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Abstract

Insufficient understanding of entrepreneurial opportunities characterizes entrepreneurship research (Companys & McMullen 2006, 302). Subsequently, the purpose of this study was *to analyze the concept of entrepreneurial opportunity and to explore and synthesize the integrated theory of entrepreneurial opportunity*. A theoretical and concept analytical approach was adapted.

Findings of this study was that entrepreneurial opportunity concept was used for variety of different phenomena. No commonly accepted definition existed. Altogether 24 attributes that described the concept were found. The most frequently attached attributes were agent and action, new goods and services, market, value, new means ends or both, and future. Further, the results implied that opportunity could be best understood as a part of a process. Opportunity emerges out of intervened factors. Changes in the environment together with factors related to knowledge, cognition and social ties are the most important drivers of opportunity. Preventing factors that impeded the emergence of opportunity were typically related to cognitive and organizational factors.

This study found a tendency towards more integrated theory of entrepreneurial opportunity. The integrated theory acknowledged the usefulness of both discovery and creation theories of opportunity in explaining opportunity. Yet three argument types of integrating two different opportunity theories were identified. These were process category, contextual category and complementing category.

Opportunity is at the same time cognitive, social and linguistic construct, although it is shaped by the objective environment. Opportunity requires linguistic endeavors to become explicit. Materialization of opportunity occurs in a social context. Moreover, it is always characterized by some extent of subjectivity, as opportunities cannot appear without the agent and their action. Due to these the concept remains always to some extent ambiguous. Tolerating and harnessing change and investing in human and social capital create the preminent environment for the entrepreneurial opportunity to be identified.

Key words	Entrepreneurial opportunity, entrepreneurship, new business creation
Further information	



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Tiivistelmä

Ymmärrys liiketoimintamahdollisuus -käsitteestä ja sitä ympäröivistä prosesseista on puutteellista (Companys & McMullen 2006, 302). Tästä johtuen tämän tutkimuksen tarkoitus oli *jäsentää liiketoimintamahdollisuus -käsitettä sekä tarkastella ja järjestää uutta teoriasuuntausta, jossa integroituu kaksi eri liiketoimintamahdollisuuksien teoriaa*. Tutkimusasetelman vuoksi teoreettinen ja käsiteanalyttinen tutkimustapa oli sopivin tapa lähestyä tutkimuskysymystä.

Liiketoimintamahdollisuus -käsitettä käytettiin kuvaamaan useita erilaisia ilmiöitä. Täten yksiselitteistä määritelmää käsitteelle ei löytynyt. Yhteensä 24 ominaispiirrettä kuvasi käsitettä. Näistä yleisimmät olivat toimija ja toiminta, uudet tavarat ja palvelut, markkinat ja arvo. Lisäksi havaittiin, että käsite pitäisi ymmärtää prosessina. Liiketoimintamahdollisuudet saavat alkunsa yhdistelmästä erilaisia tekijöitä. Liiketoimintamahdollisuuksia synnyttävät muutokset ympäröivässä maailmassa, jotka yhdistyvät tietoon, kognitiivisiin elementteihin ja sosiaaliseen verkostoon liittyviin tekijöihin. Liiketoimintamahdollisuuksien syntymistä saattavat estää organisatoriset ja kognitiiviset tekijät.

Tutkimuksen yhtenä tärkeimmistä löydöksistä oli muutos tutkimussuuntauksessa kohti yhtenäisempää ymmärrystä uusista liiketoimintamahdollisuuksista. Aiempi tutkimus aiheesta on jakautunut kahteen eri teoreettiseen suuntaukseen. Uuden yhtenäisen näkemyksen mukaan molemmat teoriat yhdessä selittävät liiketoimintamahdollisuuksia ja niiden syntyä. Uusi suuntaus on jakaantunut prosessi-, konteksti ja toisiaan täydentävät -kategoriaan.

Liiketoimintamahdollisuuksien -käsite on kognitiivinen, sosiaalinen ja kielellinen konstruktio, vaikka se saa vaikutteita objektiivisesta maailmasta. Jotta liiketoimintamahdollisuus tulisi tietoisuuteen, se on argumentoitava. Käsite on myös subjektiivisesti väritynyt, koska se ei voi esiintyä ilman toimijaa. Käsitteen tekee merkitykselliseksi sitä ympäröivä sosiaalinen ympäristö. Näiden tekijöiden vuoksi käsite tulee olemaan aina moniselitteinen. Muutoksen hyväksyminen ja vaaliminen sekä panostus ihmisiin ja sosiaaliseen pääomaan ovat parhaita keinoja uusien liiketoimintamahdollisuuksien luomisessa.

Asiasanat	Liiketoimintamahdollisuus, yrittäjäyys, uuden liiketoiminnan luonti
Muita tietoja	

TOWARDS CONCEPTUALLY COMPRE- HENSIVE AND INTEGRATED THEORY OF ENTREPRENEURIAL OPPORTUNITY

Master's Thesis
in International Business

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1 INTRODUCTION

1.1 Background to the study

Concept of entrepreneurial opportunity is surrounded by a paradox –*the opportunity paradox*. Paradox equates to the simultaneous existence of two inconsistent states (Eisenhardt 2000, 703). In terms of entrepreneurial opportunity the existing paradox is problematical. Opportunity is a familiar concept used everywhere, thus assumed that everyone knows its meaning. It has become a catchphrase in daily business terminology (Harms, Schulz, Kraus & Fink 2009; Morris 2005). Despite this, it has been shown that in most cases we do not actually know what opportunity means (McMullen, Plummer & Acs 2007, 274; Harms et al. 2009, 67). Opportunity is regularly dealt implicitly (Harms et al 2009, 67). If one was asked to define opportunity, it may suddenly feel as challenging task. This is the opportunity paradox.

The macro-level impacts of entrepreneurial opportunities are significant. Opportunities are regarded as the key driving forces of economic growth and social development (Holcombe 2003, 25) as well as overall wealth creation of an economy (Schumpeter 1942). New entrepreneurial ventures generate value for society by creating more jobs and tax revenues. Better products and services for consumers provides higher standard of living for society (Lee, Peng & Barney 2007). Successful exploitation of entrepreneurial opportunities leads to technological modernization (Licht 2007, 817).

Yet entrepreneurial action in the economy is far from desired (European Commission 2011). This is most likely due to notion that entrepreneurship and new business creation are seen as a risk, challenge or even mysterious endeavor (European Commission 2010, 70). The significance of the issue has resulted the creation of a Small Business Act for Europe, which key principles are creation of complete SME policy framework, endorsement of entrepreneurship, incorporation of the Think Small First principle in law, and strengthening the competitiveness of SMEs' in the policy making (European Commission 2010, 2).

In micro-economic terms opportunities are also important, as the existence of firms is reliant on opportunities (Krueger 1998). Companies are required to identify and exploit opportunities in order to gain profit, increase growth, and attain competitive position (Eisenhardt 1989; Eisenhardt & Martin 2000; Sirmon, Hitt & Ireland 2007). Opportunity is the main driving force of venture creation instead of money, strategy, networks, team or business plan (Timmons 2004). Opportunities are crucial also for organizational strategy, adaptation, learning, and renewal (Crossan & Berdrow 2003, Mosakowski 1998, Zott & Amit 2007). Missed opportunities could have great opportunity costs (Ambitious, adept and agile 2010, 5). Current internationalization theories

also presuppose that opportunity is a prerequisite for internationalization (Chandra, Styles & Wilkinson 2009, 31).

The essentiality of entrepreneurial opportunity-seeking activity for the whole economy is evident, yet entrepreneurial opportunity is a complex phenomenon challenging to pursue. The lack of comprehensive knowledge what opportunities actually are most likely further complicates the detection of the phenomenon. Entrepreneurs, who have come up with a successful opportunity and created a new venture are believed to be talented people, who can see opportunities, where others do not (Allinson, Chell, & Hayes, 2000), thus receiving even a worship reputation. Consequently, taking away the blurriness and incorrect beliefs around the concept could help us to embrace opportunities.

Concept of opportunity is as applicable to existing organizations as it is to new ventures (Zahra & Des 2001, 8). Corporate entrepreneurship (Barringer & Bluedorn 1999; Stevenson & Jarillo 1990) is as important (Poudel & Thatcher 2010), as the existing firms may lack the motivation to identify the opportunities (Black & Gregersen 2003, 114). The concept has a significant importance in the born globals context as well. International opportunity is the prerequisite as well as the driver of internationalization process. The 21st century has been said to be a golden era for globally oriented entrepreneur (Ambitious, adept and agile 2010, 5). Google is a great example of an opportunity-seeking start-up that has grown fast to a huge corporation (Morlidge & Player 2010, 7). Finnish game developer start-up Rovio took a strategic choice to grow rapidly and this would have not been possible without the global orientation. Also multinational Microsoft has grown from a start-up venture into a multinational enterprise (Sahlman 1997, 106). In the core of these firms there has always been an entrepreneurial opportunity.

This study concentrates studying innovative opportunities in compared to non-innovative opportunities (see Figure 1). Innovative opportunities are groundbreaking and do not replicate existing business models. Innovative opportunities are referred as entrepreneurial opportunities. (Baron 2006, 107.) Entrepreneurial opportunities differ from larger set of all opportunities for profit. Opportunities that enhance the efficiency of existing goods, services, raw materials, and organizing methods are not innovative opportunities as they do not require the discovery of new means-ends relationships, but optimization within existing means-ends frameworks (Kirzner 1997, 69). Entrepreneurial opportunities have been paralleled to radical innovation in comparison to incremental innovation, which is characterized by smaller modifications (Chandra et al. 2009, 37). Entrepreneurial opportunity does not include arbitrage, franchise or imitation (Van Gelderen 2010, 141). Entrepreneurial opportunities are for instance new good, services, raw material, market or organizing method (Casson 1982; Shane and Venkataraman 2000, 220).

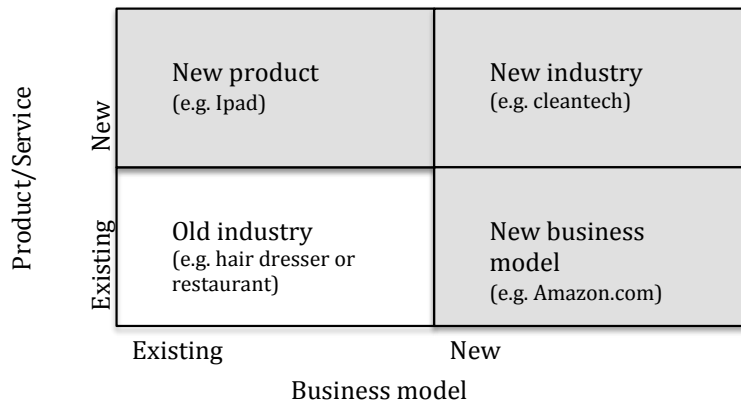


Figure 1 Innovativeness of business idea (Ideasta kasvuyritykseksi 2000, 31).

The Figure 1 illustrates the areas entrepreneurial opportunity covers compared to opportunities in general. The grey area describes the area of entrepreneurial opportunities, whereas mere opportunity is illustrated in the white area. Entrepreneurial opportunity includes new product or service, industry or business model. Subsequently, there are different types of entrepreneurial opportunities. The most innovative entrepreneurial opportunities are situated in the top right corner of the matrix. Therefore, pursuit of an opportunity that engages in new industry such as cleantech or pharmaceutical is considered as most innovative.

Having just explained that “entrepreneurial opportunity” is innovative in nature compared to just “opportunity”, both versions: entrepreneurial opportunity and opportunity, are simultaneously used to refer entrepreneurial opportunity in this study. This choice is in line with previous research, where shortened version of “entrepreneurial opportunity” has been used frequently. Thus opportunity in this study refers to *entrepreneurial* opportunity, which is a special type of opportunity.

1.2 Purpose of the study

Understanding of opportunities is inadequate in entrepreneurship research (Companys & McMullen 2006, 302). In the past, the established entrepreneurship theories suggested that entrepreneurial process were result of distinctive people that were different from other people (Shane & Venkataraman 2000, 219; Eckhardt & Shane 2003, 334). This aspect ignored the role of opportunities. Not until recently, the study of oppor-

tunity and processes related to it has gained increasing attention. (Companys & McMullen 2006, 302.) Still, the knowledge remains insufficient, as there is a lack of agreement on major concepts that define and operationalize the opportunity processes (Ardichvili et al. 2003, 107). Moreover, there is inadequate understanding of antecedents and essential processes of entrepreneurial opportunity identification (Grégoire, Barr & Shepherd 2010, 413). A good theory, after all, comprises explicitly defined concepts and as well as rigorously specified relationships among them (Bacharach 1989; Dubin 1978; Whetten 1989).

A deeper understanding of the nature and character of entrepreneurial opportunity concept is needed (Companys & McMullen 2007, 302). Opportunity is often dealt with only implicitly causing that the true nature of phenomena has remained unclear (Harms et al 2009, 67). In scientific language, the requirements for accuracy of the concepts are higher and more sophisticated than for concepts used in everyday language (Näsi 1980, 7). The lack of accuracy has made entrepreneurial opportunity overused and misused concept (Morris 2005, 50). This is strongly linked to the observation that characteristics to opportunity research are plentiful definitions of the opportunity concept, which are sometimes ambiguous or even contradictory (McMullen, Plummer & Acs 2007, 279–280). This has resulted a study bias as researchers have defined entrepreneurial opportunity independently and even disregard previous literature (Hansen, Shrader, Monllor 2011, 284). In addition, proposed opportunity theories do not offer a comprehensive understanding of the opportunity process, because studies have been concentrating to examine opportunity from only one of the various viewpoints of the process. Yet, comprehensive theory of opportunity is essential in order to link the research and reality (Ardichvili, Cardozo & Ray 2003, 107).

The emerging integrated view on entrepreneurial opportunity theory (see, for example, Berglund 2007; Edelman & Yli-Renko 2010) has not been examined previously, thus there is a need to examine and synthesize it. The emergence of integrated view on opportunity and to its related processes results from the prevalent character of opportunity studies. This new theoretical alignment attempts to find new solutions to advance the opportunity theory, which has centered decades on the problem whether opportunities are discovered or created (Alvarez & Barney 2007). This division into two different theoretical paradigms has disregarded the possibility of integration perspective on opportunity. It has been detrimental to the development of comprehensive theory of opportunity and the overall understanding of the phenomenon as noted by also Alvarez & Barney (2007) and Hansen et al. (2011, 285). The new approach efforts to examine opportunity from more unified perspective and demonstrate that integrated theory of opportunity is possible. The unified theory of opportunity has been seen as crucial in explaining the emergence and development of entrepreneurial opportunities, as theories should represent the reality (Berglund 2007). Moreover, the pur-

suit towards a single unified theory is important from the perspective of scientific development (Collins 1994). Comprehensive and accurate understanding on opportunity theory could have real-life implications, as for example there could be a link between understanding of entrepreneurial opportunity and number of failed start-ups and ventures (Dellabarca 2002, 54).

The purpose of this study is *to analyze the concept of entrepreneurial opportunity and to explore and synthesize the integrated theory of entrepreneurial opportunity*. These research gaps described prevent formation of holistic and integrative conceptual understanding on opportunity, which this study aims to meet. In order to yield holistic understanding, the research question is divided into three sub-questions:

1. What are entrepreneurial opportunities?
2. How entrepreneurial opportunities can be identified and promoted and what prevents their emergence?
3. How theory of opportunity can be explained integrating two distinct opportunity theories –discovery and creation theory of opportunity?

The operationalization table summarizes the purpose of the study (see Table 1 below).

Table 1 Operationalization table

Research question	Sub-questions	Themes	Methodology
<i>Purpose: to analyze the concept of entrepreneurial opportunity and to explore and synthesize the integrated theory of entrepreneurial opportunity</i>	What are entrepreneurial opportunities?	Definitions, attributes & related, borderline and contrary concepts	Concept analysis
	How entrepreneurial opportunities can be identified and promoted and what prevents their emergence?	Antecedents, and preventing factors of opportunities. Consequences of opportunities	Concept analysis
	How theory of opportunity can be explained integrating two distinct opportunity theories –discovery and creation theory of opportunity?	Integration of discovery and creation theories	Concept synthesis

As seen from above, the operationalization table summarizes the research questions and the themes examined in order find answers to questions. The themes are adapted from Walker & Avant's (2005) concept analysis model, which will be presented in the next chapter. The research methodology used in this study is also briefly presented.

2 RESEARCH DESIGN AND METHODOLOGY

2.1 Research approach

The purpose of the research method is to provide answers to the research question (Silverman 2001, 25). Therefore a careful consideration should be made in choosing an appropriate method. The foundation for the research is good, when there is coherence between research questions, science philosophy, research approach and theoretical understanding. (Hirsjärvi, Remes & Sajavaara 2004, 115). The research problem can be sparked by an empirical observation or by an observation or statement in the literature (Remenyi & Money 2006, 31). The latter characterizes this study. Therefore the research question requires theoretical and conceptual approach. An empirical study would not have provided answers to the conceptual and theoretical problem. Consequently, conceptual and theoretical (non-empirical) research approach is adapted in this study.

Empirical and practical research approach has been valued traditionally in business studies. This is a challenge for theoretical research since it is often viewed as abstract and indirectly as impractical. Theoretical research, however, is inherent to social sciences. (Kallio 2006, 514.) And in fact, theoretical non-empirical research and qualitative empirical research have many significant similarities (Kallio 2006, 510).

The aim of theoretical research is to use established ideas and concepts from existing literature and using reflective and conceptual analysis to develop and extend the previous studies and find new explanations and patterns (Remenyi & Money 2006, 29). Alvesson and Skoldberg (2001, 6) have defined reflection in a theoretical research as: “the interpretation of interpretation and the launching of critical self-interpretation of one's own interpretation”. It includes four characteristics, which are: creativity to perceive diverse sides, as well as theoretical sophistication, breadth and variation, and finally the capability to transfer the thinking into meta-theoretical level (Alvesson & Skoldberg 2001, 250). As this study is theoretical, it is reasonable briefly discuss what is theory. The basic elements of theory building are concepts, statements and theories (Walker & Avant 2005). Theory means systematically organized knowledge that is valid in wide context. It consists of assumptions, principles and rules that can be used to explain particular phenomenon at certain point in time. (Remenyi & Money 2006, 26.)

Opportunity is an essentially ambiguous concept, which is why this study is conducted. Concept analysis is method, which purpose is to construct system of concepts that are needed in describing and identifying phenomena (Olkkonen 1994, 65), therefore it is the most suitable to study the meaning of opportunity. Additionally the over-

use of opportunity concept makes concept analysis as a suitable method, since it refines concepts that are unclear or have become catchphrases and therefore lost their meaning. (Walker & Avant 2005 37; 74.) Concept analysis is useful for making the content of an existing theoretical concept explicit (Risjord 2009, 689). Also, the complexity of the phenomenon affected to the selection of Walker and Avant's (2005) concept analysis method as a research approach. Ardichvili et al. (2003, 107) have noted that opportunity and related processes are as a phenomenon highly complex, and previous studies in the area are cut across. Concept analysis enables the achievement of sophisticated and detailed knowledge about the concept and phenomenon behind it in comparison to empirical qualitative analysis. It is essential method in order to develop concepts and theory in science. (Puusa 2008, 37.) Concepts are not unchangeable, but they develop (Toftthagen & Fagerstrøm 2010). Therefore, this study does not provide definite truth, but the concept keeps evolving.

To answer to the third and last research question, concept synthesis is adapted. The technique in synthesis is to compare studies and find similarities. The similar arguments will be aggregated and put under a bigger category. Synthesis can initiate the appearance of completely new concept, because different studies indicate distinct results and arguments. (Walker & Avant 2005.) Concept analysis and synthesis fits perfectly together, because the research approaches overlaps, supports and complements each other.

To conclude, this study follows the principle of hermeneutic circle. The aim of hermeneutic approach is to understand and interpret knowledge. In a theoretical research the research question evolves during the research process, thus, revision of the question is probable as the study progresses. Unlike in a quantitative study hypothesis is difficult to achieve in a theoretical study in the beginning. (Kallio 2006, 528.) Following the hermeneutic circle, the knowledge and information gained later in the research process has caused re-evaluations and alterations for earlier phases.

2.2 Theoretical concept analysis model

In this study Walker & Avant's (2005) conceptual analysis model with modifications is adapted. The modifications arise from Risjord's (2009) criticism to particular weaknesses of this model. The modifications make the use of the Walker and Avant's concept analysis model more robust and evidence based and thus results more meaningful. Originally Wilson developed the model for nursing sciences in 1969, but the model is applicable for business studies as well (see, for example, Puusa 2008).

Walker and Avant (2005, 65) have modified Wilson's original 11-step model and according to them the process of concept analysis consists of eight phases:

1. *Selection of concept*
2. *Determine aims or purposes of analysis*
3. *Identify all uses of concepts (definitions)*
4. *Determine the defining attributes*
5. *Construct a model cases*
6. *Identify borderline, related, and contrary cases*
7. *Identify antecedents and consequences*
8. *Define empirical referents.*

Although presented separately, in reality different phases overlap during the research process (Walker & Avant 2005, 65).

2.2.1 Critique of method and modifications adapted

Risjord (2009) has justifiably pointed out the weaknesses of concept analysis model of Avant and Walker (2005) and presented means to improve the model's robustness. Risjord's suggestions for improvement have been adapted in this study to make it scientifically more rigorous technique.

The major problem in studies that have adapted concept analysis as their method, is that the author has failed to explain and justify his or hers choice of defining attributes for the concept in question (Paley 1996, 573). This results that there are no explanations why some attributes and not others have chosen to define the concept. As a result, the evidence base of published concept analyses is very weak. The problem is due to Walker and Avant's (2005) failure to provide guidance for how the attributes should be justified. As a consequence, the concept analysis has suffered from reputation of random and meaningless method with no real and scientific results. (Risjord 2008, 687.) Other weaknesses include that it has been applied as a linear process as a process of eight steps. Yet this is contrary to Walker and Avant's suggestions. In many concept analysis studies the attributes of the concept are recognized before the examination of cases. In other words, cases are transformed from evidence into illustrations, although the progression should be other way around. This adds little or no substance to the analysis (Risjord 2009, 686.)

Risjord (2008, 689) has argued that the means to scientifically improve concept analysis include deeper reflective questions and evaluative and comparative techniques. A rigorous concept analysis includes answering to following questions: *How is the concept defined in the theory? Does it define other concepts? What predictions or explanations do the concept enable that would not be possible without it? In which kind of causal generalizations or patterns descriptions does the concept materialize?*

How does the use of the concept make a difference to what is done, if the theory is applied in practice?

It is justifiable to encompass data for the analysis from variety of different theories from different fields, as suggested by Walker and Avant (2005), if the concept is characterized by wide-ranging utilization. In this case, the differences in the use of the concept between fields should be noted. A good analysis should isolate the dissimilarities and resolve whether one or actually many concepts exist. Recognizing the differences is an imperative for progress of theory construction. When the differences are explicated, comparing and evaluating theories becomes more exact. If the analysis fails to identify the differences, the study becomes incommensurable and it does not reflect reality, thus practical application is impossible. (Risjord 2009, 689.)

2.2.2 Progression of concept analysis process

A suitable concept for analysis is a concept of which one can find enough information, yet the concept should not be too broad in meaning (Puusa 2008, 39). The concept should be also chosen based on its significance. The significance refers for instance to a meaningful human goal or case and or solves a specific problem (see Toftthagen & Fagerström 2010, 22)¹.

In the third phase an extensive literature review was conducted to recognize all uses of the concept. The literature review should not be limited to only one science field, but to explore many research areas. (Walker & Avant 2005, 67.) Näsi (1980, 13) has referred to this phase of concept analysis as forming the knowledge base.

Identification of the attributes is done in the fourth step. The attributes make the concept unique in comparison to other concepts, and help the theorist to reflect the relationships between concepts (Walker & Avant 2005, 63–64). Näsi (1980, 13) refers to this in his model as internal analysis and suggest that it includes deconstructing, analyzing and discussion of different definitions. The main attributes of the concept are those that occur most often in the describing the concept. Also identifying other possible the attributes attached to the concept is important. (Puusa 2008, 40.) There is a lack of knowledge concerning this area in the existing literature making it extremely important phase of study (Risjord 2008, 687). Different people tend to end up slightly different definitions and characteristics for the same concept, therefore, the end result of the conceptual analysis is always tentative (Walker and Avant 2005, 63).

¹ Rodgers B-L. Concept analysis. An evolutionary view, chapter 6. In *Concept Development in Nursing: Foundation Techniques, and Applications*, 2nd edn (Rodgers BL, Knafl KA eds), 2000, W-B Saunders Company, Philadelphia, pp. 77–102.

A model case, which describes the use of the concept in reality, is developed in the fifth phase. The model case is constructed in order to demonstrate the defining attributes (Walker & Avant 2005, 68–69). In this step the invention of the researcher plays an important role (Puusa 2008, 40). In the case of opportunity indefinite number of cases could exist.

Exploring the closely related, borderline and contrary concepts are characteristics to the sixth phase. Näsi (1980, 13) describes this as external analysis, which means finding a place for the concept in the bigger system of concepts and distinguishing the principal concept from related concepts. Borderline concepts may contain most or even all of the attributes, but differ markedly in one of the attributes in compared to the principal concept. Related concepts are closely related and connected to the studied concept, but do not include all the defining attributes. Definition of related concept helps to understand how the main concept fits into the system of concepts surrounding it. A contrary concept does not have any of the defining attributes or consequences of concept under study. (Walker & Avant 2005, 70–71.) It is important to define the borderline, related and contrary concepts, since concepts become defined also in their relation to other concepts (Takala & Lämsä 2001).

Identification of antecedents and consequences of the concept is conducted in the seventh phase of analysis. Antecedents are events that should pre-exist before the concept can appear. Antecedents cannot be attributes of the concepts and vice versa. (Walker & Avant 2005, 72–73.) Consequences follow the appearance of the concept. By analyzing the consequences unknown issues or relationships between different concepts could be revealed. (Walker & Avant 2005, 72–73.) Antecedents and consequences of the main concept can aid to understand the science philosophical or ontological position of the researcher (Puusa 2008, 41). In opportunity studies the researcher's science philosophical position could be noted from his or hers definitions or views on sources of opportunity.

Definition of the empirical referents for the defining attributes of the main concepts is taking place in the last phase of Walker and Avant's (2005) analysis model. Empirical referents are classes or categories of real phenomena that by their presence indicate the occurrence of the concept. The empirical referents are usually same as the attributes of the concepts (Walker & Avant 2005, 73.) Therefore this phase is excluded from this study, as it does not provide any new knowledge.

Näsi (1980, 13) has argued that the final phase for the analysis is forming conclusions. The result should be defining, concluding and possibly make recommendations of the prospect use of the concept (Näsi 1980, 13). Conclusions should include for instance presenting the relationships between the concepts, possibly making typologies, accepting and stating the usefulness of existing concepts or forming new con-

cepts that are superior to the existing ones (Näsi 1980). Näsi's (1980) understanding of concept analysis process is presented in Figure 1.

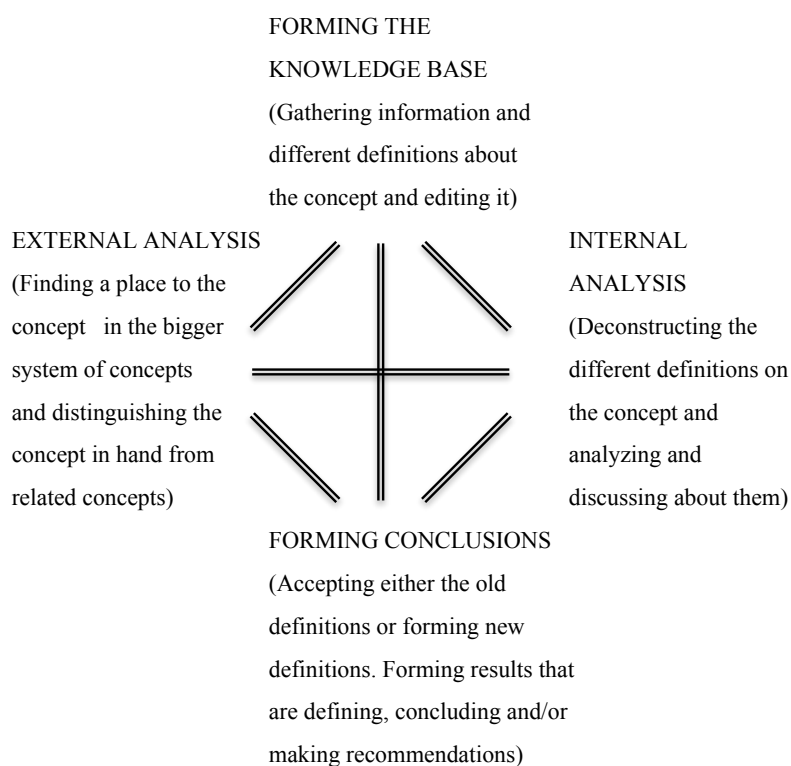


Figure 2 Conceptual analysis process (Näsi 1980, 13)²

As demonstrated by the Figure 2, the concept analysis model presented by Näsi follows the same logic as Walker and Avant's (2005) concept analysis model. In Walker and Avant's (2005) concept analysis model the phases, however, have been explicitly distinguished from each other providing a clear and rigorous model to follow. However, also the model presented by Näsi (1980) is used to support and complement Walker and Avant's (2005) model in this study.

² The original figure is in Finnish (translated into English by the author).

2.2.3 *Data collection*

First, in order to achieve a holistic understanding on the concept and its use an extensive literature review was conducted according to recommendations of Walker and Avant (2005, 67). In this phase a variety of research on opportunity were read in order to understand, how the concept was used in the literature. Therefore, articles for the literature review was searched from several different databases by using different index words in order to achieve enough material. In total 13 search terms were used, which were *opportunity*, *entrepreneurial opportunity*, *business opportunities*, *opportunities and entrepreneurship*, *opportunity recognition*, *opportunity discovery*, *opportunity creation*, *opportunity identification*, *opportunity development*, *opportunity exploitation*, *opportunity enactment*, *opportunity prototype* and *opportunity for profit*.

After the literature review the research data for the actual concept analysis was selected. The main criterion for the selection was to choose articles where the opportunity had a significant role. This way deeper understanding of the concept would be achieved. The second criterion was to select the newest and most recently published data available in order to gather the newest findings on the concept and produce novel information. Thus, articles not older than ten years were selected. The review of scientific articles was limited to articles published since 2000. In the literature review phase, though, older articles were also examined.

The opportunity concept has been studied in different field of sciences, therefore, also the data was obtained from many different journals. This is in line with Walker and Avant's (2005) suggestions as they argue that in general it is not recommended to limit the literature only within one discipline as this may narrow the understanding of the concept (Walker & Avant 2005, 67). The search included the full text of articles in contrast to only search from the title of the article, because this way it could be ensured that many diverse perspectives on entrepreneurial opportunity were taken into account. Highly regarded entrepreneurship journals were reviewed. This list included major management journals and three leading entrepreneurship journals. Also Proceedings from the Babson College Entrepreneurship Research Conference, *Frontiers of Entrepreneurship Research* was used in order to gain wide representation of perspectives, and also because *Frontiers of Entrepreneurship Research* is frequently cited in many scientific journals (Hansen et al. 2011, 287). The final research data used in the analysis includes 40 articles, which can be found listed in Appendix 1. In Appendix the information about the articles is summarized. The table includes the authors, dates of publication and, whether the articles were conceptual or empirical. Additionally, the table indicates which articles included conceptual, definitions of opportunity. The research data for the concept analysis comprises both theoretical and empirical research. The journals and two books included: *Academy of Management Perspec-*

tives, Entrepreneurship & Regional Development, Entrepreneurship Theory and Practice, Handbook of Entrepreneurship Research. An interdisciplinary Survey and Introduction (book), New Movements in Entrepreneurship (book), International Business Review. International Journal of Entrepreneurial Behaviour & Research, International Marketing Review, Journal of Business Strategy, Journal of Business Venturing, Journal of Enterprising Culture, Journal of Enterprising Culture, Journal of Entrepreneurial Venturing, Journal of Entrepreneurship, Journal of Management, Journal of Management Research, Journal of Management Studies, Journal of Small Business Management, Management Science, Organizações em contexto, Organization Science, Review of Austrian Economics, Small Business Economics, Strategic Entrepreneurship Journal, The Academy of Management Review

2.2.4 Data analysis

The core of research is analyzing and interpreting data and forming conclusions based on these (Hirsjärvi et al. 2004, 209). In a theoretical research analysis and synthesis take turns. When the analysis takes place larger theoretical constructs are fragmented into smaller parts, whereas when synthesis is applied smaller concepts and theoretical parts are turned into larger theoretical entities. (Kallio 2006, 527.) Theorizing involves selecting, explaining, synthesizing, and idealizing (Weick 1995, 389). The fundamental requirement is that the concept analysis has to be implemented in a rigorous and precise manner (Walker & Avant 2005, 63). Consequently, the data analysis process of this study is explained in this paragraph. Hermeneutic circle is characteristic to this study, and how this analysis process has progressed. Understanding can be seen as a cyclical process in that as the study progresses, a deeper understanding of the object is gained. This in turn leads to re-evaluation of earlier phases of the study (Varto 1992, 69.)

The research process began with extensive literature review that took several months. In this phase extensive amount of articles were read and simultaneously preliminary notes were written down. The purpose of this stage was to achieve an overall understanding of the subject, as it was not familiar to the researcher. Furthermore, examining literature so vastly that a holistic picture on the concept and its different uses could be reached was distinctive to this initial phase. After the exhaustive absorption to the subject, the articles for further analysis were chosen using a precise logic as explained in previous paragraph.

The articles chosen to the research data were printed out as paper versions. From each article several fundamental and defining features were examined and defined and written down to Excel table in order to attain a wholesome and organized view on ana-

lyzed articles. These defining and descriptive feature included: *main focus of the study, explication whether the object of the study was the opportunity concept or processes related to it, definition whether the concept was understood explicitly or implicitly, explication whether the processes of opportunity were defined or not, explication whether the article analyzed the concept or used the concept, explication what was the unit of analysis, definition of what was the scientific field and research approach, definition of which theories the article presented and what was the ultimate ontological view of the study*. This helped in organizing articles using different properties such as research approach and ontological view. For more detailed information see Appendix 1.

After organizing the articles, they were systematically coded using themes derived from the concept analysis methodology and from the literature review. After coding them, the information was transcribed to Excel in order to analyze the concept more systematically. The data was analyzed using themes. This meant organizing the textual data into groups by particular themes. This enabled the comparison of different themes in the text. The purpose was to search perceptions that described a certain theme. (Tuomi & Sarajärvi 2009, 93.) The upper theme categories were derived from Walker & Avant's model and were: *attributes, borderline, related and contrary concepts, antecedents and consequences*. These were further divided into sub-themes that were identified during the literature review part. These included particular themes, phrases and words that were regarded to belong to the upper categories of Walker and Avant's (2005) concept analysis.

In the second phase the specific themes regarding the attributes, antecedents, consequences and borderline, related and contrary concepts were search systematically from the literature. As the analysis in this study is qualitative, different understandings of the concept were took account in order to achieve a holistic view of the concept. The data analysis contained also elements of quantitative analysis, as specific words and phrases were searched and counted systematically from the data. Based on this counting, various tables of incidence of different words and phrases were created. The quantitative element was used to support the qualitative method.

The analysis was finished, when saturation was achieved. In other words, the analysis was finished, when new information on the topic could not be obtained anymore. It could be described so that the same antecedents, borderline concepts and related and contrary concepts, consequences and attributes of opportunity came out repeatedly, which did not provide new information

Thereafter, the results were interpreted and lastly discussed. This happened also along the way in conducting the analysis, which is a characteristic for conceptual analysis (Näsi 1980; Puusa 2008). The aim was also to reach a deeper level of analysis by examining hidden meanings and implicit assumptions concerning the concept and

phenomenon being studied. It can be argued that this was especially important in regard with the concept of opportunity and processes related to it, as the concept is abstract and multi-layered. Without such an analysis technique, understanding of opportunity construct could have sustained inadequate. Additionally, the aim of this last phase was to find typologies and form categories in order to organize the results in a different manner than done in previous studies using, however, the results of previous studies. This can bring out new perspectives to the phenomenon and open new avenues for future research, as the aim in a science is to classify and re-classify existing knowledge (Walker & Avant 2005). Subsequently, the results of this study were discussed thoroughly. In the final phase conclusions were drawn in order to link the results to of this study to broader societal discussion.

2.3 Evaluation of the study

The requirement for theoretical research is to be robust, replicable, clear and justifiable and to be used with acknowledgement of defensible adaptations, ontological limitations and the contextual caveats required when operationalizing findings (Paley 1996; Duncan, Craig, Cloutier & Bailey 2007).

Research trustworthiness concerns the demonstration of truth-value of the research results (Tynjälä 1991, 387). Non-empirical theoretical research has to argue and discuss the methodology, the processes, interpretations, limitations and evaluations of the research parallel manner to the empirical study. Researcher's role is to explain these as explicitly as possible. (Kallio 2006.) Empirical qualitative research and non-empirical theoretical research are closely related and have many similarities (Kallio 2006, 526). Consequently, research trustworthiness is evaluated using qualitative research criteria. In a qualitative empirical research an established way of evaluating the trustworthiness or the research and its results, is to use Lincoln & Guba's (1985) four evaluation criteria that are *credibility, transferability, dependability, and confirmability*. Naturally there might be some problems regarding to these criteria as this study is conceptual and theoretical in nature and these criteria were developed for the purpose of empirical qualitative research. This, nevertheless, will be taken into account and reflected in the evaluation. Particular evaluation criteria developed especially for theoretical research will be reflected. The foremost assumption of a qualitative study is the subjectivity of the research and its results and stating this clearly (Eskola & Suoranta 1998, 209–211). This rule applies to this study as well. Moreover, the challenges of qualitative theoretical research have been identified, and special attention on these has been paid throughout the research process and they are presented and discussed next.

Credibility means the researcher's ability to demonstrate that the results represent the reality (Tynjälä 1991, 390). The credibility of the findings and the credibility of the interpretations can be enhanced by three activities, which are prolonged engagement, persistent observation, and triangulation (Lincoln & Guba 1985, 301). The aim of prolonged engagement is to allow inquirer open to multiple influences about the studied issue. To say it adds scope to the study. The purpose of persistent observation is to identify the most relevant elements of the issue being studied and focus them in detail. Therefore it adds depth to the study. (Lincoln & Guba 1985, 304.) Similarly, in evaluating the credibility of conceptual analytical research, it is imperative to judge the substance and sufficiency of the research data as well the extent of the analysis. Extent of the analysis means that the results and interpretations are not based on random selections from the data (Mäkelä 1990, 53). In theoretical study the research literature selected affects the results obtained and conclusions to be made (Kallio 2006, 527). To minimize this, a vast body of research literature: empirical and theoretical and from different research fields were gathered. Also only highly regarded articles, which have been subject to peer reviews, were chosen.

The analysis and results were based on wide selection of articles that included various different perspectives on entrepreneurial opportunity in order to identify all the uses of concept. In addition, this study covers a deep ten-year time period. Despite this, it is still likely that the author has failed to notice some significant contributions in the field. In addition, the exploration of the research literature was repetitive, which enabled the development of a deeper understanding of the studied issue. To demonstrate the comprehensive understanding of the issues, the author has produced several models that synthesizes the theoretical understanding of the subject. The third way to improve credibility is triangulation (Hirsjärvi et al. 2004, 218). Triangulation refers use of multiple sources, methods, investigators and theories of the issue of the study (see Hirsjärvi et al. 2004, 218)³. This study has used triangulation in that it has combined qualitative concept analysis and synthesis. It has also characteristics of element of quantitative research. Yet further methodological triangulation was not possible due to time limitations of this study. The research data comprises of both empirical and theoretical research and also research from different fields of sciences has been selected. Different methods have been utilized in the articles that comprise the research data. Both dominant theories of the studied subject have been taken account equally. In that sense theory triangulation is used in this study. More exhaustive methodological triangulation could have been beneficial for improving credibility of this study. For instance in-depth interviews with researchers or executives could have added the under-

³ Denzin Norman K. (1970) *The Research Act*. Chicago, Aldine.

standing of entrepreneurial opportunities by unveiling themes not covered in this study. Most significant limitation regarding the credibility in this study is the secondary nature of data utilized. Someone else than the researcher herself interpreted the results of the research data. The research method adapted in this study is, however, precise and rigorous and the research was conducted accurately following the steps of research method. Still, secondary data analysis can never achieve as high objectivity as the primary data (Kovalainen & Eriksson 2008).

Transferability, also known as external validity, describes how well the results of the study can be regarded to be transferable into other contexts (Lincoln & Guba 1985, 316). The key element of theory building is describing the boundaries within which a theory is expected to apply (Dubin 1978). Concepts get their meaning in context. Context refers to theories, discourses or speech communities. Contextualism is essential for concept analysis in order to build the analysis in a more robust epistemological and ontological basis. (Risjord 2008, 685.) For example, the concept of entrepreneurial opportunity is used in the context of business e.g. entrepreneurship, economics and strategic management, in social sciences (equal opportunities), in political science (political opportunity) and common speech. The contexts are independent as far as there is a change of use of the concept in one area but it does not result in changes in the other domains (Risjord 2009, 687). The scientific context and colloquial speech context are distinctive. Hence, only scientific literature should be applied in concept analysis (Hupcey & Penrod 2005). This study applies theoretical concept analysis, the aim is to represent concepts as they appear in particular scientific literatures and the relevant evidence must be restricted to scientific literature (Risjord 2009, 689).

The context of analysis differs from individual to organization in entrepreneurial opportunity studies. The business processes surrounding opportunity can be scaled to the individual, the group, firm, or organization level. (Alvarez & Barney 2007, 147.) Van de Ven⁴ (see Ardichvili et al. 2003, 119) has argued that since independent new ventures and internal corporate ventures are characterized by substantial commonalities in their business creation processes it is possible to claim that the context within these results are expected to apply covers both the new business creation in new ventures and in established corporations. The agent can be for instance an individual entrepreneur, product development team or management team of established corporation. The process differs naturally in these different levels as organizational, resource factors etc. come into picture, yet the basic process is the same in whatever context. In contrast, Zahra et al. (2005, 141) have proposed that born-global ventures differ from other forms of firms, which creates challenges to generalization. The analyzed litera-

⁴ Van de Ven, A. (1996) The business creation journey in different organizational settings. Paper presented at the Academy of Management Meeting in Cincinnati.

ture in this study included both analysis contexts: new venture creation as well as new business creation in existing ventures. Thus, the research results apply to both contexts bearing in mind some limitations in generalizations though.

Dependability means how dependent the findings of the research are in relation to the external factors of the research situation (Lincoln & Guba 1985, 299). It describes the research quality and consistency. Dependability cannot exist without credibility (Lincoln & Guba 1985, 316), thus they are closely related. In order to enhance dependability, the research should be planned well. Operationalization table is one demonstrator of good planning. Also, during the research process the researcher has tried to act as objectively as possible, however, qualitative research is always characterized by subjectivism. The research process and how it has progressed has been explained in their own chapters in more detail. The research has progressed according to Walker & Avant's eight-step conceptual analysis model, which has enhanced the dependability as the stages of the progression the concept analysis has been carefully determined in advance. Still, as the knowledge of the researched topic has increased, re-evaluation and amendments to the earlier phases has been made. This follows the principle of hermeneutic circle as explained previously in this study. Reflecting and comparing the research findings to the results of other similar studies enhances dependability (Estola & Viitanen 2002, 10). This measure is naturally applied to this study. Repetition was used. The chosen articles that formed the research data were explored several times as well as the themes were sought after twice from the data to reassure that all the themes and perceptions were noted. This was carried in order to improve the research results and isolate factors that deteriorate the results. Moreover, as the researcher's knowledge on the topic increases, he or she might have received a better understanding on the phenomenon and found new themes for the categories.

Confirmability demonstrates objectivity and neutrality of the data. The purpose of confirmability is to enhance the truth-value and applicability of the results. (Lincoln & Guba 1985, 300.) The researcher is obliged to show how the results have been obtained in order to enable the reader to possibly understand the process and interpretation made (Mäkelä 1990, 52–53). In this study confirmability is improved by giving a clear description on how the research process has progressed in its own chapter. Also, a description on how the data analysis has been carried out by developing themes as well as identifying particular terms and words according to the analysis model. Nevertheless, it is nearly impossible to repeat the research precisely similar manner as it was done originally. Moreover, there is a possibility that a different person will find slightly different attributes to the concept, as Walker & Avant (2005, 63) has noted. The research topic can be studied from different perspectives and therefore distinct thematic and results of the same research object is possible. Yet this does not justify arbitrarily interpreted different meanings for the same research object. Despite different inter-

pretations, the nature of the research object stays the same. (Varto 1992, 64.) The phase of gathering the attributes, antecedents, consequences et cetera of the concept from the research is not conducted without problems. This phase was executed manually by collecting the words and phrases and thereafter transcribed to Excel. Although the systematic way of working, the researcher might have gone without noticing some of the words and phrases that could have been taken into account. The problem is decreased by extensive amount of research data. Selecting only peer-reviewed journal articles for the data of this study enhances its objectivity. To conclude, Näsi (1980) has claimed that central in the concept analysis is that the results are well argued and the researcher has expressed well himself or herself.

3 CONCEPT OF ENTREPRENEURIAL OPPORTUNITY IN LITERATURE

This study progresses following Walker and Avant's conceptual analysis model. According to Puusa (2008, 40) an important part of comprehensive conceptual analysis is to explore the empirical research that has been conducted on the concept and the results obtained in these studies. In this chapter a literature review is conducted to examine the use of the concept of opportunity in the previous research. Both empirical and theoretical research is examined. Empirical research on opportunity and processes related to it has not been as extensive as one would expect regarding to the importance of the topic for business. This could be due to the abstract nature of the phenomenon, which makes its empirical research challenging (Dimov 2011). Yet, there is a critical mass of research about opportunity (Short et al. 2010), which makes applying concept analysis meaningful.

3.1 Opportunity: history and development of concept

The concept of opportunity itself has not been the main object of entrepreneurship research, but the entrepreneur. Therefore, the development of the concept entrepreneurial opportunity has advanced only recently. The nature and origins of opportunity has become by far the most popular research topic in the area. (Short et al. 2010.) Until recently the conceptual and theoretical research on opportunity has been vague (Harms et al. 2009, 67). Entrepreneurship and strategic management research has been the two predominant fields in conceptualizing and theorizing on opportunity. Theoretical research that synthesizes existing literature on opportunity has been published recently by Shrader and Monroll (2011), Short, Ketchen, Shook and Ireland (2010), Harms et al. (2009) and Companys and McMullen (2007).

Entrepreneurship can be traced back as far as to 1800 century. Cantillon defined entrepreneur as an arbitrageur in 1734. Various other definitions of entrepreneurs emerged such as coordinators of production and distribution, modern leaders and managers as the studies evolved. (see Chandra et al. 2009, 35.)⁵ Entrepreneurship as its own field of science evolved from economics, international business and management, organization theory, sociology, and strategic management (Hitt, Ireland, Camp & Sexton 2001, 481). The established notion is that the opportunity concept emerged in the

⁵ Say, Jean Baptiste (1971) *A Treatise on Political Economy or the Production, Distribution and Consumption of Wealth*, Augustus M. Kelley, New York, NY (first edition 1803).

context of market process theories developed by the research paradigm called Austrian economics (Buenstorf 2007, 323).

Schumpeter was the first person who discussed the concept, as we know it. Although he did not explicitly mention the concept opportunity, his referral to innovation as “a new combination” in 1911 can be regarded as a first time when the phenomenon was addressed. (Buenstorf 2007, 325.) Schumpeter saw opportunity as innovation process. Also Israel Kirzner and Frank Knight have been important researchers to affect the dominant theories of entrepreneurship. Kirzner understood opportunity as a process of discovery, whereas Knight explained opportunity as uncertainty bearing process. (Chandra et al. 2009, 35.) In the dominant opportunity discovery view, evolved in Austrian economics, opportunities were typically instantaneous, low-risk transaction of arbitrage. Completely opposing view to discovery theory emerged in 1970s and it became labeled as creation theory. The creation theory was born within radical subjectivist tradition. (Sanz-Velasco 2006, 253.) This theoretical division in opportunity research can be labeled also as division between Schumpeterian and Kirznerian opportunities (Dutta & Crossan 2005). In Schumpeterian opportunities the focus is on cognitive factors and opportunities are created rather than discovered (Dutta & Crossan 2005, 432-433). It has been interpreted that Schumpeter changed his view on opportunity from discovered to created as his thoughts developed (Buenstorf 2007, 325). In contrast, Kirznerian opportunities were discovered and a prior knowledge rather than cognitive factors played a role in them (Dutta & Crossan 2005, 430–432). This division is still the predominant characteristics of the existing studies on opportunity.

Major theories within the field include neoclassical equilibrium theories, psychological theories and Austrian theories, which all have different characteristics in explaining opportunity (Shane 2000, 449). Neoclassical equilibrium theories include two distinct schools of thoughts: equilibrium and disequilibrium theory (Eckhardt & Shane 2003, 334). According to Schumpeter (1934) state of disequilibrium is characteristics to economies due to constant technological, political, social, regulatory, and other changes. These changes produce new information on ways to use and combine resources into a more valuable form. Due to information asymmetry only certain actors possess new information that enables them to discover opportunities. As these actors receive new information before others, it allows them to purchase resources at below their equilibrium value and recombine resources and sell them. (Schumpeter, 1934.) Equilibrium theory assumes that there are no entrepreneurial opportunities that they are spread among the people arbitrarily. Therefore, the attributes of the individual explain opportunity identification. (Shane & Venkataraman 2000, 218.) Currently, the individual-opportunity nexus (ION) has become the dominant theoretical framework applied to entrepreneurship research (Plummer, Haynie & Godesiabo 2007, 364). The ION framework focus on questions *how, by whom, and with what consequences*

opportunities to produce future goods and services are discovered, evaluated, and exploited (Shane & Venkataraman, 2000, 218).

3.2 Opportunity: definitions and debates

Entrepreneurial opportunities are, according to, Casson (1982) and Shane and Venkataraman (2000, 220):

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.

Despite the wide acceptance of this definition, the nature and origins of opportunities remain without agreement in the literature (Companys & McMullen 2006, 303). For the nature of the opportunity two different schools of thoughts exist: the other suggests that opportunities are *discovered* (discovery theory), whereas the other argues that opportunities are *created* (creation theory) (Alvarez & Barney 2007) (see Figure 3). The former is predominantly positivist or realist perspective prevalent amid North American researchers, while the other is an alternate interpretive or social constructionist view that is more dominant in the European research tradition (Dutta & Crossan 2005, 426). Due to this division, definitions of opportunity vary. Creation theory is not yet a single unified and consistent theory compared to discovery theory (Alvarez & Barney 2007, 131). The existing research on opportunity has fragmented according to these two schools of thoughts.

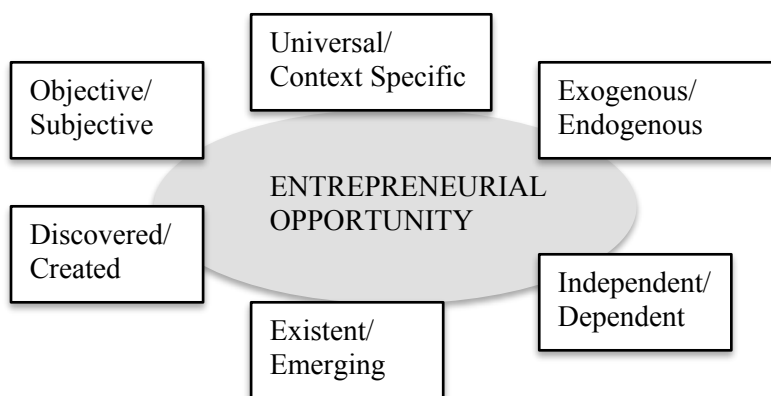


Figure 3 Two-fold nature of opportunity (adapted from Harms et al 2009, 60; Vaghely & Julien 2010, 77)

The Figure 3 demonstrates the debated nature of entrepreneurial opportunity. According to discovery theory opportunity is objective, discovered, universal, exogenous, independent and existent. The creation theory claims that opportunity is subjective, created, context-specific, endogenous, dependent and emerging. (Vaghely & Julien 2010, 77.) Due to the objective nature of opportunity it exists independently of the entrepreneur (Shane & Venkataraman 2000, 218) and thus it is exogenous to the agent. This assumption results that opportunities are universal in that everyone can spot the same opportunity. Opportunities are existing waiting to be discovered. (Vaghely & Julien 2010, 77.) Unmet demand can be regarded as an example of such an opportunity (Harms et al. 2009, 60). Nevertheless, Shane and Venkataraman (2000, 220) acknowledge that although opportunities themselves are objective, recognizing them is subjective, since not all are able to notice a certain opportunity.

The opportunity creation view departs from the established literature that considers opportunities as something already formed (Wood & McKinley 2010, 67). According to creation view opportunity should be defined for instance as progressing map for action, synthesizing the entrepreneur's beliefs, expectations, and ambitions for the future (Dimov 2011, 62–63). According to Penrose⁶ (see Edelman & Yli-Renko 2010, 834) an opportunity is *an image in the entrepreneur's mind*. The image motivates and drives the individual to establish a new venture (Edelman & Yli-Renko 2010, 834). Therefore, in contrast to discovery view, creation view understands opportunities as subjective and arising from social intercourse (Wood & McKinley 2010, 67). Opportunities are not ready opportunities, but emerging and require creation and development. Therefore, opportunities are endogenous to and dependent on the entrepreneurial entity. (Vaghely & Julien 2010, 77.) Moreover, they are context-specific in that each opportunity is not available to each entrepreneurial entity to spot (Alvarez & Barney 2007, 134). As they require creation, opportunities are a result of organizing and sense-making of individuals (Gartner, Carter & Hills 2003, 109) (see Figure 4).

⁶ Penrose E. (1959, 42) *The Theory of the Growth of the firm*. Oxford University Press, Oxford.

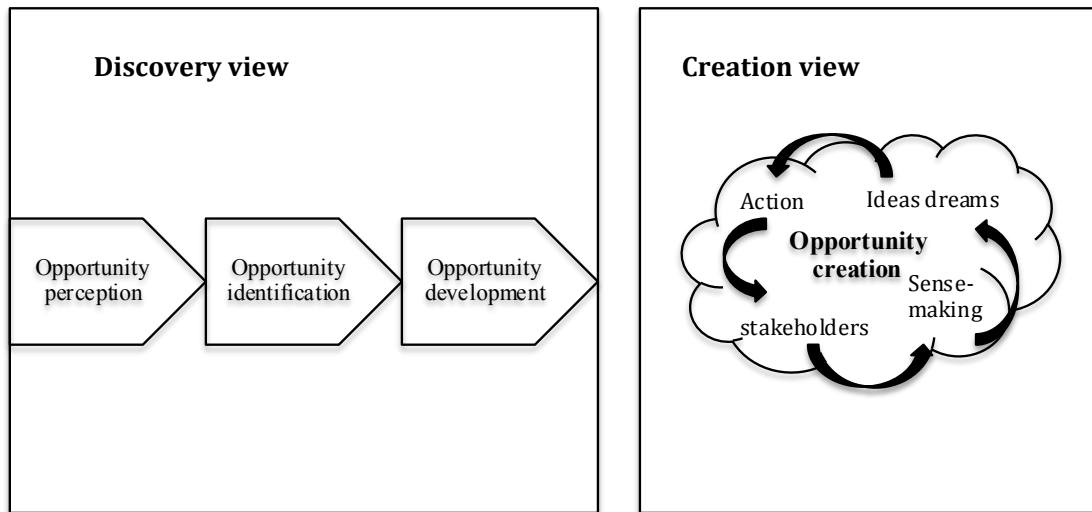


Figure 4 Process of opportunity identification (adapted from Ardichvili et al. 2003 and Dimov 2011).

Figure 4 demonstrates the difference between creation and discovery view in how they understand the process of opportunity identification. Ardichvili et al. (2003) have defined opportunity from process view as illustrated in the discovery view of Figure 4. Opportunity develops from its basic form to business concept, to business model and finally to a business plan. Opportunities are eventually resulting from creation, although elements of them could be recognized (Ardichvili 2003, 106). According to creation view the process that surrounds opportunity is not a linear as presented in discovery theory, but more like a circular flow in which different stages take turns and reinforce each other. The process consists of entrepreneur's ideas and dreams that trigger action. At the same time the entrepreneur also interacts with his peers and other possible stakeholders, who can give support. As the process progresses the entrepreneur makes sense of his ideas, desires, his stakeholders ideas and arguments and forms the opportunity. Consequently, opportunity process resembles more like the thinking processes that happens in our minds, which is rarely linear and sophisticated. (Wood & McKinley 2010.)

Some researchers have acknowledged that both discovery and creation theory can co-exist. In a situation where demand and supply are clearly expressed, opportunities can be objective, whereas opportunities can be emerging and subjective when demand and supply are uncertain. (Sarasvathy, Dew, Velamuri & Venkataraman 2003.) Similar views have presented Berglund (2007); Van Gelderen (2010) as well as Vaghely and Julien (2010). Opportunity definition, that takes into account both theories, has been defined as an idea or dream discovered or created by agent and that will as time evolves turn out to be potentially profitable as follows (Short et al. 2010, 55).

Some researches have criticized existing definitions and constructs of opportunity as being overly abstract and empirically non-operable. Therefore a more practical understanding is needed. (Dimov 2011.) Three perspectives for more operationally useful definition of opportunity arise: *opportunity as happening*, *opportunity as expressed in actions* and or *opportunity as instituted in market structures* (Dimov 2011, 69). Consequently, opportunity is a cycle of venture ideas and actions, which target to formation and sustenance of market relationships. Metaphors can offer also more operational picture on opportunity: opportunity can be compared to a living biological organism that is conceived, gestated, and born as a new venture. (Dimov 2011, 64.) Another metaphor equates opportunity to a project that is not yet in operation, and that is part of the optimal set of projects in the economy (Casson & Wadeson 2007, 286). Opportunity has also been compared to vision of future, where the entrepreneur reaches a market niche and engages in different market relationships that represent the intended business (Dimov 2011, 68).

3.3 Opportunity and processes related to it

3.3.1 Opportunity identification and factors affecting to it

The processes related to opportunity are identification and evaluation. Opportunity identification includes discovery, creation, enactment and recognition. They describe the same phenomenon but from different ontological point of view (Gartner et al. 2003, 106–109). Typically studies have utilized either of these viewpoints (Edelman & Yli-Renko 2010, 833). This study refers to each of them simply as *opportunity identification* in order to avoid taking stance between different theories. Opportunity identification is the most neutral term of them and it cannot be linked specifically either to discovery nor creation theory. It should be also noted that opportunity processes could be understood differently than adapted in this study. Ardichvili et al. (2003, 107) have recommended that, expression *opportunity development* should be utilized instead of *opportunity recognition* to highlight the process nature of opportunity. Next the processes will be discussed and how opportunity is described in them. Puhakka (2002, 26) has summarized different categories of opportunity identification and based on this he has argued that opportunity recognition is rational and intuitive search for information and interpretation of information in order to link the recognized market gap and the constructed strategic business concept to create new value.

Eckhardt and Shane (2003, 3342) have summarized factors affecting to opportunity identification, which can be referred as origins of opportunity also, based on prior lit-

erature. The factors are *information asymmetry* (Kirzner 1973), *exogenous shocks*, *changes in supply* (i.e., new inputs, new organizing methods, production processes, or products) (Schumpeter 1934) and *changes in demand* (i.e., shifts in culture, perceptions, tastes, and preferences (Kirzner 1979; Schumpeter 1934). Changes can happen in different locations of value chains and involves changes affecting creation of new products or services, geographical markets, creation or discovery of new raw materials, methods of production, and ways of organizing (Eckhardt & Shane 2003, 340.)

According to creation view opportunities originate from entrepreneurs' actions and without these actions opportunities could not have been known (Alvarez & Barney 2007, 131; 125; Wood & McKinley 2010; Dimov 2011; Fletcher 2006). Wood & McKinley (2010) have found that opportunity is created in the sense-making process supported by the social network such as family, friends, or mentors. Entrepreneur receives material and non-material support and resources from his or hers social network (Wood & McKinley 2010, 72). Dimov (2011, 66) have suggested that opportunity and its identification and development is due to series of path-dependent actions and coincidences. Illustrative is that results from a large empirical and quantitative study indicate that when entrepreneurs described the opportunity they had pursued, they did not mentioned the words discovery or surprise (Gartner et al. 2003, 114). Also, it has been found that the nascent entrepreneurs were in the process of undertaking their own business already before recognizing the opportunity. In other words, they did not discover the opportunity first and then started a business, but they described the process of opportunity recognition happening along the way. (Gartner et al. 2003, 116.) Explaining the process of opportunity identification can be always explained in discovery terms or creation terms after the opportunity is formed (Alvarez & Barney 2007, 123). Whether this is referred as discovery, recognition, identification, or creation depends on how the elements of the story may be picked up and deterministically linked to its ending (Dimov 2011, 66).

Centralization of authority and decision-making can have negative effects on opportunity identification. Yet some extent of standardization of procedures could have positive influence on it. Employees in the operative level may suffer an inadequate motivation to identify opportunity and communicate about it to the upper level in a highly centralized organization. (Poudel & Thatcher 2010, 9.) Standardization of processes and procedures can aid to direct employees' attention on the right kind of opportunities from the enormous information flood, because individual have constrained cognitive capacity (see Poudel & Thatcher 2010, 10)⁷. On the other hand, the same organizational structures that enhance opportunity identification could hinder oppor-

⁷ March, James G. & Simon, Herbert A. (1958). *Organizations*. Wiley, New York.

tunity exploitation. Centralization increases effectiveness and authority, which are needed in exploitation. (Poudel & Thatcher 2010, 10–11.)

Prior knowledge is linked to information asymmetries and it is one of the most important factors affecting opportunity identification (Shane 2000). Knowledge equates to information that is combined with experience, context, interpretation and reflection (Davenport, Long & Beers 1998, 43). Three forms of specific human capital that has been found to impact the ability to identify opportunities are: previous knowledge of markets, previous knowledge of ways to serve markets and previous knowledge of customer problems (Shane 2000). Moreover, possession of prior knowledge in the form of customer problems is directly related to recognizing more and better quality of opportunities (Shepherd & DeTienne 2005). Special or general knowledge is thus strongly linked to the ability to identify opportunities. It has been found that higher education, perceived skills and knowledge to commence a business, being a business angel, and knowing other entrepreneurs is linked to factors that drive opportunity identification (Ramos-Rodriguez, Medina-Garrido, Lorenzo-Gomez & Ruiz-Navarro 2010, 577). The economic opportunities come into being due to the uneven spreading of information about material resources in society. Such opportunities are resulting from new solutions to current problems. The agent that holds crucial economic information has all the means to identify opportunity- (Companys & McMullen 2007, 304–305.) Active search of information might play a role in opportunity identification (Baron 2006, 104–105). Also prior entrepreneurial activity and previously discovered opportunities have been found as a significant source of new entrepreneurial opportunities (Holcombe 2003). This notion has received only some research attention. Mobile phone is a good example on this, because it has triggered many other opportunities such as a text message and payment using mobile phone instead of cash or credit card (Plummer et al. 2007, 364).

In their empirical study García-Cabrera & García-Soto (2009, 175) found out that cognitive abilities⁸ such as prior knowledge, the personality traits, optimism, self-efficacy, and creativity of an individual and the social ties of entrepreneurs are the most important factors for opportunity recognition. Cultural cognitive opportunities involve interpretation of existing knowledge to new means–ends relationships (Companys & McMullen 2007, 307). Product innovations are more than only technological products. Such innovations are embedded in complex systems of meaning and it is impossible to launch them successfully and thus be accepted by cultural communities

⁸ Cognition is the mental action or process of acquiring knowledge and understanding through thought, experience, and the senses. Perception, sensation, idea, or intuition resulting from the process of cognition. (Oxford English Dictionary. 2012 Oxford University Press)

if these product innovations do not same time include familiarity in the cultural understanding and go beyond these limits of cultural understandings. Vigorous designs by entrepreneurs are an example of cultural producer opportunities. (Hargadon & Douglas, 2001, 498.) Baron & Ensley (2006, 1333) have examined the impact of special cognitive skill that is pattern recognition to opportunity identification. They found that pattern recognition might have significant impact in finding opportunity. Pattern recognition refers to a process by which individuals perceive complex and seemingly unrelated events and phenomena (changes in technology, demographics, markets, government policies and other factors) and the ability to observe connections between them (Baron & Ensley 2006, 104). Entrepreneurial alertness as cognitive ability has been linked to successful opportunity identification (Kirzner 1979; Ardichvili et al. 2003; Baron & Ensley 2006; Tang, Kacmar & Busenitz 2010; Van Gelderen 2010). Ardichvili et al. (2003, 106) have argued that entrepreneurial alertness requires actually particular personality characters, social capital, and prior knowledge. Entrepreneurial alertness is essential in opportunity identification, but also in opportunity development, and evaluation. In contrast, researchers among opportunity creation paradigm have claimed that entrepreneurial alertness has no significant impact on opportunity identification (Wood & McKinley 2010, 78).

Arenius & De Clercq (2005, 250) have argued based on their empirical study that identification of opportunities varies between people due differences in their networks they belong to. People can obtain knowledge that they presently do not possess from network (Arenius & De Clercq 2005, 250). Individuals obtain information probably more easily by chatting with casual acquaintances in contrast to close personal friends (Arenius & De Clercq 2005, 260). García-Cabrera & García-Soto (2009, 173) have suggested that firms enter into a network using their social relationships, dyadic economic bond, or social capital. Social capital can involve a situation, where a third party mediates between entrepreneur and a new associate. Together, social capital and networks enhances combination, exchange, and creation of new knowledge (Nahapiet & Ghoshal 1998). People participate in different networks and chat with other people about establishing a business. Entrepreneurs have more networks in the planning phase of the venture in comparison to later phases. (Greve & Salaff 2003.) Being a business angel, and knowing other entrepreneurs, was linked to ability to identify opportunities (Ramos-Rodriguez, 2010, 577). Companys & McMullen (2007, 307) have labeled opportunities, which originate from social networks and social capital, as sociopolitical opportunities. Two types of sociopolitical opportunities are network opportunities and political opportunities. Network opportunities are an outcome of structural qualities of social networks, while political opportunities are resulting from changes in the governance structures of these networks. (Companys & McMullen 2007, 307.) Political opportunity is linked to changes in political arena. For instance the Arabic Spring

in 2011, which demolished the old dictatorships and brought more democratic government, created grounds for new entrepreneurial opportunities to emerge. For instance the new situation enabled a company that produces a voting advice application to that is an Internet application where the voters can find a party or candidate that match best for their preferred criteria, to start their business in an entirely new market.

3.3.2 *Opportunity evaluation*

3.3.2.1 *Factors affecting to evaluation*

This paragraph explores one part of the opportunity identification process — evaluation. Individuals are not as good at evaluating ideas to possible opportunities, as they are generating possible ideas to opportunities (Hills & Shrader, 1998). The dynamics how individuals or teams evaluate opportunity and which factors affect to that, is not well known (Keh, Foo & Lim 2002). Opportunity context is characterized by high judgment (Casson & Wadeson 2007, 285), which aggravates the evaluation. Evaluation involves decision-making. The decision-making is critical phase where initial ideas are turned into opportunity, or respectively abandoned. It can lead also to identification of other opportunities or modifications to the original vision. Without evaluation opportunity cannot become a viable business. (Ardichvili et al. 2003, 106.) Due to the high judgment some individuals would exploit certain opportunity, whilst others would not exploit the same opportunity, although the expected value would be the same (Shane & Venkataraman, 2000).

The target of opportunity evaluation is to assess the value of the opportunity and based on this decide the subsequent action. The relationship between opportunity, value creation and value capture is complex (Lepak, Smith & Taylor 2007). Opportunity in the inter-temporal markets exists merely in mind of the entrepreneur, who must predict future prices of goods and resources and use intuitive judgment to assess market potential (Kaish & Gilad, 1991, 46–47). Opportunity evaluation includes three aspects of evaluation that are not exclusionary. These are use value, exchange value, and value slippage. Value creation depends on the relative amount of value that is subjectively realized by a target customer who is the focus of value creation. This focus can be individual, organization, or society. It is crucial that individual's subjective value realization transforms into target's willingness to exchange a monetary amount for the value received. This refers to *exchange value*. (Lepak et al. 2007, 181.) Second type of value is *use value* that is parallel to value-added to the customer. Use value refers to the particular quality of the new product or service that the user perceives and com-

pare to his needs. The new qualities of product or service that are perceived by the user are for example the speed, the aesthetics or performance features. The value-added should provide superior utility or lower unit costs for the user in comparison to the closest alternative. (Lepak et al. 2007, 183.) Entrepreneurs and managers should thus place themselves into the position of the entity, to which the opportunity is targeted for. Lastly, value slippage refers to the situation in which value creation made by one source may be caught by a different source (Lepak et al. 2007, 181).

Studies indicate that cognitive abilities play significant role in how opportunity is evaluated (Baron, 1998; Simon, Houghton & Aquino, 2000). Aspects of illusion of control and belief in the law of small numbers affected to opportunity evaluation (Keh et al. 2002). Accordingly, risk perception was seen to intervene opportunity evaluation. Belief in the law of small numbers refers the utilization of a small sample to draw solid conclusions about specific issue or event (Keh et al. 2002, 129). Illusion of control refers to individual's overemphasis on his or hers capacities and skills to control incidents and people (Keh et al. 2002, 129). They found also that overconfidence and planning fallacy were not important aspects affecting to opportunity evaluation (Keh, et al. 2002). Planning fallacy equates to the failure to reflect former experiences in parallel circumstances because predictions stimulate the orientation towards future (Keh et al. 2002, 129). Perceived risk relates to the way of how entrepreneurs evaluate ideas. (Keh, et al. 2002, 126). It has been found that entrepreneurs predict the future success of opportunity and venture usually based on scenarios of success rather than on past results and this may result too optimistic evaluations (Kahneman & Lovallo 1993). Entrepreneurs are more likely to get disproportionately more positive information because failures are less well publicized and less cognitively salient (Simon et al. 2000, 119) Therefore information about statistics of the industry size, profit arrays, and the failure rate of firms in the industry could improve the quality of evaluation (Keh et al. 2002, 139). If entrepreneur rely only some cases for example talking to acquaintances in the industry, the evaluation becomes biased.

According to Houghton, Simon, Aquino, & Goldberg (2000) teams were prone to the biases of the law of small numbers and illusion of control as individuals. This influences the team's perception of the risk of a new idea. Teams were more predisposed to the law of small numbers bias compared to individuals. (Houghton et al. 2000.) According to Shepherd and Krueger (2002, 172–174) team's perceived capabilities and cooperative efficacy affects team's perceptions on the possibilities to develop and introduce new products and services. The impact of non-cognitive factors, such as skills, social skills, and knowledge acquisition and learning to opportunity evaluation is rather unknown (Keh et al. 2002, 138).

3.3.2.2 *Evaluative aspects of opportunity*

It is unclear whether the relationship between resources and opportunity is negative or positive or alternatively whether resources have any influence on opportunity. This problem has been addressed in the opportunity literature, but different results have been presented. Entrepreneur can perceive opportunity as unrealistic first due to lack of needed resources. Yet if the entrepreneur's resources are inadequate, his or hers social capital is the key to needed resources. (Wood & McKinley 2010.) Entrepreneur's social network can provide material and non-material support to construct a feasible opportunity (Edelman & Yli-Renko 2010, 848; Wood & McKinley 2010). Also Stevenson & Jarillo (1990) have argued that resources can be obtained, therefore, opportunities can be pursued irrespective of the resources currently controlled. Contrasting results suggest that opportunity and resources are linked. According to Thakur (1999) resources have a significant role in the pursuit of opportunities. Available resources have been found to shape entrepreneur's collection of opportunity choice As a result, managerial capability linked especially to human resources could be crucial. (Thakur 1999.)

Perceived risk is another important aspect of opportunity evaluation. Knight (1921)⁹ (see Miller 2007, 58) distinguished risk and uncertainty by stating that risk is a quantifiable probability while and uncertainty is non-quantifiable probability. Risk is the probability to successfully turn an idea into an opportunity, if this fails entrepreneur can suffer financial losses (Keh et al. 2002, 126). Risk is a factor that can be influenced and thus possibly reduced. Lower the perceived risk; more favorably the opportunity is evaluated. (Keh et al. 2002, 126.) Ventures are inherently risky, yet the entrepreneurs need to share the risk with their suppliers, investors, landlords and other stakeholders. The risks include obviously money but also doing something else with that time. This trade-off is known as the opportunity cost. (Mullins 2006, 144.) Risk, however, can be reduced by different actions such as collaborations with other companies, test marketing, staged product roll-outs, strategic alliances, outsourcing et cetera (Simmons, Thomas & Packham 2009, 66–67). Emotions have been found to play a crucial role in opportunity evaluation representing risk perceptions and risk preferences (Foo 2011, 385). Uncertainty, in contrast, is less adept at influence and reduction. Uncertainty is elusive. Distinct types of uncertainty can be attached to opportunity: uncertainty about characteristics of the environment (state uncertainty), uncertainty in relation to the ability to foresee changes in the environment that may affect to or-

⁹ Knight, Frank H. (1921) *Risk, Uncertainty, and Profit*. Beard Books, Washington DC.

ganizations (effect uncertainty), and uncertainty concerning to potential choices (response uncertainty). (McMullen & Shepherd 2006, 134.)

Opportunity evaluation, risk and timing are inherently linked. They all are inter-related. Anderson (2006, 16) has stated that successful business outcomes often require an evaluation of the window of opportunity. This means that in particular point in time an idea of an opportunity might seem attractive to pursuit, while another point in time not (Anderson 2006, 16). The dilemma is that there is always a possibility that a wrong opportunity (unprofitable) will be chosen for the expense of the right (profitable) opportunity, if the decision to exploit opportunity is done too rapidly. It is possible to improve this decision accuracy by gathering more information about the feasibility of the opportunity. Still, delaying the decision might lead to the closing of the window of opportunity due to many reasons such as preemption by a competitor or lost availability to financial or human capital. (Lévesque & Maillart 2008, 279.) It is challenging to estimate exactly how long and how large the window of opportunity will be. One suggestion is to search for analogies from the similar kind of products and their data on the lifecycle. (Anderson 2006, 18.) In particular with regard to opportunities of low degree of novelty the transition from opportunity exploration to exploitation should happen rapidly (Choi, Lévesque & Shepherd 2008, 345).

Market and industry attractiveness as well as growth potential are related. Both market and industry attractiveness should be evaluated separately, because they are different aspects to the attractiveness of the opportunity. Market consists of customers and their need, not products. Industry on the other hand consists of sellers that offer their products that are substitutes to each other. Both market and industry attractiveness has to be considered in both macro- and micro-level respectively. (Mullins 2006, 7.) Assessment of the growth potentiality is also a market related aspect. The growth potential of particular opportunity can be evaluated for instance from the perspective of extending product line, customer base or market. (Sahlman 1997, 102.)

3.3.2.3 Opportunity, evaluation and venture capitalist

Important aspect of opportunity evaluation is how outsiders evaluate opportunity. Outsiders include angel investors, venture capitalists, patent lawyers, and accountants, who are key to provide capital and connections to nascent entrepreneurs (Keh et al. 2002, 139.) This aspect is especially interesting to entrepreneur in order to gain financing to his or her opportunity (Bishop & Nixon 2006, 20), because obtaining capital has been found to be the biggest challenge for a starting venture (Van Auken 2004, 93–94).

Factors concerning venture survival have been found to be most important evaluation criteria for venture capitalist when he or she is evaluating opportunity (Shepherd 1999b). Further, leadership and experience are the most essential criteria in opportunity evaluation among venture capitalists (Bishop & Nixon 2006, 20). According to MacMillan, Siegel & Narasimha (1985, 123) the most fundamental criteria in evaluating the likelihood of venture success by venture capitalist were: sustained effort, familiarity with target market, return on investment at least ten times, leadership capabilities, evaluation and reaction to risk, investment is easily collected, growth potential, track record, venture is well articulated, and proprietary or patent protection. Another study found that the key factors, which affect the venture capitalists' evaluation, are competence of the industry, ability to educate the target the market, competition in the market, obstacles to possible entrance, timing, and, key success factor stability (Shepherd 1999b, 627). Nascent entrepreneurs evaluated opportunity using different criteria in comparison to venture capitalists. This could be due to differences in the timing and purpose of the decision as well as differences in previous evaluation practice. (Bishop and Nixon 2006, 30–31.) The evaluation of nascent entrepreneurs also takes place earlier in comparison to venture capitalists' evaluation, which occurs in the later phase (Bishop & Nixon 2006, 29). Developing evaluation judgment could benefit starting entrepreneurs evaluations. Evaluation framework could aid entrepreneurs and venture capitalists to enhance their investment success and decrease the amount of venture proposals that do not succeed to receive capital. (Bishop & Nixon 2006, 30–31.)

3.4 Opportunity and exploitation

Opportunity exploitation is a distinct phase from opportunity identification. It is the next step after opportunity identification. Also conceptually opportunity identification differs from opportunity exploitation (Macpherson, Jones, & Zhang 2004, 165). Opportunity exploitation refers to organizational materialization of an entrepreneurial idea (García-Cabrera & García-Soto 2009, 169). In other words, it refers to the commercialization of an opportunity. Yet, opportunity identification and opportunity exploitation can be seen as overlapping processes (Gartner et al. 2003, 116). The opportunity itself is invaluable, if company is unable to exploit it for instance due to lack of resources (Wheelen & Hunger 2006, 138). Therefore, research on opportunity exploitation is crucial, although, it is not object of this study anymore. The opportunity identification context concerns the goal striving setting, whereas the opportunity exploitation happens in individual's goal-setting context (Bishop & Nixon 2006, 21).

Opportunity exploitation concerns resource mobilization, organizing and market creation. Opportunities are exploited via companies. (Shane & Venkataraman 2000,

219.) Opportunity exploitation involves acquiring, recombining, and organizing of resources (Shane 2003, 10). In order to fulfill this, some extent of complexity of the processes, inelasticity of control as well as adequately enriched communication canals is required. Additionally, some extent of stability is necessary. For example lack of stable organizational structure make accessibility to capital impossible. (Poudel & Thatcher 2010, 18.)

Opportunity exploitation can take place after adequate amount of knowledge about opportunity is achieved in the identification phase (Choi et al. 2008). Entrepreneurs will exploit opportunities if they have sufficient knowledge of customer demand, better technologies, and managerial capability and they receive support from their social network (Choi & Shepherd 2004). Eckhardt & Shane (2010, 65) have claimed that opportunities will be more probably exploited, if markets are large, profit margins are high, competition level is lower and capital is cheaper. Baron and Ensley (2006, 1334) have suggested that when entrepreneurs evaluate opportunity, they should emphasize feasibility and materialization of opportunity instead of attributes that do not relate to these. For example they found that if entrepreneurs emphasized newness in an opportunity, it was harmful for new venture success. The reason is that it shifts the attention away from practical issues concerning exploitation. In other words, opportunity exploitation will be more successful, if the entrepreneur has emphasized features of opportunity that are related to the new venture creation. Such a feature is for example a cash flow. (Baron & Ensley 2006, 1334.)

The progression from identification to exploitation is not as simple in reality as explained in theoretical models. Entrepreneurs are most likely to face a decision of either expediting or delaying opportunity exploitation. One of the core problems concerning opportunity exploitation is, whether entrepreneurs should exploit opportunity as soon as it becomes possible. Acting quickly can be beneficial in order to maximize lead-time. Alternatively, it could be argued that it is better to wait and see how the opportunity evolves. The decision about exploitation of opportunity should be done only after uncertainties have been decreased and capabilities and resources improved. This, however, most likely increases the likelihood of imitation as public awareness increases. (Choi & Shepherd 2004, 378.) Imitation, in turn, has been found to reduce the desirability to exploit opportunity (Shane & Venkataraman 2000). Protection against imitation is necessary in order to raise first mover advantages (Lieberman & Montgomery 1988, 43). "Life" or duration of an opportunity varies depending on several different factors. There are mechanisms that limit imitation of an opportunity by others and thus lengthen the life of the opportunity. These can be e.g. trade secrecy, patent protection, or monopoly contracts. (Shane & Venkataraman, 2000, 221.) The effectiveness of these activities is relative though. Further, individuals and firms should always consider the appropriability regime of their industry. It affects company's abil-

ity to gain value from the innovation. A new venture has to consider its appropriability regime, the industry it operates, as it can have major influence to appropriate choices. Imitation is most likely and the complete prevention might be impossible. (Dodgson, Gann & Salter 2008, 270.) Therefore, Dodgson et al. (2008, 281–282) have suggested that firms should create their market presence quickly and discreetly in order to evade incumbents to notice it in the early phase. In tight appropriability regime industries such as chemicals, banking, pharmaceuticals, and instrumentation, innovators usually succeed to gain the majority of the returns. In industries of loose appropriability regimes such as food, management consulting, design, it is harder for innovators to gain value from the innovation. Appropriability is challenging in that different people make different assumption about it depending on the context and knowledge they posses. (Dodgson et al. 2008, 272.) Choi et al. (2008) have constructed a framework that proposes an optimal timing of exploitation and recommends beneficial exploitation rules for entrepreneurs. It includes recognizing the degree of newness of opportunity. The exploration process should shorter the when the opportunity is characterized by lower level of novelty. In this case exploitation should be advanced. For instance knowledge should be made explicit for example by educating stakeholders in order to accelerate exploitation. (Choi et al. 2008, 334)

Opportunity exploitation is complex phenomenon affecting unseeing ways to prospect opportunity identification and exploitation. Opportunity exploitation is a constant process of recombination, in which combining and recombining of intermediate goods to generate consumer goods occur. Continuous revision of plans occurs because some entrepreneurs' plans succeed, while some of them fail. In the market process information forms continuously and it is transformed into new knowledge and new expectations, which affects constant forming and revision. (Poudel & Thatcher 2010, 18.) Underexploited opportunity, which refers to opportunity that triggers new opportunities (Plummer et al. 2007), can be fruitful source of new opportunities for entrepreneurial entities to take into account.

3.5 Opportunity and strategy

Opportunity is an important concept in strategic management. Nevertheless, the concept is often discussed implicitly in strategic management literature (Harms et al. 2009; Plummer et al. 2007; Companys & McMullen 2007). Harms et al. (2009, 65) have also found out that the concept of opportunity is applied in a quite casual and uncritical way in strategic management literature. Opportunity impacts strategy of firm. Strategic changes and modifications can originate from new opportunities. Alternatively strategy changes can be made in order to better identify and exploit opportu-

nities. For instance a Finnish biofore company UPM dramatically changed its strategy in order to find new opportunities from the bio sector, because traditional forestry industry has come to its end in the Western world. Strategic decision-making in innovation projects encompasses decisions on changes in assets, know-how, and core processes. Investing in new opportunity is characterized by a high level of organizational risk. Managers and entrepreneurs evaluate strategic options based on the alignment with current strategy, the resource requirements, the flexibility, and the quality of the team that suggest the new opportunity. The results of opportunity can be various and impact on short-, medium-, and long-term future of the firm. These include for illustration expansion of market share or customer share, entrance to new markets or distribution channels and increasing margins. (Moenaert, Robben, Antioco, De Schamphelaere & Roks 2010, 844-845.)

The most prominent frameworks for opportunity in strategic management are SWOT (strengths, weaknesses, opportunities and threats) and five forces analysis (Harms et al. 2009; Zahra & Des 2001, 8). In SWOT analysis opportunities are regarded as external, while strengths are regarded as internal. For instance Hill and Jones (1998, 72) have argued that in SWOT analysis an opportunity is regarded to appear when a firm can benefit of conditions in its external environment to create and implement strategies that bring them higher revenues. Such a view could be restrictive in opportunity identification.

Conceptualization of an opportunity (discovery and creation conceptualizes opportunity differently) affects which kind of strategy should be chosen to exploit particular opportunity. The relationship between opportunity and performance, and the strategies that are needed to discover and exploit new opportunities, differs between the types of opportunity. (Comanys & McMullen 2007, 302.) Likewise strategy of a firm affects, how opportunities are identified as well as what kind of opportunities are seen as desirable and alternatively what kind of opportunities do not fit the firm's strategy.

3.6 Opportunity and internationalization

International entrepreneurship and the concept of opportunity are important themes in international business research. In fact International entrepreneurship has received growing interest lately (Zahra, Korri & Yu 2005, 131). This is no surprise, as due to the globalization of the world economy, new opportunities as well as enormous complexity have increased rapidly. International entrepreneurship refers to discovery, enactment, evaluation, and exploitation of opportunities across national borders in order to produce future goods and services (McDougall & Oviatt 2003, 7). In this definition an emphasis is put on the recognition and exploitation of opportunities in born globals

and established companies (Zahra et al. 2005, 131). This definition is adapted from the current entrepreneurship research but additional reference to *across national borders*, has been included. Still as a field of study, international entrepreneurship is its infancy and research on international opportunity identification hardly exists. One reason for this could be methodological gaps in the field (Muzychenko 2008, 366.)

Internationalization of established companies and new ventures has received significant research interest among the researcher of international business, which makes the internationalization process of a company a well-theorized phenomenon. What is lacking from these theories is the understanding of how the internationalization phenomenon actually begins. In other words, how the opportunity to internationalize has been identified. Preceding international experience of entrepreneurs or entrepreneurial teams has been found to explain internationalization (Oviatt & McDougall, 1994; Nummela, Saarenketo & Puumalainen 2004; Reuber & Fischer 1997; Shareder, Oviatt, & McDougall 2000). This explanation is linked to the entrepreneur or manager's features than the opportunity itself. Therefore, more emphasis in explaining the process of international opportunity identification should be put on entrepreneurs' cognitive abilities such as motivations, mindset, perceptions, and self-efficacy (Zahra et al. 2005). The importance of opportunity could be in fact more important in international new ventures compared to domestic new ventures, since the former put more strategic emphasis on differentiation and product innovation compared to the latter (McDougall, Oviatt & Shrader 2003).

Scanning and interpretation of the dynamic global environment is essential in international opportunity identification. International opportunities that are unique in nature exist in complex environment characterized by diversity, interdependence and obscurity (see Muzychenko 2008, 370)¹⁰. Born globals (global start-ups) and established firms face difficult challenges in identifying the opportunities, although at the same time they benefit from different factors in the international arena in building their market positions (Zahra et al. 2005, 143).

Cultural values have been found to influence some opportunity identification competence contributions (antecedents) and process (behavior). Cultural values outline the appropriate task-related and effective behaviors, the content of entrepreneur's cognitive scripts, heuristics and biases related to opportunity identification. As a result, competencies embedded in the home cultural environment might not be successful in

¹⁰ Lane, Henry W. & Maznevski, Martha L & Mendenhall, Mark E. (2004) Globalization: Hercules meets Buddha. In: The blackwell handbook of global management: A guide to managing complexity, Henry W. Lane & Martha L. Maznevski & Mark E. Mendenhall & Jeanne McNett. Blackwell Publishing, Malden, MA, pp. 3–25.

international opportunity identification process. (Muzychenko 2008, 371.) This suggests that internationally oriented firms need to cultivate cross-cultural competence in order to identify international opportunities. Entrepreneurs thriving to international market have to develop skills that extend outside their home environment in order to be successful in global arena. (Muzychenko 2008, 373.) Skilled entrepreneur can highlight cultural similarities and outdo differences in cultural values and business practices (Eyre & Smallman 1998). This notion is important in order to find the factors uniquely characteristics to international entrepreneurship in comparison to entrepreneurship in general.

International entrepreneurship comprehends the same components as entrepreneurship in general, yet international dimensions to opportunity identification might require higher levels of cognitive creativity, a preparedness to absorb uncertainty, high levels of the capability to tolerate uncertainty, and a broader span of search (Butler, Doktor & Lins 2010, 124). International opportunity exploitation might differ from domestic opportunity exploitation, since the factors in the international context can be more severe. Factors such as psychic and economic distance and physical distance can complicate international opportunity exploitation. (Butler et al. 2010, 122.) The dilemma concerning MNEs is that they are less responsive in identifying emerging business opportunities than small firms due to their hierarchical and complex decision-making systems (Christensen 1997). Entrepreneurial processes in MNE are multi-level phenomenon, in which different interests such as different agendas in functions, create additional challenges, which has to be coordinated and harmonized by management. (Mahnke, Venzin & Zahra 2007, 1280).

4 CONCEPTUALIZING ENTREPRENEURIAL OPPORTUNITY

The purpose of this study was to comprehensively examine the entrepreneurial opportunity concept. Moreover, the purpose was to explore and synthesize existing research and results to demonstrate the possibility to approach towards unified theory of entrepreneurial opportunity. Based on the extensive literature review it can be argued that opportunity and related processes has aroused research interest in number of fields and therefore it is possible to argue that it is a truly interdisciplinary concept. This is accordance with many researchers such as Shane and Venkataraman (2000); Short et al. (2010) as well as Hitt et al. (2001). Opportunity is the most fundamental concept in the field of entrepreneurship and without opportunity, there is no entrepreneurship (see, for example, Short et al. 2010, 40). The concept has replaced entrepreneur as the most important research object in entrepreneurship research (Shane & Venkataraman 2000, 219).

Conceptual studies on opportunity has been conducted mostly in the field of entrepreneurship, whereas other fields' interested have been for instance the processes of opportunity and means of identification. However, exact categorization of the research field to which certain article belonged cannot be done without problems. According to Tofthagen and Fagerstrøm (2010, 24) determining to which field of science particular study belongs to is a matter of interpretation, as the defining factor could be either educational background of the researcher, the profile of the publication or the theoretical basis of the study. This is the case especially in the interface of strategic management and entrepreneurship, where a large share of the opportunity studies is conducted. Entrepreneurial opportunity has been studied also in the interfaces of entrepreneurship and organizational science, economics, international business/marketing, cognitive psychology and sociology (see Figure 5).



Figure 5 Importance of entrepreneurial opportunity in different research fields

As seen from the Figure 5 opportunity is an important concept for many different fields of sciences and their theories. Different scientific fields have different perspectives to the phenomenon. For example entrepreneurial opportunity has been explained through organizational learning theory or through information management theory. The proportions describe approximately the importance of the concept for a particular scientific field. The inter-disciplinary as characteristics to opportunity provides variety of fruitful perspectives to study the concept, yet the challenge in achieving a comprehensive and synthesized picture of the phenomenon and how it has been studied. If the studies and their results will be dispersed to their own restricted research paradigms, it does not advance the comprehensive opportunity theory.

4.1 Overall review

The majority of the research data articles (18 articles out of 40) were found in entrepreneurship journals: *Journal of Business Venturing* (5 out of 18 articles), *Entrepreneurship Theory and Practice* (4 articles) and *Strategic Entrepreneurship Journal* (2 articles). In the management journals altogether 9 articles out of 40 were found and from those *Journal of Management* and *Journal of Small Business Management* both had two articles and the rest one article. Economics journals had also contributed to opportunity studies, and there especially *Small Business Economics* contributed 5 out of 6 articles. Also journals from organization science contributed three articles, Inter-

national business and marketing two articles and *Journal of Business Strategy* one article. The comprehensive list of scientific journals of the research data can be found in Appendix 1. The research approach was theoretical in 22 articles (55 percent) and empirical in 18 articles (45 percent), of which eight articles were quantitative studies and nine qualitative and one combined both quantitative and qualitative research approach. This result demonstrates that rise of interest on theoretical research on opportunity, as before 21st century there was a lack of theoretical research on opportunity (Shane & Venkataraman 2000).

From the research data seven articles out of 40 focused solely analyzing the opportunity concept, whereas 18 articles (45 percent) analyzed the processes related to opportunity instead of the concept itself. The processes most often related to opportunity were opportunity identification (opportunity discovery, opportunity creation, opportunity enactment, opportunity recognition) and second most often opportunity evaluation. The rest 15 (35 percent) articles analyzed both the concept of opportunity and the processes related to it. As can be seen, the research on opportunity related processes (opportunity identification) is more abundant than the research on the concept of opportunity. One of the reasons to this could be that the concept of opportunity itself is abstract and complex research topic. The importance of opportunity identification to new business creation most likely has increased its popularity. Moreover, this implies that opportunity is best understood as a part of a process. Many articles studied the opportunity concept and processes related to it together, which suggests, that they are fundamentally interlinked and should be studied together in order to achieve the most precise understanding of the topic.

The most popular research topics in the selected research data were how opportunities are identified. The major part of the studies examined that, however, they had some differing perspectives to that. Some studies focused to examine, whether opportunities are discovered or created while some studies combined both views. Identification process was examined also from international business perspective, from bigger economy perspective and so on. Also the concept of opportunity itself had gained popularity as a research topic recently (see Figure 6).

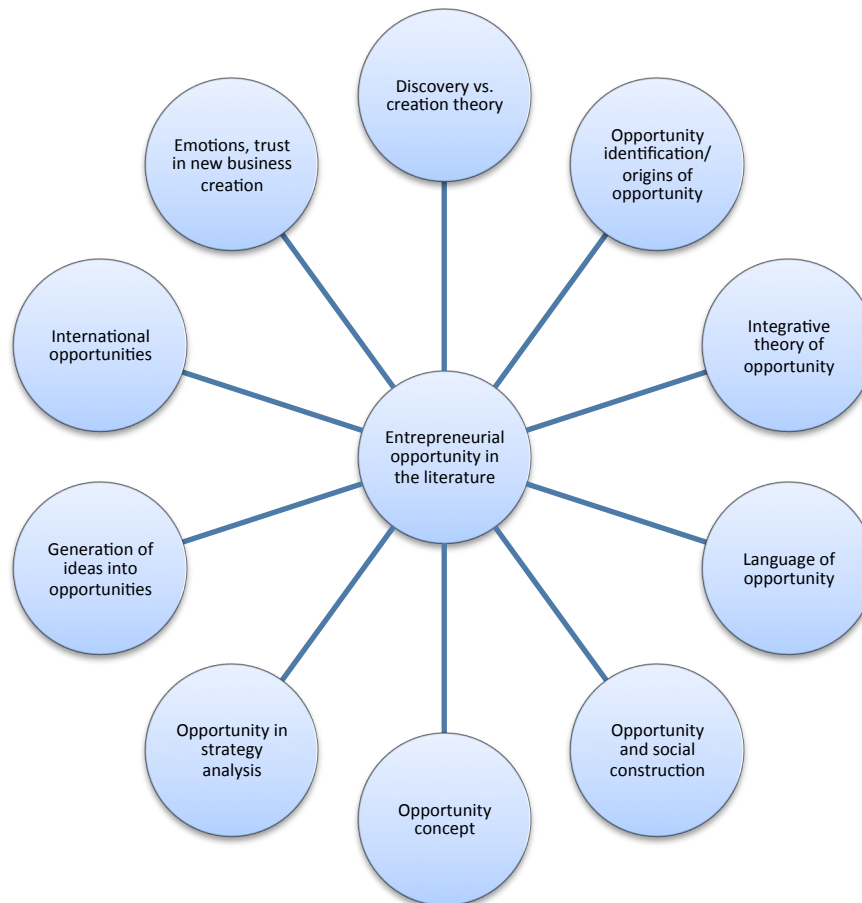


Figure 6 Main research areas for entrepreneurial opportunity in the research data

The Figure 6 illustrates the various research areas of opportunity. Amongst the research themes were also entrepreneurial opportunities in strategy development, strategic choices after materialization of opportunity, struggle and difficult nature of opportunity, the role of organization and its structure on opportunity identification, psychological perspective on opportunity, opportunity in MNEs, opportunity and learning. In sum, the research areas varied and offered number of aspects. Yet, most articles focused on processes related to opportunity. In that respect there is still demand for unique perspectives to study opportunity. This research is limited however to business perspective and therefore for instance sociological or psychological research on opportunity has not been included in this study. Yet the research literature revealed that for instance theme of social opportunities and social entrepreneurship could be a potential research and thus should reserve more research attention in the future.

Opportunity can be studied in different contexts or units. The definition of the context or unit is difficult and in some cases even vain in regard with entrepreneurial opportunities (Shane 2003). Entrepreneurial opportunities are always in relation to individual whether in individual entrepreneur, entrepreneurial team in a firm or the entre-

preneurial activity of the whole department of organization consisting of employees. At the same time the entrepreneurial process is an organizational phenomenon, because the entrepreneur or entrepreneurial entity is controlled or facilitated by routines, boundaries and activities in the organization's entrepreneurial processes. (Poudel & Thatcher 2010, 12–13.) Defining the context of analysis was challenging in regard with some articles and due to this it is interpretation of the author in some cases. Subsequently, individual as a unit was most prominent. Individual was the unit in 17 articles out of 40 (42,5 percent) in this study. In ten articles out of 40 the analysis took place in the firm context. 11 articles could be regarded to refer to both individual and firm contexts at the same time. Two articles also referred to industry level together with individual and firm level. The opportunity phenomenon takes place at the same time in individual and organizational level if the opportunity seeking is occurring inside a firm.

4.2 Concept of abundant definitions

This study found altogether 26 different definitions for entrepreneurial opportunity concept from the research data that comprised 40 articles of which ten articles did not provide explicit definition for the concept (see Appendix 1 for the comprehensive list of the definitions). The number of different definitions for the phenomenon is large. Some articles presented more than one definition for the concept in order to demonstrate the variety of definitions. It is noteworthy though that despite 26 diverse definitions, they shared similar elements and attributes. Yet such a large variety of definition can be a challenging issue regarding to the validity of opportunity research (see, for example, Hansen et al. 2011, 297).

Table 2 provides the most suitable definitions for opportunity concept that was found from the research data. These include 7 out of 26 definitions. These definitions were considered as the most suitable, because they were extensive. They provided most of the fundamental attributes of entrepreneurial opportunity. Moreover they had captured the character and nature of entrepreneurial opportunity.

Table 2 Summary of most suitable definitions of entrepreneurial opportunity

Author(s) / Year	Definition of Entrepreneurial opportunity
Casson (1982); Shane & Venkataraman (2000,220)	"Entrepreneurial opportunities are 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"
Dimov (2011, 62–63).	"Evolving blueprint for action, synthesizing the entrepreneur's sense of, expectations about, and aspirations for the future, and can help us understand what the entrepreneur does at every step of the way from within the worldview that the entrepreneur holds"
Venkataraman and Sarasvathy (2001, 652) Also Drucker (1985), Eckhardt & Shane (2003).	"Opportunities are courses of action that seek to derive benefits from these changes"
Venkataraman (1997, 4)	"An entrepreneurial opportunity consists of a set of ideas, beliefs and actions that enable the creation of future goods and services in the absence of current markets for them"
Short et al. (2010, 55)	"An opportunity is an idea or a dream that is discovered or created by an entrepreneurial entity and that is revealed through analysis over time to be potentially lucrative"
Singh (2001, 11)	"Entrepreneurial opportunity is a feasible, profit-seeking potential venture that provides an innovative new product or service to the market, improves on an existing product/service, or imitates a profitable product/service in a less than saturated market"
Stevenson, Roberts & Grousbeck, (1989); Stevenson & Jarillo (1990)	"A future situation that is both desirable and feasible, regardless of the resources currently under the control of the entrepreneur"

Table 2 demonstrates the most useful definitions of the concept of opportunity that were found from the 40 different articles. The chapter 4.3 will present more detailed the results of attributes of opportunity. It is noteworthy that the definitions regarded as most suitable defining the opportunity are different from each other. Definitions provide distinct perspective to opportunity concept. Some definitions emphasize attributes such as ideas, aspirations, beliefs and actions of entrepreneur in opportunity concept, whereas others accentuate new product or service perspective and profitability in defining opportunity. A few definitions focus on future-oriented perspective. Further, as evident from the table definitions of opportunity have evolved throughout time, which indicates that researchers have found existing definitions inadequate or even incorrect. In addition as a young field of science, entrepreneurship is still characterized by being in a state of developing its main concepts and building its theories. Therefore the future might provide even better definitions.

Albeit there is no single commonly accepted definition of opportunity, Shane and Venkataraman's (2000) and Casson's (1982) definition was the most often referred definition of opportunity in the research data. Total of 14 articles referred to their definition. Ten articles out of 40 defined opportunity according to it and seven articles refer to the definition in their study, although using at the same time some other defini-

tion as well. According to them entrepreneurial opportunities refer to novel goods, services, raw materials, markets and organizing techniques that give birth by inventing new ways, final entity, or new means and new final entity relations. Similar kinds of results have found also Hansen et al. (2011, 295) as they have argued that there does not exist generally accepted conceptual definition of opportunity. Yet they have noted also that particular views have been more popular within the research of opportunity. The definition of Shane and Venkataraman's and Casson's is derived from the discovery view. Its usability is enhanced by that it can cover also creation perspective. The previously undetected or unutilized new ends and means could be either discovered or created as Eckhardt & Shane (2003, 336) has noted. Due to its integrative nature and the fact that already so many researchers have adapted it, it is the most potential definition for being the universally acknowledged opportunity definition. Nevertheless, as a definition it lacks clarity, which is an essential feature of a good definition. Especially the last part of the definition is imprecise:

“Entrepreneurial opportunities [...] can be introduced through the formation of new means, ends, or means-ends relationships” (Casson 1982; Shane and Venkataraman 2000, 220).

The reference to “means, ends or means-end relationships” has some confusion in it. It refers to imprecise phenomenon. The “ends” for example can be interpreted to refer to a broad outcome of entrepreneurial opportunity. Moreover, the saying new means, ends, or means-ends relationships cannot be separated, as the saying can make sense only as an entity. Similar suggestions have been pointed out also Plummer et al. (2007, 366) in their study, as they noted that the new means–ends framework linguistics can head to confusion and the mistaken way of understanding it. Their perspective to the issue is, however, different. *Means* and *ends* should be distinguished from a view of the method of exploitation (Plummer 2007, 377). The problem arises, because certain opportunities that have been already exploited remain still available to exploit to other entrepreneurial agents (Holcombe 2003; Plummer et al 2007, 367). Further According to McMullen (2007, 277) the problem of Shane and Venkataraman's (2000) and Casson's (1982) definition is that it is teleological by nature, because opportunities are always an opportunity to something, which result that there is always means to the end. The new means, ends or means-ends relationships has been explained by Eckhardt and Shane (2003, 336): Opportunity situations do not need to change the terms of economic exchange, but only need to have the potential to alter the terms of economic exchange. Entrepreneurial opportunities are creative decisions in that the entrepreneur constructs the means, the ends, or both. In non-entrepreneurial decisions the decision maker maximizes scarce resources among previously developed means and ends, whereas entrepreneurial opportunities encompass the creation or identification of new ends and means (Gaglio & Katz, 2001) previously undetected or

unutilized by market participants. (Eckhardt & Shane 2003, 336.) This explanation sheds light to the new means and ends relationships thematic. Yet it is problematic if the opportunity definitions is so ambiguous that an explanation is needed to precisely understand its meaning. Clarity is crucial part of the definition. From that perspective this may not be the most useful definition for entrepreneurial opportunity.

Entrepreneurial opportunity concept was used for large variety of different phenomena. This notion is in line with previous research such as Ardichvili et al. (2003, 108) and Harms et al. (2009). It described phenomena such as a chance to meet a market need, situation or future situation, economic value, entrepreneur's strive for a venture or a potential venture, outcomes of economic processes, entrepreneur's sense of the future, product or service pursued by an entrepreneur in a firm, social and cognitive process, courses of action, a set of ideas and actions for future products, project, solution to a problem, idea or dream. As can be seen, opportunity concept was used to describe phenomena that were not similar to each other. This can be regarded troublesome. Some researchers argued opportunity is a situation (Casson 1982; Shane & Venkataraman 2000, 220), while others argue it is a process (Gartner et al. 2003) in the research data. McMullen (2007, 279) has been contemplating on a similar issue in his article. Both of these conceptualizations of opportunity could be interpreted as necessary to study human action in general and entrepreneurial action in special, because human action is sequential and hierarchical by nature. Certain decisions and actions are indispensable antecedents of others. Therefore certain actions can be understood only within the context of previous decisions and actions. Therefore, it is arguable that opportunity includes both a goal and the ingredients necessary to achieve it. Whether opportunity is a goal superior to status quo or whether it is environmental conditions that are indispensable to transforming the goal or intention into actual behavior. (McMullen 2007, 279.) Also there is a major difference in understanding opportunity either as a chance to meet a market need or entrepreneur's pursuit of a certain product or a service in a venture. The previous describes a mere option and can be seen to be in its rather initial stage. In contrast the latter describes already more compound and advanced phenomenon.

Thirty articles out of forty (75 percent) explicitly defined the concept of opportunity, whereas ten articles (25 percent) failed to provide an explicit definition for the concept. This differs slightly from the results of the study of Hansen et al. (2011). In their study only 23 researchers (41 percent) defined opportunity. Harms et al. (2009) have had similar kind of results: according to their study the concept of opportunity is usually implicitly discussed in strategic management literature without clear definition. This study, however, found out that the major part of the articles defined opportunity concept. Yet, when such an abstract and contemplated concept as opportunity in question, the definition should be always offered as also Hansen et al. (2011, 296) have

argued. Definition of opportunity is important in order to understand how the researcher conceptualizes this contemplated concept as some scholars can view the concept differently. Lack of explicit definition can be an indication that many researchers assume that their definition of opportunity and processes related to it is universally shared and thus it is not necessary to state it explicitly (Hansen et al. 2011, 294). However, this has appeared to be not true.

Definition for opportunity related processes (opportunity discovery, opportunity creation, opportunity recognition) were provided more often compared to the concept itself within the analyzed literature. Only two articles out of 40 did not explicitly define opportunity related processes. This might indicate that the processes related to opportunity are less complex in comparison concept itself. In study of Hansen et al. (2011, 293) 26 articles out of 56 (46 percent) explicitly stated and explained opportunity-related processes and 41 percent (23 articles) defined the concept of opportunity itself. Merely 14 percent (eight articles) offered definition for both the concept of opportunity and processes related to it. Their results are in line with the findings of this study.

Lastly, in this study, 15 articles (37,5 percent) took the discovery theory as a theoretical basis, whereas there were only 3 articles (7,5 percent) that adapted the creation theory for the theoretical framework of their study. Nevertheless, 22 articles (55 percent), more than half of the articles, acknowledged both theories and out of these 17 articles (42,5 percent) adapted both of them as their theoretical framework. Subsequently, the great emphasis on the division between discovery and creation theories, that was evident in the research literature, was less evident in the research data. This is an indication that the gap between the two theories is not that significant. Another perspective is that researchers have only recently started to acknowledge the existence and value of both theories, as the articles included to the research data were chosen from within last ten years time period compared to that of all the published data on opportunity. 21st century might have started a new more consensus-driven paradigm on opportunity studies.

4.3 Attributes of opportunity

Recognizing and explicating the defining attributes of the concept is fundamental for the identification of the phenomenon and for differentiating it from other phenomena (Puusa 2008, 40). Yet many published studies that have adapted concept analysis as their method have failed to validate the chosen defining attributes for the concept (Paley 1996; 575). The failure to provide an explanation why certain attributes over the others have been chosen can create a conception that the selected attributes are random and

short of the evidence (Risjord 2008, 687). For a scientific research this is a notable problem. Subsequently, special attention has been paid to the justification of the chosen attributes albeit subjectivity is always present in qualitative conceptual research. Valid argumentation is the key in naming the attributes. Due to the existence of numerous differing definitions of opportunity, the basis for identifying the defining attributes was to explore possible attributes as comprehensively as possible.

The frequency of different attributes was calculated in order to find the most repeated attributes of opportunity. The literature revealed plentiful of elements attached to the concept of opportunity that were both explicit and implicit. Altogether 24 attributes that described the concept of opportunity were found. In similar study the results were corresponding, as Hansen et al. (2011, 295) identified 29 elements that defined the concept of opportunity. In this study the most frequently attached attributes to opportunity were agent and action, new goods and services, market, value, new means ends or both, and future as depicted in Table 3. This is in line with Hansen et al. (2011, 295), who found in their literature review that five of the most commonly used elements in conceptual definitions were entrepreneur, situation/external environmental conditions, possibility, product and new/novel. Also, most of the other attributes found in this study and the study of Hansen et al. (2011) are consistent with each other.

Table 3 Most frequently attached attributes to opportunity

Attribute	Frequency	Attribute	Frequency
1. Agent & Action	14	13. Solution	2
2. New goods and services ¹¹	7	14. Better	1
3. Market	7	15. Resources	1
4. Value	7	16. Worldview	1
5. New means, ends or both	6	17. Environmental conditions	1
6. Future	5	18. Process	1
7. Situation	4	19. Project	1
8. Expectation & aspirations	4	20. Chance	1
9. Idea	4	21. Confluence of circumstances	1
10. Feasibility	4	22. Dream	1
11. Social	2	23. Desirable	1
12. Time constrained	2	24. Different	1

Table 3 shows the most common explicit attributes that were attached to opportunity and the incidence of the attribute among 26 definitions. The first ten attributes are distinctly the most often attached attributes to opportunity. The results demonstrate that although opportunity was characterized by numerous elements, the most essential attributes stands out from the rest. Therefore based on this it is possible to argue that these are the most important attributes of opportunity.

4.3.1 Categorizing attributes of opportunity

The found 24 different attributes of opportunity are numerous, it does not make the concept more explicit and clarified, but rather more tangled. Therefore, the need to categorize the data is apparent. Without the defining attributes, the existence of the phenomenon is impossible. Nonetheless, the found elements require further analysis. The categorization of defining attributes aids to understand that the concept has different dimensions. Subsequently, opportunity attributes have been organized into two different groups in order to clarify the phenomenon. The division is done between the core and complementing attributes of opportunity. The core attributes consists the

¹¹ Includes new goods, services, markets and organization methods as defined by Shane & Venkataraman (2000, 220).

most fundamental attributes, which are essential for the emergence of the phenomenon. The complementing attributes are possible attributes that are not fundamental for its existence, but which illustrates the phenomenon that the concept describes.

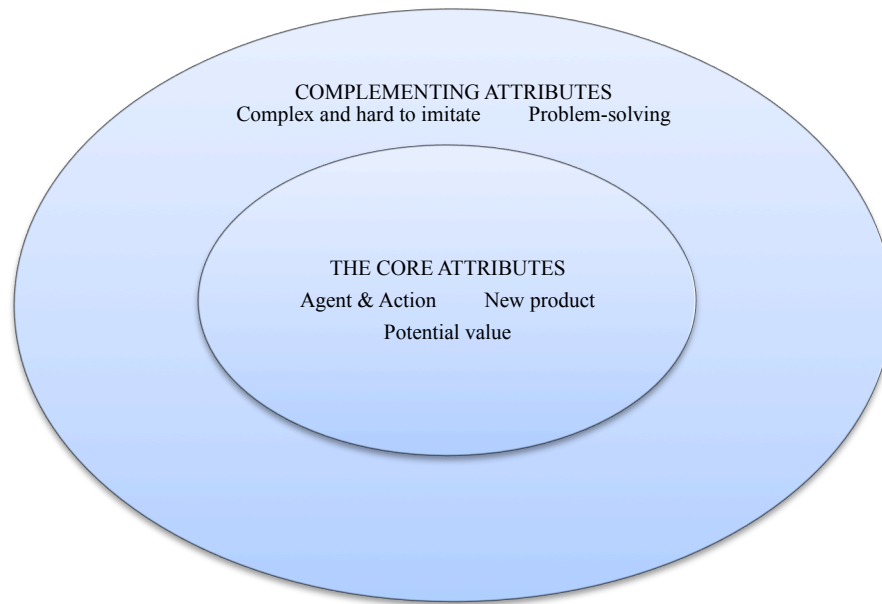


Figure 7 Categorization of attributes of opportunity

The categorization of attributes contributes to the understanding of the concept opportunity by presenting it from the core to the utmost level. The core attributes are agent and action, market, value, new product or service, and future. These core attributes will be discussed and validated in the chapter. The categorization should aid to build more concrete understanding of the concept, as the phenomenon is elusive and ambiguous by nature. It is important to separate the fundamental attributes from the complementing ones. The purpose of the categorization of attributes was also to achieve empirically more meaningful picture of opportunity, because theories should always represent the reality (Risjord 2008, 688).

4.3.2 *Constructing model cases of opportunity*

The fifth stage of Walker and Avant's (2005) concept analysis model is to create model cases. The model case is constructed using the defining attributes (Risjord 2008, 686), which were identified in previous chapter. Therefore model cases are of great importance in authenticating the evidence base of the research results (Risjord 2008, 686). Moreover, model cases demonstrate the use of the concept in reality (Avant & Walker 2005, 68–69; Risjord 2008, 686). As Risjord (2008) and Paley (1996, 573) has argued that one of the biggest issue in Walker and Avant's (2005) concept analysis model has been the lack of explanation and argumentation of chosen attributes, these

will be discussed and validated by using model cases. In this phase the author can also represent cases that describe the incorrect use of the concept in order to demonstrate the improper use of the concept (Puusa 2008, 40).

It should be noted that the author of this study created the model cases and thus they are subjective in nature. Model cases of entrepreneurial opportunity are numerous, as is the pool of opportunities indeterminate and can expand over time (cf. Holcombe 2003, 34). These model cases thus represent only a few cases out of indeterminate quantity.

4.3.2.1 *Agent and action*

The analysis revealed that action and agent are the most fundamental characteristics to opportunity in that opportunity can never materialize without action of an agent. The agent was most often referred as entrepreneur, but also entrepreneurial teams and firms were often indicated. Entrepreneur can be interpreted as the symbol of all these actors. Also term *entrepreneurial entity* could be useful for referring to all these agents at the same time. Agent and action is an important attribute to differentiate opportunity from mere environmental conditions, changes, trends and so on. Without agent and action the phenomenon should be referred for instance as option instead of opportunity (Morris 2005, 50). Option can exist without agent and action.

The importance of agent and action in defining opportunity can be understood by comparing these two cases. In the former sentence agent and action is included and the latter case they are absent.

Model case: An entrepreneurial team within a firm has noted that the amount of waste is increasing and at the same time the need for energy is growing, therefore it is developing and will introduce to the market a home appliance system that produces fuel from domestic waste.

- Therefore there is an entrepreneurial opportunity

Anti-Model case (an illustration of an incorrect use of the concept): The amount of waste is increasing and at the same time the need for energy is growing.

- Therefore there is not an opportunity. There is an option waiting for action to possibly be transformed into an opportunity.

4.3.2.2 *New product or new means, ends or both*

New products, services, markets, and organization methods were attached to opportunity in various definitions. The most common definition of opportunity by Shane

and Venkataraman (2000, 220) and Casson (1982) also emphasized newness in their definition. New products and services is an important attribute in that it separates an entrepreneurial opportunity from merely an opportunity (Kirzner 1997, 69). For instance there might be an opportunity to establish a new hairdressing firm to a village that currently does not have one. Yet this does not represent entrepreneurial opportunity, as it is not a new in a unique way. It is just a mere opportunity.

There is some ambiguity related to newness. It can be divided into objective or subjective newness. (Harms & al. 2009, 60.) Therefore it should be clarified whether entrepreneurial opportunities are subjectively or objectively new. Newness as universal or as a contextual feature is also linked to this. For instance introducing already established products to new markets. Also Plummer and al. (2007, 364) have suggested that not objectively new opportunities should be understood as *underexploited opportunity*.

Model case: Entrepreneurial product development team within a start-up are developing a product range targeted to slow down the signs of aging in human's face. This product range is characterized by newness, as the technology used in the making is totally new (new product). Although there are anti aging creams, this product uses such technology that has not been used before in cosmetics (new means). The technology is based on medical treatment of cancer cells and now this technology has been applied first time in cosmetics. This entrepreneurial opportunity requires extensive investment, but the potential profit is calculated to exceed the cost of investments, as the market is huge, as people want to look young. Also, the product range supports the potential profit, because several products, which are based on the same technology, can be launched. The launching of new modified products is easier and do not require as extensive product development anymore.

4.3.2.3 Potential value creation and market

Potential value is a fundamental attribute of opportunity, yet some problems are linked to it. Firstly, anticipating the future market beforehand to determine the potential value of the opportunity is a nearly an impossible task. Determining whether an opportunity is potentially valuable demands a conjecture that the prospect price of the new product or service will be higher than the cost. Also there has to be a demand to the new product or service. Thus market must exist. In sum the agent has to anticipate future market beforehand. In addition, the profit can be temporary due to external and internal reasons. (Eckhardt & Shane 2003, 339.) Appropriability is linked to potential value. The factors that can reduce profitability can be competition (Eckhardt and Shane 2003, 339) and spreading of information about the opportunity, which might result in raising the price of the resources by the resource owner (Kirzner 1997, 81). From the custom-

er's view the most important is value-added for the customer. Although this was not emphasized as defining attribute of an opportunity, it is the other side of the value gain. Value gain is possible for agent only if there is possible value gain for the target. (Lepak et al. 2007, 181.) Market can exist only if there is value gain for the target.

Model case: Two IT students have noticed the potential value for the new Internet site service that provides information for the whole student community of a big city. Other students can also create content to the site making it interactive and timely. The Internet site provides information about best parties, clubs that are full of people, happenings, new job openings and so on. The companies that wish to advertise to students are the paying targets. As the setting up costs of the site is very low due to the coding skills of the founders, they expect them to be lower than the future profit. Moreover, they are convinced that such a site, which is commercial, could and always on time and interactive, could have potential market.

4.3.2.4 *Future, expectations and ideas*

Expectations, beliefs, aspirations, dreams and ideas refer to a cognitive element in an agent's mind. These are important attributes of opportunity, as the entrepreneurial opportunity is usually risen out of motivation. These are important attributes, since opportunity is fundamentally uncertain, therefore, the expectations and aspirations the agent holds at that point of time create the fundamental core of the opportunity.

Model case: Tina works as a personal trainer in a large gym chain. She has irregular working hours and she thinks that she cannot influence on her tasks as much as she would like to. There is also Alex who used to work as a project manager in IT firm, but was made redundant as the company outsourced its operations to a different country. Alex hires a personal trainer as he now has a lot of spare time and he has always been enthusiastic about training to a marathon, but never before had the time to do so. Tina and Alex meet in the gym, as Tina is Alex' personal trainer. They meet almost every day and become close and start to share their private life. Suddenly their stories match and their desires, expectations and ideas match and they decide to start their own business (*expectations and ideas as an attribute*). They have created together an entrepreneurial opportunity to establish well-being, gym and fitness services providing venture for baby boomers. Their previous knowledge on the market, customer needs and management experience has helped them to identify this opportunity. The opportunity is potential, because people are getting older (*large and growing market as attribute*). These people have significant financial resources (*potentially profitable market as attribute*) as well as a desire for wellbeing and health. In Finland people are highly educated, therefore there is human capital available (for instance personal train-

ers nurses, physiotherapists and physicians (*resources*). Baby boomers still have many active years ahead of them. This could be applicable also in other countries than Finland such as in other Scandinavian countries, in Germany and in the Netherlands (*international market expansion*). Although this is not totally new idea, it is still characterized by some degree of newness or underexploited opportunity. There is, however, some degree of uncertainty regarding to this opportunity since there are already established fitness centers, yet they have not differentiated to baby boomers. Problem regarding to this opportunity is that it is quite easily imitable (*potential value gain and its sustainability*), as it does not require highly complicated technological knowledge. The opportunity is potentially profitable due recognized demand and low costs of “innovating”. Due to the high cost of human resources and specific needs for the facility real estate, investment is needed in the beginning.

4.4 Related, borderline and contrary concepts of opportunity

Previous chapters identified and empirically demonstrated the attributes that make opportunity a unique concept, differentiating it from any other concept or phenomenon. There is no other concept that would include exactly similar attributes. Yet opportunities do not exist in vacuum. It is essential to define the broader system of concept, in which it belongs to in order to understand the phenomenon better and its relations to other concept and phenomena (Näsi 1980, 13). This is part of understanding the larger theory surrounding the concept. The first step to for this phase of the analysis was to calculate the incidence of borderline, related and contrary concepts of opportunity in the research data. Each article was examined carefully for such concepts. Yet concepts that were classified to belong to other categories such as attributes, antecedents and consequences were left out, as Walker and Avant (2005) has argued that a concept cannot be at the same a related concept and an antecedent.

The related concepts to opportunity were numerous. There were also many borderline concepts and even a few contrary concepts to opportunity. The concepts that were most frequently attached to opportunity in the literature are presented in Table 4 below. They are presented in descending order of their incidence from most often to least often.

Table 4 Summary of borderline concepts, related and contrary concepts of opportunity

Related concepts		Borderline concepts		Contrary concepts	
Entrepreneurship	22	Idea	20	Threat	5
Environment	22	Innovation	16	Business as usual/	4
Process	22	Possibility	7	Status quo/	
Market	19	Solution	5	Continuing	
Organization	17	Business plan	4	circular	
Resources	16	Business model	3	flow/present	
Strategy/strategic	14	Prototype		action	
Uncertain(ty)	14	Dream	3	Risk	2
Technology	13	Chance	2	Problem	1
Future	12	Business concept	1	Setback	1
Context	10		1	Catastrophe	
Risk	9				
Challenge/complex	8				
Economy	8				
Manager	7				
Institutions/government	7				
Industry	7				
Venture capital	6				
Decision/decision-making	5				

The related concepts that were most often attached to opportunity were entrepreneurship, environment, process, market, organization, resources, strategy, uncertainty, technology, future, context, risk et cetera. These related concepts are important part of the theoretical framework that opportunity belongs to. Entrepreneurship and opportunity are fundamentally interlinked concepts. Either one of them cannot exist without the other. Environment was also important related concept to opportunity, as opportunity can be seen as developing in the interaction between the environment and agent (see Figure 8).

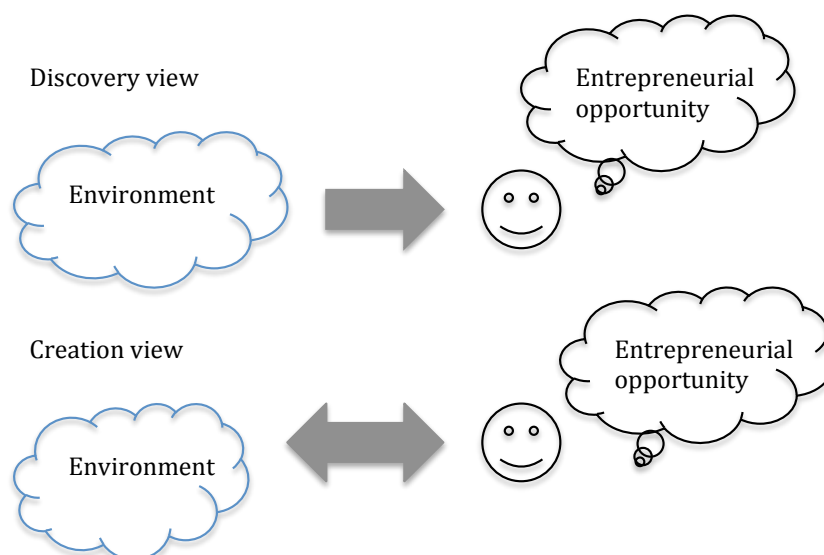


Figure 8 The relationship between opportunity and environment in discovery and creation theory.

The Figure 8 shows the difference between opportunity discovery and opportunity creation theories in understanding the relationship between environment and the agent in opportunity identification. The relationship is one sided in discovery in that environment is the stimulus. In creation view the relationship is more interactive in that environment do not solely affect on opportunity, but the entrepreneur creates the opportunity in its mind, but the creation is influenced by the environment. Yet in both theories the impact of environment in opportunity identification is essential. According to the discovery view individual discovered opportunity for instance due to his prior and specific knowledge. This suggests that there is no interaction between environment and individual. In the creation view, in contrast there is a constant dialogue around opportunity between individual and his stakeholders.

The results indicated that opportunity was also fundamental part of various processes. According to the research results entrepreneurial opportunity could be understood as a catalyst to or as a part of numerous different processes. These processes are often interlinked to each other and antecede and follow each other. According to the research data in addition to opportunity identification and opportunity exploitation the processes that opportunity became part were, creative process, learning process, strategic management process, entrepreneurial process, decision-making process, process of structural alignment, firm creation process, process of social/societal construction, problem solving process, interpretation process, value creation process and process of creative destruction.

The relationship between market and opportunity were described so that markets were important mediating factor in opportunity identification and opportunity exploitation. Markets are essential in understanding opportunity as opportunity-seeking activity is embedded in market processes (Buenstorf 2007, 323). Markets offer gaps and inefficiencies for initiating opportunity identification (see, for example, Alvarez & Barney 2007, 127). Market competition also provides new entrepreneurial opportunities accidentally as by-products (Buenstorf 2007, 323). Market responses could also been important initiator of opportunity identification (Alvarez & Barney 2007, 131). Knowledge about markets is important in order to identify opportunities (Alvarez & Barney 2007, 137). As a consequence the relationship between opportunity and market is multi-layered and essential in the opportunity process. The economy consists of markets and the market, as we know it provides the required surrounding to opportunity. Opportunities are formed in market relationships. (Dimov 2011, 64.) Opportunities could no exist without market structures.

Opportunity is essentially an organizational phenomenon, as it is individual, because opportunity ultimately becomes exploited in organizational settings (Poudel & Thatcher 2010, 12–13). The relationship between opportunity and organization can be facilitating, but also hindering, as organizational structures impact the emergence of opportunity and opportunity related processes as well as opportunity exploitation (cf. Mahnke et al. 2009).

The most frequently attached borderline concepts to opportunity were idea, innovation and possibility. Borderline concepts are the ones, which are most likely confused, since they are similar kind of concepts. Idea and opportunity were often overlapping and roughly used as a synonyms. Idea was regarded as initial opportunity. Also in creation theory dreams were regarded as initial opportunities, but their relationship to opportunities was insufficiently defined. Dreams and ideas were regarded to transform into opportunities through evaluative processes such as the examining the risk and uncertainty. (Short et al. 2010, 54.) Innovation was an important borderline concept to opportunity. Both share some similar attributes such as agent and action, new product or service and value. Both concepts are fundamentally inter-disciplinary and important for businesses (cf. Baregheh, Rowley & Sambrook 2009). Therefore it is actually more important to consider what attributes differs these two concepts from each other. Thus it is important to demonstrate a few examples of how innovation has been defined. Innovation refers to the means to change organization in order to react to the environment change or to impact the environment (Damanpour 1996, 694). Innovation is the formation of new knowledge and ideas in order to achieve new business outcomes that enhance the internal business processes and structures and to create new products and services (Plessis 2007, 21). Based on these it could be argued that innovation is more organizationally oriented phenomenon compared to entrepreneurial opportunity. Also

entrepreneurial opportunity is more “soft” and elusive term emphasizing dreams, aspirations and senses of an entrepreneur. Yet these two concepts are closely related. Innovation and opportunity can be seen as a continuum to each other. Innovation generally exists before opportunity (see, for example, Vaghely & Julien 2010, 77), but also the opposite could be possible, for example if a detected market need leads to the development of product innovation after careful evaluation. The Figure 8 below presents the borderline concepts to opportunity in the chronological order.

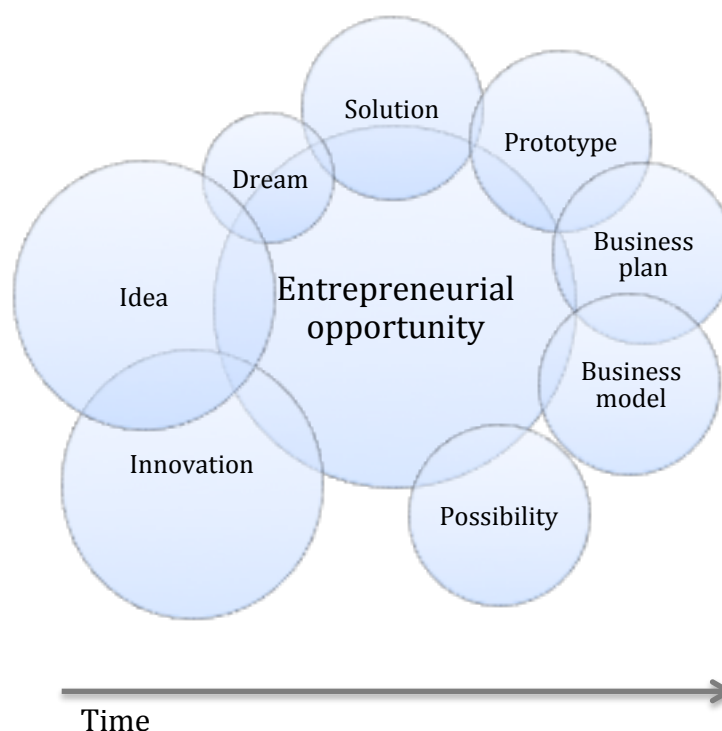


Figure 9 The temporal relationship between entrepreneurial opportunity and its borderline concepts

As seen from the figure, entrepreneurial opportunity is characterized having numerous borderline concepts. The size of the circle illustrates the dominance of that particular borderline concept in the research data. For example idea and innovation were most dominant borderline concepts of opportunity, whereas dream was less significant borderline concept to opportunity in the research data. The relationship between idea, dream, innovation and opportunity is so that they occur before the opportunity, whereas borderline concepts such as business model and business plan occur after the identification of entrepreneurial opportunity.

According to the findings of this study, the contrary concepts to opportunity were threat, “business as usual” or status quo, and risk. The relationship between contrary

concepts and opportunity lacked examination in the research literature. Also the frequency of contrary concepts is rather low compared to related and borderline concepts. There has not been a clear understanding and interest towards the topic. The contrary cases are such that where the concept is not utilized (Walker & Avant 2005, 70–71). As an illustration of contrary case: Managerial team members in established company have recognized a trend that could impact on their business. The trend is that parents of babies and young children have started to avoid the use of plastic, because they contain chemicals that might be harmful especially for little babies. Also plastics create waste that does not decompose. The families prefer more sustainable and healthy packaging for their baby food. Despite the growing tendency of sustainable and healthy product materials the managerial team decides not to pursue the option any further as they think that large masses are more price aware than ecologically and health wise aware. People tend to act differently than they publicly say and think in regard with these issues. The company carries on business as usual.

In sum, the opportunity is surrounded by abundance of concepts. This suggests that it is an important concept and crucial part of variety of phenomena we see in the world. Identification of the borderline concepts of opportunity was of great importance due to the abstract nature of opportunity. Opportunity is often mixed with its borderline concepts quite casually, yet opportunity is different concept from its close borderline concepts of idea and innovation.

4.4.1 *Environmental antecedents*

Opportunity appears in the literature commonly in processes related to it. The discussion about the concept itself is less typical. This emphasizes the process nature of opportunity. Moreover, it suggests that opportunity cannot be understood comprehensively without understanding its antecedents. Antecedents are events and phenomena that should pre-exist before the concept can appear (Walker & Avant 2005, 73), hence antecedents refer to drivers or sources of opportunity and factors that affect to identification of opportunity. In other words, antecedents are linked to theoretical causal generalizations or patterns descriptions, which explains and describes the materialization of the concept.

The most commonly attached antecedent to opportunity in the research data was *changes*. Total 23 articles referred to changes as a driver for opportunity. Other important antecedents were market needs, information asymmetries, customer problems, and trial and error. These results are in line with Eckhardt & Shane (2003), who synthesized existing research and found out that antecedents to opportunity were changes, information asymmetries and exogenous shocks. The general misconception is to in-

interpret drivers of opportunity as actual opportunity. They, however, act only as drivers or catalysts to opportunity. (Morris 2005, 53.)

Table 5 Most commonly attached environmental antecedents to opportunity

Antecedent	Fre-	Antecedent	Frequen-
	quency		cy
1. Changes and/or uncertainty	23	8. Anomalies	1
2. Market needs	6	9. Serendipity	1
3. Information asymmetries	4	10. Industry bottleneck	1
4. Customer problems/Problems	4	11. Megatrends	1
5. Environmental signals	3	12. Activities & events	1
6. Prior entrepreneurial activity	3	13. High-order opportunity	1
7. Factors enhancing production	2		

Compared to other antecedents, changes and uncertainty are the most dominant antecedents to predicting the opportunity phenomenon to take place. Changes and uncertainty can be interpreted to mean similar phenomenon, as the shift from status quo to something else includes the element of uncertainty. Changes and uncertainty seem thus, to be the best predictors of opportunity phenomenon to occur. Changes refer to variety of phenomena. Changes can take place in actions of important actors in the economy such as competitors, consumers, suppliers, and institutions. Changes can refer to a broader level of phenomena that are changes in macro-environment such as market saturation, deregulation, business cycles (Grégoire et al. 2010, 414–415). Similarly Holcombe (2003, 30–32) have argued that that changes such as changes in preferences, but also changes in weather or natural resources depletion, causes imbalances to the market. On the other hand, changes that enhance production such as growth in output, the rise of income influence the varying mix of goods and services, population growth, increases in per capita income, the lowering cost of transportation and communication expand the scope of market. Also, prior entrepreneurial activity changes the market landscape. (Holcombe 2003, 30–32.) Changes and uncertainty is at the same time a curse and a bliss in opportunity identification: uncertainty drivers opportunity, but uncertainty also makes it impossible to know for certain whether a certain combination of factors is or is not an opportunity.

The environmental antecedents of opportunity can be macro-level or micro-level factors. In order to add understanding of origins of opportunity it is important to link micro-level and macro-level social or economic theory. The choices and actions of

individual entrepreneurs, and the origins of the opportunities they exploit, could be best explained in the broader environment context. (Plummer et al. 2007, 377.) Some of these antecedents could be categorized to belong to either micro-level or macro-level category. For instance changes such as deregulation of financial markets by government or privatization of social services by communes act as a trigger for new business opportunities. Such changes are macro-level antecedents. Micro-level changes can be for example the development of new innovation that might change the particular industry's market positions. Often changes in other have affects also in the other level. Whether the opportunity would be triggered by micro or macro-level change, it has always characteristics of affecting both levels, as micro-level new business creation is also influenced to the macro-level. Holcombe (2003) and Plummer et al (2007) have suggested that entrepreneurial opportunity is triggered by other entrepreneurial opportunity. Therefore, an opportunity such as mobile phones has given a push to variety of other entrepreneurial opportunities that are related to the original opportunity, but are yet new. Therefore, this makes novel entrepreneurial opportunities a fertile ground for other new opportunities, which are related to the original, to occur. This phenomenon is called as an opportunity lifecycle. It refers to a period of time, of which duration cannot be estimated, but in which the previous opportunities give birth to new opportunities belonging to a same opportunity lifecycle. (Plummer 2007, 377.)

Also market needs and customer problems were important antecedents, but they might require specific knowledge to know about the (see, for example, Berglund 2007, 268). Information asymmetries were attached to opportunity. Information asymmetries refer to differences in expectations, beliefs, awareness and knowledge about the relative future value of resource, or private information. (Plummer et al. 2007, 365.)

Despite the dominance of certain antecedents in driving opportunity, the understanding of causal generalizations is problematic in terms with opportunity. These drivers do not automatically and directly originate opportunity. It is more trustworthy to claim that the pattern descriptions where opportunity materializes is characterized by changes and shocks in environment, changes in thinking, values and interpretation, interaction, social interaction, action and cognitive ability and thinking. The process is much more complex than just linear activity progressing from change towards opportunity, as the human action in general is.

4.4.2 *Human antecedents*

Action by individual or individual(s) within firm is needed in order to turn the external changes and uncertainty into opportunity. Human antecedents are factors that impact on opportunity identification and precede opportunity. Human related antecedents

were distinguished from environmental antecedents presented in the previous chapter. Distinction was necessary in order to add understanding about the concept for both scientific as well as business reasons. The characteristics of environmental antecedents and human antecedents are fundamentally different, thus distinction is needed. Human antecedents are characterized by possibility to influence them whereas environmental antecedents are external for agents and thus beyond their power of influence. Environmental antecedents and human antecedents are, however, strongly linked to each other. Environmental antecedent could be seen as antecedents of human antecedents.

This study found that the most frequently attached human antecedents to opportunity were: prior/new knowledge, cognitive factors and skills and social networks. Other human antecedents were for example search, interpretation/sense-making, learning and creativity as depicted in Table 6 below.

Table 6 Most commonly attached human antecedents to opportunity

Antecedent	Fre- quenc y	Antecedent	Fre- quenc y
1. Prior/new knowledge	25	12. Societal and cultural structures	2
2. Cognitive skills	22	13. Pro-activeness	2
3. Social networks	15	14. Information sharing	2
4. Search	8	15. Dreaming	2
5. Creativity	4	16. Combining knowledge	2
6. Interpretation	4	17. Trust	2
7. Learning	4	18. Uncertainty bearing	2
8. Trial and error	3	19. Prior opportunity identification	1
9. Information scanning	3	20. Imagining new products	1
10. Organization culture	3	21. Desire to start new business	1
11. Questioning	2	22. Success and failure	1

Action words (verbs) describe often the human antecedents of opportunity. For example verbs such as learning, thinking, dreaming and questioning were often describing action that would support opportunity identification. Short et al. (2010, 55) have found similar results in their theoretical literature review. Opportunity involved also social dialogue and interaction (Wood & McKinley 2010), idea sharing, interpreting and sense-making (Dutta & Crossan 2005) as well as pattern recognition (Baron & Ensley 2006). Also verbs searching (Ardichvili 2003, 113) and experimenting, questioning, observing (Dyer, Gregersen & Christensen 2008) were seen antecedent to opportunity.

tunity. The action-related antecedents support the research results that the most fundamental characteristics of opportunity are agent and action. These results support the notion that entrepreneurial opportunity-seeking activity can be promoted by encouraging cognitive skills like creativity, pattern recognition and questioning.

From business perspective it is useful to decompose the human antecedents of opportunity in deeper level. The human antecedents found from the research data is thus presented more detailed below (Table 7). They have been divided into four categories in order to differentiate the organizational factors from the three dominant human antecedents.

Table 7 Categorization of human antecedents of opportunity

Knowledge factors	Cognitive factors	Social factors	Organizational factors
Information scanning	Alertness	Strong ties and weak ties	HR: hiring employees with specialized knowledge/broad human capital, extensive international experience and strategic positions
Tacit and procedural knowledge	Personality traits e.g. optimism, creativity, self-efficacy, the propensity to assume risks, the need for achievement, beliefs, values, attitudes, needs, and traits	Social ties with colleagues, partnerships and strategic alliances	Heterogeneous workplace: Different genetic background, experience & different capabilities
Knowledge on specific industry and its life cycle	Trial and error	International network structure	
Knowledge on customer needs and promising new product variants	Overconfidence	Conferences	
Prior employment in an industry incumbent	Pro-activeness	Partnering with universities and research laboratories	High education level and experience
Prior technical and international knowledge	Intuition	Upstream suppliers	Resource mobilization
Combination of technological and commercial knowledge	Visiting new places	Interaction and idea networking	Research & Development
Prior knowledge on markets, ways to serve markets and of customer problems	Trying new things	Stakeholder support to enhance entrepreneur's confidence	Trust
Foresight	Experimenting to learn new things		Autonomy
Previous start-up knowledge	Exploring the world intellectually and experimentally		Corporate entrepreneurship
Ability to speak different languages	Connecting fields, problems or ideas that might seem unrelated		Organization culture that encourages and rewards curiosity
Specific interest/knowledge	Motivation to change a status quo		Decreasing layers of decision instances
	Pattern recognition		Incentive
	Imagination		Accepting the loss and not putting employees careers at risk if failure occurs
	Bisociation		Strategic communities of practice
	Bearing uncertainty		Leadership forums and expert groups
	Emotional energy of successful entrepreneurs		Building entrepreneurial clans
	Dreams, non-economic goals gaining autonomy, improving society and creative expressions, passion, enthusiasm and excitement		Credible promotion rules
	Schemata, expert scripts, cognitive/causal maps		Learning and innovativeness
			Efficient communication
			Work motivation, personal meaning, and feeling of identity, active work status
			Structural alignment

Table 7 illustrates the means and ways to promote opportunity in entrepreneurial entities. Sources and origins of opportunity is one of the most researched topics in opportunity studies as the table demonstrates. There are numerous factors that have been suggested to support the occurrence of opportunity. The results of organizational factors to promote opportunity are numerous. Organizational factors are focused especially on human capital. Hiring heterogeneous people and people with broad knowledge and specialized knowledge is important. There are many distinct type of knowledge, which promote opportunity and therefore this needs to be noted in HR activities especially in hiring. (Alvarez & Barney 2007, 139.) Also factors regarding organization culture and structures are seen important in promoting opportunity-seeking action (Dutta & Crossan 2005, 439; Grégoire et al 2010; Mahnke et al. 2007; Zahra et al. 2006).

Knowledge has been regarded often as the most important factor to affect opportunity identification. Knowledge itself is tremendously wide concept, therefore, it is valuable to decompose the term to capture what kind of knowledge is needed to promote entrepreneurial opportunity. Knowledge that promotes opportunity could be specific knowledge for instance of specific industry. Subsequently, this could equate to knowledge about customer needs and problems and possible product variants of specific industry or market. (Van Gelderen 2010; 141– 142; Eckhardt & Shane 2003, 343.) For example Finnish Mobile Phone Company Jolla consists of former employees of mobile phone company Nokia. Also technical knowledge as well as combination of technological and commercial knowledge was regarded crucial (Garcia-Cabrera & Garcia-Soto 2009, 183). The knowledge could involve also experience in working on certain company such as industry incumbent (Buenstorf 2007, 333). Also knowledge of setting up a new venture could be crucial already in opportunity identification phase in order to realistically understand the potentiality and feasibility of opportunity (Tang et al. 2010, 3).

Cognitive related antecedents can be also wide-ranging. Cognitive elements decomposed included personality traits such as optimism, creativity, self-efficacy (Ardichvili et al. 2003, 116), risk-taking (Ardichvili et al. 2003, 113), the need for achievement, bearing uncertainty (Tang et al. 2010, 4), beliefs, values, attitudes, and needs (Short et al. 2010, 60). In order to have opportunity-seeking employees, these could be the personality traits that companies should emphasize in the hiring phase. Cognitive factors included also pro-activeness and open-minded and experience-seeking behavior such as visiting new places, trying new things and experimenting to learn new things (Dyer et al. 2007). Also connecting fields, problems and ideas that seem first unrelated could promote opportunity identification (Baron 2006). Firms could also support human antecedents such as dreaming (Short et al. 2010, 54) imagination (Gartner et al. 2003) and intuiting (Dutta & Crossan 2005). Yet cognitive ele-

ments included also factors that are found from inner the human mind and might be difficult to firms encourage. Such as were non-economic goals, gaining autonomy, improving society and the need to express oneself creatively (Rindova, Barry, & Ketchen 2009), passion (Tang et al. 2010, 2) enthusiasm and excitement (Van Gelderen 2010, 142–143). In the deep cognitive level human antecedents were schemata, expert scripts, cognitive and causal maps (Krueger 2003, 128-129). In summary cognitive factors supporting opportunity were also numerous. How to influence them in organizational ways is something that should be considered carefully, as it is challenging.

Social factors to promote opportunity refer to the whole value chain of organization or possible organization. Social factors can be internal such as colleagues and external such as conferences, partnerships to the entrepreneurial entity. They can be also strategic such as strategic partnerships and networks, but also causal like previous colleagues or acquaintances or coffee table conversations.

How the human antecedents affect on the occurrence of opportunity has been regarded differently in discovery and creation theories, therefore the classification of knowledge, social and cognitive related factors could be further divided into six categories following the distinction of the discovery and creation theory. Subsequently, each three categories have two perspectives as depicted in Table 8 below.

Table 8 Summary of factors affecting to opportunity identification (adapted from Company & McMullen 2007)

DIFFERENT PARADIGMS		
Human antecedent	Opportunity discovery view	Opportunity creation view
1. Knowledge	New knowledge & acquiring new information source of opportunity (Companys & McMullen 2007, 319.)	New interpretation on existing knowledge source of opportunity (Companys & McMullen 2007, 319.)
2. a) Cognitive skills	Cognitive factors such as Personality traits, optimism (Ardichvili et al 2003), creativity (Shane 2003) and ability to recognize patterns (Baron & Ensley 2006) as a source of opportunity.	Creativity and sense-making as a source of opportunity (Wood & McKinley 2010; Dimov 2011)
2. b) Alertness	Alertness to observe the environment and events and phenomena as a source of opportunity discovery (Wood & McKinley 2010, 78).	Alertness as an ability to observe, interpret of knowledge and combine it with imagination (Dutta & Crossan 2005, 432–433).
3. Social Networks	Social ties are channels through which knowledge on opportunity transfers from people to people (Shane, 2000; Shane & Cable, 2002; Greve and Salaff, 2003).	Opportunity is created in social networks as individual interact with each other and receive material and non-material support of the viability of the opportunity (Wood & McKinley 2010, 73).

The dynamics how knowledge affect on identification of opportunity is perceived differently in the two paradigms, which Table 8 illustrates. Discovery view argues that opportunities arise from changes in data. Firms should, thus, acquire more knowledge. For example scanning information and gathering weak signals is seen crucial. Creation view, on the other hand, argues that opportunities originate from changes in interpretation of knowledge, thus, companies should obtain for instance cultural knowledge. (Companys & McMullen 2007, 319.) Amongst some radical creation researchers there are no knowledge of future as the future is yet to be created. Thus, knowledge cannot

antecede opportunity as such, but it acts more like input of imagination and dreaming, which could lead to opportunity identification (see Wood & McKinley 2010, 69)¹²

A cognitive factor is wide-ranging expression. According to discovery theory of opportunity cognitive factors refer to factors such as personal traits of individuals (Ardichvili et al. 2003, 116) and recognizing patterns and associating unrelated phenomena (Baron & Ensley 2006). Creation theory explains opportunity occurrence through imagination and creative expectations about the future, but it also acknowledges for instance personal values in explaining opportunity identification (Dimov 2011, 62). The ability to interpret and make sense of the today's vast information flood is important capability that can aid opportunity identification (Wood & McKinley 2010). Alertness is one of the cognitive features emphasized traditionally in opportunity studies, but it has received less attention contemporarily demonstrated by the research data. Currently many researchers see alertness as too limited factor in explaining opportunity (Dutta & Crossan 2005, 432). According to discovery view alertness refers to entrepreneur's alertness to observe the environment, events and phenomena in order to spot opportunity (Wood & McKinley 2010, 78). In contrast creation theory interpreted alertness as an ability to make-sense and combine new knowledge with the existing knowledge (Dutta & Crossan 2005, 432–433). Tang et al. (2010, 1) argue that alertness includes scanning and search of information, association and connection, as well as evaluation and judgment. This comprehensive definition can be seen to include both discovery and creation views in explaining opportunity. The extended understanding of alertness of Tang et al (2010) is perhaps most suitable for today's complex and global world.

The category of social ties was less established in the research data compared to cognitive and knowledge factors, yet it has become also an important factor in explaining opportunity theory. According to discovery perspective social ties are a channels through which information about identified opportunity drifts to the entrepreneur (Shane 2000, 465; Greve & Salaff 2003). The creation view is not far from discovery theory's view, yet it emphasizes that the flow of information is more reciprocal. Also social ties in creation theory are seen more as supportive and encouraging. Social ties and intercourse between people encourages entrepreneur of the viability of the opportunity he or she is about to pursue (Wood & McKinley 2010, 73). Consequently, discovery theory comprehends social ties more like as a source of an opportunity, whereas, the constructivist school sees social networks more as a place where opportunities form and develop. To conclude, although the triad categorization (knowledge, cognitive skills and social ties) is fairly established in the literature, some issues relating

¹² Shackle George L. S. (1979) *Imagination and the Nature of Choice*. Edinburgh University Press, Edinburgh, U.K.

strict distinction arise. This will be discussed in the discussion part of this study, in the chapter 5.2.

4.4.3 Preventing factors

Preventing factors were dealt less in the research data compared to promoting factors. Preventing factors could be differentiated into two distinct categories that are cognitive preventing factors and organizational preventing factors. This distinction is important as it emphasizes the different nature of these preventing factors. Subsequently, influencing them might require different type of actions, yet they could be minimized also using the same type of action.

The preventing cognitive factors include for example market myopia bias, and black & white thinking (Krueger 2003, 127–128). The factors related to organizational obstacles encompass factors such as political, organizational, managerial and informational problems (Zahra et al. 2006, 552), time pressure (Grégoire et al. 2010, 427), and lack of incentives (Mahnke et al. 2007, 1281). The more detailed list is presented in Table 9 below.

Table 9 Preventing factors of opportunity

PREVENTING FACTORS	
Cognitive factors	Organizational obstacles
Market myopia	Political, organizational, managerial and informational problems
Difficulty to unlearn existing behavior	Lack of skills
Knowledge corridor	Lack of resources
Falling in love with one's own idea	Low education
Opportunism	Passive work status
Stress	Experience leads to network constraint
Bias	Time pressure
Illusion of control	Stress
The availability of heuristics	Preoccupation
Black and white thinking	Multiple interests collide
Group thinking	Lack of incentives
Feelings of failure	Agency problems
Mental models of the world	Moral hazard
Value socialization	Adverse selection
Resist of change	Asymmetric information
	Opportunism
	Cannibalization of existing product lines
	Communicative/value and behavioral uncertainty
	Search costs

The Table 9 represents all the preventing factors of opportunity found from the research data. Cognitive factors are extremely challenging to manage efficiently, yet the knowledge of their existence might help to take them better account. On the other hand, some organizational obstacles can be easier to manage assuming that the firm is motivated to act entrepreneurially and influence these obstacles. Organizational obstacles encompassed political, organizational, managerial and informational problems, which can include variety of obstacles. Organizational problems are often linked to the number of people working there, which causes problems related to collision of multiple interests, agency problems, moral hazard, adverse selection, asymmetric information and opportunism (Mahnke et al. 2007, 1290). These are challenges that should be considered when building a new organization.

Cognitive factors play a big role in both promoting and preventing factors. It is possible to understand cognitive factors to be a part of organization factors, yet their dif-

ferentiation is important in order to understand that most likely the best way to affect opportunity identification is to encourage particular cognitive factors for example creativity and pattern recognition while trying to mitigate the effects of certain cognitive factors to dominate such as groupthink or market myopia. Especially market myopia and the struggle to get rid of current behavior is extremely harmful for companies that have dominated their market but slowly start to lose their market presence because they are unable to change. (cf. Krueger 2003, 127–128.) Many former successful companies such as mobile phone company Nokia and imaging and photographic equipment, materials and services company Kodak have been guilty for this. Also, stress and time pressure, which prevent opportunity to materialize (Grégoire et al. 2010, 427), are already fairly normal characteristics of today's organizations. Especially characteristics to individuals are also tight mental models, socialization to particular values (Zahra et al. 2005, 137, 142), group thinking (Mahnke et al. 2007, 1281) and resist of change (Zahra et al. 2006, 547). Such phenomena that is related to the tight mental models people have been socialized is hard to change yet procedures such as questioning, provoking, and stimulating can provide some help to this (Krueger 2003, 127–128; Dyer et al. 2008). Also going out of one's comfort zone and putting heterogeneous people work together can be solutions to ravish old habits and learnt values.

4.5 Consequences of opportunity

There are two types on consequences of opportunity in the literature. In order to get more clarified understanding of opportunities, the division used by Short et al. (2010) in their study have adapted to this study as well. Short et al. (2010, 56) divided the consequences into *consequences* and *outcomes*. These could be labeled also as short-term and long-term consequences respectively. Outcomes of opportunity exploitation, as Short et al. noted (2010, 56) play a big role in the importance of opportunity. Understanding the short-term consequences of opportunity is important in order to continue in the successful opportunity path. The consequences found from the research data were for example exploitation, resource mobilization, and creating a business plan. The outcomes of entrepreneurial opportunity arisen in this study were for instance new venture/business creation, competitive positioning, and growth (see Table 10 below).

Table 10 Consequences and outcomes of opportunity

Consequences of opportunity	Outcomes of opportunity (exploitation)
Exploitation through new firm/business	Goods and services
Raising financial and other resources	New venture/business creation
Protecting information from competitors	Competitive positioning/advantage
Creating organizational design	Growth (for firm/for economy)
Creating business plan	Value creation
Exploitation strategy	Entrepreneurial profit/loss
Resource mobilization	Performance
Business plan	Job creation/employment
Opportunity prototype	Competence of region
	Learning
	Imitation
	Benefits for individual/organization/society
	Imperfect of incomplete exploitation
	Macro-level consequences
	Eradication of poverty
	Possibility of regret
	Re-investing profit
	Welfare
	Adaptation
	Renewal
	Underexploited opportunity

The consequences and outcomes attached to opportunity are presented in Table 10. The short-term consequences of opportunity can be linked to the subsequent action following from the opportunity identification. Consequence for opportunity identification should always be opportunity exploitation, otherwise there is no value for opportunity (see, for example, Wheelen and Hunger 2006, 138). Other crucial consequences of opportunity are starting to create organizational design, which includes building relationships. In that phase raising the necessary resources become important. (cf. Alvarez & Barney 2007, 135.) There might be also unexpected consequences after the initial identification, which has to be dealt with. Opportunity context is by nature uncertain, so it may never be possible to prepare for everything. (Sarasvathy 2001.) Opportunity creation and opportunity discovery view had slightly different descriptions on what happens in the crucial interfaces of the opportunity identification and exploi-

tation. Both theories acknowledge the process nature of progressing from opportunity identification to opportunity exploitation. According to opportunity discovery different stages of the opportunity are more exact and separated, whereas opportunity creation view regards the opportunity creation as one large and puzzling process, of which separating the stages from each other is difficult and even meaningless, as opportunity exploitation can take place already in the early phase of opportunity. (Dimov 2011, 70–72.)

Consequences of opportunity were not under such a debate in the literature as nature of opportunity or antecedents of opportunity. The long-term consequences or outcomes such as new business creation, growth, profit, value and competitive advantage were regarded to be the ultimate outcomes of opportunity in both discovery and creation theory. These results are in line with results found by Short et al. (2010, 56–57). The number of found consequences is more extensive in this study though. Short et al. (2010, 56) have synthesized that consequences of successful opportunity discovery, creation and development are new firm creation (see, for example, Shane, 2001), new venture growth (Thakur 1999), and market development (Schumpeter 1934). In some cases the opportunity can be sold to other individuals or organizations and as a result, the same person or firm does not engage in identification and exploitation necessarily (Shane & Venkataraman 2000, 219). Also at some point in time, opportunities will cease and new opportunities will emerge. If firms do not prepare in finding new opportunities, they will eventually die. Consequently, opportunity is an important phenomenon in explaining the theory of new venture creation as well as destruction of firm (Schumpeter 1942). Outcome of unsuccessful opportunity exploitation can be a failure. This aspect received less attention in the literature. This may be due to the fact that the research were more focused on early stage opportunity processes in comparison to later stage processes such as opportunity exploitation.

Plummer et al. (2007, 364) have taken interesting perspective to the aftermath of opportunity and analyzed it in a deeper level. They argue that not objectively new opportunities should be understood as *underexploited opportunity* (Plummer et al. 2007, 364). Certain opportunities that have been already exploited remain still available to exploit to other entrepreneurial agents as well (Holcombe 2003; Plummer et al 2007, 367). Underexploited opportunity can be the result of suboptimal strategy-opportunity-environment fit from the beginning. This equals to imperfect exploitation. An optimal strategy in the beginning can become mismatching as the environment changes. This refers to incomplete exploitation. It is quite common that firms are unable to adapt to changes. Strategy opportunity-environment mismatch can be further characterized by the nature of the error made in strategy selection. Strategic error refers to the situation where wrong strategy framework is selected for example when transaction cost economics is chosen a resource-based view, which might emphasizes and value different

elements. This refers to strategic error. Alternatively, although the optimal strategy framework is chosen, the wrong strategy directions are followed. This is a tactical error. The sources of the strategy-opportunity-environment mismatch influence the features of the underexploited opportunity and subsequently the way it can be identified (Plummer 2007, 374-375.)

Consequences of opportunity that take place in different levels should be separated to get more coherent picture of the concept. For example the consequence in individual level is personal fulfillment, in team-level it is reputation, in organizational level it can be competitive advantage. Finally in industry-level as well as in national level it is growth and wealth creation (see, for example, McMullen et al. 2006, 279). The macro-level consequences such as eradication of poverty is not a straightforward consequence, but relates to opportunity in that opportunity is one factor in explaining the larger developments of economy and society, as entrepreneurial activity can be seen part of reducing poverty by adding wealth to the economy and society (see, for example, McMullen et al. 2006, 279). Consequences of opportunity were emphasized differently in entrepreneurship and strategic management. Entrepreneurship emphasized new venture creation and new firm creation (Bhagavatula 2010 247) as a desired consequence, whereas to strategic management accentuated achieving competitive advantage (Harms et al. 2009), better or superior performance (Companys & McMullen 2007, 302) as the most important consequences. Wealth creation is a significant consequence for both (Companys & McMullen 2007, 302; McMullen et al. 2007, 279). Moreover, the consequences can be both tangible and intangible. Goods and services are examples of tangible consequences, whereas value creation in general is more intangible consequence (see, for example, Hitt et al. 2001, 480).

Overall, entrepreneurial opportunity has many different consequences and these are not in discordance with each other, because different opportunities can have distinct consequences, which is result of the differences in the environment, taken action and so on. The mix and outcome of consequences is vast and undetermined. Also one opportunity can have and has number of different consequences. Certain consequences are more likely than others as well as more desired.

4.6 Emerging integrated theory of opportunity

The integrated view, which is far from being unified and consistent, has taken a stance that it is possible to combine both distinct theories of opportunity into one unified theory. Little less than half of the articles (16 articles) endeavored, either explicitly or implicitly, building a bridge between the two different theories. It is possible to cluster the 16 research articles and achieve categories based on the main argument on the dis-

pute. The main argument was derived from each of 16 articles that shared the idea about integration of the two theories. Thereafter articles with similar main idea or argument were clustered into larger entities. Altogether 3 different categories among the integrated theory were recognized. These were *process category*, *contextual category* and *complementing category*, as depicted in the Figure 10 below.

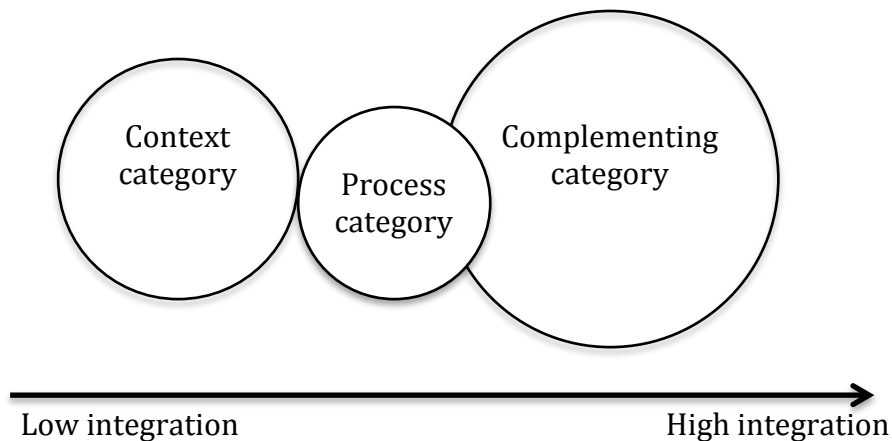


Figure 10 Integration level of discovery and creation theories and the dominance of different categories in integrated view

The Figure 10 shows that the categories differ from their main argument about the integration as well as their level of integration of discovery and creation theories into one integrated theory. The level of integration is highest in the complementing category. It is the most advanced category of the three in describing the reality of opportunity. Process and contextual categories are less integrated, but their main arguments differ from each other, therefore, they are seen to belong to different categories. Also the dominance varies between three different categories. The most dominant category was complementing category, whereas the process category included only two articles. Context category was size wise between the other two categories.

The integration view does not question the different ontological starting points of the two theories, but integrates them in the way that allows both keep their unquestionably well reasoned ontological roots and do not try to combine them, as it would be against the science philosophical principles. It argues that the ontological difference do not hinder the integration of theories. The endeavor should not only be in achieving ontologically consistent theories, but instead of that understand the reality and thus

such an inconsistency should not be regarded as a theoretical dilemma. (Berglund 2007, 269.)

The integrated view arose from the researchers' own notions of how the reality really is. Thus the articles that had adopted the integrated view based their perspective on their empirical results. Each researcher has explained the possible integrated view from one's own starting point, and therefore the category still lacks a solid scientific foundation. The emerging integrated category is characterized by several distinct endeavors in integrating discovery and creation theories (see Table 11).

Table 11 Categorization of integrated theories

Different categories of integration view			
Name of the category	Author(s)	Main idea/argument	Level of integration
Contextual category	Sarasvathy, Dew, Velamuri & Venkataraman (2003)	Three different approaches to OI are recognition, discovery, and creation. They are equal, but occur separately.	Low integration: Theories seen as a separate -either one of them is taking place separately depending e.g. on the situation. They do not complement or overlap each other
	Harms, Schulz, Kraus, & Fink (2009)	Both theories exist and complement each other. Opportunities can be either discovered or created.	
	Sanz-Velasco (2006)	Situations of low risks --> Opportunity discovery Situations of uncertainty --> opportunity creation Discovery and creation are alternative theories. In a discovery context different actions are more effective compared to creation context and vice versa.	
Process category	Alvarez & Barney (2007)		Semi integrated: creation is regarded to follow discovery
	Ardichvili, Cardozo & Ray (2003)	OI is continuum consisting of perception, discovery, and creation.	
	Van Gelderen (2010)	Discovery and creation is continuum. Opportunity process is cognitive process which combines both discovery and creation elements. The process has three stages: perception, discovery and creation (pp.170).	
Complementing category	Berglund (2007)	Opportunities are bundle of perceptions and projections affecting firm development in different ways in different situations. In reality their separation is impossible.	High integration: Theories seen as complementing and strengthening each other
	Companys & McMullen (2007)	Discovery and creation wiew complement and strengthen each other.	
	Dutta & Crossan (2005)	Opportunity is a learning proces, and it constitutes different phases that are characterized both discovery and creation elements.	
	Edelman & Yli-Renko (2010)	Discovery and creation are interlinked in OI. Entrepreneurs' subjective opportunity perceptions mediate between objective environment.	
	Dyer, Gregersen & Christensen (2008)	OI is a process of combining cognitive bias and discovery behaviour.	
	Grégoire, Barr & Shepherd (2010)	Both discovery and creation elements influence OI, which is a cognitive process of structural alignment.	
	Krueger (2003)	Cognition theory applied to both discovery and creation.	
	Zahra, Korri & Yu (2005)	Objective environment - cognitive abilities, experience etc affects OI.	
Vaghely & Julien (2010)	Information management view: opportunities can be recognized and constructed at the same time and recognized or constructed individually.		

As can be seen from Table 11, the efforts to combine both views into integrated view suffer from fragmentation. This study suggests that there are three different types of arguments when researchers explain the co-existence of both theories. Complementing category included the greatest number of articles. Ten articles belonged to this category. The main argument of this category is that the process nature of opportunity is essentially characterized by both discovery and creation elements (Dutta & Crossan 2005; Berglund 2007; Dyer et al. 2008, 318; Grégoire et al. 2010, 414–415). Another type of argument in articles that belongs to complementing category is that opportunity identification is influenced by objective environment and subjective perceptions and experience (Edelman & Yli-Renko 2010). Noteworthy is that many of the articles that belongs to this category were empirical studies. The result of empirical studies has been that entrepreneurs actually identify opportunities in a manner, which contains elements of both theories. This indicates that the division between discovery and creation theory is more theoretical in nature, and does not describe the reality (Berglund 2007, 268–269; Edelman & Yli-Renko 2010, 850). It is confusing notion though that theory and reality would differ so significantly concerning opportunity theory. This leads to a question how can theory and reality differ, as theory should represent the reality. This is a challenge for opportunity studies and should be addressed by the prospect studies. Similar kind of result has also found Berglund (2007); Gartner et al. (2003). Moreover, Hansen et al. (2011, 296) investigated both the conceptual and operational definitions of opportunity in their study and found out that here is a lack of consistency between them in that operational definitions differentiated from theoretical definitions of opportunity. They found 25 elements for defining entrepreneurial opportunity, but only 12 elements for operational definition of opportunity. Of those 25 elements that defined conceptually entrepreneurial opportunity, three of the most often used elements (entrepreneur, possibility and new business form) were not used to define opportunity operationally. Similarly, the four important elements in operational definitions of opportunity were disregarded in conceptual definitions. (Hansen et al. 2011, 295.)

The process category included three articles out of the 16 and is thus the least dominant of the three integration categories. The process category share some similarities with complementing category, nevertheless, in this category the emphasis were more on continuum. The main argument of this category in integrating discovery and creation theories is that the initial perception of opportunity is characterized by discovery, which is thereafter followed by creation elements. Discovery and creation do not take place at the same time, but form a continuum (Ardichvili et al. 2003, 110–111; Garcia-Cabrera et al. 2009, 169–170; Van Gelderen 2010, 144). Therefore, this category was separated from the complementing category.

The contextual category comprised of four articles out of 16. The main argument in the articles that belonged to the contextual category was that opportunities can be discovered or created, but it depends on the context. Thus according to this view discovery and creation theories are not complementing, but actually contradicting, and it is either one these theories that can explain opportunity identification at a time. (Alvarez & Barney 2007, 135.) The context plays a major role. According to Sanz-Velasco (2006) in low risk situation discovery is more likely, whereas in uncertain situations creation is better explaining opportunity identification. Thus, opportunity is characterized by context. In a sense this category does not follow the integration principle as it argues that only either one of these theories is valid depending on the context, yet it acknowledges both theories.

The arguments for the integration of both theories show that the integrated view is not as disintegrated as it might have seemed first. The arguments and ideas of moving towards more integrated theory of opportunity were parallel. The complementing and process categories are closer to each other than context category. The division between context and complementing category is vast, whereas the process category is between the two. There is also one additional perspective to entrepreneurial opportunity that was excluded from this integrated theory, but in theory could have been included to it. According to this view entrepreneurial opportunities are objective, but their identification and exploitation is subjective (Shane & Venkataraman 2000; 220; McMullen et al. 2007, 281). This perspective was, however, lacking the true integration element. Moreover, the examination of this issue was not that extensive in these articles, so this perspective was excluded from the integrated theory.

5 DISCUSSION

Meticulous discussion is essential part of theoretical research. It should include reflecting the impact of the results on theory and practice. Discussion and convincing arguments are one of the most important measures of validity in theoretical research. (Remenyi & Money 2006, 36-37.) Theoretical research can generate new results or add new insight to the theory, and thus add value to the existing body of knowledge by offering fuller theory or new explanation of the issues and their relationships (Remenyi & Money 2006, 31). In this section the results of this study are discussed.

5.1 Opportunity is cognitive, linguistic and social construct

Walker and Avant (2005, 63) have stated that concepts are mental constructions that organize environmental stimuli. This notion is important, as it is the key to understanding the opportunity phenomenon. By nature opportunity phenomenon and opportunity concept includes certain level of ambiguity, which cannot be totally reduced. The understanding of entrepreneurial opportunity in current theoretical framework is too one-sided compared to its materialization in reality (Edelman & Yli-Renko 2010, 850). After the opportunity is formed it is always possible to explain it either by using arguments linked to discovery theory or alternatively using terms of creation theory (Dimov 2011, 66). As a result the debate whether opportunities are discovered or created is not empirically intellectual. (Alvarez & Barney 2007, 125.) In reality opportunities are extremely versatile combinations, but in theory the common view is to look them too narrowly (Vaghely & Julien 2010). The emerging integrated theory of opportunity supports the idea that opportunities are versatile constructs. Further, opportunity can be interpreted as linguistic construct. This is a perspective that has been overlooked. (O'Connor 2004.) Opportunity as a linguistic construct has received little research attention among the researchers. This chapter discusses the different opportunity constructs that were revealed by the research data.

It is better to understand opportunity to encompass both objective and subjective elements at the same time, as this has been demonstrated by the empirical research. Opportunity is a subjective construct, which fundamentally needs human action in order to take its form and develop. At the same time opportunity is inspired and initiated by objective reality and phenomena. (Edelman & Yli-Renko 2010.) Also, opportunity is fundamentally a social construct, as social context where different economic actors engage is characteristics to entrepreneurship (Puhakka 2010, 21). The social context, as equated to markets, enables the existence of opportunity, which could not exist otherwise (Dimov 2011, 64–65).

Opportunity is based on the environmental stimuli that can be identified in the environment (see, for example, Shane & Venkataraman 2000, 220). This objective stimuli form the core of entrepreneurial opportunity. Although the environmental stimuli might be objective, it requires cognitive, social or knowledge related elements to spot them making it therefore not available all equally to note (Shane & Venkataraman 2010, 220). Moreover, the environmental stimuli is understood and looked through each individual's own mental models¹³, which is essentially subjective (Wind, Crook & Gunther 2006, xlv). As the entrepreneur or individual within a firm constructs the opportunity, he or she utilizes the objective facts such as particular phenomenon as basis and as inspiration for his or hers argument. The objective stimuli initiate a process in which opportunity is mentally constructed in the minds of the individual or individuals, who organizes the stimuli and interprets it. (cf. Edelman & Yli-Renko 2010.) This process contains combining of prior knowledge into new knowledge (Vaghely & Julien 2010, 76). The process is also influenced by individual's cognitive abilities (Krueger 2003). Differing levels and types of knowledge as well as cognitive abilities influence to the formation of opportunity. As a consequence, same environmental stimuli can generate different entrepreneurial opportunity. The outcome is the interpretation and creation of individual. Thereafter, the individual has to articulate and materialize the opportunity in order to convince him or her and to find the support to the opportunity. (Wood & McKinley 2010, 68.) The mental construction in the entrepreneur's mind is subsequently turned into linguistic construct. The opportunity has to be articulated to supporting groups such as managerial team in established corporation (Wood & McKinley 2010, 68), as it has no value only in the minds of the entrepreneur. This episode of making the opportunity explicit to the audience such as for investors, or managerial team is most likely challenging and it requires solid arguments. Thus the opportunity turns from being partially an objective and subjective cognitive construct into linguistic construct. The particular stated arguments represent the opportunity in that phase. This episode is most likely to contain counter-arguments and questioning of the opportunity, which can result in modifications into the opportunity, if the audience has better knowledge or different perceptions about it. This phase emphasizes the social element of opportunity, which is essentially a social construction from its beginning (Weick 1995). Engagement with opportunities consists of variety of social relationships and different people and therefore also a various point of views of the opportunity in question (Dutta & Crossan 2005, 444).

¹³ ¹³ Mental model is inside the individual's brain and it is a representation of the world and the individual itself. (Wind, Crook & Gunther 2006, xlv.)

The effort to articulate opportunity is a matter of cognitive and linguistic endeavors, as opportunity is a bundle of statements and beliefs of potential new product or service that could create value (cf. Dimov 2011, 73–74). Although the core of these beliefs and statements are based on the objective environment, the outcome that can be labeled, as entrepreneurial opportunity, is a story told by the entrepreneur and the story can either capture its audience and attract other market actors or worst case repel them. (cf. Dimov 2011 74-75.) The entrepreneur’s ability to express the opportunity thus could have major impact on the success of the opportunity, therefore, the linguistic aspect of opportunity should not be disregarded in the opportunity identification and exploitation process. The expressions about the entrepreneurial opportunity in hand could have far-reaching impact internal supporters to potential customers. Convincing and arguing is an important ability for an entrepreneur. In that period of time the entrepreneur’s endeavor to pursuit the opportunity is based on his or hers own statements and arguments why the opportunity is worth pursuing. Opportunity identification takes place in the uncertain decision-making context, therefore, the attributes why the perceived opportunity is potential is based on entrepreneur’s statements and beliefs and ability to form convincing arguments, which makes it a linguistic phenomenon (see Figure 10).

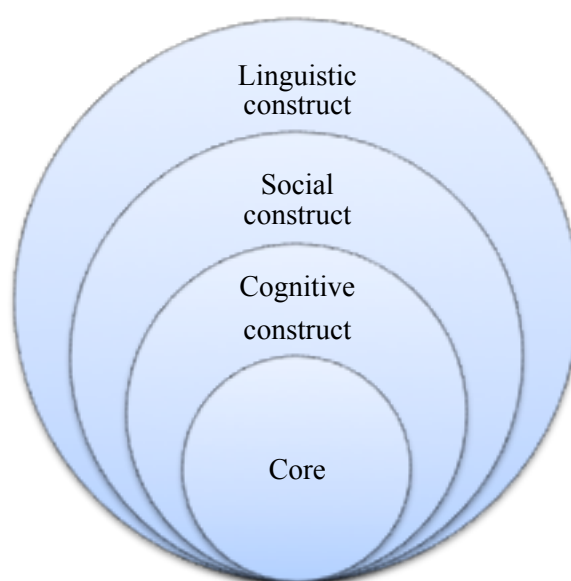


Figure 11 Different layers of entrepreneurial opportunity construct

This study has stated several times that opportunity is an ambiguous concept. An important reason for this ambiguity is the process nature of opportunity. Opportunity can be seen as proceeding through different layers as depicted in Figure 11. At the

heart of opportunity is its core, which involves an inspirational feature. This is followed by cognitive element, which is needed to spot the core. These two layers are necessities for opportunity to start to emerge and develop. Subsequently, opportunity evolves and receives more substance and is influenced by its surrounding. It becomes more and more a social construct and lastly a linguistic construct, which materializes it.

The process view can cause an issue as different researchers might refer to the phenomenon in its different states. In its initial phase opportunity is vague and basing to certain environmental stimuli. Some researchers interpret this already as opportunity. This situation can be characterized by higher objectivity. This however, is not an opportunity yet, as opportunity is a more compound phenomenon (Morris 2005, 51). McMullen (2007, 279) has contemplated whether opportunity phenomenon refers to a certain situation at particular point of time or sequence of situations that encompass a process. The results indicated that opportunity is rather a process than mere situation at one point in time. Yet human action is often sequential and hierarchical, such that certain decisions and actions are necessary precursors of others, and subsequent acts only make sense within the context of prior decisions and actions. (McMullen 2007, 279.) Opportunity as a more comprehensible form could be seen as a transitive process where an idea transforms into an opportunity, when some of its main attributes become validated and the obscurity is reduced (Dimov 2011, 64). The featuring of the entrepreneurial opportunity in this process is a social and linguistic activity (O'Connor 2004). The ambiguity of opportunity has impacts also to the wider system of concepts surrounding it. The ambiguity could explain the misuse of the concept, as there might not be an only one right answer to the question what is entrepreneurial opportunity.

5.2 Opportunity originates from process of intervened factors

The causal relationship between the antecedent and the formation of the opportunity phenomenon is complicated, because human action is neither straightforward nor predictable. It is possible to identify factors that are influential in opportunity formation, yet drawing straightforward causal relationship is impossible. Also it is not evident that high cognitive skills should always be followed by entrepreneurial opportunity. Moreover, if opportunity is mentally, socially and linguistically constructed phenomenon, the realization of precise cause and effect relationships is impossible. Yet it is possible to find pattern descriptions that explain the materialization of opportunity.

Knowledge, cognitive skills and social ties as human antecedents explained the occurrence of opportunity most often in the research data. Knowledge, cognitive skills and social ties are broad terms. Cognitive skills signified from single personality trait

such as optimism (Ardichvili et al. 2003, 116) to considerably more complicated factors such as pattern recognition (Baron 2006; Baron & Ensley 2007). Also prior knowledge is a broad concept as everyone possesses prior knowledge. Social ties is a general term, as the human life is formulated by different social ties.

The impact of these drivers is not clear and straightforward. The clear distinction between prior knowledge and social networks as explaining opportunity identification can be regarded as vague, as knowledge arises in a social dialogue. Also social interaction and knowledge affects our cognitive abilities such as mental models we have about the world (Wind, Crook & Gunther 2006). For instance the values adapted to in the early childhood has an impact on the beliefs the individual carries through his or her life. Yet new knowledge gained in the school can alter these values. Also our cognitive abilities such as personality affect what kind of knowledge we acquire and what kind of social connections we have. People constantly interact with other people and receive new knowledge. Subsequently, how is it possible to define whether it was new knowledge or social interaction that resulted opportunity? It is more likely the interaction of different promoting factors that initiate the insight of opportunity. Firms and individual entrepreneurs should put an emphasis on facilitating these different factors in opportunity identification. Consequently, it is difficult to determine exactly, whether opportunity is originated from prior knowledge or whether it initiated from the knowledge gained being part of a particular social network (see Figure 12). Further, these factors are interdependent. As an example prior knowledge about certain specific industry and its customer problems (Shepherd & DeTienne 2005) would not exist without the previous career in a company engaging in particular industry and interaction with the former colleagues and other stakeholders. The interrelatedness of these factors should be noted also in empirical research. Yet some articles in the research data focused only on one factor as explaining opportunity identification excluding other possible factors. Most of the studies noted, however, at least two or more factors when they examined the opportunity identification and which factors affected to the emergence of opportunity.

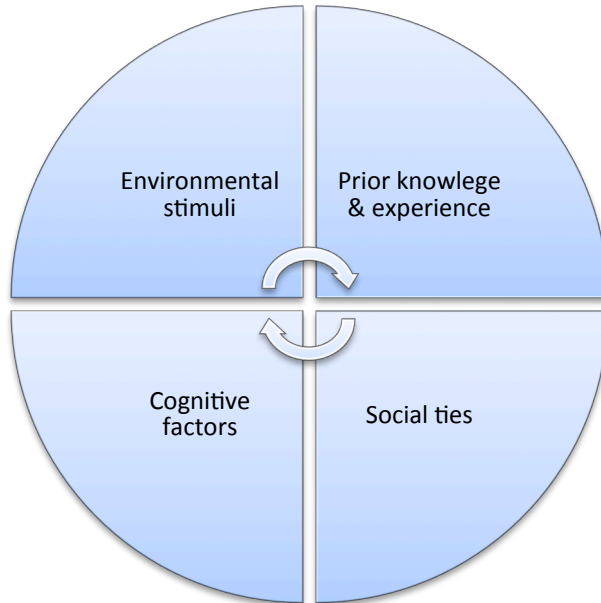


Figure 12 The interacting antecedents of opportunity (adapted from Companys & McMullen 2007)

The Figure 12 describes that the different human antecedents are in dynamic interaction between each other in preceding opportunity. The difference in understanding and explaining which factors promote opportunity may not be in the end that significant as the human antecedents are closely intervened and hard to clearly separate. Theories related to knowledge, cognitive psychology and social networks all have their critical function in explaining opportunity (cf. Short et al. 2010, 42). The cooperative impact and synergies of these factors in explaining opportunity occurrence should be examined more thoroughly, because they can reinforce each other and improve the chances of opportunity identification. As an illustration the creativity as a cognitive ability most likely reinforces the power of prior knowledge. Together they can be more effective in opportunity identification than separately.

To conclude, opportunity as happening cannot be demonstrated as a linear and sophisticated phenomenon in which certain antecedent leads evidently to the desired outcome. The antecedents of opportunity are creative combination of different elements. (cf. Fletcher 2006.) These combinations can take variety of forms as can the opportunity. As consequence, this study suggests that opportunity is a phenomenon, which antecedents are impossible to model precisely.

5.3 Usefulness of concept and propositions for enhanced use

This study found that the concept of opportunity is used of phenomena that differ from each other in the research data. This notion is also backed-up the fact that 26 different definitions of the opportunity concept was found. One hand it is understandable and even apparent that entrepreneurial opportunity refers to varied phenomena, as opportunity is a construct encompassing of different elements and characterized by subjectivism. In reality, each opportunity is different and a unique, which might impact the way it is defined in literature. Yet the explicit definitions of opportunity lacked analysis and evidence of the chosen attributes in the definition. The challenge was to suggest the most appropriate definition, as there were many options, which all had strengths and weaknesses. Nevertheless, without accurate and well-argued definition, the subsequent action and research becomes a frustrating process if the phenomenon is not approachable.

The misuse of the concept is due to the nature of opportunity. Despite the uncertain nature of opportunity, the concept should not be used of phenomena that do not fulfill the fundamental opportunity criteria that were for instance an agent (entrepreneurial entity), action, product or service. Yet it is hard to delineate the phenomena that actually cannot be labeled as opportunity, as it is constructed in the agent's mind. Yet, phenomena that serve as a catalyst to opportunity phenomenon should not be referred as an opportunity, as such a phenomenon is clearly lacking the essential attributes such as agent. For example, change in demographics not an opportunity itself. (Morris 2005, 35.) It can create options for opportunity if an agent is willing to act for them.

The weakness of the concept is related to its abstractness and ambiguity in describing the reality, which most likely has added its misuse. This is especially a problem when an opportunity is pursued irrespective of its non-potential nature or belief to a weakly held assumption about certain environmental condition. Naturally opportunity is always surrounded by uncertainty, yet any development or change does not reflect an entrepreneurial opportunity as such (Morris 2005, 35). As opportunity is an elusive phenomenon (Dimov 2011) and it is challenging to delineate its use regarding to different situations and phenomena. The rudimentary stage of opportunity could be better understood as perceived entrepreneurial opportunity. In other words, perceived opportunity could be used to refer to a phenomenon that is characterized early state of entrepreneurial opportunity and high judgment from the entrepreneurial entity. (cf. Krueger 2003, 105.) Eventually the perceived opportunity will turn either into entrepreneurial opportunity or will be abandoned. On the other hand, opportunity itself encompasses the notion that the specific desired outcome can either turn out to be successful or not. Opportunity is thus a concept that includes two eventually inconsistent states. On the other hand, it can be also regarded as strength that the concept is blurry and multi-

dimensional, as it does not easily exclude any phenomena out of it. In other words, the concept allows creativity to flourish, which is an important principle in entrepreneurial thinking and activity.

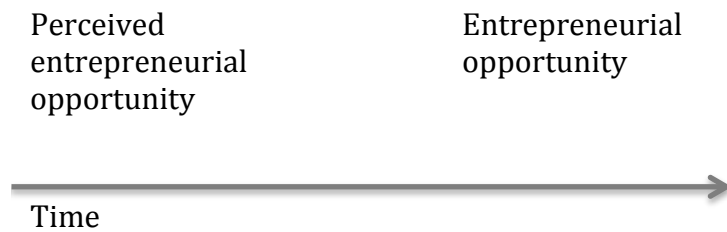


Figure 13 Temporal dimension of entrepreneurial opportunity (adapted from Krueger 2003).

Although it may seem trivial to separate perception of entrepreneurial opportunity from an entrepreneurial opportunity, as depicted in Figure 13, it could help understand the opportunity phenomenon. The problem in misuse and overuse of the concept is linked to that people tend to consider extremely rudimentary phenomena as entrepreneurial opportunities such as change in oil prices. Nevertheless, such a phenomenon is only a perception of entrepreneurial opportunity, which still needs some concrete embodiments such as action or some idea of a product or means. Therefore, for clarification the correct way would be to refer the idea as perceived opportunity before evaluation has taken place. (Dimov 2011, 64.)

There was little analysis on the negative consequences of opportunity in the research literature. Yet, according to statistics more the failure rate of new ventures is 46 percent (Timmons 2004, 52). This is a significant number of flops and it is reasonable to ask whether these unsuccessful launches are linked to opportunity identification process (Tang et al. 2010, 16). Moreover, there was a lack of studies that would have combined both opportunity identification and opportunity exploitation, which suggests that these phases are seen as separate. Yet opportunity exploitation related activities should take place already in the opportunity identification phase. As a consequence, recommendation of this study is to adapt a concept of *opportunity preparedness* into a vocabulary. This study argues that there is a lack of such a concept, yet the need for it exists. Opportunity preparedness is linked to successful identification and exploitation of opportunity. Opportunity preparedness differs from opportunity alertness. Opportunity preparedness is more extensive concept consisting opportunity identification, systematic opportunity evaluation and possible means of exploiting. Opportunity alertness model consists of three elements of alertness that are scanning and search,

association and connection, and evaluation and judgment (Tang et al. 2010, 1). Although this definition is acknowledged useful by this study, it is reasonable to add a fourth element to it. The fourth element concerns exploration of means and capabilities to exploit the opportunity. Such a comprehensive way of thinking should enhance the opportunity preparedness in firms. Opportunity exploitation should be considered from the early phases of opportunity, therefore this term is essential. Opportunity preparedness measures not only the identification capability of a firm but also its evaluation and exploitation abilities. Each firm should examine what does opportunity preparedness mean to them and how well it is taken care of in their organization.

There was some confusion how the processes of opportunity were understood in the research data. Whether opportunity identification is followed by opportunity evaluation or whether opportunity evaluation is followed by opportunity identification, was an implicit dispute. This problem concerns thus more accurate conceptual articulation than actual situation, yet it can cause misunderstanding. Some researchers argued, that identification and evaluation are separate but to some extent overlapping phases (Ardichvili et al. 2003, 111–112), whereas others explained that their distinction is impossible, as in the reality evaluation surrounding the opportunity is constant (Wood & McKinley 2010, 70). Consequently, these phases are intervened, but is it conceptually misleading to argue that opportunity identification follows from opportunity evaluation? Does opportunity identification form a separate phase from evaluation or does opportunity identification also include evaluation? Both of these assumptions can be regarded as right, but in order to maintain the validity of this research, it should be explicitly stated, which one of these two is the basic assumption.

5.4 Towards integrated theory of opportunity

The results of this study indicate that there is a growing tendency and effort to combine these two perspectives and create more unity to the field. The effort arises out of the notion that opportunity studies have long been too focused on examining whether opportunities are discovered or created (see, for example, Gartner et al. 2003). This has not advanced the comprehensive opportunity theory (Companys & McMullen 2006, 302). Nevertheless, as the topic has great scientific and business importance and because the reality has demonstrated that the distinction is to some extent useless, the effort to move towards integrated theory of opportunity has increased. Still, it is important to note that some researchers have different viewpoint to this. For instance McMullen et al. (2007, 279) have proposed that researchers should choose their standpoint on this dispute and thereafter clearly state their position and offer their conceptualization of opportunity.

One counter-argument targeted for the integration view concerns how is it possible to integrate two theories that fundamentally share different science philosophical starting points. How is it possible to combine essentially positivist and constructivist theories into one coherent theory? Alvarez and Barney (2007) have noted that both views explain the nature and origins of opportunity accurately from their positions. Consequently, it cannot be argued that either one of these theories would be in wrong in their basic assumptions on opportunity. Actually this is not the case, as the main argument is that opportunity and related processes are characterized by both theories. Additionally Berglund (2007, 269) have noted that the endeavor should not only be in achieving ontologically consistent theories, but instead of that understand the reality and thus such an inconsistency should not be regarded as a theoretical dilemma. Moreover, it could be also questioned that in opportunity studies theory and reality share different view on opportunity, although theory should represent reality (Risjord 2008, 689). If more studies adapted the integrated approach of opportunity, more empirical evidence on how opportunities in reality are and how they are identified would be achieved. This is crucial for the scientific development of opportunity theory.

5.5 Opportunity in the context of use

Today entrepreneurship should be seen as context free (Shane 2003). The context of opportunity seeking action cannot be stubbornly linked to context of new venture creation, but should be seen more broadly as an activity thriving to change and challenge the current situation. Opportunity-seeking action is sub-class of human action. The entrepreneurial action is motivated by a goal such as profit or independence (see, for example, Compans & McMullen 2007, 303). Opportunity context includes various economic actors and is thus inherently social (see, for example, Berglund 2007, 268–269).

In the context of entrepreneurial activity something is constantly happening and absorbing stimuli from the present business activities, which results irregularity and chaos that cannot be modeled (Puhakka 2010, 21). Such a context is the opposite of status quo (Dyer et al. 2008). In entrepreneurial action the goal and often the initial situation may not be clear. These are created “on the way”. (Sarasvathy et al. 2003.) Entrepreneurial action explains in its part how markets, firms, and organizations function and how change takes place (Shane & Venkataraman 2000, 219). As a result, the entrepreneurial opportunity seeking context is far from simple, yet it is important to discuss this fluctuating context which is essential part of the economic and social context as we know it.

Opportunity is a fundamental part of different macro- and micro-level processes in the economy, as shown in Figure 14. Opportunities are needed to discourage the business as usual, because without opportunities there is no renewal and growth. It is part of defining fundamental value creation processes in the economy. (Schumpeter 1934.) Opportunity identification and exploitation theories explain the entrepreneurial action at the individual and organizational levels and how it leads to economic progress at the societal level (Poudel & Thatcher 2010, 18).

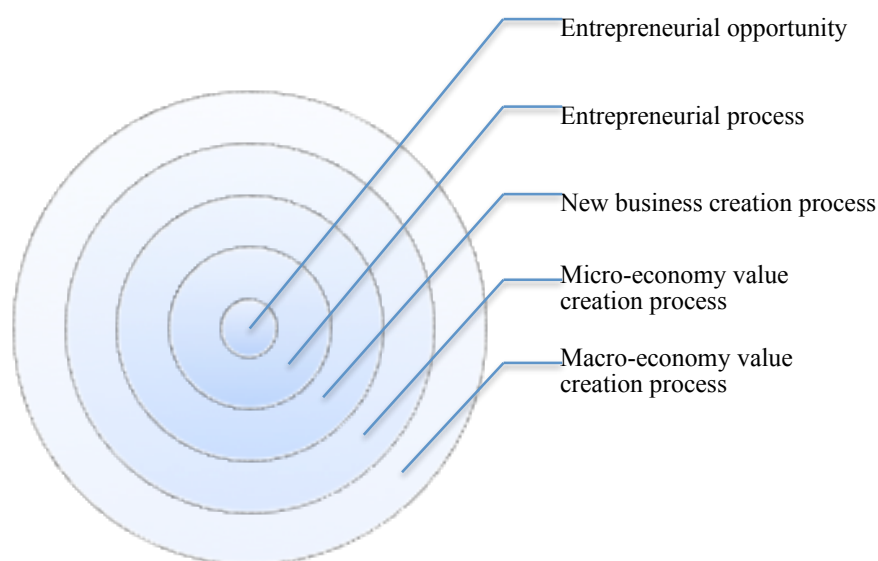


Figure 14 Entrepreneurial opportunity in the context of continuous cycle of economy and society (adapted from Plummer et al. 2007)

Entrepreneurial opportunity has an influence in variety of levels as depicted in Figure 14. The choices and actions of individual entrepreneurs needs to be understood in the context of the broader environmental conditions, which relates to whole economy and policy making. Yet the vice versa is applicable as well, in that what happens in the upper level affects to the context where the individual entrepreneur engages. (Plummer et al. 2007, 376.) The concept is fundamental in three theoretical frameworks of micro economy: creating new business to establish a new venture or creating new business in existing organization (see, for example, Shane & Venkataraman 2000). These frameworks are corporate entrepreneurship and entrepreneurship respectively. Thirdly, concept of opportunity has essential function in strategic management framework (see, for example, Harms et al. 2009). Poudel and Thatcher (2010, 12–13) have claimed that the entrepreneurial process is an organizational phenomenon rather than an individual act.

Although the founder-owner is still probably the most important decision maker but he or she will be controlled or facilitated by routines, boundaries and activities in the organization's entrepreneurial processes (Poudel & Thatcher 2010, 12–13).

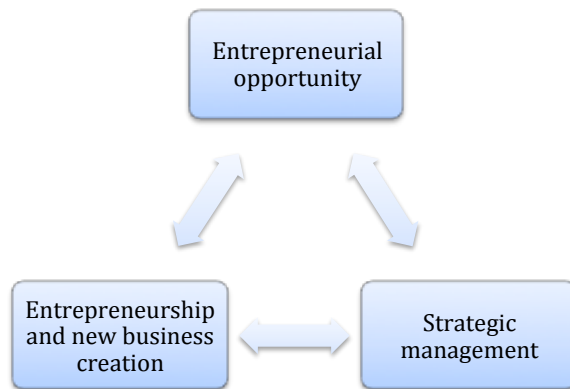


Figure 15 The context of use of entrepreneurial opportunity in micro-level

The relationship between opportunity and entrepreneurship is straightforward as well that of opportunity and new business creation and opportunity and strategic management. Entrepreneurship as a research field examines how, by whom, and with what impacts *opportunities* to create future goods and services are discovered, evaluated, and exploited (Shane & Venkataraman 2000, 218). New business creation or corporate entrepreneurship is also a phenomenon, which is straightforwardly linked to opportunity. Thus there is fundamental link between opportunity and firm. Consequently, opportunity is an important concept for defining firm and how firms come into being (see, for example, Shane & Venkataraman 2000). New business creation is analogous to corporate entrepreneurship that implies to expanding the competence of the company acting for *opportunity* set via new resource combinations (Burgelman 1984, 154). New business creation has five stages that are opportunity recognition, opportunity evaluation, refinement and framing, championing and initiation and institutionalization (Zahra et al. 2006, 543). Opportunity is the key building block of strategy making process (Harms et al. 2009). Strategic management involves a mix of commitments, decisions, and actions that intended and implemented to produce a competitive advantage and create value (Hitt, Ireland, and Hoskisson 2007, 6). Strategic action refers to action which develops and exploits the existing competitive advantage, but also supports the entrepreneurial action that exploit opportunities which will build future competitive advantage for the firm (Hitt et al. 2001, 488). Opportunity defines other concepts and phenomena as well that are fundamental in the economy. Their relationship, how-

ever, is not straightforward. Such phenomena are for instance economic and social development, competitive advantage, profit, and renewal (see Figure 16 below).

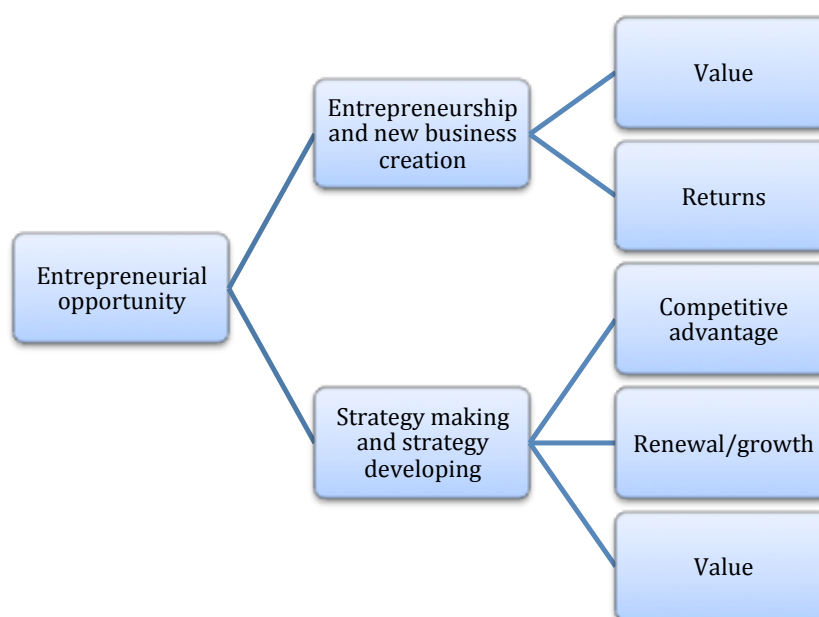


Figure 16 Entrepreneurial opportunity in the wider system of concepts

As depicted in the Figure 16, opportunity takes part of different processes, which ultimate goal is value creation (Hitt et al. 2001, 480). Value creation does not refer only to profits but to broad understanding of value, which spreads to different levels: for individual, organizations, economies and societies. The relationship between opportunity and establishing competitive advantage and opportunity and wealth creation is not straightforward. The identification of entrepreneurial opportunity should be followed by successful opportunity exploitation, which should lead to value creation. Ideally it could lead to competitive advantage as well. Outcomes can be tangible, for example profit and new jobs, and intangible such as improvement of intellectual and social capital of the firm (see, for example, Hitt et al. 2001, 480).

To conclude, opportunity-seeking entrepreneurial activity has become an integral part of in individual's own life path as well as necessity for different types of organizations. Opportunity seeking behavior has been adapted from entrepreneurship to many more contexts.

6 CONCLUSIONS

The real voyage of discovery consists not in seeking new landscapes, but in having new eyes (Proust)¹⁴.

Proust's insight has been a motivational feature in this conceptual and theoretical study. It describes perfectly the very essence of conceptual analysis. Entrepreneurial opportunity is a concept that is one of the core concepts in micro- and macro-economy. It is essential element in explaining how firms and markets come into being (see, for example, Shane & Venkataraman 2000). Despite its significance it is a concept that is not well understood. Consequently, the purpose of this study was *to analyze the concept of entrepreneurial opportunity and to explore and synthesize the integrated theory of entrepreneurial opportunity*. Walker and Avant's (2005) concept analysis model provided a systematic technique to examine an ambiguous and challenging phenomenon. Prior investigation of academic literature has unveiled that such a comprehensive concepts analysis using Walker and Avant's model has not been conducted before to the entrepreneurial opportunity concept. A qualitative conceptual analysis technique was selected, as any other method would have not provided as holistic understanding of the concept. This study has provided answers to all its research questions. Therefore, it can be also argued that the research methodology suited well for the research questions of this study. Yet, conceptualization of opportunity was not conducted without difficulty given the complexity and ambiguity associated to the concept. Additionally, only a few similar studies on opportunity has been conducted, which has complicated the comparisons of the results of this study to other parallel studies.

6.1 Theoretical implications

Encouraging and investing in entrepreneurship has become one of the main goals to economic policy in Europe for nations and for the whole European Union (European Commission 2010), because it is seen to boost national prosperity and competitiveness (Zahra 1999). Entrepreneurship is hoped to improve employment, economic reform and social cohesion in the EU (European Commission 2010). At the same time research on opportunity has increased (Hansen et al. 2011, 288), which adheres the trend. Entrepreneurial ventures are thus not important solely to individual firms, but also to regions and entire economies in creating economic development. The new eco-

¹⁴ Proust, Marcel in his novel collection: In Search of Lost Time.

conomic period has been described as *entrepreneurial economy*, which emphasizes knowledge and ideas in the expense of traditional factors of production like natural resources, labor and capital (Audretsch & Thurik 2001; 2004). The competitive landscape requires entrepreneurial opportunity-seeking action for survival. It is the best solution in the pursuit of economic development and growth in the long run. It is also one of the most sustainable ways to achieve prosperity.

At the same time with challenges of economic growth and structural problems in the West, the world has become a more complex than ever before (Ambitious, adept and agile 2010, 5). This should and has been noted also within the research of entrepreneurial opportunities that is characterized by the division between positivist (discovery theory) and constructivist research (creation theory) perspectives. Such a division is typical for many other research areas and overall in science (see, for example, Alvarez & Barney 2007.) The constructivist view has attracted more research interest recently, which entails the acknowledgment of the increasing complexity of the world in opportunity studies. The creation view can provide a deeper understanding on the opportunity construct and processes related to it, and this would most likely attract more attention to opportunity research in the future. The advantage of the creation view is in acknowledging more relative and complexity-emphasizing view of the relationship between environment, individual and opportunity. (Fletcher 2006.) Gartner et al. (2003) have argued that if opportunities are understood only from the positivist view, something crucial on their nature and origins could be ignored. When thinking of the potential opportunities of a firm, the managers should understand that SWOT analysis is capable of only recognizing the opportunities of demand and supply, that are discovery theory based opportunities (Harms et al 2009, 67).

The results of this study revealed that the theories of opportunity and related processes are more versatile than just explained above. Many researchers had synthesized the existing literature as divided into two theoretical paradigms (see, for example, Alvarez & Barney 2007), yet the theoretical arguments are actually more varied. The theoretical arguments and assumptions on character of opportunity and its identification in the research data can be divided into six different categories based on the main argument how they perceive and explain entrepreneurial opportunity and its identification (see Table 12).

Table 12 Summary of different views on entrepreneurial opportunity and its identification in the research data

Argument 1	Opportunity is objective and its identification is objective (it is discovered).
Argument 2	Opportunity is objective but its identification is subjective.
Argument 3	Opportunity is subjective and its identification is subjective (it is created).
Argument 4	Opportunity and its identification are characterized by both objective and subjective elements.
Argument 5	Opportunity and its identification can be either objective or subjective. In context X, it is objective. In context Y, it is subjective.
Argument 6	Initial opportunity requires objective discovery, but it is followed by subjective creation.

According to first argument both opportunity and its identification is objective, as demonstrated in Table 12. Another popular argument was to claim that opportunity itself is objective, but identification is subjective. Third argument suggests that both opportunity and its identification are subjective. First and third arguments are the most extreme, while other arguments fall somewhere between them. Arguments four, five and six are characterized by the acknowledgment of both discovery and creation theories. Therefore they belong to the integrated view. Yet their argument on the integration of these two theories differs.

In 21st century a few researchers have approached opportunity from more unified perspective and succeeded in demonstrating that unified theory of opportunity is possible. Still there are some opposing views, whether unified theory in opportunity studies is ever possible (Plummer et al. 2007, 279; Hansen et al. 2011, 298). Discoveries in science happen through a process that includes judgment, agreement and disagreement. Ultimately the scientific community thrives towards a consensus, but the road to it is far from straightforward (see Remenyi & Money 2006, 35)¹⁵. The integrated view on opportunity acknowledges that both discovery and creation theories are useful in explaining opportunity. It, however, lacks coherence, and there is still future work to be done in combining the both views in consistent way as noted by Shane and Venkataraman (2000), who argue that the aim should be to progress towards a single unified

¹⁵ Collins, H. (1994) A broadcast video on science matters entitled Does Science Matter? Open University/BBC, UK.

theory of opportunity. This study did not focus examining the ontological division of the opportunity studies, as it has received already substantially research attention. Neither it was a purpose of this study to take a stand between the two paradigms, but to concentrate examining and describing a comprehensive view on opportunity. Thus, one contribution of this study lie in synthetizing the insights from research combining discovery theory and creation theory in order to show that both opportunity discovery and creation theory can explain the nature and identification of opportunity. It is backed up the empirical evidence, that opportunities and related processes are in reality characterized by a combination of elements from both theories (Berghlund 2007, 269). Therefore, for practical purposes the issue of whether opportunities are discovered or created seems trivial.

The results revealed variety of different definitions and views of entrepreneurial opportunity. This is an indication that opportunity is an ambiguous and multi-layered concept. The ambiguity of the concept is linked to its evolving character (cf. Dimov 2011) as well as its creative nature. Entrepreneurial opportunity is characterized by subjectivity. (Fletcher 2007; Wood & McKinley 2010.) Despite the discordance whether opportunities are objective or subjective, opportunity is always the product of particular individual adding a subjective element to it.

One important notion of this study was that the concept opportunity is impossible to examine thoroughly without examining also the surrounding process, that is opportunity identification. Opportunity as a concept is inseparable from opportunity identification, therefore, this study includes excessive analysis on the processes surrounding opportunity. Without understanding the opportunity identification process, it is impossible to understand the concept of opportunity itself. This causes a notion that it is hard to see opportunities purely as objective, because an agent is always needed to identify a specific opportunity. Opportunity is eventually surrounded by action and process. Moreover, the linguistic nature of concept that describes intangible phenomenon that has to be articulated and materialized through combination of statements and arguments, adds its ambiguity. As a result, most likely due to its complex nature and because of its great importance for business, opportunity has been a catchphrase and misused term in the scientific literature. The first research question of this study included elaboration of attributes and surrounded concepts of entrepreneurial opportunity, which are presented and summarized in Table 13.

Table 13 Summary of research findings: ten most frequently attached attributes, borderline, related and contrary concepts

Attributes	Borderline concepts	Related concepts	Contrary concepts
Agent & Action	Idea	Entrepreneurship	Threat
New goods and services	Innovation Possibility	Environment Process	Business as usual/ Status quo/
Market	Solution	Market	Continuing circular
Value	Business plan	Organization	flow/present action
New means, ends or both	Business model Prototype	Resources Strategy/strategic	Risk Problem
Future	Dream	Uncertain(ty)	Setback
Situation	Chance	Technology	Catastrophe
Expectation & aspirations	Business concept	Future	
Idea			
Feasibility			

The Table 13 supports the notion that opportunity is multidimensional concept, as the attributes of the concept are versatile. Moreover the numerous amounts of borderline concepts could aid to explain, why opportunity concept is often mixed with other concepts (Harms et al. 2009), as this area is characterized by abundance of similar types of concepts. Especially idea, innovation and possibility were often seen as describing similar kind of phenomenon. Related concepts to opportunity describe the theoretical framework that opportunity belongs to. Entrepreneurship is the most important related concept that describes the context of the phenomenon. They were as well abundant. Contrary concepts were least examined in the research data. For the business perspective it is best to comprehend that business as usual is the best concept to describe the opposite state of opportunity instead of threat or risk.

Opportunities arise from changes and uncertainty, which paradoxically makes these uncertain economic times as good source for entrepreneurial opportunities to flourish (Ambitious, adept and agile 2010, 5). The drivers of opportunity are strongly linked to human and social capital. The results of this study are consistent with other recent studies of Short et al. (2010); Ramos-Rodriguez et al. (2010); that find a relation between the entrepreneur's social capital and opportunity recognition and the chance of success in firm creation. The antecedents of opportunity interact closely. Therefore, this study argues that distinguishing and claiming that only one particular factor re-

sulted opportunity is inadequate. It is more likely the interaction of different antecedents that initiate opportunity. Firms and individual entrepreneurs should put an emphasis on facilitating these different factors in opportunity identification. The antecedents and preventing factors as well as consequences of opportunity are summarized in Table 14.

Table 14 Summary of research findings: ten most frequently attached environmental and human antecedents, preventing factors and consequences

Environmental antecedents	Human antecedents	Preventing factors	Consequences
Changes and/or uncertainty	Prior/new knowledge	Cognitive factors: e.g. market myopia, difficulty to unlearn existing behavior,	Consequences: Exploitation through new firm
Market need	Cognitive skills	opportunism, illusion of control, black & white thinking, group thinking	Raising financial and other resources
Information asymmetries	Social networks		Protecting information
Customer problems/Problems	Search		Creating organizational design
Environmental signals	Creativity	Organizational factors:	Creating business plan
Prior entrepreneurial activity	Interpretation	Low education	Outcomes:
Factors enhancing production	Learning	Passive work status	Goods and services
Anomalies	Trial and error	Stress	New venture/business creation
Serendipity	Information scanning	Preoccupation	Competitive advantage
Industry bottleneck	Organization	Multiple interests collide	Growth
Megatrends	culture (supportive)	Lack of incentives	Value creation
Activities & events		Agency problems	Entrepreneurial profit/loss
High-order opportunity		Moral hazard	
		Adverse selection	
		Asymmetric information	

As depicted in Table 14 the antecedents of opportunity were categorized in environmental and human antecedents in order to receive a comprehensive picture of opportunity phenomenon and factors, which could promote it. As evident from the Table,

the pursuit of entrepreneurial opportunity is not easy. For example the notion of the importance of new and prior knowledge as a driver of opportunity, most likely do not make anyone to identify opportunity just like that. Opportunity identification is a path, where a lot of effort is needed. Yet sometimes even that is not enough. Consequences of opportunity were fairly explicitly stated and agreed among the researches. Consequences and outcomes were creating new business or venture, creating profit and value, achieving growth and competitive advantage. One perverse effect of entrepreneurial opportunities is nevertheless, the notion that every opportunity has its ending. New entrepreneurial opportunities can cause the death of others, as referred as creative destruction by Schumpeter in 1942 in his famous book.

6.2 Managerial and policy implications

The key element for building more entrepreneurial teams and organizations is to understand the drivers of entrepreneurial thinking and activity in an organization. Response to this is acknowledging entrepreneurial opportunity seeking activity as a new 21st century management philosophy, which should be dismantled all over in the organization (Harms et al. 2009, 68). It includes the encouragement of strategic agility, flexibility, creativity and constant innovation (Harms et al. 2009, 68), curiosity, risk-taking, and learning (Amit, Brigham & Markman 2000, 91).

This study suggests that the acceptance and appreciation of uncertainty and change is vital in organizations, as changes and uncertainty are the most important environmental antecedents of opportunity. The tolerance of surprising events and seeing them as potential of something new could advance entrepreneurship (Sarasvathy 2004, 522). Therefore, the attitude towards changes needs to be friendly. Changes should be seen as new possibilities instead of threats. Moreover, acknowledging the possibility of failure is essential in firms who want to thrive towards entrepreneurial organizational culture (Harms et al. 2009, 68).

The rate of failure of new ventures is very high (Timmons 2004, 52). Understanding opportunity more comprehensively, which has been one of the main purposes of this study, could provide an enhanced starting point for new ventures in their pursuit of opportunity (Sanz-Velasco 2006, 265). Too simplistic understanding of entrepreneurial opportunity as an idea or environmental conditions and the high failure rate of new ventures could be connected (Tang et al. 2010, 16). In the way opportunities are understood and experienced affect the actions that entrepreneurial entities will take (Berglund 2007, 268). Entrepreneurial opportunity is followed by various critical strategic choices such as market position to occupy, resources and capabilities to obtain, develop, and leverage, building the structure of the firm itself, innovation capabilities

and further preparedness for the future opportunities (Plummer et al. 2007, 371). Subsequently opportunities should be understood comprehensively.

One of the most important insights of this study was the significant impact of agent and action to the emergence of opportunity. Acknowledging that individuals, not organizations, recognize opportunities helps companies to construct appropriate settings that drive opportunities. Human capital is the best assets companies can possess in regard with entrepreneurial activity (Krueger 2003, 122), yet harnessing and encouraging it is essential in order to gain results. Therefore, organizations need to cultivate cognitive infrastructures that inspire entrepreneurial thinking (Krueger 2003, 122). Systems and processes, which encourage and support employees to share and put forward their ideas and suggestions for new opportunities and ventures, are crucial. (Zahra et al. 2006, 553.) Decentralized coordination and decision-making is usually more beneficial to entrepreneurial thinking compared to centralized. Therefore, it could be advantageous to split up the leadership tasks to many sub-entrepreneurs (Buenstorf 2007, 331). Further, it is crucial that managerial attention is put on the many stages of new business creation. Supportive infrastructure includes focus on features such as personal attitudes, social norms, self-efficacy and collective efficacy (Krueger 2000, Krueger 2003, 122). Empowerment of employees is strongly associated with opportunity-seeking action. Thus the aim should be in transforming the administrative-oriented employees into entrepreneurs (Harms et al. 2009, 68). It could be advanced by strong champions that improve the perceptions of efficacy and enriches social norms by modeling successful behavior (Krueger 2003, 123). Investment in social capital is mutually important as to human capital. Participating in different networks and forming alliances might be of strategically important as knowledge transfers in networks (Companys & McMullen 2007, 307; Arenius & De Clercq 2005).

Together with organizational structures, companies need to focus building encouraging organizational culture (Grégoire et al. 2010, 427). Firms should build entrepreneurial, multicultural, cross-functional and global teams to ensure a better ground for identification of opportunities. Such teams could be truly entrepreneurial if people from different educational and cultural backgrounds are brought together. Moreover, such cross-functional teams are virtuous at providing immediate support to ideas of opportunities. It is crucial for the survival of initial opportunities to receive support from the social network in order to successfully build them towards more concrete form (Wood & McKinley 2010). Managers should acknowledge that marginalized groups and different people, with different and even opposing ideas are important in providing entrepreneurial thinking. New ways to see things can lead to opportunity identification (Zahra, Yavuz & Ucbasaran 2006, 553). It is still not enough that the organizational culture is supportive. It has to be secure as well, as people are drawn to security.

An environment, in which more entrepreneurial opportunities arise, can be advanced and created, although entrepreneurship cannot be produced by governmental actions (Holcombe 2003, 37). Investing in human capital, research and development, and systematic search of promising ideas can create an environment where entrepreneurial insights are more likely to be generated (Holcombe 2003, 28). Stable economy, that encompasses property rights protection and established market institutions are preconditions to entrepreneurial activity. Nevertheless, overly interference of the state through taxation, regulation, and redistribution can be discouraging. It is far more important that the emphasis is on supporting and nurturing entrepreneurship than it is for public policy to encourage investment. (Holcombe 2003, 40.) This supports the notion that agent and action are the most important elements of entrepreneurial opportunity. Encouraging entrepreneurship is an investment to human capital.

The ambiguous nature of opportunity aggravates the promotional activity in the government and in the firm level. Changing the deeper structures is essential in efforts to stimulate entrepreneurial thinking, since deeper structures reflect how people represent and process information (Krueger 2003, 129), yet changes to structural levels are time-consuming and difficult endeavors.

6.3 Future research suggestions

Before concluding, suggestions for the future research will be discussed. The research area has still many unexplored area, thus, several avenues for future research can be recognized. An empirical research, which combines both opportunity discovery and creation perspective in opportunity identification could be fruitful, since the research hitherto have tended to focus either one of these aspects in explaining opportunity and related processes (see, for example, Edelman & Yli-Renko 2010). This has had a misleading effect on the research, since opportunity is complex and multidimensional concept and it cannot be explained by only one aspect. The research has tended to focus entrepreneurial opportunity in the individual level context, while less attention has been given to the processes of established companies' entrepreneurial opportunity-seeking activities (Busenitz, West, Shepherd, Nelson, Chandler & Zacharakis 2003, 296). Research on opportunity-seeking activity that happens at the group or at the organization level is truly needed. This has been also noted by Short et al. (2010, 56) The firm level activity should be examined in order unveil the process at that level and thus provide better grounds for companies to pursue opportunity-seeking activity.

Evolution of ideas and dreams into opportunities is a potential future research topic as Short et al. (2010, 54) have noted. This could be linked to the notion of Gartner et al. (2003) who found in their study that nascent entrepreneurs often had a dream of

establishing a firm before they has the idea of opportunity. It is likely that entrepreneurs are motivated also other goals than profit in pursuing opportunity. Consequently, it would be interesting to better understand the early phase of entrepreneurial path and what motivated and pushed the individual forward in establishing new venture.

One interesting, but clearly understudied area, is international entrepreneurship and international opportunity identification and exploitation. For instance Butler et al. (2010, 123) have noticed that the research has mainly focused on the outcomes of entrepreneurial activity in international level overlooking the aspect of how the entrepreneur in the first place came to this activity. Subsequently, it would be noteworthy to examine how born globals have identified their opportunity. Also, a qualitative empirical study on how opportunity identification differs between born globals and other firms could provide important information. Finally, one possible future research topic would be to examine whether international opportunities differ from opportunities in general. This study may be, however, difficult to conduct. Overall, with regard to opportunity there are still numerous unexplored areas with only imagination as a limit to explore this multidimensional and truly interdisciplinary subject.

To conclude, the research on entrepreneurial opportunity is by far more interesting, richer and textured than it has been assumed previously (Sarasvathy et al. 2003, 93). The interests and promise of opportunity arises from practitioners' aspirations to make higher profits and of artists and philosophers' desire to create a world a better place (Sarasvathy et al. 2003, 158). Research on origins of entrepreneurial opportunities is not just investigating some unimportant detail but rather one of the most important activities in the economy (Holcombe 2003, 27). If an entrepreneur or a firm wants to exploit opportunity, they should also understand its nature and origin (Plummer, Haynie & Godesiabois 2007, 363). The phenomenon is complex, but it should not affect abandoning it as a topic of research, as knowledge about it is extremely important for theory and business.

7 SUMMARY

Insufficient understanding of opportunities characterizes entrepreneurship research (Companys & McMullen 2006, 302). Especially the lack of knowledge of antecedents and essential processes of entrepreneurial opportunity is evident in current situation (Grégoire et al. 2010, 413). There is also a disagreement on main concepts that define and operationalize the opportunity processes (Ardichvili et al. 2003, 107). Further, opportunity studies have centered decades on the problem whether opportunities are discovered or created (Alvarez & Barney 2007). Due to this division the possibility of integration perspective on opportunity has been ignored. Due to these research gaps theoretical and concept analytical approach was adapted in this study. The purpose of this study was *to analyze the concept of entrepreneurial opportunity and to explore and synthesize the integrated theory of entrepreneurial opportunity*. These research gaps identified prevent the formation of holistic and integrative conceptual understanding on opportunity, which was aimed to meet in this study. The research question was divided into three sub-questions:

1. What are entrepreneurial opportunities?
2. How entrepreneurial opportunities can be identified and promoted and what prevents their emergence?
3. How theory of opportunity can be explained integrating two distinct opportunity theories –discovery and creation theory of opportunity?

An exhaustive literature analysis and synthesis was conducted in the first phase. Thereafter 40 articles were chosen for the research data for more detailed examination. All the chosen articles were conducted in 21st century in order to gain the most novel knowledge on the concept. The concept analysis was followed using Walker & Avant's (2005) conceptual analysis model. Some enhancements for the model were adapted, which arise from Risjord's (2009) criticism to particular weaknesses of this model. These modifications make Walker and Avant's concept analysis model more robust and evidence based and thus results more meaningful. Walker and Avant's (2005, 65) concept analysis model consist of eight phases: *selection of concept, determining aims or purposes of analysis, identification all uses of concepts (definitions), determining the defining attributes, constructing a model cases, identification of borderline, related, and contrary cases, identification antecedents and consequences, and definition of empirical referents*.

A brief analysis of the research data revealed some fundamental details on the entrepreneurial opportunity concept. Opportunity related processes (opportunity identification) were more popular research topic in comparison to the concept itself. Seven out of 40 articles focused solely analyzing the opportunity concept, whereas 18 articles (45 percent) analyzed the processes related to opportunity. The rest 15 (35 percent)

articles examined both. This could suggest that the concept itself is abstract and complex research topic. Also opportunity identification is a crucial topic from business creation's perspective. Moreover, this could imply that opportunity is best understood as a part of a process.

Opportunity is a concept lacking universal definitions, which was supported by 26 different definitions that was found from the research data. Despite this, the definitions shared similar elements and attributes. Yet such a large variety of definition can be a challenging issue regarding to the validity of opportunity research (Hansen et al. 2011, 297). Although there were not one commonly accepted definition of opportunity, Shane and Venkataraman's (2000) and Casson's (1982) definition was the most often referred definition of opportunity in the research data, as 14 articles referred to it. According to their definition entrepreneurial opportunity equates to new goods, services, raw materials, markets and organizing methods, which require creation of new means, ends, or means-ends relationships (Shane & Venkataraman's 2000, 220 and Casson's 1982). Further, entrepreneurial opportunity concept was used for large variety of different phenomena. Yet there were ten articles (25 percent), which failed to provide an explicit definition for the concept, but only two articles out of 40 that did not explicitly define opportunity related processes.

Opportunity concept was conceptualized by deconstructing it into smaller elements according to the analysis model of Walker & Avant (2005). Attributes of an opportunity were divided into two different categories: the core and the complementing attributes of opportunity. The core attributes are the most fundamental attributes, which are essential for the emergence of the phenomenon. The complementing attributes are possible attributes that are not fundamental for the existence of the concept, but they illustrate the phenomenon that the concept describes. Altogether 24 attributes that described the concept of opportunity were found. The most frequently attached attributes to opportunity were agent and action, new goods and services, market, value, new means ends or both, and future.

The related concepts that were most often attached to opportunity were entrepreneurship, environment, process, market, organization, resources and strategy. The most frequently attached borderline concepts to opportunity were idea, innovation and possibility. Borderline concepts are often confused to its main concept, since they are similar kind of concepts. Idea and opportunity formed such a combination that was loosely used as a synonym, as they have some overlapping attributes. Often idea was regarded as initial opportunity. Innovation and entrepreneurial opportunity was also a strong couple. Both concepts share similar attributes such as agent and action, new product or service and value. Lastly, according to the findings of this study, the contrary concepts to opportunity were threat, business as usual or status quo, and risk. The relationship between contrary concepts and opportunity lacked examination in the re-

search data. Also the frequency of contrary concepts was much smaller compared to related and borderline concepts.

The antecedents of opportunity were divided into environmental and human antecedents in order to illustrate the different nature of these two categories. Human antecedents are characterized by possibility to influence them whereas environmental antecedents are external to agents and thus beyond their power of influence. Action by individual or individual(s) within firm is needed in order to turn the external changes and uncertainty into opportunity. The most commonly attached environmental antecedent to opportunity was *changes*, as 23 articles referred to it. Other important antecedents were market needs, information asymmetries, customer problems, and trial and error. The most frequently attached human antecedents to opportunity were: prior/new knowledge, cognitive factors and skills and social networks. Other human antecedents were for example search, interpretation/sense-making, learning and creativity. Human antecedents were usually categorized into three groups, which were knowledge, cognitive and social related factors, in the research data. This study suggested one more additional category to this, as factors related to the organizational matters arose from the data. The preventing cognitive factors include for example market myopia bias, and black & white thinking (Krueger 2003, 127–128). The factors related to organizational obstacles encompass factors such as political, organizational, managerial and informational problems (Zahra et al. 2006, 552), time pressure (Grégoire et al. 2010, 427), and lack of incentives (Mahnke et al. 2007, 1281).

There were two types on consequences of opportunity in the literature. In order to get more clarified understanding of opportunities, the division to consequences and outcomes used by Short et al. (2010, 56) was adapted to this study as well. These could be labeled also as short-term and long-term consequences. Understanding the short-term consequences of opportunity is important in order to successfully proceed with the opportunity. The consequences found from the research data were for example exploitation, resource mobilization, and creating a business plan. The outcomes of entrepreneurial opportunity arisen in this study were for instance new venture/business creation, competitive positioning, and growth.

The third research question was derived from the two first and second questions. The research on opportunity has fragmented into two different research paradigms, to discovery theory and creation theory. This yields a unifying theory of opportunity, which has been emerging recently. It was labeled as the integrated theory, as it acknowledges the usefulness of both views in explaining opportunity. The integration view, however, is far from being unified and consistent. Little less than half of the articles (16 articles) endeavored, either explicitly or implicitly, building a bridge between the two different theories. These 16 research articles were categorized based on the main argument on the dispute. Altogether 3 different categories among the inte-

grated theory were recognized. These were process category, contextual category and complementing category. The complementing category was the most highly integrated of these and also most of the articles belonged to this category. It suggested that opportunity and related processes are characterized by elements of both discovery and creation theory (Dutta & Crossan 2005; Berglund 2007; Dyer, Gregersen & Christensen 2008, 318; Grégoire et al. 2010, 414–415, Edelman & Yli-Renko 2010). According to the contextual category opportunity can be either objective and discovered or subjective and created, but it depends on the context and these theories cannot describe the process at the same time (Sanz-Velasco 2006; Alvarez & Barney 2007, 135). This is the least integrated of the three categories. The process category was in between these other two. The process category argued that opportunity identification involves initially discovery, which is followed by creation (Ardichvili et al. 2003, 110–111; Garcia-Cabrera et al. 2009, 169–170; Van Gelderen 2010, 144).

Opportunity phenomenon always includes certain level of ambiguity, which cannot be totally reduced. This most likely have resulted that the opportunity concept is also ambiguous and complex and there are various views on it. The understanding of entrepreneurial opportunity in current theoretical framework is too one-sided compared to its materialization in reality (Edelman & Yli-Renko 2010, 850). After the opportunity is formed it is always possible to explain it either by using arguments linked to discovery theory or alternatively using terms of creation theory (Dimov 2011, 66). As a result the debate whether opportunities are discovered or created is not empirically intellectual. (Alvarez & Barney 2007, 125.) In reality opportunities are extremely versatile combinations, but in theory the common view is to look them too narrowly (Vaghely & Julien 2010). The emerging integrated theory of opportunity supports the idea that opportunities are versatile constructs.

Opportunity is always characterized by some extent of subjectivity, as opportunities cannot appear without the agent and their action. Moreover, opportunity is a linguistic construct, as it necessitates statements and arguments to become explicit (O'Connor 2004). This materialization of opportunity occurs in a social context. Opportunity is thus at the same time cognitive, social and linguistic construct, although it is be shaped by its core, which is influenced by the objective environment.

To conclude, opportunity arises out of intervened factors. The most important factors included knowledge, cognitive factors, social ties and environmental factors such as changes. Therefore, entrepreneurial opportunity-seeking activity can be advanced by tolerating and harnessing change. Moreover, investing in human and social capital and creating supportive organizational structures and organizational culture creates the preeminent environment for the entrepreneurial opportunity to be identified.

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APPENDIX 1 SUMMARY OF RESEARCH DATA

Author(s) / Year	Name of the article	Journal	Main focus: The opportunity concept or the concept of processes related to it	Explicit/Implicit understanding of the concept of opportunity	Definition of processes related to it	Analyzes the concept/Uses the concept	Research approach	Ontological view	Definition of opportunity concept
Alvarez & Barney (2007)	Discovery and creation: alternative theories of entrepreneurial action	Organizações em contexto	Processes; but also opportunity: identifying, evaluation, exploitation	Explicit	Defined	Analyzes	Theoretical & Synthesizing	Both exist: opportunities are created and discovered	"Opportunity is a social construction"
Ardichvili, Cardozo & Ray (2003)	A theory of entrepreneurial opportunity identification and development.	Journal of Business Venturing	Processes: identifying, evaluation, development	Explicit	Defined	Analyzes	Theoretical	There are three ways to identify opportunity: 1. perception, 2. Discovery, and 3. Creation	"An opportunity may be the chance to meet a market need (or interest or want) through a creative combination of resources to deliver superior value" (Schumpeter 1934; Kirzner 1973; Casson 1982)
Arenius & DeClercq (2005)	A network-based approach on opportunity	Small Business Economics	Processes: identifying	Explicit	Defined	Uses	Empirical: quantitative	Discovery	Definition of Casson (1982) & Shane & Venkataraman (2000)
Baron (2006)	Opportunity Recognition as Pattern Recognition: How Entrepreneurs "Connect the Dots" to Identify New Business Opportunities	Academy of Management Perspectives	Processes: identifying	Explicit	Defined	Uses	Theoretical	Does not discuss about this: cognitive and discovery is assumed implicitly	"Opportunity is a perceived means of generating economic value (i.e., profit) that previously has not been exploited and is not currently being exploited by others" (page 107)
Baron & Ensley (2006)	Opportunity Recognition as the Detection of Meaningful Patterns: Evidence from Comparisons of Novice and Experienced Entrepreneurs	Management Science	Processes: identifying	Implicit	Defined	Uses	Empirical: quantitative	Does not discuss about this: cognitive and discovery is assumed implicitly	Not defined
Berglund (2007)	Opportunities as existing and created: A study of entrepreneurs in the Swedish mobile internet industry	Journal of Enterprising Culture	Opportunity	Explicit	Defined	Uses	Empirical: qualitative	Both exist: opportunities are created and discovered	Definition of Casson (1982) & Shane & Venkataraman (2000) / "Opportunities are a result of the efforts of particular entrepreneurs striving to construct corridors from their personal experiences to stable economic and sociological institutions that compose organizations and markets we see in the world" (Sarasvathy 2004, 289)
Bhagavata, Elfring, van Tilburg & van de Bunt (2010)	How social and human capital influence opportunity recognition and resource mobilization in India's handloom industry	Journal of Business Venturing	Processes: identifying, evaluation, exploitation	Explicit	Defined	Uses	Empirical: quantitative	Discovery	Definition of Casson (1982) & Shane & Venkataraman (2000)
Buenstorf (2007)	Creation and Pursuit of Entrepreneurial Opportunities: An Evolutionary Economics Perspective	Small Business Economics	Opportunity	Explicit	Defined	Analyzes	Theoretical	Biggest part of the opportunities are created	"Opportunities are understood as the logical outcomes of dynamic economic processes" (Buenstorf 2007, 324)
Chandra, Styles & Wilkinson (2009)	The Recognition of First Time International Entrepreneurial Opportunities: Evidence from Firms in Knowledge-based Industries	International Marketing Review	Processes: identifying	Implicit	Defined	Uses	Empirical: Case study	Discovery	Not defined

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Compans & McMullen (2007)	Strategic Entrepreneurs at Work: The Nature, Discovery, and Exploitation of Entrepreneurial Opportunities	Journal of Small Business Economics	Both: The opportunity concept and processes	Explicit	Defined	Analyzes	Theoretical: Literature review	Discovery and creation view complement and strengthen each other (Three schools: economic, cultural cognitive and socio-political)	Definition of Casson (1982) & Shane & Venkataraman (2000)
Dimov (2011)	Grappling With the Unbearable Elusiveness of Entrepreneurial Opportunities	Entrepreneurship Theory and Practice	Both: The opportunity concept and processes	Explicit	Defined	Analyzes	Theoretical	Creation, opportunity should be defined empirically	"Evolving blueprint for action, synthesizing the entrepreneur's sense of, expectations about, and aspirations for the future, and can help us understand what the entrepreneur does at every step of the way from within the worldview that the entrepreneur holds" (Dimov 2011, 62-63).
Datta & Crossan (2005)	The Nature of Entrepreneurial Opportunities: Understanding the Process Using the 4I Organizational Learning Framework	Entrepreneurship Theory and Practice	Both: The opportunity concept and processes	Explicit	Defined	Analyzes	Theoretical	Synthesizing creative and discovery -> complement each other -> unified theory	"Entrepreneurial opportunities as being a set of environmental conditions that lead to the introduction of one or more new products or services in the marketplace by an entrepreneur or by an entrepreneurial team through either an existing venture or a newly created one" (Datta & Crossan 2005, 426).
Dyer, Gregersen & Christensen (2008)	Entrepreneur Behaviors, Opportunity recognition, and the Origins of Innovative Ventures	Strategic Entrepreneurship Journal	Processes: identifying opportunity	Implicit	Defined	Uses	Empirical: quantitative & qualitative	Opportunity identifying is a process of combining cognitive bias and discovery behaviour into cognitive processes such as associational thinking (KUYA SIVULTA 334).	Not defined
Eckhardt & Shane (2003)	Opportunities and Entrepreneurship: The Impact of Environment and Entrepreneurial Perceptions on Venture-Creation Efforts: Bridging the Discovery and Creation Views of Entrepreneurship	Journal of Management	The concept of opportunity	Explicit	Defined	Analyzes	Theoretical	Discovery (Disequilibrium theory)	Definition of Casson (1982) & Shane & Venkataraman (2000)
Edelman & Yli-Renko (2010)	Entrepreneurial processes and the social construction of opportunity	Entrepreneurship Theory and Practice	Both: The opportunity concept and processes	Explicit	Defined	Uses	Empirical: quantitative	Discovery and creation are fundamentally interlinked and both occur in opportunity identification	"Opportunity therefore should be viewed as a set of subjective expectations of what the entrepreneur thinks can be accomplished, or "imagined ends." (Sarasvathy, 2001).
Fletcher (2006)	A Dynamic Model of Technology-based Opportunity Recognition	Regional Development	Processes: identifying, evaluation, development	Implicit	Defined	Uses and analyze study	Theoretical / Case study	Socially constructed, relationally and communally constituted	Not defined
Garcia-Cabrera & Garcia-Soto (2009)	The language of opportunity	Journal of Entrepreneurship	Processes: identifying, evaluation, development	Explicit	Defined	Uses	Empirical: Case study	Opportunity process is cognitive process which combines both discovery and creation	Definition of Casson (1982) and Shane & Venkataraman (2000)
Gartner, Carter & Hills (2003)		In Book: <i>New Movements in Entrepreneurship</i> , C. Steyaert & Hjoth, D. (eds)	Processes: identifying	Explicit	Defined	Uses	Empirical: Quantitative (survey)	Creation	Emergent social and cognitive process.

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Grégoire, Barr & Shepherd (2010)	Cognitive Processes of Opportunity Recognition: The Role of Structural Alignment	Organization Science	Processes: Identifying opportunities have not done a clear distinction between opportunity recognition and evaluation) This study concentrates only on identification, not evaluation	Explicit	Defined	Uses	Empirical-qualitative	There is no point concentrating on the either one of these theories, but to argue that both discovery and creation elements affect on opportunity identification --> consensus/integration. Cognitive process of structural alignment.	"Opportunities are courses of action that seek to derive benefits from these changes. In the case of entrepreneurship, for instance, opportunities for a new technology would thus lie in applying the technology in a particular market" (cf. Venkataram and Sarasvathy 2001, p. 652; but see also Drucker 1985, Eckhardt and Shane 2003).
Hansen, Shrader & Monllor (2011)	Defragmenting Definitions of Entrepreneurial Opportunity	Journal of Small Business Management	Both: The concept of opportunity and processes.	Explicit	Defined	Analyzes	Conceptual	There are 6 typologies of opportunity and 8 typologies of processes related to it. Both	"An opportunity is the possibility of introducing a new product to the market at a profit" / "A situation in which entrepreneurs envision or create new means ends frameworks" / "An idea that has developed into a business form" / "An opportunity is an entrepreneur's perception of a feasible means to obtain/achieve benefit"
Harms, Schulz, Kraus, & Fink (2009)	The conceptualisation of 'opportunity' in strategic management research	Journal of Entrepreneurial Venturing	The concept of opportunity	Explicit	Not defined	Analyzes	Conceptual / Literature review	Consensus = Both	"An entrepreneurial opportunity, therefore, consists of a set of ideas, beliefs and actions that enable the creation of future goods and services in the absence of current markets for them" (Harms et al. 2009: 60) / "Entrepreneurial opportunity is situations in which new goods, services, raw materials and organising methods can be introduced and sold at greater than their cost of production" (Shane & Venkataram (2000, 220).
Holcombe (2003)	The origins of entrepreneurial opportunity	Review of Austrian Economics Handbook of Entrepreneurship Research: An Industry Survey and Introduction (book)	Both: The opportunity concept and processes	Explicit	Defined	Analyzes	Theoretical	economic forces always pull the economy toward an equilibrium, equilibrium is a moving target that the economy always approaches but never reaches. Discovery	"Kirzner (1973) depicts entrepreneurial insight as the recognition of a profit opportunity that was previously unnoticed, and as such, does not require, or even involve, any outlay of resources on the part of the entrepreneur. In this way, entrepreneurial opportunities are differentiated from mere information, which people can and do seek out" (Holcombe 2003, 28).
Krueger (2003)	The Cognitive Psychology of Entrepreneurship: Governing Entrepreneurial Opportunity Recognition in MNEs: Aligning Interests and Cognition Under Uncertainty	Journal of Management Studies	Both: The opportunity concept and processes	Explicit	Defined	Analyzes	Theoretical	Cognition theory applied to both Discovery & Creation	Not defined
Mahnke, Venzin & Zahra (2007)	What is an entrepreneurial opportunity?	Small Business Economics	Processes: identifying and evaluating	Implicit	Defined	Uses	Theoretical	Discovery	Not defined
McMullen, Plummer & Acs (2007)	What is an entrepreneurial opportunity?	Small Business Economics	The concept of opportunity	Explicit	Defined	Analyzes	Theoretical (summarizing)	Entrepreneurial opportunity is objective, but the identification and exploitation of opportunities are created if the agent who bears the costs of R&D is also the agent who exploits the value, but if the agent who exploits the opportunity is not the same as the agent who created it, then the opportunity that was created. Both	Definition of Casson (1982) and Shane & Venkataraman (2000) / "An opportunity is a project not yet in operation that is part of the optimal set of projects in the economy" / "Favorable solution to a problem" / "An opportunity is a time-constrained decision platform from which options are evaluated" / "Opportunity is a confluence of circumstances leading to the choice or rejection of options."
Morris (2005)	A new tool for strategy analysis: the opportunity model	Journal of Business Strategy	The concept of opportunity	Explicit	Not defined	Analyzes uses	Theoretical	Discovery implicitly	Definition of Casson (1982) and Shane & Venkataraman (2000)
Plummer, Haynie & Godsalbois (2007)	An Essay on the Origins of Entrepreneurial Opportunity	Small Business Economics	Both: The opportunity concept and processes	Explicit	Defined	Analyzes	Theoretical	Theory of opportunity should differentiate between new and under exploited (not new) opportunities.	Definition of Casson (1982) and Shane & Venkataraman (2000)

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Pahalka (2010)	Versatile and Flexible Use of Intellectual Capital in Entrepreneurial Opportunity Discovery	Journal of Management Entrepreneurial Research	Processes: identifying	Explicit	Defined	Uses	Empirical: Quantitative (survey)	Discovery	Definition of Casson (1982) & Shane & Venkataraman (2000)
Sanz-Velasco (2006)	Opportunity development as a learning process for entrepreneurs	International Journal of Entrepreneurial Behaviour & Research Handbook of Entrepreneurship	Both: The opportunity concept and processes	Implicit	Defined	Uses	Empirical: qualitative (interview)	Consensus: opportunity discovery characterizes situations of low risk and opportunity creation/development is characteristics to situations of uncertainty	Not defined
Sureshthy, Dew, Velamuri & Venkataraman (2003)	Three Views on Entrepreneurial Opportunity	Research, An Interdisciplinary Survey and Introduction (book)	Both: The opportunity concept and processes: identification	Explicit	Defined	Analyzes	Theoretical	Integrating the three approaches	"Consists of a set of ideas, beliefs, actions that enable the creation of future goods and services in the absence of current markets for them" (Venkataraman, 1997).
Shane (2000)	Prior knowledge and the discovery of entrepreneurial opportunities	Organization Science	processes: identifying	Explicit	Defined	Uses and analyzes	Empirical: Case study	Discovery	Definition of Casson (1982) and Shane & Venkataraman (2000)
Shane & Venkataraman (2000)	The Promise of Entrepreneurship as a Field of Research	The Academy of Management Review	Both: The opportunity concept and processes: identification and exploitation	Explicit	Defined	Analyzes	Theoretical	Discovery	Definition of Casson (1982) & Shane & Venkataraman (2000)
Short, Keichen, Shook, & Ireland (2010)	The Concept of "Opportunity" in Entrepreneurship Research: Past Accomplishments and Future Challenges.	Journal of Management	The concept of opportunity	Explicit	Defined	Analyzes	Theoretical: Literature review	Consensus	"An opportunity is an idea or a dream that is discovered or created by an entrepreneurial entity and that is revealed through analysis over time to be potentially 'lucrative' / Definition of Casson (1982) and Shane & Venkataraman (2000)
Smith, Mathews & Schenkel (2009)	Differences in Entrepreneurial Opportunities: The Role of Tacitness and Codification in Opportunity Identification	Journal of Small Business Management	Both: The opportunity concept and processes: identification	Explicit	Defined	Analyzes	Theoretical: Literature review	Consensus	Definition of Casson (1982) and Shane & Venkataraman (2000)
Tang, Kacmar & Busewitz (2010)	Entrepreneurial alertness in the pursuit of new opportunities	Journal of Business Venturing	Processes: identifying and evaluating	Implicit	Defined	Uses	Empirical: quantitative	Cognition theory. Discovery	Not defined
Vaughly & Julien (2010)	Are opportunities recognized or constructed? An information perspective on entrepreneurial opportunity identification	Journal of Business Venturing	Processes: identifying	Explicit	Defined	Uses	Empirical: Case study	Integrating discovery and creation theories using information view: entrepreneurial opportunities can be recognized and constructed at the same time and recognized or constructed individually	Definition of Casson (1982) & Shane & Venkataraman (2000)
Van Gelderen (2010)	A Heuristic-Inducing Method for Generating Initials Ideas for Opportunities: An Application to the Australasian Dating Market	Journal of Enterprising Culture	Both: The opportunity concept and processes: identification, evaluation and exploitation	Implicit	Defined	Uses	Empirical: qualitative	Discovery and creation can be seen as a continuum. Whether ideas are the end-point for ready-made opportunities, or a starting point for creation processes, in both cases an initial idea is needed.	"A future situation that is both desirable and feasible, regardless of the resources currently under the control of the entrepreneur" (Stevenson, Roberts and Grousbek, 1989; Stevenson & Jarillo, 1990).
Wood & McKinley (2010)	The Production of Entrepreneurial Opportunity: A Constructive Perspective	Strategic Entrepreneurship Journal	Processes: identifying	Explicit	Defined	Analyzes	Theoretical	Creation	Not defined
Zahra, Korri & Yu (2005)	Cognition and international entrepreneurship: implications for research on international opportunity recognition and exploitation	International Business Review	Processes: identifying and exploiting	Implicit	Defined	Analyzes	Theoretical	Discovery & Creation	Not defined
Zahra, Yavuz & Usseman (2006)	How much Do You Trust Me? The Dark Side of Relational Trust in New Business Creation in Established companies	Entrepreneurship Theory and Practice	Processes: identifying, evaluation, refinement, championing and implementation	Implicit	Defined	Analyzes and uses	Theoretical	view	Do not highlight explicitly either one, but implicitly focuses on creation view