Opportunity Recognition

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Opportunity Recognition

- Opportunity vs. Idea
- What is opportunity recognition?
  - Depends on your perspective
  - Discovery Theory
    - Opportunities wait to be discovered
    - Recognition and exploitation of business opportunities in the market
    - New information leads to discovery

Opportunity Recognition

- What is opportunity recognition? cont.
  - Creation Theory
    - Entrepreneurs create opportunities
    - Perceiving a possibility to create new businesses resulting in new profit potential
    - Significantly improving the position of an existing business resulting in new profit potential

Opportunity Recognition

- Why does it happen?
  - Entrepreneurial personal attributes
    - Optimism
    - Confidence in oneself
    - Perceived self-efficacy
    - Belief in one's ability to make decisions
  - Focused on opportunities
    - Special sensitivity
    - Alertness
    - Perceive connections

Opportunity Recognition

- When does it happen?
  - Before
  - During
    - Life of a business
    - Life of an entrepreneur
  - Continuous
Opportunity Recognition

- How does it happen?
  - Solo Activity
    - Creativity
    - Know the market
  - Network Activity
    - Use of contacts
    - Open discussion of viability
    - Residence
    - Education

Opportunity Recognition Model

- 5-Dimensional Model
  - Preparation
    - Skills and knowledge one acquires or accesses to bring to the creative process
  - Incubation
    - Where knowledge domains collide to create new associations
  - Insight
    - Ideas coming forth from the subconscious mind or brought to the attention of an entrepreneur by others
  - Evaluation
    - Involves investigating the idea to determine whether or not it is viable
  - Elaboration
    - Refers to the work needed to refine the creative insight

Opportunity Recognition Model

Where does creativity fit in?

Opportunity Recognition Model

- Opportunity Recognition and Leveraging One’s Experience
  - William A. Sahlman, Harvard Business School
- Toys and Spinning Brushes: How John Osher Found His Way to Profits
- Mapping out John Osher’s Opportunity