportunity: types, how many, profiles, outcomes, means/processes
  - Indicates ‘degree’ of entrepreneurship & ‘level’ of innovation
    - Risk-uncertainty (Knight, 1921)
    - Degree of innovativeness
  - Provides an Integrated decision-making platform
    - Highlights endogenous & exogenous innovative changes
      (Drucker, HBR1985; Schumpeter, 1934; Von Hippel, RP1982)
    - Facilitates strategic decision-making
      » Strategies
      » Boston matrix
      » Porter’s 5 forces,
      » PEST analysis
      » force-field analysis
      » etc.
    - Develops competitive response to imitative entries
O-O-P framework: Value

- **Coverage of domain area:**
  - Wide and extensive
    (Per Davidsson, Douglas Evans, Saras Sarasvathy, Dean Shepherd, Shane, Venkataraman, Alvarez/Barney/Young)
  - Deep
    (Alfred Marshall, Hayek, Von Mises, Kirzner)
    (Schumpeter, Drucker)
    (Knight, Gleick)
    (Kahneman, Popper)
    etc., etc. . .
  - Time horizon
    (Fuxi 2800 BCE, Descartes)

- **Plenty of takeaways**
  - Research
  - Practice
  - Teaching
  - Policy-making