

DEPARTMENT OF BUSINESS & MANAGEMENT

Chair of Corporate Strategies

**The Determining Factors of Successful Management and
Innovative Entrepreneurship, on the Consumer Demand-Pull
Strategy (Start-Ups)**

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Introduction

“First of all, there is the dream and the will to find a private kingdom, usually, though not necessarily, also a dynasty.... Then there is the will to conquer: the impulse to fight, to prove oneself superior to others, to succeed for the sake, not for the fruits of success, but of success itself.... Finally, there is the joy of creating, of getting things done, or simply of exercising one’s energy and ingenuity.” (Schumpeter, 1934, p.93).

Entrepreneurship plays a critical role in its contribution towards today’s economy growth. Therefore, it raised a lot of interest for scholars to examine different components of entrepreneurship in order to reach the perfect recipe of success. That said, starting a new venture is not a simple task, how an opportunity rises, the exploitation of opportunities, and the development processes of the idea determines the future situation for an upcoming start ups in the industry. While discovering entrepreneurship form a demand-side perspective to management, innovation, and strategic management, in part because it is not considered as a common ally of research. Unfortunately, it is a difficult field to get a complete overview on, but the purpose of this research paper is to examine previous literature that can contribute indirectly way to the matter. The contribution will take place by combining previous literature and applying them to frameworks of analysis, it is anticipated to add scope of knowledge to the subject. In particular, examining a venture from the founders’ perspectives, by looking at how the opportunities are created, exploited, the development processes, and whether the demand side has a great impact on the business that leads to future success and growth.

To address this gap, I dedicated my dissertation about the following research question: The determining factors of successful management and innovative entrepreneurship, on the consumer demand-pull strategy (start-ups). In addition, I would like to examine what are the trigger factors to success for entrepreneurs in the process if possible to observe. Meaning if there are certain traits that can contribute to future success. Therefore, I address the topic as the following: In chapter 1, I present an overview of Italy’s economy, market opportunities, entrepreneurship and venture capital. Then, chapter 2 presents a view of the literature review exploring the topics of entrepreneurial opportunities, user entrepreneurship, resources, dynamic capabilities, and the Theory of the growth of the firm, creation theory of entrepreneurial opportunity formation, resource constraint and radical innovation, last but not

least entrepreneurial success. The previous topics will help facilitate into shaping the findings by either contributing to the matter directly or indirectly. Afterwards, in chapter 3 I use qualitative interviews to build on my case study analysis, which tests the hypothesis developed by applying two frameworks to the start-ups in order to provide an actual proof. That said, in chapter 4 I list and discuss the findings. Following that, I present the final chapter, in which I discuss the implications and contributions of my findings as well as directions for future research.

Fundamentally, my findings will contribute to entrepreneurship, innovation, and strategic management literatures by providing a window into the demand-side especially when dealing with uncertainties. Beyond that, this dissertation represents a challenge into exploring a different side of entrepreneurship.

Chapter 1: Background Overview – Italy

Italy is located in Southern Europe comprised of the boot-shaped Italian peninsula and a number of islands including Sicily and Sardinia. With a strategic location overlooking the central Mediterranean as well as the southern sea. Italy is largely homogeneous linguistically and religiously, but is diverse culturally, economically, and politically. In addition, Also, Italy is a member of the European Union (EU). Since the World War II, the Italian economy has gone through drastic changes. From having an agriculturally based economy, into developing to an industrial state which is ranked as the world's eighth largest market economy. Furthermore, Italy has a diversified industrial economy, which is divided into a developed industrial economy in the north, dominated by private companies, and a less developed, welfare-dependent, agricultural economy in the south. Besides, you can easily notice the difference between the advanced northern half of the country and the poorer south. As a result, industrialization was slow, and hiring the new generation of workers was extremely hard (Indexmundi, Italy Economy Profile 2013).

With continues struggle through balancing the budget deficits and high public debt. Italy decided to sign the Stability and Growth Pact by joining the European Monetary Union (EMU) in 1998, and giving the current Euro zone condition, in which Italy must keep its budget deficit under a 3% limit. Still, the Italian government is facing a lot of difficulties to stabilize the budget deficit and decreasing the public debt. Italian exports grew rapidly and that lead to stronger demand for goods and services. According to indexmundi “Italy's largest European Union trade partners, in order of market share, are Germany (12.7%), France (11.6%), Spain (5.7%), and the United Kingdom (5.1%)” (Globaledege, Italy: Introduction 2013).

The Italian economy is going under several risks and first is recession. Since the second half of 2011, Italy sunk into recession, and the situation did not get better with the following year which lead to the drop in household consumption, investment and exports. As a result, it affected badly the unemployment, and having less attractive foreign demands. Moreover, the fall in imports more than the exports had a positive contribution in the foreign trade to growth. On the other hand, agriculture remained the same, and all the sectors experienced a sharp fall starting with construction.

Second is massive public debt. Italy is facing a high scale of public debt where this dept has reached the highest level in the Euro zone after that of Greece and the biggest of all in absolute value. Giving the weak growth potential and the size of government's financial needs

has lead to increasing doubts and shaken the market confidence within the Euro zone (Cia, Italy The World Fact Book - Italy 2012).

Third is companies' weakness in the face of recession. Italy is going through a rough patch with the financial situation of businesses, where Bankruptcies have risen a lot in 2011. There are several explanations of the unpleasant economic situation, which are: the structural weakness of SMEs, and the growing difficulties tied to access the bank lines of credit and the extending payment periods in the public sector. Also, regulatory complexity causes an increase in the cost of entrepreneurial activity. Including a completion of licensing requirements that takes over 200 days and costs more than the level of average of an annual income. And, giving the Euro zone crisis leads to massive monetary policy challenges (Cia, Italy The World Fact Book - Italy 2012).

Currently, The Italian economy is much more free-market oriented than before. There are a lot of improvements that have been done to a lot of sectors. Several sectors have been liberalized and state monopolies scattered. Additionally, numerous of state-owned enterprises have been privatized; some sold to national private investors and others to foreign private investors. Plus, some were sold to the public via stock offerings.

1. Market Opportunities in Italy

Italy is ranked amongst the top-ten economies in the world. As mentioned earlier, the Italian economy is driven by the manufacture of high-quality consumer goods produced by small and medium-sized enterprises. Moreover, Italy is leading a huge part of the global market, the contributing sectors are: precision machine tools, packaging, fashion, stylish furniture, luxury boats and other goods with high design content. In addition, presenting new materials, robotics, ICT, nanotechnologies, technologies for the food industry and for the preservation of the artistic heritage.

Due to the difficult structure of the Italian market, identifying opportunities by large sectors can become tricky. So, having a good business instinct and the feasibility of a business plan is key. An in-depth market research can save a lot of time and efforts as well.

Small and medium sized companies are mainly involved in a variety of industrial and service activities. They are the market leaders and holding established brands all over the world. Furthermore, Italy offers opportunities in several sectors primarily in: Information

technology. Since Italy is ranked as the fourth IT market in Europe, even though the Italian IT sector is not well developed and still contains structural problems. Also, the technology gap has been narrowing and IT penetration has been improving. The Italian IT market was not yet matured in many ways even though it has a lot of potential, with both small and medium sized companies and the local and national Government by taking important steps towards modernization of their IT systems. Telecommunication equipment and services, Since Italy is ranked the third in telecommunication equipment and services in Europe, and holding the second largest mobile communications market in Western Europe (Executiveconsulting, Opportunities in Italy 2012).

On the other hand, there are a lot of factors influencing the development of any business in Italy such as: market and competition, since Italy is a country that is also based on family owned businesses a lot. Having a new business can be a way to develop and grow entrepreneurial models. However, entrepreneurs have to make major investments in the start-up phase to select, until the process is complete to guarantee success in the future. Where this adaptation will help the business to grow in the Italian market that will lead to better quality, better solutions, and the prospects of developing a good network will be high (Executiveconsulting, Opportunities in Italy 2012).

Culture, safety, and society: The internationalization of the Italian cultural system compels the business owners to deal with the limited degree of linguistic knowledge and behavior in some areas of Italy, such as the southern regions to be more precise. It is crucial to brand the business and make it well known among consumers. Last but not least, there is a strong cultural prejudice when it comes to genders, age, language, and culture (Executiveconsulting, Opportunities in Italy 2012).

Institutional system: Having a complex administrative system and inconsistency of regulatory provisions may create some difficulties, as business owners should be well prepared to handle the situation. However, having some knowledge in Italian law and knowing how to adapt it to the business will obviously help the owner. Other factors: since the Italian market is very peculiar and difficult, it is advisable to have a registered office in Italy as well as a stable structure that knows the regulatory, administrative and territorial system and closely follows

the development of the network. In addition, having legal support in order to understand the complexity of the Italian system and regulation (Executiveconsulting, Opportunities in Italy 2012).

2. Entrepreneurship and Venture Capital in Italy

It is crucial to mention that there is a unique entrepreneurial opportunities for development and growth. But in order for the business to succeed, there should be dedication, time, resources, and managerial skills. Moreover, having a strong communication is fundamental to get the brand known and recognized. Also, the extreme difficulties within managing the relationships with the Public Administration officials' business owners should therefore be developed in some sort and have the experience or expertise in dealing with the Italian administrative system. The evolution of the Italian venture capital market has overcome different waves of growth and specialization trends in the past 25 years. The Italian market has been in particular affected by the economy heavily. Talking about the evolution of venture capital in specific periods. In particular, almost a century ago (1900 till 1986) venture capital has been present in Italy, but in an "Informal VC". Moreover, Important entrepreneurs contributed by their private investments, to build the foundation of new companies (Venturecapitaly, The Italian Venture Capital Market: Past Evolution and Recent Developments. 2011).

In the 70s, the capital needed to finance a new business, which was primarily funded by the bank system; although the capital market and the Venture Capital were not that common by Italian entrepreneurs. The break through or the historical moment was in 1986. The Italian Venture Capital and Private Equity Association was founded, and venture capital investment started to take off. As a result, the first wave of Institutional venture capital players entered the Italian market; in addition to the great success that VC was having in the United States motivated the Italian entrepreneurs. Back in the 1988, the Italian market was mainly influenced by two factors: the deregulation in the Telecom industry, and the Internet. Those two factors forced some players to back off, and another players entered the market. In 2005, the Italian venture capital industry became important and reported for approximately €3 billion worth of investments. Venture capital funds started to gain more attention and importance after the success in 2005 (Venturecapitaly, The Italian Venture Capital Market: Past Evolution and Recent Developments. 2011).

In 2005 and early 2006, there has been an increase in the number of players of venture capitalists in Italy which, lead to bringing the Italian market in line with the international markets. The effects of the financial crisis hit the Italian private equity and venture capital market. As a result, it lead to a high decrease in VC activities in the first half of 2009 and was a push back after reaching high records in 2008. In addition, the first half of 2010, continued to suffer the Italian private equity and venture capital market, reaching the lowest levels in years. Moreover, with the observation regarding the raising of new capital in 2010, a huge improvement was noticed. The Italian private equity and venture capital market lead to resources flow towards institutional investors active in Italy (Venturecapitality, The Italian Venture Capital Market: Past Evolution and Recent Developments. 2011).

Startup company is typically set around innovative scalable business models with brand-new ideas. On average, a start up company hires less than fifty employees. The most fundamental employees are the developers and the designers, the developers who write and create codes and the designers who can design creative consumer interface. Moreover, the big attraction in a start up company to investors is the low cost although there is a higher risk attached to any new business. On the other hand, if the idea was successful, the return will be high. Startup companies can come in all forms. In addition, a challenging task for startups is conducting research in order to evaluate and develop the ideas or business concepts. Also, evaluating the opportunities to establish further and deeper understanding of the business, and looking at the commercial potential. Successful startups are typically more scalable than an established business, as they have the possibility to grow with limited investment of capital, labor or land. Most of the startup activity was located in Silicon Valley in California. It is an area that is well known for startup company activity.

Financing startups cycle can be done by several options for funding to choose from. Venture Capital and angel investors may help startup companies begin their business by exchanging cash for an equity stake. Another option is funding opportunities through crowd funding. Moreover, startup culture exploits attitudes to promote effectiveness in the workplace. Adding up, Co-Founders are vital element involved in the cultivation of startup companies (Venturecapitality, The Italian Venture Capital Market: Past Evolution and Recent Developments. 2011).

If a startup is based on its technology innovativeness, then it is critical for the business owners to obtain intellectual property protection for their idea; since most of the startup

companies are based upon creative technological ideas and the value of the company will be based on its intellectual property. The main business for startup companies is based on new technology, production of the highest returns to creators and investors. However, there is no guarantee that it would receive acceptance and fame in the market. In accelerating market, access in Italy is by understanding the stakeholder's motive, which is crucial to reducing time to promote the startup in Italy's economy. However, speeding up the process of innovation is an important aspect at responding to the changing market structure in Italy, in order to have a valuable effect in the market, access managers should speed their communication skills and networks (Mashable, Startups 2011).

To sum up, there are some crucial points that can make any startup successful: First: location – finding the most strategic place in the industry is crucial, because location always matters (Location, Location, and Location). Second: attracting talent – seeking fresh talent will help empowering the management team. Third: funding – looking and communication with venture capitalist firms and “Angel Investors”. Fourth: innovation – having such a disruptive invention in the industry will help the startup to stand out among competition. Fifth: communication – communication is the key to succeeding and solving problems. Sixth: freedom and creativity –giving the team members some freedom can boost their creativity.

Chapter 2: Literature Review

1. Entrepreneurial Opportunities

In this chapter, before frameworks can be discussed, essential definitions need to be clarified. Therefore, I begin the next section by defining key terms that I most use in this paper starting with: entrepreneurial opportunities, Schumpeterian (novel or innovative) and Kirznerian (non-novel) entrepreneurship.

Theorists define entrepreneurial opportunity as the potential for new economic value arising from competitive imperfections in the market (Alvarez & Barney, 2007b; Kirzner, 1997; Schumpeter, 1934). Schumpeter hereby outlines five forms of entrepreneurial opportunities as the following: the introduction of new goods (or improvement in quality of existing goods), the introduction of a new method of production, the opening of a new market, the control of a new source of raw materials or half-manufactured goods, or the creation of a new type of industrial organization (Casson, 1982; Schumpeter, 1934). I refer this definition from the authors above for my research paper, in a larger scope because by focusing on new goods, services, etc., it helps differentiate between innovative entrepreneurial opportunities and other forms of entrepreneurship.

Besides, One of the main problems facing entrepreneurial scholarship is the lack of consistent definitions of entrepreneurship. For instance, some scholarship states that entrepreneurship may include franchises (Azoulay & Shane, 2001), self-employment (Davidsson & Honig, 2003; Parker, 2006), venture capital-backed firms (Beckman, Burton, & O'Reilly, 2007; Dubini, 1989) and even corporate venturing (Barringer & Bluedorn, 1999; Corbett, Neck, & DeTienne, 2007; David, 1994). Also, if you look at the studies conducted in different industries, more precisely from low to high technology, all of these studies acknowledge discussing entrepreneurship. But to group them together, add a risk of broadening the outcomes. To elaborate to this point more, there are some studies that focus on self-employment (e.g., opening a franchise or individual proprietorship) and innovative entrepreneurship (e.g., starting new technology firm) (Shane, 2008). You can find innovative entrepreneurship the most in the start-up processes; levels of uncertainty and many other factors differ significantly between ends of this spectrum (Reynolds, 2007a). Innovation tends to be a very uncertain process often occurring in very dynamic and uncertain industries (Andrew, Sirkin, Haanaes, & Michael, 2007; Brown &

Eisenhardt, 1995; Cheng & VandeVen, 1996; Christensen, Suarez, & Utterback, 1998). In addition, most likely the innovative process leads discovering new opportunities. The Eckhardt and Shane (2003) definition of entrepreneurial opportunities indicates the innovative opportunities of creating something new. Another interesting definition by Shane & Venkataraman that states entrepreneurial opportunity as an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw material through organizing efforts that previously had not existed (Shane & Venkataraman, 2000; Venkataraman, 1997). I found both definitions borrowed from the above authors are extremely interesting to examine in my research. Thus, what grabs the attention more with Shane & Venkataraman definition is the examination of the sources of opportunities, the processes of discovery, evaluation, and exploitation of opportunities; and the set of individuals who discover, evaluate and exploit them” (Shane & Venkataraman, 2000). Moreover, on the subject of opportunities Shane describes an entrepreneurial opportunity as: “...a situation in which a person can create a new means-end framework for recombining resources that the entrepreneur believes will yield a profit” (Shane, 2003).

Entrepreneurial opportunities are related to two aspects mostly, which are: something happening in the environment (resources), and something to do with the individual (creation, beliefs, recombination). It is crucial to mention that not all opportunities are profitable.

1.1. Previous Models of Entrepreneurial Opportunities

Entrepreneurial opportunities have been investigated in lots of researches. Going back in time to the earliest efforts in economic models anticipating how and why new types of business were formed. Afterwards, scholars covered another issue, which was basically asked who formed these businesses and how entrepreneurs differed from other types of managers, by focusing on the entrepreneur’s personality. Moving on, to examine the differences in cognitive style and processes. Recently, scholars developed a more thorough research by examining ventures, demographic characteristics, and start-up practices in order to have a better understanding.

1.2. Economic Models

Schumpeter suggested that new opportunities arise when an exogenous shock to the current economic market occur like for instance new technologies. In ways, it makes it easier to

recombine and recreate existing production goods in a new way (Schumpeter, 1942). He also argued that technological shocks driving new opportunities usually occur from within existing organizations, but are developed outside the organizations, which lead to destroying the very structures from which they began with. As a result, entrepreneurial opportunities serve to both drive and shape economic markets; in process he called “the gales of creative destruction” (Schumpeter, 1942). Different individuals have different beliefs about the value of certain resources or combinations of resources (Kirzner, 1997). These different beliefs represent market imperfections, which can be exploited. When an individual believes that a set of resources are not put to its best use, and conceive of some alternative use, they discover an opportunity in the market (Shane & Venkataraman, 2000). Plus, opportunities arise from market imperfections (Casson, 1982; Schumpeter, 1934). Still, there are no particular inputs on how entrepreneurs can turn those imperfections into opportunities. Shane & Venkataraman added, as market imperfections exist as objective economic phenomena, it is assumed that opportunities also exist whether or not they are discovered and exploited (Shane & Venkataraman, 2000).

1.3. Sources of Opportunities

In order to examine whether opportunities have such a fundamental role in entrepreneurship, it is crucial to understand where do they come from and what are their characteristics? Scholars came into conclusion of the sources of entrepreneurial opportunity and put them under certain categories, they divided them by: discipline - psychology, sociology, economics, management, level of analysis (micro, meso, macro), the institutional landscape, demand and supply (market) factors, and last but not least government policy. As you can observe that each category is somehow interacted with another: the individual and the environment. Joseph Schumpeter and Israel Kirzner came into conclusion of how the interaction take place, what type of entrepreneurship is created, and what are the benefits gained by the society.

Schumpeter takes a creative approach where he believes that opportunities present new frameworks and new end. Moreover, he observed that these opportunities tend to be new, innovative, have the power to shift economies, lastly increase national output and employment. On the other hand, Kirzner views opportunities as something that needs to be discovered because they appear from market disequilibria. As a result, this type of entrepreneurship is attentive on the

individual's part. In the section below, I will present a more detailed evaluation on the sources of opportunities from Schumpeterian and Kirznerian perspective.

1.4. Schumpeterian Opportunities

Joseph Schumpeter (Schumpeter, 1934) was the first economist to classify the innovative or novel entrepreneur. He proposed the role of the novel entrepreneur is to modify the economy by modifying outdated business and being the source of innovation in an economy. Furthermore, Schumpeter invented the term, "creative destruction" in order to better describe the process of destroying the old business, and creating a new one. Also, Schumpeter believes that the entrepreneur creates disequilibrium into a market. As a result, it will open up more entrepreneurial opportunities due to this shift. Moreover, Schumpeter lists the sources of opportunities according to him: technological changes, political regulatory changes and socio-demographic changes (Schumpeter, 1947). Scholars came into a conclusion regarding the affects of novel forms of entrepreneurship which are: the increase of national output, supporting job growth, and last but not least shifting the whole industries into new technological frontiers. Giving the novel entrepreneurial outcomes it is uncommon to happen unless several factors came into place such as: a transparent rule of law, a robust institutional environment, Communication technology, high levels of education, high levels of income, placement in large urban locations, diverse markets, developed industrial structures. Without listing all of the factors we can notice that it is not easy, as it seems to be novel, it's complicated. For that reason, another researchers and policy makers wanted to go in depth about this topic for the large impact that it has in an economy. The following is Kirznerian form of opportunities.

1.5. Kirznerian Opportunities

Isaac Kirzner found the non-novel form of entrepreneurship or what is called The Kirznerian. The principle is based upon that extraordinary individuals do not create opportunities, yet they already exist in the society to anyone who has the "alertness" to recognize them. Kirzner believes that opportunities occur because the market is in a state of disequilibrium originated by bad decision making, which leads to creating shortages and surpluses (I. Kirzner, 1973). As a result, you can discover the entrepreneurial opportunities in the shortages and surpluses.

On the contrary to Schumpeter beliefs that Schumpeterian entrepreneur is the creator of opportunities, and the Kirznerian entrepreneur is a discoverer of opportunities. For the Kirznerian entrepreneurs, the field has no typology for the sources of opportunity in contrast with the Schumpeterian entrepreneur.

According to Shane the sources of opportunities presented for non-novel entrepreneurship are too “idiosyncratic” to be captured (Shane, 2003). Some researches argues about Kirznerian entrepreneurship and they consider it a “weak” form of entrepreneurship comparing to the Schumpeterian entrepreneurship were they find it a “strong” form of entrepreneurship (Venkataraman, 2004).

In conclusion to the characteristics of the Schumpeterian and Kirznerian opportunities above, Schumpeterian opportunities are: disequilibrating, requires new information, very innovative, rare, involves creation. Whereas Kirznerian opportunities are: equilibrating, does not require new information, less innovative, common, and limited to discovery (Shane 2003).

If we look at the observations you find that both Schumpeter and Kirzner consider the interaction between the individual and the environment. Where Schumpeter believes that the individual is the absolute mean for the entrepreneurship phenomenon, where the individual is the one who impacts the environment. On the other hand, Kirzner believes that disequilibrium in the environment (market) is the absolute mean, where the individual alertness is the main entity here.

Focusing on the individual entrepreneur, you need to keep into considerations two factors, which are: first we have the psychological and non-psychological factors which construct the resource base from. Second is, the dynamic perspective, in order to mark the movements through time and space as the individual is discovering and exploiting his potential opportunities.

1.6. Individual Factors Influencing The Discovery & Exploitation of Opportunities

Whenever an entrepreneur starts a new venture, he goes through two major processes: the discovery of opportunities, and the exploitation of those opportunities. During the processes, the entrepreneur character engages through psychological factors, and non-psychological factors. There are some facts done by researchers that indicate that specific personality traits (psychological factors) and capabilities (non-psychological factors) encourage, but are not determining

factors to the discovery and exploitation of opportunities. According to Shane, individual factors affecting the discovery process, non-psychological factors are: prior life experiences, and the size of social network. Moving to the psychological factors are: absorptive Capacity, recognition of causal links, ability to categorize information, relationship, understanding processes, evaluating information accurately (Shane, 2003).

Then Shane assesses the individual factors affecting the exploitation process, non-psychological factors are: opportunity cost, working spouse, higher level of education, career experience, general business experience, functional experience, industry experience, start-up experience, having a role model. Moving to the psychological factors: sociable, need for achievement, risk-taking, desire for independence Control, self-efficiency, overconfidence, and intuition (Shane, 2003).

After Shane assesses the individual factors affecting the process there are two findings: first in the non-psychological factors it gives the individual better access to information. Second in the psychological factors it is related with the cognitive capabilities.

1.7. The Opportunity Discovery Process – Individual Level

Studies proven that the discovery of opportunities is mainly done in a group. Entrepreneurship is unique because it studies the individual and focus on his role. As mentioned earlier, the importance on discovering opportunities is that you will gain the better approach to information from the non-psychological aspect, and you have explicit cognitive capabilities from the psychological aspect.

1.8. The Opportunity Discovery Process – Non-Psychological Factors

There are two factors affecting the opportunity discovery process for the individual, they are: prior life experiences, and the size of individual's social network. First we will examine the life experiences. According to Freeman Klepper and Sleeper, there are features of life experience that can boost the possibility of the individual discovering opportunities such as: job function and

experience variety. It is observed that individuals holding certain careers are more likely to notice new venture opportunities. Those careers are often in the field of the natural sciences, engineering and R&D. Giving the nature of those jobs you can easily be exposed to new knowledge and technology (Freeman, 1982; Klepper and Sleeper, 2001; Roberts, 1991). As the experience variety shown that individuals with larger employment experience, and the places they lived in geographically are more capable to become entrepreneurs (Evans & Leighton, 1989; Delmar & Davidson, 2000).

Moving to the social network with the great abilities for people to receive information. There are certain characteristics that help the opportunity discovering process in the social network, which: According to Aldrich the diversity of the actors in the network to help avoid outmoded pieces of information (Aldrich, 1999). Casson adds by stressing on the strong ties the individuals have in the social network encourage them to accept the information they receive by considering it accurate (Casson, 1982). Moreover, Koller adds to the subject of the importance of strong ties in a network for the entrepreneur. Koller's findings show that entrepreneurs, more than managers, obtained information from people they knew and trusted (Koller, 1998).

1.9. The Opportunity Discovery Process – Psychological Factors

Cohen & Levinthal divided the cognitive capabilities into two groups to improve the opportunity recognition process. The first is absorptive capacity meaning the prior knowledge provides an absorptive capacity that facilitates the acquisition of additional information about markets, technologies and production processes. As a result, it enhances the ability to create new entrepreneurial frameworks in response to new information (Cohen & Levinthal, 1990). Shane adds by stressing to the two types of knowledge to enhance the absorptive capacity necessary for opportunity recognition, which are: knowledge about markets, and knowledge on how to serve them (Shane, 2000).

Moving to the second group of cognitive processes that enhance the entrepreneurial discovery are: being able to see causal links, being able to

categorize information, seeing relationships and patterns in information, understanding how processes work and evaluating assumptions and information accurately (C. M. Gaglio & Katz, 2001).

According to the theorist, the cognitive processes are influenced by certain characters such as: levels of intelligence (De Wit & Van de Winden, 1989), perceptive ability (Hills, Sharder, & Lumpkin, 1999), creativity (Sarasvathy, 2001; Schumpeter, 1934), and last but not least is being prepared to take risks (Kaish & Gilad, 1991).

1.10. The Opportunity Exploitation Process – Individual Level

Studies proven that the outcome of opportunities essentially depends on the opportunity itself, the economic, political, industrial, socio-cultural environment, as well as the non-psychological and psychological individual characteristics.

1.11. The Opportunity Exploitation Process – Non-Psychological Factors

Examining the non-psychological factors is crucial in the exploitation of opportunities, because this assessment examines the opportunity cost of opening a business, levels of education, career experience, having role-models, age, social position, and social ties. Starting a new business includes endless costs and measures. It also means that an individual must have some sort of security of a steady salary. According to Amit, Glosten & et.al people with low opportunity costs will be more likely to become entrepreneurs (Amit, Glosten & et.al, 1993). Evans & Jovanovich emphasize on the income, unemployment and the presence/absence of a working spouse affect the level of opportunity costs and thus the readiness of individuals to begin new ventures (Evans & Jovanovich, 1989). Moreover, there are contradictory statements regarding the influence of income on the level of self- employed individuals. The first argument states that if the wage rate is high, then the opportunity cost of self-employment is high. The second argument states that high salaries are an indicator of a wealthy economy with above average rates of small business survival. The third argument states that

high-income levels indicate that founders find start up financial capital at a lower cost (Verhuel, Wennekers, Audretsch, & Thurik, 2001).

Evans & Leighton studies the affects of a working spouse, which resulted in lowering opportunity costs for the potential entrepreneur. The undesirable effects of failure are reduced by the income of a spouse (Evans & Leighton, 1989).

Shifting to the other factors such as: having a higher level of education, career experience, business experience, industry experience, start-up experience, having a role-model, being middle-aged, having a higher social position. There are so many social ties linked with the tendency to be self-employed that affects the exploitation of opportunities and those were some examples, in order to understand the elements affecting them.

1.12. The Opportunity Exploitation Process – Psychological Factors

Examining the psychological factors is crucial in the exploitation of opportunities, since this assessment examines the entrepreneurial behavior. According to McClelland, people will exploit opportunities because of the psychological characteristics that lead people into making different decisions about opportunities than others with the same information and skills. He also emphasizes that the psychological characteristics influence the exploitation decision but do not cause it (McClelland, 1961).

Barrick & Mount argue that people are more likely to exploit opportunities if they are more extroverted, which means that they have traits of sociability, assertiveness, talkativeness, expressiveness, impetuosity (Barrick & Mount, 1991). On the other hand, Shane focuses on the introverts, extroverts are more likely to exploit opportunities because they are better able to assemble resources and organize under conditions of information asymmetry and uncertainty (Shane, 2003).

Having a disagreeable character helps the entrepreneur scrutinize the information needed. In addition, it gives the entrepreneur a more critical approach to information and decision-making.

Entrepreneurs have a higher need for achievement. Achievement and the need for achievement leads the individual to choose certain pursuits in order to gain specific outcomes, where individual skills are required, and so as a critical feedback is provided. Harper believes that the nature of entrepreneurial opportunities are novel and not clearly specified thereby providing a challenge that is eagerly met by people with a high need for achievement (Harper, 1996). Adding to that Miner, Smith, & Bracker the importance of exploiting opportunities requires certain goal setting, planning and information gathering. People who are achievement focused have the drive to establish future goals, gather information, learn, bring ideas into fruition, sustain goal-directed activities over a longer period of time, persevering through failures, setbacks and other obstacles that are inevitable when decision making is done under uncertainty and with incomplete information (Miner, Smith, & Bracker, 1989).

Every entrepreneur is a Risk-taker. There are several types of risks such as: product, technical, market, and competitive risk. Risk-taking is a fundamental element of entrepreneurship, it is the unique character that differentiate an entrepreneur than normal individual.

Being independent is simply a personality character that an entrepreneur is characterized with. This personality objective derives the entrepreneur to take certain decision making without the consult of others. So trusting one's own judgment is crucial and believing it's the best decision to be taken.

Having an internal locus of control is important for an entrepreneur. If you have an internal locus it means that you can easily influence the environment you are in, and will be more likely to exploit an entrepreneurial opportunity.

Self-efficiency by having the right level of confidence to perform a task is crucial. An entrepreneur with higher self-efficiency levels helps positively with the

exploitation of opportunities.

Overconfidence is an important character that an entrepreneur should have. Having absolute confidence in one's own decision-making encourages the entrepreneur to exploit opportunities in situations where there is no enough information provided.

Being intuitive is another important aspect in an entrepreneur's characters. Relying on one's intuitive abilities help to exploit entrepreneurial opportunities more. Schumpeter believe on the reliance on intuition, it is due to the fact that the exploitation of an entrepreneurial opportunity is done under uncertainty, time pressure, and limited information. He also added that entrepreneurs must have the ability to make decisions using intuition rather than analyzing information (Schumpeter, 1934).

2. User Entrepreneurs

A new study released by the Ewing Marion Kauffman Foundation, almost half of the innovative startups are founded "user entrepreneurs". These firms were initially created by the entrepreneurs who developed the innovative products or services by their own, and wanted to fulfill a certain need. After that they founded the firms, and commercialize them.

This difference between user entrepreneurs, and manufacturers is that users innovate because they want to benefit from it. On the other hand, manufacturers innovate because they want to benefit by selling it.

User Entrepreneurship is defined as the commercialization of a new product or service done by highly innovative individual or group. In general, a user entrepreneur may experience a certain need, and according to that specific need the user will develop a product or service to address this need. What makes user entrepreneurs different from other types of entrepreneurs is that they have the personal experience with a product or service that lead to the innovation itself, which they gain benefit from the use, and the from the commercialization as well.

There are three types of user entrepreneurs, which are: end-user entrepreneurs (those who

developed products or services for personal use), professional-user entrepreneurs (those who developed products or services for business use), and last but not least hybrid professional or end-user entrepreneurs (startups that had performed R&D during their first year of operations).

The most common type among the three is the user entrepreneurship. According to Kauffman a high percentage of professional- and end-user entrepreneurs receive venture capital financing, in their first six years of starting their operations. Normally, professional-user entrepreneurs flourish with respect to revenue the most in the high tech industries.

Studies showed that end-user entrepreneurship in particular is mostly appealing for women, and some minority groups. This type of user entrepreneur do not appear to have greater human capital compared to the other two types, although it received high fraction of venture capital finance.

"Users have ignited technological change in industries ranging from medical devices to sports equipment to juvenile products," said Sonali Shah, an assistant professor at Foster School of Business, University of Washington. Adding to the point above "In many cases, users, not producers, have the best information, and their incentive is to build something better for their own use. As a result, they are able to create truly novel innovations. When they commercialize these innovations, we all benefit.

The unique process by which user innovators become entrepreneurs differs from the typical entrepreneurial path. In general, it occurs when users tend to experience a need in their own lives, then they develop an innovation to address this need, and last but not least commercializing the product. Shah and Tripsas explain more by adding that most of the users are considered an “accidental entrepreneurs” in the start their initial motivation was not to have a profitable business but rather it was an outcome of a specific need they wanted to fulfill it (Shah and Tripsas 2007).

2.1. The User Innovation Phenomenon

A distinguished research has documented the importance of users innovations for decades. However, it is worth to mention that von Hippel created the first systematic documentation and theoretical development of the concept in a series of articles leading to the publication of *The Sources of Innovation* in 1988. Studies show that users are a frequent and great source of innovation across a wide variety of products.

This research also held that users rarely, if ever, commercialize their own innovations, however this assumption has been challenged and three corrected by empirical evidence that has emerged over the past ten years. We review each of these contributions below. Plenty of studies during the past years have documented the importance of user innovation, finding that: (1) *many important innovations are developed by users*. According to Hippel, users are the ones who created the majority of key innovation products, including medical devices, scientific instruments, semiconductors, software, and sports equipment (von Hippel, 2005). (2) *A large fraction of users innovate*. The reason behind this innovation is to solve a certain need by the user resulting in a large number of unique innovations either a service or a product (Morrison et al. 2000, Franke and Shah 2003, Franke and von Hippel 2003, Lüthje et al. 2005). (3) *Users innovate over a wide variety of product domains*.

Users have created drastic and incremental innovations across variety range of product, industries, and scientific disciplines (Nuvolari 2004, Shah 2005, von Hippel 2005). Hippel stresses the fact that some lead user innovations will be part of creating new market niches. Lead users will experience needs for months or years before the

marketplace encounters them, then they will be positioned to benefit significantly by obtaining a solution to those needs (von Hippel 1986). A great advantage for the lead users that the product concepts developed by them are often ranked higher, and are often more profitable than those developed by the manufacturers themselves (von Hippel 1986, Urban and von Hippel 1988, von Hippel et al. 1999). User entrepreneurship phenomenon has a great significance in contributing to the innovation ecosystem.

2.2. The Prevalence and Significance of User Entrepreneurship

Plenty of studies examined the phenomenon of user entrepreneurship; these studies demonstrate both the prevalence of user entrepreneurship, and the importance of user entrepreneurship as an instrument for introducing new innovations in the marketplace.

a. Prevalence

User entrepreneurship arise in numerous industries, often were they can innovate and commercialize novel devices. A vast majority of firms founded between the year 1980 and 2007 by users, examples giving parents, grandparents, and babysitters in order to satisfy a specific need.

b. Technological Significance

According to Shah, user entrepreneurship often introduces technological change into the

industrial system. As a result, innovative startups founded by users are more likely to acquire patents (Shah, 2011). Moreover, some user entrepreneurs commercialize steady product improvements, while others introduce groundbreaking products that lead to the creation of new industries (Shah 2005). Winston Smith and Shah also argued and discovered that user entrepreneurs introduce highly novel insights into the industrial system; this leads to high innovative contributions to society and the commercial marketplace (Winston Smith and Shah, 2011).

c. Economic Significance

Shah founded that firms established by user entrepreneurs differ from both the average startup, and innovative firms (Shah, 2011). According to Shah, there are two types of firms that are founded by professional user entrepreneurs. First, users with innovations that were meant for use in a previous job or business. It is characterized with certain aspects such as: they are less likely to be founded at home, less reliant on self-financing, more likely to have revenues, and generate higher revenues (Shah, 2011). Plus, the professional user entrepreneurs are highly skilled and may obtain significant financial gain through entrepreneurship. Second, end-user entrepreneurs that were primary innovations meant for personal use. It is characterized with certain aspects such as: possesses fewer resources, and come from less privileged populations. Usually, This type of firms employ fewer workers, have lower revenues, are more likely to be founded at home and operate from home, self-financed, and are less likely to receive bank financing loans. Moreover, most of the end-user entrepreneurs members are likely to be female and members of minority groups (Shah, 2011). According to Shah, the two types of firms whose founders are professional user entrepreneurs or end-user entrepreneurs in a ways they manage introducing a novel or customized products into the marketplace. Also, in ways they are more likely than other firms to receive venture capital financing, and obtain patents than firms in either comparison groups (Shah, 2011).

2.3. The User Entrepreneurship Process

There are two differences between user entrepreneurship process, and the classic entrepreneurship process. First, since the user entrepreneurial process is developing, it means that the user with takes several steps in order to start a firm. These steps include: the development of a product or service for personal use, without a through evaluation of a commercial opportunity. While, only after the identification of a potential opportunity a classical entrepreneur will take action in developing prototypes. Second, when users are surrounded in user communities, the community plays a major role in the development and diffusion of the innovation.

2.4. The User's Evolving Path to Entrepreneurship

Prior to the existence of entrepreneurial venture a user experienced a problem of need to be fulfilled. After that the user searched for possible solutions available in the market without any luck. Not being able to find a satisfactory solution, the user began to innovate in order to fulfill the need, by developing a prototype product or service for personal use. At this point, in the user process there was no aim for a profit gain for the innovation discovered.

The next step in the process was revealing the innovation to others by trying it. As soon as the user started using the product/service in public, it gained the attention of others, which led to feedback and huge interest in the product/service. As a result, the users start thinking of starting their own venture. Thus, often-useful idea led the users to think of commercial opportunities. Having experienced the willingness to pay for their innovations encouraged them to take further steps.

2.5. The User's Collective Processes

According to Wenger, Brown and Duguid individuals normally relate to one another and share information, resources and ideas when living in a community (Wenger, 1998; Brown and Duguid, 2001). User communities are no different they function the same. Shah characterized the user communities as: voluntary participation, free flow of information, and far less hierarchical control and coordination than seen in firms (Shah, 2003). Usually, user communities offer social structures, and tools that assist the interactions among different users. There are two forms of communication: first, informal one-to-one exchanges. Second, semi-formal media such as newsletters, magazines, or websites, and in-person meetings such as monthly clubs or conferences.

In order to promote the creation and diffusion of a product/service user communities hold several activities such as: socializing with others who have common interests, teaching an activity to new members, and sharing knowledge about how to use a product/ service.

The reason why it is called a community rather than network is because they often possess a distinct social structure by which identification with the group, rather than ties to specific individuals, tends to motivate cooperation and sharing of ideas and resources (Ashforth and Mael, 1989; Hertel, Niedner, and Herrmann, 2003). According to Dutton, Dukerich, and Harquail the interaction and cooperation between members leads to self-reinforcing behavior, which in last leads to a greater levels of identification over a period of time (Dutton, Dukerich, and Harquail, 1994). In order to shape reinforce and support cooperative behavior user communities tend to develop norms and guideline rules to be followed for attracting and

socializing new members, and techniques for maintaining their structure and integrity over time.

There are two beneficial advantages toward user innovators who participate in a user community. First advantage is the user-innovator gain first-hand information regarding the needs and preferences of potential clients. Normally, user communities create a medium in order to exchange information about interesting applications, common problems, desired features, and unexpected experiences. As a result, members share information and even their prototype innovation for free and build up upon each other's contributions (Franke and Shah, 2003).

What is unique about user communities is the trust factors among the group. Also, the motivation to try each others products, and provide efficient feedback. It is hard for an outsider to get information from group members. Hargadon and Bechky stresses in the fact that community-level collective innovation emerges from the sharing of ideas. Following that a higher levels of novelty occurs due to collective creativity. Therefore, Hargadon and Bechky identify four inter-related activities that trigger the collective creativity: help seeking, help giving, reflective reframing, and reinforcing.

In the help seeking process members ask for assistance from others to help with the problem solving, which leads to the help giving process. Reflective reframing happens due to the ongoing interaction among users with different backgrounds, and with access to different resources. As a result to these exchanges they manage to improve and refine an innovation, thereby enhancing the product's design and functionality. Finally, the social norms of innovation communities support open exchange and provide reinforcement for the other three activities (Hargadon and Bechky, 2006).

2.6. User's Information Asymmetries

The source of asymmetric knowledge differs for user entrepreneurs, which enable them to identify the opportunities. According to von Hippel users possess unique need-related knowledge acquired through their own use. These needs are peculiar, which reflect the needs of a larger population. Because they have the access to both needs and solutions, users can generate innovative ideas (von Hippel, 1986).

What is unique about the users is that they have the knowledge in understanding their own needs and how it is used. Because the users experienced the market feedback through the public use of their innovation they acquired the sense of demand from the market. Therefore users are granted an inimitable position to identify the possible opportunities. In addition to

knowledge, users may also have a unique way of framing problems that helps them to identify opportunities.

2.7. Users' Unique Framing

According to Jeppesen and Lakhani individuals from outside the core discipline of a given field generate original problem-solving approaches, and are often in a better position to find innovative solutions because they frame the problem differently depending on the situation (Jeppesen and Lakhani, 2007). This leads to a novel approach to the problem because there is no constraint of existing logics, which increases the possibility of finding new opportunities.

Kauffman Foundation conducted a research on users entrepreneurs and found that user entrepreneurs are different from other entrepreneurs, what makes these entrepreneurs different is that they are coming into their businesses with more tangible ideas, innovations or customers to build a successful firm.

3. Entrepreneurial Alertness

Alertness has raised a lot of curiosity regarding the context of opportunity in the entrepreneurship research field. Kirzner was the first one who started developing research on entrepreneurial alertness. He characterized individuals who were more alert as having an “antenna” that permits recognition of gaps with limited clues (Kirzner, 1973; 1979). Moreover, Kirzner stressed on the fact that alertness includes creative and imaginative action and it possibly will affect the type of transactions that will enter the market. In contrast, modern scholars argued that alertness involve more a practical position that is based on the cognitive capacities and processes such as prior knowledge and experiences, pattern recognition, information processing skills, and social interactions (Ardichvili, Cardozo and Ray, 2003; Baron, 2006; Csikszentmihalyi, 1996; Gaglio and Katz, 2001; Shane 2003). Normally, and opportunity only exists if it is noticed by entrepreneurs, normal individuals may not even notice an opportunity if it was right in front of them. Thus, entrepreneurs have astonishing ways of detecting opportunities. In a regular basis, whenever individuals face problems it raises the alertness to innovate to solve the difficulties. Kirzner stresses on the fact that human tend to notice what is interesting for them to notice. If there is self-interest involved in the situation it will raise the entrepreneur to be alert (Kirzner, 1980). Where Gifford defines it from a cognitive perspective as selective entrepreneurial attention (Gifford 1992). Nevertheless, in order to be aware of potential discoverers, there must be gain in the end.

An interesting article by McMullen and Shepherd (2006) argues that entrepreneurship fundamentally involves action. Adding to that, alertness is not entrepreneurial unless it involves the process of judgment, and action. This is the essential element of being a true entrepreneur (McMullen and Shepherd, 2006). Alertness has three corresponding dimensions, which are: scanning and searching for new information, connecting previously disparate information, and evaluating whether the new information represents an opportunity. Kirzner's early work referred to the role of awareness when new opportunities present themselves, that leads to alert scanning and searching refers to constantly scanning the environment and searching for new information, changes, and shifts unnoticed by others. This dimension requires pre-existing knowledge, preparedness, and sensitivity to new opportunities.

The second dimension relates with Kirzner's later work on alertness, alert association and connection. This dimension implies gathering disparate pieces of information and coming up with logical substitute (Kirzner, 1999). In addition, McMullen and Shepherd's work insist on the importance of the evaluation and judgment process where as a business opportunity needs certain action to evolve by gathering the right information, and then evaluating them in order to have profit potential (McMullen and Shepherd, 2006).

3.1. Alert Scanning and Search

Busenitz idea of alert scanning and search is about allowing entrepreneurs to be persistent and unconventional in their attempts to investigate new ideas (Busenitz, 1996). This level of alertness helps the entrepreneurs to gather enormous amount of domain-relevant information. Whereas, this information helps building up the individual's sensory store. Resulting in providing a brief storage for information in its original form (Reed, 2004). Moreover, this sensory store helps develop the individual's knowledge base: both tacit and explicit knowledge (Polanyi, 1967). During the process of obtaining answers for specific question by the entrepreneur scanning and search will occur. As there is no methodical strategy to follow, an entrepreneur will search for all the possibilities in the relevant places (Kirzner, 1979). The importance of this dimension that it laid the foundation for developing cognitive frameworks such as prototypes and schemas. Gaglio adds by emphasizing on the cognitive frameworks that represent the cumulative experience, learning, and meaning an individual has built. As a result, it process and utilizes stored information and knowledge. The nature content and structure of schemas for a specific domain are idiosyncratic, it will lead the entrepreneurs with wider scanning and search range of knowledge and information, which can benefit them in attaining expert performance in enhanced alertness to business

opportunities (Gaglio, 1997).

3.2. Alert Association and Connection

Lehrer describes alert association and connection as receiving new information, creativity, and making extensions in logic. It is about how information is applied or extended. The association factor helps the individual to consider the possible options by relating them to unique connections. Instead of focusing on numerous parts of information, association allows individuals to link directly to the bigger picture (Lehrer, 2008). According to Fiske and Taylor social cognition theory implies that

the calculation of co variation, as well as the responses are related, and consist of multiple steps (Fiske and Taylor, 1984). There are four steps to follow. First, individuals will have to understand the data they have in order to assess co variation. Whereas it is crucial to keep the data on multiple sides of the issue in order to make the connection. Second, data are classified into types of evidence such as positive or negative. The positive data contains expectations that are easily incorporated into the conclusion of the negative data. Third, the estimation part of each type of evidence.

Fourth, combining the evidence that leads to a certain form. These four aspects help the entrepreneur to have the bigger picture with all the elements before making an evaluation. According to Neisser in order to achieve having a passive or active association is by deliberating, and manipulating information (Neisser, 1967).

Once the individuals gather all the information needed, they have to further scan and search the environment in order to discover the value of the new information they managed gathering. It is normal that individuals cannot go from scanning and search to making judgments about potential connections. Although it is crucial to mention that scanning and search involves consumes a lot of time with association and connection as a search, which, will lead to generating additional ideas.

3.3. Evaluation and Judgment

It is essential for entrepreneurs the aspect of evaluation and judgment. According to McMullen and Shepherd while assessing and estimation if an opportunity arises from new information, an entrepreneur will automatically exercises judgment. In order to make these judgments, it requires two stages. First, attention and third-person opportunity. Second, evaluation and first-person opportunity (McMullen and Shepherd, 2006). The first stage takes place when an individual believes that a potential opportunity exists for someone, example

giving third-person opportunity. It is not necessary to represent an opportunity for everyone, but only for those with the right qualities. After that, the second stage takes place when the third-person opportunity activates another evaluation process when the entrepreneur decides if it is an opportunity is right for him/her, example giving first-person opportunity. Typically, if an entrepreneur believes that the opportunity is positive, he/she will most likely bear the chances and uncertainties, and then decide weather he/she will take an entrepreneurial action.

The process evaluation and judgment element of alertness helps entrepreneurs to judge the content of the new information, filter unessential information, and make an assessment of whether the new information reflects any potential business opportunity.

Neisser believes that when individuals receive multiple messages transmitted over various channels, they will usually make narrow the selections among all the possible messages based on reconstructed and relevant information (Neisser, 1967). In order to achieve that it requires sorting information through association and connection. In addition, the cognitive unit can disappear and reappear over and over again. This will lead to a phenomenon called the “reappearance hypothesis”. Meaning the more frequent it appears, the more it can impact the decision whether if the new concept matches the interpretation framework, and leads to a successful business opportunity (Neisser, 1967). Because our knowledge structures tend to be very abstract, individuals’ willingness to use strategies to move information through the cognitive system in a fast way (Fiske and Taylor, 1984). Kirzner believes that making judgments allows entrepreneurs to sense opportunities, and choosing the best possibility among various options (Kirzner, 1997).

3.4. Kirzner’s Theory of Entrepreneurship and the Critical Role of Alertness

Kirzner believes that the entrepreneur is the focal point in the market process, which leads him/her to be part of the economic development. Besides, the effects of having newly discovered, improved ways of serving consumers are the key success of capitalist market economies (Kirzner, 1997). Furthermore, the standard theory has not yet been able to clarify how markets systematically gravitate towards the equilibrium states (Kirzner, 2008). In order to distinguish the market as a dynamic process, it is crucial to outline the entrepreneur’s role in the driving process of equilibrium. Herewith, Kirzner introduces his theory of entrepreneurship, which contributes to the standard price theory. Kirzner introduces his theory about “Marshallian demand-supply” in order to understand the nature of the market process, and the role of the entrepreneur. According to Kirzner a single period world with a

single commodity, and no scope for uncertainty. The only assumption that complements the previous statement is that Kirzner loosens up about the perfect knowledge assumption (Kirzner, 2008). Living in a perfect world individuals normally do not have to make decisions about how to succeed. On the contrary, determine the best strategies on the basis of given data. Settling on a decision is determined by the decision maker's situation. Kirzner adds a valid point by pointing out that if individuals knew the unknown, it would be way more easier to explain the whole plan in terms of economizing, of optimal allocation, and of maximizing (Kirzner, 1973). As a result, the future incidents will be known and easily avoided.

In addition, Kirzner points out that knowledge is imperfect, and it is the very imperfection of knowledge that allows for the entrepreneur to have a function and for market process to take place. Given the imperfection of knowledge there is the possibility of the same good selling for different prices in the market, which leads to the possibility for arbitrage (Kirzner, 1973).

The reason why these arbitrage opportunities exist in the first place because, where knowledge is imperfect, buyers and sellers can make mistakes of over-optimism, which in fact leads to frustrated plans and errors of over-pessimism, which in the end leads to unexploited opportunities. Kirzner clarifies that market participants can be guided by two factors: First, over-optimistically to insist on receiving prices that are too high or too low. Second, over-pessimistically to enter into transactions that turn out to be less than most favorable of the market conditions (Kirzner, 1999). Also, Kirzner believes that entrepreneurs are alert to these arbitrage opportunities, and it is their alertness to these opportunities, which leads into equilibrating the market. Since each market is characterized by opportunities for pure entrepreneurial profit. In general, these opportunities were created in the first place by previous entrepreneurial errors. In order for an entrepreneur to discover these errors, and opportunities he/she should be attentive, which will lead to natural alertness (Kirzner, 2000). It is critical for the entrepreneur to know more than the fellow market participants' knowledge. In addition, searching for profit opportunities is different than an entrepreneur being alert. It is evident that an entrepreneur will only engage in search for knowledge if the

costs of search are less than the expected returns from search. Normally, the search for profitable opportunities leads at the end of the road to the discovery of opportunities. According to Kirzner entrepreneurship is an equilibrating force that consists of an alertness to arbitrage opportunities, and the only reason it exists because there is a shortage in the market. What is peculiar about Kirzner's model is the ability to isolate the essence of entrepreneurship. In which, he exhibits a clear understanding that if the market heading toward

equilibrium it must be comprised of entrepreneurs who can economize, yet alert to profit opportunities.

Kirzner's introduced the pure entrepreneur in order to clarify the coordinating function of entrepreneurship. Kirzner's theory argues that the pure entrepreneur is a non-owner (Kirzner, 1975). He insists on separating ownership and entrepreneurship, and view them as different functions. In principle, if pure entrepreneurs embrace all elements of entrepreneurship, it will lead to exclusion of the asset owner from an entrepreneurial role. Therefore, the entrepreneur is a pure decision maker, which in fact anyone can gain this quality. However, it is really interesting how Kirzner treats alertness, discovery, and exploitation as inseparable parts, without the need to explore their relationships. The reasoning for the previous statement is that Kirzner aim is to construct a general theory of the equilibrating function of entrepreneurship.

Kirzner believes that it's not enough for an entrepreneur to be alert only, but possess the psychological characteristics that Schumpeter element in an entrepreneur. Entrepreneurial alertness, distinctive itself by certain qualities such as: self-confidence, creativity, boldness and innovative ability. Though it is crucial to notice that sometimes these qualities may toughen the discovery profit opportunities. A Kirznerian theory of the culture of entrepreneurship explains how cultural and psychological factors affect the opportunities that entrepreneurs recognize. Since, the root of entrepreneurship is based on cultural context, Kirzner views culture as opportunities.

Kirzner's aim is to clarify the propensity for markets, where he views opportunity as exogenous arbitrage. In addition, entrepreneurship serves influential function; by which Kirzner manage explaining the market through it. As a result, what Kirzner interpret as an entrepreneurial discovery, is purely reasons that causes markets to equilibrate. Studies by Kaish and Gilad highlights how individuals identify and react to opportunities, when relying largely on survey data. The concept of these studies that entrepreneurs spend more time gathering information, and rely more on unconventional sources of information, than managers of existing enterprises (Kaish and Gilad, 1991).

The concept of entrepreneurial alertness has a great impact on entrepreneurship research. It

has empirical findings in processes of decision-making, evaluation, assessment, and environmental recognition. Although, Kirzner stresses on the relationship between the theoretical construct of alertness, and the applied study of opportunity recognition by considering it complex (Kirzner, 2009). Kirzner's theory is very simple it based on basic observation about human action, how rational they are when making decisions, and the demand curves slope downward. In addition, culture is a fundamental variable that explains why entrepreneurs are alert to certain activities. As a result, entrepreneurs would be the ones that notice the opportunity.

4. Resources, Dynamic Capabilities, and The Theory of the Growth of the Firm (Penrose, 1959)

The growth of new established ventures is mainly exploited by the dynamics of resources and opportunities. Resources are critical factors in the early stages of a firm, were the right use of them can set the absolute elements for future growth. In addition, a new venture should be able to respond well, and face the challenging industrial opportunities by using the right strategic approach. Therefore, in this chapter I would like to examine Edith Penrose's (1959) theory and her valid contribution to the resource based view by focusing on the theory of the growth of the firm.

Penrose's model of firm growth did not aim to focus on the output and price behavior, but on the firm as an administrative organization. In this administrative organization the human resources play a huge role in providing incentive to further expand and a limit to the rate of expansion. Penrose is a firm believer that history is crucial, because it sets the right atmosphere for the processes of interaction between the market opportunities and the firm's services available from its own resources (Penrose, 1960).

According to Penrose, in neoclassical economic theory: the model of the firm is a model representing the forces determining the prices and quantities produced of particular products in the individual firm, hence if we become interested in other aspects of the firm we ask questions that the 'theory of the firm' is not designed to answer. Penrose's definition of a firm is an administrative unit with boundaries. It is characterized by internal activities such as: members working together, combining resources in specific ways, and last but not least building firm-specific competence (Penrose, 1959).

Penrose stresses on the importance of experienced management within the firm, she believes that it affects the productive services available to a firm from its own resources. The management team is a key factor that helps the firm to grow, because of the constant interaction process that stimulate rate of growth. One of Penrose's main observations is that learning occurs when knowledge is shared, by which it can broaden the firm's pool of opportunities. She also observed that learning process within a firm is not an easy process, were perception and beliefs are key variables affecting the source of variation. Furthermore, Penrose states that a firm can be explored from different dimensions such as: sociological, organizational, engineering or economic; in order to solve any obstacle faced (Penrose 1959).

The theory of the firm focuses on the neoclassical economics literature and the attempts used to determine prices, outputs, and income distributions in markets through supply and demand. The theory aimed to shed the light on the central problems of economic analysis. In particular, how prices and the allocation of resources among different uses are determined. Though it is crucial to acknowledge it as a wider theory of economic value.

Unlike Penrose, Kenneth E. Boulding (1950) views the firm as the equilibrium output where he focuses on the balance sheet, any visible capital structure, debts, and engaged apparently in the simultaneous purchase of inputs and the sale of outputs at constant rates (Boulding, 1950). On the other hand, Penrose (1959) emphasis on the fact that if we become interested in other aspects of the firm, then we ask questions that the theory of the firm is not designed to answer. What differentiates Penrose is that she views the firm as a growing organization, and not as element of price-and-output. Therefore, any further decision-making should not be determined by the previous elements. Furthermore, she presented a unique aspect of the firm, which is central management. It basically states that the essential difference between economic activity inside the firm and economic activity in the market is that economic activity in the firm is carried out within an administrative organization (see Simon, 1947), whereas economic activity in the market is not. Barnard and Simon adds to Penrose argument by stressing on the area of coordination, or known as the area of author communication, which defines the boundaries of the firm, and accordingly, it can manage to maintain a sufficient administrative coordination (Barnard, 1938; Simon 1947). Adding to the previous point, Penrose stresses the firm as being more than an administrative unit; she views it as a collection of productive resources, where the choice of different uses of these resources over time is determined by a thorough administrative decision (Penrose, 1959). Generally the

firm's physical resources are either tangible assets such as: plant, equipment, land, and natural resources; raw materials; semi finished goods; waste products and by-products; and even unsold stocks of finished goods. We also should include the human resources available in a firm such as: unskilled and skilled labor, clerical, administrative, financial, legal, technical, and managerial staff.

Penrose is a firm believer that it is never about the resources themselves, but it is the services that the resource can render, which are key factors in the production process. Adding to that she insist in the idea that resources consist of a bundle of potential services and can, for the most part, be defined independently of their use, whereas services cannot be well defined, because the service usually imply a function of an activity. As a result, we can find the unique source of distinction of each firm (Penrose, 1959).

Penrose emphasizes the previous point by defining the firm as an administrative organization as well as a collection of productive resources, where the general purpose of the business firm is to organize the use of its own resources together with other resources acquired from outside the firm for the production and sale of goods and services in order to gain profit (Penrose, 1959). Then, she highlights the topic by stressing on the term entrepreneur, which is referred to individuals or groups within the firm providing the entrepreneurial services, regardless to their position or occupational classification. Entrepreneurial services can range from the contributions to the operations of a firm that relate to the introduction and acceptance of new ideas, mainly concerning products, location, and significant changes in technology; to the acquisition of new managerial personnel; to fundamental changes in the organization of the firm; to the raising of capital; and last but not least future expansion plans (Penrose, 1959).

Penrose proposes that in order to expand a versatile type of executive is needed to be present, herewith, firms can only achieve that by requiring major efforts on the part of the firm to develop new markets or entails branching out into new lines of production. It is crucial to note on the importance of the creative effort, the sense of timing (Penrose, 1959). In addition, Penrose presents an explanation for why there may be a limit to the growth of firms, managerial ability, product or factor markets, and uncertainty and risk. In her opinion the first explanation suggests to conditions within the firm. The second explanation suggests to conditions outside the firm. Last but not least, the third explanation is a combination of internal attitudes and external conditions. Moreover, Penrose points out the significance of an

administrative group were in fact she believes that it is more than a group of individuals. She presents an explanation by pointing out that an administrative group is a collection of individuals who have had experience in working together, and as a result a teamwork can be developed. The experience these individuals obtain from working together, and within the firm allows them to offer unique valuable services (Penrose, 1959).

Generally, the services provided from current managerial resources control the amount of new managerial resources that can be absorbed. As a result, it creates the fundamental limit to the possible expansion at a given time. The amount of activity that can be planned at a given time limits the amount of new personnel that can be profitably absorbed in the next period. The previous statement is known as the Penrose effect (Penrose, 1959).

Penrose believes that knowledge can either be gained by being taught to someone, or can be achieved by personal experience. The advantage of gaining knowledge via experience is that it contributes to objective knowledge insofar as its results can be transmitted to others. The key is that experience itself can never be passed on, because experience produces a change in individuals, which as a result cannot be separated from them. You can easily notice the increased experience in knowledge in two ways: First, changes in knowledge acquired. Second, changes in the ability to use knowledge. In a way it's not a very valid distinction between the two, because the use of old knowledge is reliant on the acquisition of new knowledge. On the other hand, it is also proven that it is not that reliant; because with experience a person may gain wisdom, sureness of movement, and confidence. In fact leading to become part of the individual nature, and they are all qualities that are relevant to the kind and amount of services a person can provide to the firm. In addition, some individuals due to their past knowledge within a firm of the resources, structure, history, operations, and personnel of the firm, render services to that firm where that person could give to no other firm without acquiring additional experience (Penrose, 1959).

Penrose presents the fact that the processes of operating and of expanding are mainly associated with a process by which knowledge is increased; it becomes clear that the productive opportunity of a firm will change, even in the absence of any change in external circumstances or in fundamental technological knowledge. Therefore, the subjective opportunity set of the firm will change because, the very new opportunities open up that did not exist in the past (Penrose, 1959). She also underlines that management not only is the

source for expansion but also is a brake on expansion.

Managerial services are usually exploited in two parts. First part is for daily operations, and the second part is used for planning and executing expansion plans. Penrose believes that there are external incentives that stimulate expansion such as: growing demand for particular products, changes in technology that call for production on a larger scale than before, discoveries and inventions with particularly promising uses, and opportunities to obtain a better market position. In addition, incentives may include backward integration to control sources of supply, diversification of final products to spread risk, or expansion of existing products to prevent the entry of new competitors. Therefore, firms will always face external obstacles to expansion such as keen competition in markets for particular products that makes profitable entry or expansion in those markets' difficulties (Penrose, 1959).

Hence, Internal obstacles occur when some of the important types of specialized services required for expansion are not available within the firm. In particular, internal obstacles occur when there is a lack among the experienced personnel to cover the technical skills required for the planning, execution, and efficient operation of a new program. Added to that, there are other factors that trigger the internal obstacles to expansion. They normally arise from the pool of unused productive services, resources, and specialized knowledge, all of which will always be found within any firm. Penrose views resources as a bundle of countless opportunities for potential services. Even if the resources are not used fully in current operations, there should be a way were the firm could exploit it to their economic advantage. Then, she presents the three significant obstacles preclude the attainment of a state of rest: First, the obstacles arising from the familiar difficulties posed by the indivisibility of resources, which Penrose calls "the jig-saw puzzle". Second, the obstacles arising from the fact that the same resources can be used differently under different circumstances and situations. Last but not least, the obstacles arising because, in the ordinary processes of operation and expansion, new productive services are continually being created and transformed (Penrose, 1959).

Then, Penrose discusses in depth how specialization can lead to the growth of the firm and diversification. She views it as the virtuous circle, in which specialization leads to higher common multiples and higher common multiples lead to greater specialization. She points out

that diversification strategy can be driven by the desire to achieve economies of scope (Penrose, 1959).

Moreover, the means of exploiting a service changes with changes in knowledge. It results with having a connection between the type of knowledge owned by the personnel of the firm and the available services from its resources. There is a close tie between resources with which a firm works and the development of ideas, experience, and knowledge of its managers and entrepreneurs. Unused services stimulate the introduction of new combinations of innovative resources within the firm. It is common that unused services can determine the direction of expansion of a firm. For that reason, a thorough analysis of internal and external obstacles for expansion should be conducted. One of Penrose's observations is that when a firm has special technological skills it widens its potential opportunities. Most diversification and expansion are based mainly on the level of competence and technical knowledge. Penrose believes that this level of competence and technical knowledge ensures a lasting position of the firm (Penrose, 1959).

Penrose's thesis is based on the idea that the firm is a pool of resources, and an administrative framework determines this use. Usually, the final product presented by a firm represents its pool of potentials. The constant relation between the creative service and knowledge within a firm, and the external circumstances presents new opportunities for a firm (Penrose, 1959).

Penrose recognizes that there is a strong relation between firms and markets, and each component relies on the other for existence. Then, she stresses on the heterogeneity of the entrepreneurial and managerial services, which leads for each firm to stand out. The previous factors mentioned by Penrose determine the maximum rate of growth of the firm (Penrose, 1959).

Interactions are essential to the firm's position, in order for interaction to be correct it should be joined with the right players in its environment. For instance we have interaction with customers, distributors, suppliers, funders and competitors. Penrose identify the enterprise as the capacity to match opportunities and resources together in order to create future value and growth. In evolutionary economics interdependencies, competition, growth, structural change,

and recourse constraints are the focal points. It stresses on the processes that can transform the economy for firms, institutions, industries, employment, production, trade and growth through the actions, experience, and interactions of the human resources by using evolutionary methodology. That said, evolutionary economics views the firms as the key actors, and not as individuals. According to Nelson, individuals are seen as interchangeable and their actions determined by the firms they are in (Nelson, 1995). On the other hand, the theories of enterprise and innovation stresses on the individual as a critical component and source of diversity and change.

4.1. Growth Phases and Processes

There are several phases and processes that a firm must go through in order to reach growth. Firms must access, mobilize and deploy resources before reaching the target growth phase. In order to understand the growth process of a firm, we need to understand how the problems at any given firm is addressed and dealt with. You can see that clearly when Penrose describes a company that is formed through demerger, where subsequent growth was made possible by the technologies and expertise earlier developed (Penrose, 1960). There is another aspect that can enhance a firm's prospect by incubation inside another organization during early resource access, mobilization and deployment.

In the early phases of a venture defining the opportunities, it helps posing the activity towards the necessary recourses. The founders shape the venture with the essential incentives; their relationship with potential sponsors is considered vital. The early phase is consistent by search analysis, as well as figuring out the first problems that are related to the opportunities and resourcing prospects. Start-ups have privileges that existing firms do not have, due to the nurture feature they can have the advantage to access more resources and acknowledge them earlier than other firms. The preliminary phase is considered to be rather crucial in shaping the future opportunities a firm can have. Market entry defers according to the product status, whether the firm is entering with a new product or refining an existing product for an established market. The only dilemma in growth markets that they are highly uncertain, especially with innovative products. In start-ups companies having contacts is vital. Contacts that have knowledge in the field can contribute to their resources. Face-to-face interaction helps building trust and learning, and accounts for the proximity of start-up activity. In addition, they can help them with networking by bringing the right people together more than entrepreneurs can manage doing. Identifying potential customers and knowing how to fulfill their needs may extend their future possibilities and options. Having an early strategic assessment can be in the entrepreneur's favor, as it can identify neglected opportunities by

recognizing the value of resources that cannot and can be accessed through the market. One of the greatest advantages for entrepreneurs is looking at the public domain knowledge produced by research laboratories, a previously untraded resource, may be used, or talent nurtured. Only an entrepreneur with an eye for realizing potential opportunities can seize the value from untraded skill. Penrose notices that market awareness is fundamental, as the success of an innovative firm relies on their ability to provide a unique use of their own product, and leering them to adapt their products, by creating this need (Penrose, 1960). Moreover, having funders to fund the venture is the main input to starting their venture.

4.2. Resource Mobilization

One of the fundamental elements of start-ups is having a business model. This step helps creating the whole image of the venture. It also helps creating viable links with funders, customers, and suppliers. In addition it shows commitment and credibility towards the whole project, by linking it with sources of knowledge. The business model presents the strategy including objectives, constraints, and potential solutions.

Penrose stresses the importance in observing opportunities, as it is the link towards future growth. The difficulty that each start-up faces is practicing what is written in the business model. The business model helps the team to save time by avoiding potential early dilemmas, and assigning the right group members to their roles.

Having a charismatic leader at the mobilization period can encourage the team, as it results in better outcomes due to the motivation given to team members. The start-ups may face another mobilization period in later stages, if a new product or service, or changes in market conditions required for a new resource set. Although dealing with early problems in the beginning stages can help shaping the start-ups with the right skills that embody them to solve problems.

4.3. Resource Generation

As soon as resources are positioned, and the production started to take place start-ups can build on experience. Having a solid relationship with customers and distributors is vital, because it helps generating revenues and raises the demand of the firm's product or services. The success here is in acknowledging the effective interactions in order to have valuable relations with suppliers. That being said, firms should never rely on chance, but follow the incentives that will help them form the alliances with their loyal customers. Penrose highlights that fact that funds help purchasing resources, although it is impossible to have a

team from the outside that have the knowledge to function together in that firm, yet the pace of growth is restricted by the demands of internal teamwork (Penrose, 1959). Stressing on the previous statement that recruiting the right employees can advantage the venture rapidly for future growth. Another element to look at is the niche market, because it might limit the growth of the venture if the products or services were not considered desirable. It will lead the venture to further look in their resources and determine how they can shift the product or service range. Doing so may cause the venture some financial problems with funds, as shifting to another range are extremely a costly procedure.

5. Creation Theory of Entrepreneurial Opportunity Formation

The creation theory of entrepreneurship helps understanding entrepreneurial opportunities approaches, regardless if those opportunities existed as a result of the independent actions of entrepreneurs, or by the actions of entrepreneurs. Examining the view that entrepreneurial opportunity exists, independent entrepreneurial actions, and the only individuals that manage to discover it and exploit them are the unique alert individuals. Shane and Venkataraman titled those individuals by “individual opportunity nexus perspective” (Shane & Venkataraman, 2000). Shane’s insights about the discovery theory of entrepreneurship, is that opportunities are considered as a missing option waiting to be claimed for; in order to be fully exploited by alert individuals who know their existence (Shane, 2003). The second view points out how entrepreneurial opportunities are formed and exploited. That said, it means that opportunities are not hanging there waiting to be claimed for, yet, entrepreneurs work hard in an interactive process to invent them. What defer the second point from the first one is that entrepreneurs may generate a set of opportunities that did not exist to begin with by entrepreneurial actions. As Venkataraman named this approach the “creation theory” (Venkataraman, 2003).

5.1. Discovery Theory of Entrepreneurial Opportunities

According to Kirzner in the topic of discovery theory, opportunities occur due to the competitive imperfections in markets. These imperfections are as a result of changes in technology, consumer preferences, or some other attributes of the context within an industry or market exists (Kirzner, 1973). Herewith, the entrepreneur’s mission is to be fully alert to the possible opportunities and demand to seize them (Kirzner, 1997; Shane, 2003). By doing so the entrepreneur bring agency to opportunity (Shane, 2003). Shane believes that in the discovery theory, it is necessary to recombine past knowledge with new ones by using novel techniques (Shane, 2000). Sometimes, it is possible that the entrepreneur is not fully aware of previous skills either from past knowledge, market, or at the beginning search for possible

opportunities.

One of the main points the discovery theory stresses about is that entrepreneurs and non-entrepreneurs differ in crucial ways, because if we were all the same, then everyone will be able to exploit those opportunities. Kirzner and Shane examined these differences thoroughly and acknowledged the possible differences. Almost all the differences go back to the development of information asymmetries between entrepreneurs and non-entrepreneurs. The other explanation is very simple, it states that entrepreneurs are more alert to the existence of opportunities than non-entrepreneurs (Kirzner, 1973; Shane, 2003). The discovery theory focuses more in the

Formation, and exploitation of entrepreneurial opportunities. While, the creation theory presents a logical alternative.

5.2. The Nature of Opportunities

Normally, in the discovery theory entrepreneurs do not identify the opportunities first and then they take an action; but they choose to act and then wait for a response from the market. Afterwards, they go ahead and alter any needed adjustments. In this sense, without the entrepreneurs' actions the opportunities will not be discovered. As Weick suggested the formation of opportunities, in creation theory, is considered both as a path dependent, and as an emergent process. That's why by taking an action, and having entrepreneurs enact the opportunities they exploited. Furthermore, in the creation theory, entrepreneurial actions have to be "blind". Usually, entrepreneurs will indeed have several assumptions regarding the market, and the possible reaction to their venture, but it is very uncommon for them to see the light in the end of the tunnel. As in the creation theory there is no "end" until the creation processes are disclosed. This all goes back to the fact that you cannot fully understand opportunities until they exist, and the only way for their existence is after the entrepreneurs took an action and enacted upon iterative process of action and reaction (Weick, 1979).

Generally speaking, in the case of creation theory entrepreneurs become alert to opportunities only by action, then monitoring the market response to their actions, which lead to adjusting whatever needed to be fixed from their original plan. The enactment process helps with the experimental part of discovering opportunities. Although, this enactment process is characterized with numerous failed trials. Due to these trials entrepreneurs realize that they misinterpreted the results, which leads them to the starting point were they either decide to

readjust or discard the whole process. According to Galbraith novelty is essential in deciding the direction of this process, because the more novel the work is, the more they will result in having new piece of knowledge which, will lead the entrepreneur to develop a series of experiments to back up the work (Galbraith, 1977). In this case having prior industry or market experience is not considered very efficient, and may indeed slow down the entrepreneur. The reason behind the previous assumption is that in the creation theory, opportunities do not appear based on competitive imperfections in pre-existing industries or markets; but from the enactment process itself. What makes the creation theory unique is that entrepreneurs are challenged to create something novel by themselves (Aldrich, 2006). The enactment process is a process of observing, learning, and acting, which can shape the future of the venture. Therefore, creation theory states that serial entrepreneurs that have experience in the field of enactment process should keep an open mind towards developing a new series of opportunities in a single market, by repeating the enactment process in order to discover new opportunities. The enactment process tends to be a cluttered one, that's said if the entrepreneur manages to complete the process and create opportunity; the knowledge created will definitely be crystal clear to the entrepreneur. However, the challenge here knowing how to exploit the enacted opportunity, giving the fact that they are considered here as a source of sustained competitive advantage than the ones formed by competitive imperfections to pre-existing industries or markets.

5.3. The Nature of Entrepreneurs

The creation theory focuses more in theories about the nature of entrepreneurs than the discovery theory. There are systematic differences between entrepreneurs and non-entrepreneurs, which is the fundamental cause of entrepreneurial action in discovery theory. It's not common to have these systematic differences in the creation theory, and if they do somehow exist; it's as the result of the entrepreneurial process (Hayward, Shepherd, & Griffin, 2005; Sarasvathy, 2001). Hence, the path dependent process of enacting opportunities in the creation theory might create visible differences between entrepreneurs and non-entrepreneurs. Environment is a vital element in deciding whether two individuals will end up in the path to be entrepreneurs. In addition, to their distinguished characters such as personality, cognitive abilities, and social position. Last, is choice and deciding to engage in this path or not.

The differences between the creation theory and discovery theory are fundamental when examining the approaches to the analysis of the formation and exploitation of entrepreneurial

opportunities. Entrepreneurs use different tactics in collecting information about opportunities, some use the existed information in existing markets by combining them in novel ways in order to discover and exploit those opportunities; others, take the initiatives to create new opportunities by engaging in a series of experiments (Nelson and Winter, 1977). From that we can conclude that we have two types of entrepreneurship, yet may be many other types of entrepreneurship that exist as well. Precisely, having asymmetric information helps entrepreneurs to visualize the possible opportunities that others cannot see. Also, it can help them predict the effectiveness of their actions in exploiting these opportunities. That's the reason why, in the discovery theory having a previous experience in an industry or market may indeed help entrepreneurs discover, and then exploit new opportunities. On the other hand, in the creation theory it is slightly vague in the department of opportunity formation and exploitation process. Usually, entrepreneurs have not much of an idea about the final path they are going to use to exploit those opportunities. The reason behind it, is in creation theory the process is not identified from the beginning, there is this sort of mystery and uncertainty regarding the final act. As a result, it is difficult to conclude the possible outcomes associated with forming and exploiting an entrepreneurial opportunity, and the probability of those outcomes.

Frank Knight provided a thorough distinction between risk and uncertainty. Knight believes that risk applies to situations where we do not have an idea about the outcomes, yet we can accurately measure the odds. In contrast, uncertainty applies to situations where it is impossible to know all the information we need in order to measure the odds (knight, 1921). As a result, the discovery and creation theory may both help explaining the formation and exploitation of entrepreneurial opportunities, but may apply in total different informational settings. In discovery theory the formation and exploitation of entrepreneurial opportunities occurs when entrepreneurs are operating under conditions of risk or moderate uncertainty and there is prior knowledge and information that is linked to the current opportunity. On the other hand, in creation theory the formation and exploitation of entrepreneurial opportunities occurs when entrepreneurs are operating under conditions of high or Knightian uncertainty and there is little or no useful prior knowledge and information related to the current opportunities (Alvarez & Barney, 2005).

The pervious analysis helps us acknowledge the fact that starting a venture high uncertainty is not considered a waste of time, because in creation theory it gradually evolves into less uncertain more risky settings; where discovery theory applies the best (Hannan & Freeman,

1977). It is fair to say that over time, the process may either develop from creation to discovery theory, or vice versa. As a result the mix of both actions may help the entrepreneur to form and exploit opportunities.

In creation theory's perception, as the opportunity enactment process begins, it is normal that entrepreneurs possibly will obtain and shape the information regarding the nature of the opportunity. Herewith, entrepreneurs will sometime realize that managerial prescriptions derived from discovery theory will be more effective than managerial prescriptions derived from creation theory. The previous analysis identify

the creation theory to be more efficient in applying in real world than the discovery theory, even though the opportunity actually is formed out of competitive disruptions to a pre-existing industry. Without a doubt, a competitive disruption in a current industry is a result of an entrepreneur enacting upon an opportunity. However the mix of discovery and creation theory helps understanding how an entrepreneurial opportunity was formed and exploited.

5.4. Decision-Making

There are several tools that can help the entrepreneur into forming a business decision, and these tools are derived from the discovery theory. Casson elaborates to this matter by describing the tools by stressing the fact that they should be fit under conditions where current and historical information and knowledge are available and useful in describing and exploiting opportunities (Casson, 1982). Moreover, the entrepreneur can easily collect the data needed from: government reports, trade association reports, customer surveys, focus groups, direct observation about the subject in hand, and personal experience in a market or industry.

In order to proceed with an idea, and make sure it is a valuable one; entrepreneurs can use a variety of risk based decision making tools such as: net present value analysis, real options analysis, and scenario planning to the information they wish to proceed with (Brealey & Myers, 1988; McGrath, 1997; Schoemaker, 1995). When the situation fits the high or Knightian uncertainty in creation theory, these risk based decision making tools are no longer valid. So in order for entrepreneurs to come up with a decision, there are two ways: either by applying biases and heuristics (Busenitz & Barney, 1997; Hayward, Shepherd, Griffin, 2005) or by engaging in an emergent decision making process (Mintzberg, 1994). Heuristic techniques can be used when risk based decision making tools do not apply (Kahneman, Slovic, & Tversky, 1982). Furthermore, heuristic techniques allow entrepreneurs to form a

decision even though they do not have handful useful information to make a logical decision. In this subject, Busenitz and Barney presented two cognitive biases that help entrepreneurs to make logical decisions under these circumstances. The cognitive biases are: the over confidence bias and the representativeness bias, or the willingness of decision makers to generalize from small samples (Busenitz and Barney, 1997). Creation theory supports the cognitive biases and implies to the fact that it is a useful tool, which entrepreneurs may use to enable them to make decisions about whether or not to go ahead with the project although there is no sufficient amount of information to make rational decision-making. Although, this approach is an alternative one it gained a lot of attention and interest from many fields. For instance in organization theory, this approach is known as “logical incrementalism”, in anthropology “bricolage”, in strategic management “emergent strategy formulation”, in entrepreneurship “effectuation”, in mathematics “Bayesian updating”, and last but not least political science “muddling through” (Quinn, 1980; Levi- Strauss, 1967; Baker, 2005; Mintzberg, 1985; Sarasvathy, 2001; Bayes, 1764; Lindblom, 1959).

Despite the fact that these decision-making processes have been studied and analyzed by multiple theories and majors, yet they have several features in common. The features are presented as the following: First, they are considered incremental in nature, decision makers make small decisions based on whatever information they currently have. Second, they are iterative or simply frequent, the process involves making and remaking decisions until desired outcomes are achieved. Last but not least, they are inductive, because they use data to evaluate the quality of decisions. You can easily find these type of approaches used in decision-making processes under the conditions of high or Knightian uncertainty. The dilemma here when using a risk based decision making tools in a high or uncertain situation, is that the entrepreneurs may unintentionally presume that they have all the needed information when they do not. This example might highly occur when entrepreneurs use customer focus groups to collect information about potential opportunities. If entrepreneurs do not have the full vision of the product or service, and they reach potential customers to evaluate something that is not yet fully understood by them, it will create unwanted risks that are associated with conditions of Knightian uncertainty, to decisions never being made.

5.5. Business Financing

According to the discovery theory, entrepreneurs usually obtain financial support from external sources such as banks and venture capital firms. There is a process that entrepreneurs need to follow in order to receive the external financial support according to the nature of the opportunities they are planning to exploit. The creation theory states that it is difficult for

banks and venture capital firms to accept funding a new business if they are operating under conditions of Knightian uncertainty (Bhide, 1992; Christensen, 2004). If entrepreneurs are not fully aware of the nature of their opportunities, it will be almost impossible for them to justify it to outside resource of capital, simply because they are still not fully aware of it. On the other hand, there is the over confident entrepreneurs that assume to be fully aware of their opportunities. Unfortunately, outside sources of capital might not provide the funding if entrepreneurs are still operating within the opportunity enactment process. Furthermore, there is the common way of financing a venture, which is from the entrepreneur's own pool of wealth. Creation theory believes that entrepreneur's path usually changes over time period. As a result, it is crucial for entrepreneurs to have understandable investors that are willing to stick around during the enactment process, and continue their valuable support.

5.6. Business Planning

Having a business plan is crucial for any new venture, it helps entrepreneurs to integrate information and knowledge in novel ways to both describe what an opportunity is, and how that opportunity is going to be exploited (Delmar et al., 2003; Van de Ven, Venkataraman, Polley, & Garud, 1989). Also, it can make it easier for entrepreneurs when having the meeting for their funds to present a full vision of the venture with all aspects handled. In the discovery theory the business plan remains constant through time, but there might be changes that occur over a time period. The key here for entrepreneurs is in planning the business is that it depends fully on their skills, and vision for the venture, and not on historical information and knowledge, they are considered unhelpful for these conditions.

Moreover, business plans functioning under Knightian uncertainty can constrain the path of the opportunity enactment process (Weick, 1979). The only way of this business plan is considered to be helpful is when enactment process reaches its conclusion, which in this case the level of uncertainty will shift from very high to moderate level. According to Argote when facing a high or Knightian uncertainty, learning is more important than planning. The reason behind it is that entrepreneurs can just assume the nature of opportunities in hand, and learn how to exploit them as they emerge in time. This is more effective, because you can always learn by trying things and making mistakes, which will lead entrepreneurs to have a guide instead of a detailed planning procedure (Argote, 1999). Walsh add to this subject by emphasizing on the fact that when entrepreneurs are put in highly uncertain condition when they develop their own knowledge structures through repeated experimental trials, which the usage of this knowledge will give the information that they created a value (Walsh, 1995).

Given the previous circumstances of operating under conditions of high uncertainty, creation theory do not state that entrepreneurs do not have a decent plan. Yet, entrepreneurs come up with their guides through the process, and not from relating to sophisticated financial projections, and customer segmentation analyses. The difference here is that entrepreneurs relay on the experiment phase of enacting an opportunity, which might flourish. It's not about having sharp defined goal, but having the general path that entrepreneurs are heading towards it is crucial. Sometimes due to lack of information entrepreneurs have to redefine some aspects from the business plan whether it is the target or any other aspect which they are operating their technologies upon, so that they can exploit their opportunities. According to Garud & Kotha, having to readapt aspects in the business plan requires a flexible decision-making charisma that will adapt to the results from enactment process (Garud & Kotha, 1994). In this situation of high uncertainty holding an adaptive charisma is more beneficial than a detailed strategic, financial, and market analyses.

6. Resource Constraint and Radical Innovation

Clayton M. Christensen presented a simple idea called "technology mudslide hypothesis". This idea states that established firm fails because it doesn't "keep up technology" with other competing firms. The hypothesis argues the following, when firms are trying to climb their ways to the top they tend to struggle. The phases they undergo fluctuates with ups and downs. Later on, Christensen and colleagues argued that this simple idea is actually not true; because in reality firms are usually aware of the innovations, but their business environment holds them back at the beginning. The reason behind that is that at the early stages, they are not profitable enough because their development includes limited resources for innovation. On the other hand, start-ups have different scenarios regarding the previous topic. Usually start-ups that are keen on being the lead in technology and innovation, tend to deliver radical innovation that leads to a breakthrough in the market. The management's vision is to change the consumer expectations in a positive way, by replacing technologies with brand new ones.

An innovation is considered radical only if it is novel to the venture, and it's a key element that helps contributing to the long-term success of the venture. Usually ventures that seek the path to innovation are longing to replace current by new knowledge bases, and to redefine existing or create new markets (Hill and Rothaermel, 2003; Katila and Ahuja, 2002; Abernathy and Clark, 1985; Benner and Tushman, 2003; Danneels, 2002). Scholars believe that being the lead in radical innovation and succeeding in it gives their venture superior privileges, where as it's normal to assume that the ones who fails to deliver are mostly going to lose market share (Christensen, 1997; Christensen and Bower, 1996; Leifer, 2001). The

most important element to watch for is resource constraints when dealing with innovation, because it tends to hinder innovation and slow it down. Although, Shane argues that ventures which are competing in a competitive environment tend to explore more with their resources (Shane, 2005).

Usually, an entrepreneurship study believes that venture which have all of their resources figured out, and available to use tends to avoid experimentation. Therefore, their focal search is towards exploiting the technology that lay in their domain; instead of exploring potential opportunities. The reason behind it is that normally ventures have limited incentives towards experiments, and having all their resources figured out the need to take risks is reduced drastically. Although, it's not always the case some ventures takes the absolute lead into discovering new resources, which leads to novel opportunities. Therefore, firms with excess resources should be relatively unlikely to develop radical innovation, since the development of radical innovation involves the risky exploration of hitherto unknown technological domains or the discovery of new knowledge (Levinthal and March, 1993; March, 1991). On the other hand, having a shortage in resources inspire managers to adopt entrepreneurial management practices that further search for new opportunities.

When there is a shortage in resources or resource scarcity, ventures have to look beyond the obstacles, and search scope or depth of the established paths. Although, resource scarcity can create a major obstacle for the venture, it is uncommon for it to slow down the venture from reaching novel search paths. Shane and Venkataraman believe that in this case the best thing for a venture to do is to recognize the idiosyncratic problem or an opportunity to start a new search (Shane and Venkataraman, 2000). When dealing with resource constraints cognitive psychology research states that individuals who have to solve an innovation problem are more creative under condition of resource constraints (Durham, 2000; Moreau and Dahl, 2005). Furthermore, resource constraints increase the level of creativity and entrepreneurial orientation that results from resource scarcity. It also makes individuals easily identify resemblances, and unexpected findings; these both aspects are likely will help the venture to develop novel technological solutions and even breakthrough innovations.

Organizational routines and knowledge bases can hinder the efforts to developing radical innovation. Moreover, resource constraints can be positive in a way by which, individuals put

a lot of efforts into discovering alternative search paths in order to discover new opportunities. According to Ahuja and Katila, *Ceteris paribus*, activities enhances firm's exposure to new combinations of problems and solutions to novel problems, or to novel solutions represent paths to improve the productivity of the firm's innovation efforts (Ahuja and Katila, 2004). Especially, when firms do not hesitate to reuse knowledge in novel ways, this act by itself encourages the development of radical innovation. Scholars identify a technological invention in the theory of recombinative innovation that it is the outcome of a recombination of existing knowledge elements or of a recombination of existing with novel knowledge elements. Despite if such recombination happens internally by combining knowledge from the firm itself, or externally detecting novel knowledge from beyond the boundary of the firm, or last but not least by a combination of these two ways. Usually, mixing both ways involves the creation and recombination of technological ideas and knowledge elements, which leads to the best scenario outcomes. In emerging technology, it is essential to use the recombination knowledge in order to develop radical innovation (Fleming, 2001; Galunic and Rodan, 1998; Hargadon and Douglas, 2001; Henderson and Clark, 1990; Holland, 1975; Utterback, 1994). At last, resource constraints trigger the firm to search in depth for opportunities to recombine knowledge elements into novel solutions, which will lead to developing radical innovation. Furthermore, resource scarcity motivates the discovery of novel knowledge components that can be recombined with knowledge already existing in the firm.

6.1. Financial Constraints

When starting a new venture financial capital is crucial by devoting it to the right division. Whenever a new venture faces financial constraints the management should decide wisely where to allocate the capital, and towards which innovation they are going to pursue and which one they will either postpone or discard. Ventures with financial resources tend to accept risks in order to reach their ultimate goal. In contrast, ventures with financial resource constraints tend to adopt risks in order to increase their acceptance of experimentation; since the reality of their financial resources probably will not allow them to fund all of their technological innovations. According to Mosakowski, those unlucky ventures are forced to work with their financial constraints and make it work, which leads them to explore more entrepreneurial innovation strategies (Mosakowski, 2002). As a result, the management team does not have an option other than seeking novel resource recombinations, which will lead to a positive development of radical innovation. The previous statements points out that the lack of financial resources is not completely a negative aspect that constrain a new venture. Thus, it can positively push the venture to be innovative in terms of product development or business strategy to reach their final goal. When facing financial constrained environment, the

more creative the team visions, the more likely they will find it natural to innovate. Moreover, in this situation innovative teams can better use and exploit the diverse knowledge and skills from each individual from the team. Again, this effect should significantly increase the probability that the firm can develop radical innovation.

Resource constraints play a major role in triggering two major developments in a new venture. First, it affects the entrepreneurial activity, and second, it boosts the focus on novel recombinations of already existing knowledge. Knowledge and financial constraints stimulates the development of radical innovation. According to Katila and Ahuja, you can easily overcome knowledge constraints by entrepreneurial behavior that furthers knowledge recombination as knowledge is considered the most important resource to watch for. It is really interesting to notice how knowledge constraints trigger creative attempts to unused knowledge, by exploring the possibilities to recombine existing knowledge elements in order to generate novel knowledge in the end (Katila and Ahuja, 2002). Although resource constraints may slowdown the venture sometimes, it is also very beneficial for innovation in a sense that it triggers entrepreneurial behavior, which in turn stimulates innovation. Incremental innovations are built from innovations that already exist; hence, prior technological and market knowledge already exists in the firm.

Excessive knowledge constraints may prove destructive in a sense that when highly knowledgeable individuals with significant tacit knowledge are leading the development of existing products. Shane claims that entrepreneurs will discover only those opportunities related to their knowledge; since, the technological knowledge in radical innovation is just being created as the radical innovation development process unfolds (Shane, 2000).

The trick with the radical innovation is only once it is formed, the venture can acquire prior knowledge, which will allow it to explore possibilities for commercialization and then will be able to build market knowledge. Meaning that resource constraints can actually have a positive impact on the venture, because it pushes the venture to explore novel technological trajectories. In the same time, it does not mean that ventures may not face failure; it is possible if the venture did not handle the obstacles in hand with the right approach. The key to overcoming this dilemma is by viewing resource constraints as an opportunity to generate novel ideas, recombination of knowledge, as well as adapting the operative and strategic

management to stimulate such emergence. Herewith, the managers are challenged to deliver during the entrepreneurial process.

6.2. Dynamic Capabilities

Dynamic capability is basically the firm's ability to integrate, build, and reconfigure internal and external competences in order to survive in changing environments. Kirzner and Schumpeter proved that innovation captures the essence of entrepreneurial activity (Kirzner, 1979; Schumpeter, 1934). The biggest advantage about innovation is that it stimulates the competitive advantage as new ventures start growing towards maturity. Eisenhardt and Martin shed the light on dynamic capabilities by addressing the fact that managers can easily alter their resource base, integrate them together, and recombine them altogether to reach the final goal (Eisenhardt and Martin, 2000). Scholars believe that dynamic organizational capabilities evolve over time, having the environment as a factor contributing to their development, maturation, and alteration. Although, manager's decision can play a critical role in the capability transformation topic, because manager's opinion and choices differs tremendously and their final decision can either take the venture to the next level or towards failure. We have another case scenario when the external environment is so constraining that gives the managers only one choice (Helfat and Peteraf; Adner 2003). In the previous case the only way to overcome such a problem is by having suitable strategic choices in order to facilitate the emergence of new capabilities. The goal to reach product innovation is by introducing innovative goods, services, technologies that did not exist in the market before. In addition, the key here is to introduce something that is completely new to the venture, including significant enhancements or improvements for existing products.

In order to consider dynamic capabilities as successful, ventures should create a unique, novel product innovation, and then put the ideas in use by generating and then effectively commercializing new or improved products (Cohen and Levinthal, 1990; Eisenhardt and Martin, 2000; Zahra and George, 2002). There are two dimensions when using product innovation. First, the dimension that separates capabilities depending on their life-cycle stage. Second, the dimension that differentiates dynamic capabilities depending on their payoff schedule. The first dimension is presented by

Helfat and Peteraf, they believe it distinguishes the capability emergence and early development from later improvement, grafting, and last but not least branching (Helfat and Peteraf, 2003). Normally, product innovation capabilities depend on the quantity and quality

of human capital. Meaning the knowledge, interaction, task-ability, and willingness of the team members to learn is crucial in these circumstances. Management should be very careful in hiring the right skilled people for the job, and train them. The second dimension is presented by Zahra and George, they believe that it differentiates between potential and realized capabilities (Zahra and George, 2002). Potential capabilities prompt firms to integrate fresh ideas from external sources, which leads to adapt easily to the new constant change. Realized capabilities help firms to easily recombine prior skills to reach breakthroughs. One major element that can contribute to the firm's search scope is through external sources. According to scholars, superior transformation capabilities can provide an immediate competitive advantage, and it's hard for competitors to imitate in the short run depending on how complex the idea is (Zahra, 1996; Zahra and Covin, 1993).

6.3. Connecting Innovation Strategies with Product Innovation Capabilities

The leading types of innovation related to strategies are: human capital, process, product, and market development (Rizzoni, 1991; Tzokas and Saren, 1997). Normally, the human capital development strategies focus on the acquisition and transformation. Product and market development strategies assist in deployment phase. There is no guarantee in whether the firm is going to have a positive reaction to the capabilities as it matures, because sometimes it leads to rigidity. Human capital is fundamental in order to enable superior performance. According to scholars ventures which attract highly educated or highly skilled workers, provide skill development, cross-training, and offer continued learning for experienced employees who will develop difficulty to trade and imitate, scarce, appropriable and specialized human capital assets (Amit and Shoemaker, 1993; Becker and Gerhart, 1996; Huselid, 1995).

On the other hand, employing human capital with high-quality technical and scientific personnel is considered a critical innovation strategy, particularly for high-tech firms. Zahra believes that product development strategies capture the strength elements of a firm's innovation within a technological domain (Zahra, 1996). Start-ups technology based usually reaches the product breakthroughs than product extensions and modifications. In this domain, start-ups have the advantage to expand and grow geographically, using their product lines to serve new regional and international markets, while established firms are more likely to grow locally, developing specialized products for small, established demographic niches (Ardishvili and Cardozo, 1994). Process development strategies are used for allocating the innovation efforts used in detecting the efficiency and the effectiveness of internal production

processes (Miller, 1986; Hofer and Sandberg, 1987; Zahra, 1996). It is valuable to mention that the process of developing innovative production whether it is considered a competitive advantage or not, it is indeed a source of effective and sustainable source of differentiation.

6.4. Acquisition Capabilities

Start-ups usually go through the phase of scanning into various external sources of knowledge, seek diverse partnerships, and can effectively learn from different types of collaborators, including customers, suppliers, universities, public support agencies, and etc. The scanning phase helps them to have the insight and knowledge to develop novel technological competencies. Having superior acquisition capabilities is considered somehow complex depending on the level of specialized players in the field. As mentioned earlier, these efforts are highly dependent on each firm's requisite human capital and operational routines that can affect the outcomes (Zahra and George, 2002). The key points that positively affect the acquisition capabilities are: human capital development strategies, and process development strategies.

6.5. Assimilation Capabilities

According to Helfat and Peteraf assimilation capabilities help the readjustments of preexisting capabilities to accommodate changes in firms' markets and technologies (Helfat and Peteraf, 2003). Also, it allows the managers to have a better understanding on market development strategies, which leads to further enhancing the firm's technological capabilities. The more firms are willing to update the level of their technology, the higher the technological proficiency and operational effectiveness they will achieve. The key points that positively affect the assimilation capabilities are: market development strategies, and process development strategies.

6.6. Transformation Capabilities

In order to develop new line of products or services, the most important step to reach is the integration of know-how from different areas. Several studies proved that the creative cross-pollination of relevant skills and resources across different areas of expertise depends on the quality and energy of firms' professional personnel (Helfat and Peteraf, 2003). The only way a firm can reach sustained innovation is by constantly nurture novel operational routines. The key points that positively affect the transformation capability is human capital development strategies, and negatively influenced by process development strategies.

6.7. Deployment Capabilities

According to Danneels the means to reach an effective commercialization of innovative products is the firms' ability to de-link extant competencies from established product–market combinations and re-link them to new product lines or new niches (Danneels, 2002). The firms that concentrate more on product differentiation are more likely to reach a breakthrough. The main advantage in product development strategies is in ensuring that the firm is actually the first-mover in the industry, which will allow it to charge premium prices, and can prevent competitors from tapping into the same niches (Covin and Slevin, 1990; Hofer and Sandberg, 1987). The key points that positively affect the deployment capabilities are: product development strategies, and market development strategies.

7. Entrepreneurial Success

Success! How to determine success in new ventures? Understanding the behavior of entrepreneurs can actually determine the success and failure of a venture. Normally, a classic economic theory does not focus in the behavior of entrepreneurs. Confirming the pervious statement scholar Benjamin Gilad emphasize this fact and stressed that it was only acceptable that there was no further studies regarding this subject in the mid 1970's, as well as no any sort of efforts made by economists to formulate a coherent theory of entrepreneurial behavior as distinct from the behavior of the generic economic agent (Benjamin Gilad, 1986). Those efforts were put in actions in the late twentieth century, were economists together with researchers have come to competing conceptualizations of entrepreneurial behavior. Demsetz believes that entrepreneurship is more than profit maximization in a context in which knowledge is costly and imitation is not immediate (Demsetz, 1983).

Different studies throughout the years have outlined entrepreneurial decisions. Elaborating on the previous statement mentioned we have Shane and Venkataraman who distinguished between “equilibrium” and “disequilibrium” approaches to entrepreneurial decisions that are made when discovering and pursuing opportunities; in order to gain in market processes (Shane and Venkataraman, 2000). Then we have the division between neoclassical, psychological and Austrian theories that provided an empirical contribution to those theories. The most basic idea about the entrepreneurs is that they must be decision makers, were they can construct and, exploit possible opportunities under uncertainties to enter a new market. Mark Casson believes that the entrepreneur specializes in judgmental decision-making about

resource coordination and allocation in markets where the costs of information acquisition are different for different people (Mark Casson, 19824). It is crucial to highlight the fact that nowadays start-ups are huge contributors in today's economy. That's said it provided a certain curiosity to psychologists to understand the nature of entrepreneurs, and the prediction that leads to economic success. Actions are the key for success because, without taking actions entrepreneurs cannot reach their final goals. Normally, actions are linked to goals and strategies. Strategies are characterized to have a main focal point, which is goal oriented. As a result, entrepreneurs must consider all variables in order to reach success. In addition, they also have to consider there is a chance that their goals and strategies may turn out to be incorrect, inefficient, or misplaced in a certain environment. How do individuals decide to go on the path of entrepreneurship? There must be a process in which they decide in taking this path in order for individuals to gain entrepreneurial success. Entrepreneurs have this instinct need of achievement.

7.1. Theory of Economic Appraisal

Economic appraisal is a methodology, a type of decision method applied towards different types of problems and finding solutions that offers the best value for money.

When it's done correctly it leads to better decisions and value of money. Also, it helps the process of managing a project and evaluating it. Appraisal plays a huge role in financial management, and decision-making and accountability. Machlup examined the theory of appraisal thoroughly, precisely relating it to entrepreneurial behavior. According to Machlup there are three pitfalls in theory appraisal that must be avoided as the following: First, confusion of purposes. If the model is not designed to answer the desired answer it should be rejected. Second, mistaking the function of postulates. For example, postulates about entrepreneurship and entrepreneurial behavior, meaning their precise function in a logical formulation must be understood. Last but not least, misplaced concreteness. When assessing the strengths and weaknesses of a particular approach, entrepreneurs cannot expect that the proponents adopt the same methodological preconceptions (Machlup, 1967).

7.2. On the Neoclassical Theory of Entrepreneurial Behavior

Baumol claimed that in the neoclassical model the theoretical firm is entrepreneurless. Baumol looked at the entrepreneur as a functionary and as another factor of production separate from the standard triumvirate: land, labor and capital. Therefore, the traditional production function describes an engineering relationship between inputs and outputs rather than a behavioral phenomenon. The main criticism here is that the mechanistic approach

expressed in the firm as a production function, where the entrepreneur is considered as an inseparable and non-replicable input in most simple neoclassical models. That said it is a fact that simple neoclassical models tend to marginalize the entrepreneurial role (Baumol, 1968). Herewith, Blaug presents his argument by stating that if the entrepreneur is a person, a firm has room for only so many entrepreneurs and it is straining language to speak of entrepreneurs as members of a homogeneous group; if entrepreneurship is a function, it cannot be finely divided in terms of something as unit of supply. In short, entrepreneurship is a function that fails to satisfy the condition required to define a factor of production (Blaug, 1996).

In the scenario of theory of profit in the neoclassical model of the firm, the model does not distinguish the entrepreneur's decision process or behavior from other agents. The main focus here is that entrepreneurs are only distinguished from other factor inputs by assuming they act as residual profit claimants given their special risk-bearing appetite (Gunning 1993; Blaug 1996). There are several neoclassical assumptions about the subject of entrepreneurship that states the following: entrepreneurs have free access to information so that all gainful opportunities are recognized by agents in the model and the attributes of particular agents, in particular their attitude to risk determines whether or not they take on an entrepreneurial role. Comparing the previous statement with much more sophisticated models sourced from the neoclassical tradition such as the Khilstrom and Laffont general equilibrium model of firm formation, entrepreneurs contribute managerial and organizational skills, which leads to entrepreneurial ability (Khilstrom and Laffont, 1979). Generally speaking, entrepreneurs are risk takers who do not mind taking any sort of risk throughout the production process in order to reach their goals. So many scholars elaborated about the previous subject and drew the attention to the following points:

First, entrepreneurs have equal access to the same risky ideas or technology and receive all the profits of risk-taking. Second, all entrepreneurs are risk neutral, so that a unit of entrepreneurial labor is homogeneous in respect of risk attitude. Third, normally entrepreneurial labor inputs are deployable, they are not deployable in infinitesimal amounts. Fourth, entrepreneurs are the firm's principal decision makers and enjoy free entry to the industry concerned. Fifth, since risky attitude is potentially affected by firm size, the model's range of applicability is to entrepreneurial behavior in small businesses is restricted to a competitive economy. Last but not least, entrepreneurs are always and everywhere optimizers in that they may act as cost minimizers as well. (Evans and Jovanovic, 1989; Kanbur, 1979; Khilstrom and Laffont, 1979; Ronen, 1983).

Khilstrom and Laffont takes forward the subject of entrepreneurs' as decision styles. It is indeed a neglected subject in most other work in the neoclassical tradition where individual behavior is considered as a form of expected utility maximizer. As a result, the entrepreneur is expected to maximize the subjective utility of profits derived from risk bearing. The neoclassical entrepreneurs respects and takes into consideration the standard von Neuman-Morgenstern axioms of decision making under uncertainty regarding preference completeness, consistency, and independence. The expected utility hypothesis refers to entrepreneurs' preferences with regard to choices that have uncertain outcomes. The theory asserts that if certain axioms are satisfied, the subjective value associated with a gamble by an individual is the statistical expectation of that individual's valuations of the outcomes of that gamble. Furthermore, entrepreneurs have a systematic response to uncertainty; use probabilistic calculating procedures by calculating their actions according to their competitors' possibilities. The theory helped explaining why entrepreneurs make certain choices that seem to contradict the expected value creation. Herewith, The von Neuman-Morgenstern provides necessary and sufficient rationality axioms under which the expected utility hypothesis holds (Khilstrom and Laffont, 1979). The theory of appraisal gained a lot of criticism. Nonetheless, what matters to the neoclassical theorist is thorough incorporation of the von Neuman-Morgenstern choice axioms in a theoretical framework that reasons toward a stable, efficient equilibrium outcome at the level of the market as a whole. Neoclassical entrepreneurial behavior is differentiated by an enduring characteristic with a stable attitude towards risk taking. Entrepreneurs here are instantly capable of exploiting profit opportunities.

7.3. Austrian Explanations of Entrepreneurial Behavior

It is crucial to point out that the Austrian explanations are absolutely different from the neoclassical approach towards entrepreneurial behavior. Von Mises believes that

entrepreneurs were not part of a homogeneous class of deployable inputs and entrepreneurial action was an all-pervasive potentiality in all market participants. In addition, entrepreneurs seek opportunities in order to gain exchange over time; they are not conceived as part of a unique class of risk bearers distinguishable from laborers, consumers or managers. The entrepreneurial pursuit to discover opportunities is very unique. Herewith, Von Mises's ideas on entrepreneurship emerged as part of an attempt to clarify why the neoclassical theory of general competitive equilibrium, if simulated by central planners, could not be reconciled with a dynamic entrepreneurially driven market process (Von Mises, 1949).

Israel Kirzner is a firm believer that in order to reach the attainment of market equilibrium it requires entrepreneurial action. It is also important to add that the more scholars dig about competitive market processes, the more the need to understand the behavior of other agents such as consumers will occur. Usually the market process is determined by alertness. Furthermore, Kirzner characterizes eleven profit opportunities as the following: First, it is created by existing market circumstances. Second, not all opportunities can be discovered therefore exploited. Third, not likely to be recognized by all entrepreneurs. Fourth, sometimes known to particular entrepreneurs and not others due to information dispersion in markets and to localized, tacit knowledge, which is not always directly communicable. Fifth, it's not necessarily discovered as a set. Sixth, entrepreneurs cannot discover it unless they start the search process. Seventh, it is not likely to find previous errors regarding the subject they are searching for. Eighth, not discovered simply as a result of pure luck but by activating the ubiquitous attribute of alertness. Ninth, they are only considered opportunities if they are exploited. Tenth, gradually eliminated by individuals who switch on their alertness save that errors in the face of exogenously created new opportunities provide continual interference to this trend. Last but not least, should be exploited by entrepreneurs in an optimizing fashion techniques (Kirzner, 1995; 1997; 1999).

It is crucial to understand here that any misstep action by the entrepreneur means that he/she has misread the market. Although, Shane believes that the Austrian economics considers opportunity exploitation to be endogenous to opportunity discovery (Shane, 2000). The Austrian approach considers convergence as one of many possible market outcomes. Yet, Kirzner did not reach an outcome regarding what constitutes genuine exogenous change. Furthermore, technical advances and changes in preferences may indeed be obvious candidates for disequilibrium, and these are standard exogenous factors in neoclassical analysis. On the other hand, there is a clear fact that entrepreneurial behavior could be endogenously induced in response to latent consumer preferences. It is evident that the Austrians established preconditions for maximizing behavior. Kirzner contributes to the previous statement by asserting that whether maximizing takes place at all in the opportunity discovery stage is unimportant for Austrians since, usually, discovery is a routine-resisting behavior (Kirzner, 1997). A major breakthrough in this subject done by O'Driscoll and Rizzo where they declared the fact that entrepreneurial alertness may be the source of the perception of an opportunity, but rule following may be the only feasible way of exploiting it in an uncertain world (O'Driscoll and Rizzo, 1986).

Kirzner explains that Austrian theory is able to recognize the speculative element in all individual decision-making, and to incorporate the activity of the real world businessman into a theoretical framework that provides understanding of the market process. Kirzner's aim here is to visualize the behavior of real entrepreneurs. In this subject it is vital to theorize about essential, contextual, time-and-place contingencies where profit opportunities appear. The objective here is to consider the nature, existence and exploitation of profit opportunities in real market contexts with a view to offering a more empirically grounded perspective on entrepreneurial behavior. By doing so it can easily give an arbitrage, innovation and speculation as species of understanding the discovery process. Austrian studies do not believe that entrepreneurial behavior must be considered as part of analysis of market equilibrium end-states and the determinants of those states. Furthermore, Austrians are more interested in explaining and understanding features of market process that only tend in an "equilibrative direction"(Kirzner 1997; 1999). Kirzner believes that the Austrian perspective of alertness is that it's the capacity to recognize unexploited opportunities. Alertness is described as the following: First, alertness is an asserted behavioral mode. Second, it functions in theorizing as a metaphor indicating an aspect of behavior, which the entrepreneurial aspect is a decision-making process (Kirzner, 1980). Also, Kirzner is a firm believer that entrepreneurial alertness is embedded in the decisions of individuals so that their actions simply reflect their entrepreneurial instincts. Since the aim of this chapter is to understand the psychological behavior of entrepreneurs in order to understand the determinants of success. Herewith, Harper is a good example to give a bit of scope in this subject. Harper investigates possible psychological determinants of alertness drawing on notions of "locus of control" and "need for achievement" contributed by psychologists Rotter and McClelland respectively (Harper, 1998).

7.4. Behavioral Theories of Entrepreneurial Decision Making

Human discovery and decision making in circumstances where the alternatives of choice is not given, yet must be discovered; is indeed an important angle to focus on because it determines how entrepreneurs think in situations where choices and consequences are unknown. At the post-discovery stage, the neoclassical claims that

the decision makers have complete knowledge of probability distributions for estimating the consequences of decisions executed over discovered opportunities. According to Simon, the decision maker is nevertheless idealized and representative in a very special sense. Unlike the representative entrepreneur in neoclassical theory, the decision maker in behavioral theory is

considered to have an ordinary human mind (Simon, 1987). Scholars that researched the subject after Simon came up with some findings such as entrepreneurs are non-optimizers who use heuristics that violate the standard von Neumann-Morgenstern axioms forming the basis of neoclassical theorizing. In addition, entrepreneurs construct mental representations of market opportunities that had not occurred to other market participants, which leads to create a sort of riskiness in order to achieve the unexpected. As soon as this mental representations is fully constructed, the opportunity will be exploited with less caution, which will make the risk to be superficial almost invisible from the way the neoclassical entrepreneur have assessed it. The key here to understand is that expectations of what opportunity exploitation in the future holds is not decided upon past results of success and failure scenarios. Usually, in a high competitive arena entrepreneurs embody optimism in their self-assessments without referring to base rates for success in similar enterprises. Optimism can be very useful when there is not much data to work with is available to come up with decisions. It's a great way to convince potential stakeholders such as: investors, suppliers, customers, and employees. Facts normally take time to clarify and if entrepreneurs wait until everything is straighten up they might lose the window of opportunity.

Cognitive heuristics is a list of conjectured and confirmed operations used by entrepreneurs to evaluate gainful opportunities, which include a repertoire of actions or rules. It's basically the availability, representativeness and anchoring. Shaver and Scott elaborate in this subject more by giving an explanation to the matter. Heuristics are used as simplifying mechanisms in complex situations in order for the entrepreneurial actions can be taken and decided (Shaver and Scott, 1991). Shane finds out in a recent study located in the Austrian tradition Shane that opportunity discovery is conditioned by the entrepreneur's idiosyncratic prior knowledge (Shane, 2000). In order to support Shane's finding some evidence were presented as the following: having prior information, whether gathered from work experience, education, or other means, influences the entrepreneur's ability to comprehend, extrapolate, interpret and apply new information in ways that those lacking prior information cannot replicate. Afterwards, Shane refers to cognitive limits and specialization of knowledge as set of entrepreneurial opportunities in a given technology (Shane, 2000).

Complementarities play a huge factor in entrepreneurial alertness by paying attention to one aspect of reality inherently involves removing attention from other aspects. There are so many dimensions of alertness to be considered, because of the qualitative factors. Some behaviorally oriented researches are keen on the fact that opportunities are originated

endogenously. They believe that entrepreneurs build some sort of scenarios in their heads, which later on stimulates the action taken (Loasby 1983; Harper 1996; Harper and Earl 1996; Woods 2002).

When entrepreneurs finally decide to pursue a certain opportunity they tend to over exploit the opportunity taken, which generates superior returns. By doing so they expose themselves to the risks and benefits. According to Minniti and Bygrave, in the theory of behavior in complex tasks, situations can only be constructed by realizing the fact that the human information processor operates in sequence, which means that they can only handle one thing at a time (Minniti and Bygrave, 2001). Normally, a behavioral theory on entrepreneurial behavior always raises the questions about entrepreneur's ways of reasoning throughout the whole process. Heterogeneity and versatility of entrepreneurial actions here differs according to the contexts, and situation the entrepreneurs are facing.

Chapter 3: Case Study Analysis

In this chapter I will be analyzing four start-ups companies, the entrepreneur and business angle that helped those creative start ups to blossom. The objectives of this chapter are the following: applying theoretical concepts framework from the literature review into the start-ups, in order to have an inclusive analysis. In addition, the theoretical framework analysis will include the following: User Entrepreneurship, Entrepreneurial Alertness, Entrepreneurial Opportunities, Creation Theory of Entrepreneurial Opportunity Formation, Resources, Dynamic Capabilities, and The Theory of the Growth of the Firm (Penrose, 1959), Resource Constraint and Radical Innovation, and Entrepreneurial Success. In addition, I will present a subjective nontraditional framework, which is the Leonard- Barton matrix that would provide a different point of view, as well as observing view of how those ventures function. It is crucial to state that the Leonard- Barton matrix is not applied in real life, but it can provide some valuable information specially when dealing with uncertain markets.

Moreover, I will begin by giving a brief introduction about the entrepreneur and business angle Luigi Capello. Then, I will move into profiling the start-ups Qurami, Interactive Project, Bulsara, and Maison Academia. I would like to stress the fact that all the information gathered about those ventures are based on primary data. Then, I will apply the theoretical concepts into each venture, and see whether they apply to theory or not. Moving from there, I will use my next framework analysis which is the Leonard- Barton matrix that would comprehend by giving a better understanding of each venture.

The purpose of selecting these four start-ups is that each venture presents different idea and strategy that could contribute to the findings from verity of angle. As a result, the findings might vary into new discoveries. The ventures have been examined in a qualitative approach, through observation and research. In order to gather primary data I conducted a thorough interview with each start-up. Furthermore, I used plenty of researches and updated journals as a source; Internet based sources to gather as much information as possible with respect to old and fairly updated studies. The analysis and findings will provide insights in the matter as each start up contributes into different angle's investigation, hence leading to the core means of the research. In addition, stressing the main reason of studying these start-ups is to examine the determining factors of successful management and innovative entrepreneurship on the consumer demand-pull strategy in start-ups.

1. Luigi Capello's Profile

Luigi Capello entrepreneur and business angle. The founder and CEO of LVenture Group, a Venture Capital Holding listed on the Milan Stock Exchange. In addition, he is also the co-founder of Italian Angles for Growth (IAG), the first organized group of Italian Business Angles. IAG was founded in 2007 by nine keen investors following a trade mission to California organized by the US Embassy in Italy. He helped sharing his creative views by managing important private equity funds, which leads to providing successful start-ups. The most recent extension and project LUISS ENLABS The Startup Factory, it was established in 2013 through the joint venture between EnLabs and LUISS Guido Carli University where luigi is considered the first founder of the first Italian case of integration between a VC investor and an accelerator. This incubator is modeled after the Silicon Valley in California, the activities of the incubator are mainly about supporting the best new start-ups with training, mentoring and resources. The main focus here is to create a thorough Business Definition, and model with the ability to elevator pitch. Adding to the outstanding accomplishments Capello is also a Professor of Entrepreneurship & Venture Capital at LUISS Guido Carli University where he graduated in Economics and Business. Capello's vision is to gather all the start ups together, because he believes that by taking this step all of the start ups can relate to each other by having the common chemistries that will strengthen them especially in today's tech economy. He also adds, "In my opinion investing in start-ups at this moment is really important, the level of unemployment in Italy is increasing, and there are a lot of young graduates with high level skills that should be exploited". Moreover, Capello points out a very interesting fact that it is incredibly cheap to invest in start-ups in Italy because; the wages are low in contrast with Berlin for instance. Another social point he adds is that " if you invest in young companies now, you are creating the future!"

1.1. Start-up Profile Qurami:

a. About Qurami

Qurami allows users to manage line-waiting time efficiently by remotely reserving a spot in line through a mobile APP. This service is available for: public offices, universities, hospitals, restaurants and stores. Customers just have to confirm the issuance of the ticket and they will get a personalized alert that will notify them with current status of the line. In addition, Qurami's mission consist of providing mobile services that could improve consumer's time, as well as giving an added value to businesses that could dramatically improve the quality of life of customers.

Qurami was founded from a personal need; the seed of the idea was generated from standing in line for more than an hour and a half. This intense long lasting queuing made the founder think deeply about the idea, since everyone are using the mobile phone devices it would have been way more easier if they can just have the ticket from their mobile phones. In addition, he began researching the topic, and checked whether the idea was already available in the market. As a result, He found out that it's new, and Qurami was founded in startup weekend in Rome October 2010, receiving the first funding worth 10,000 Euros, building the first customers cliental, and from there the journey began. The team consists of diverse engineering; communication, computer science and law backgrounds. Roberto is the CEO and has a background in Computer science. Manolo has a background in International Business, and worked in the commercial side as an entrepreneur. Alessio has a background in Telecommunication Engineering, and did some projects for consulting companies as well as working as a freelancer. Qurami have the advantage of being the lead in the market with such a service, although there are some copycats that are trying to copy their ideas. However, they already gained an international and domestic clients platform that is really hard to steal from.

b. Business Model

The business model is conducted as business to business to consumer strategy. The business transaction is held with clients, and companies or public administration. Furthermore, the app is offered for free to consumers, and the revenues are generated from selling the technology to companies. The customer value proposition is divided between the company and the users. Company: their clients, and the users of their clients. Companies invest in the technology such as the mobile phones, but they don't have the right knowledge to do it. As well as, providing benefits from the internal process in terms of selling, it gives value because people can optimize their time and arrive less stressed. User: Set them free by attending physically the queue, they are entering the perception of value that their technology provides, which is really high. They can easily deliver this value by consumers using their unique service. The founders believe in continuing to invest in the process side, because of the nature of their business, which is tech based. It is crucial to continue the research and development to improve the service they provide. Also, maintenance is considered as important as research. Technology should always be updated, because you cannot sell technology as it is in the future.

What makes Qurami stand out from other competitors is their advanced technology advantage. The strategy is clear strategy in terms of partnership and pricing policies. The policies clearly state that consumer don't pay a dime, only the companies who bought the app are paying. To add cherry on the top of the icing, the clear strategy that started generating profits. With profits pouring the idea of expanding their business as much as possible grown. Since queuing is a problem all over the world, they want to expand in Europe. The social aspect of this issue is to have a clear strategy to enter new markets in order to succeed.

1.2. Start-up Profile Interactive Project

a. About Interactive Project

This unique start up presents a management browser game inspired by the Formula One world. You can play this game throughout different devices such as: browsers and mobile devices. This game allows players to manage every aspect of a Formula One team, from drivers and sponsors contracts to the setup of research laboratories to the car aerodynamic setup and racing strategies. MyGPTeam is available in two versions: The first version, the Career version is more suitable for true Formula One addicted users. The second version, the Turbo version is dedicated to gamers who simply want to have fun by rapidly defining racing strategies. The idea of this venture started as a university project, at the beginning it was only focused on the development process of the project. After that, they started focusing on the business model, research analysis, growth, searching the market, and lastly interviewing users. Furthermore, the team worked on the business model after the start up was founded; it took them a lot of time to interview a large amount of platform players in order to come up with unique features for browsing the game. The team members are a total of eight people. The founder is Matteo Palumbo, and the other team members are: Augusto Pace, Francesco Palumbo, Ennio Pirolo, Carmine Pucci, Simone Serafini, Valerio Riva, Salvatore Fiore. The venture was officially founded in May 2011, and it has been growing ever since. They reached over 60,000 users registered worldwide; MyGPTeam is emerging as a leader in the racing management games. They have agreements with publishers especially in Brazil, and with French publisher. Interactive Project team received a funding worth 25,000 Euros. In addition, the developers' team is continuing their work on the mobile devices, 3D development, marketing, and graphic design to ensure a better quality for the future.

b. Business Model

Interactive Project is based on a freemium strategy. The business model is not focused on purchasing games, but on downloading games for free. Which indeed raises the question from where the revenue streams come from? From upgrades where it gives the players extra features to have while playing the game. Also, from advertisement, advertising about the motor sports that are included in the games somehow brings a real element for the players. Example. the advertisement about a certain car in which, this car is included in the game for the players to try and use. Interactive Project customer value proposition is to provide a high level gaming experience to users not only through playing part but in the management aspects as well. They can easily deliver this value by making realistic games, and engaging games in a strategic way. The key is to make the player the manager who manages the racing sport team similar to reality in Formula One.

Interactive Project is currently investing in Italy, Brazil, and French market as well. They are working to expand in Europe in the UK, and Germany. In addition, they are developing other motor sport platforms that fit the markets. Last but not least, for the US market implementing the Nascar is crucial for them. The recent launch of the game “Turbo” version at the Global Game Connection in San Francisco attracted the attention of some of the most important online game distributors.

Thanks to recent international partnerships, Interactive Project is now available in several countries across Europe and South America, and it is working towards the expansion in South-East Asian market, with an estimate of 100,000 users within the next few months. The goal is to reach the Asian market (Asia and Japan). The project is called “Market Pay Race Mode” where the users can pay to participate in a real race where the winner gets money as a bidding process. It was a special request from the Asian market, and they are more than willing to fulfill their needs.

Interactive Project is making some revenues, but they are working on the advertisement, users features to receive more. With a 10% of the users that are registered as premium users they receive an average profit of 8 Euros per user. What makes Interactive Project stand out among competitors is the unique racing game experience. Also, they are expanding in the market with their features in which, they are developing the game experience with different devices and platforms. As a result they created communities from different devices and platforms.

1.3. Start-up Profile Bulsara

a. About Bulsara

Bulsara is an innovative advertising agency leader in specializing in the Italian Toilet Advertising sector. Bulsara's main goal is to attract huge number of audience through creative and innovative campaigns, while fully satisfying their clients through the implementation of sharing and positive word of mouth. The idea of the business already existed in the market, but not in Italy. So, the team developed the idea furthermore and adjusted it to fit their standards and market to reach their target market. Moreover, Bulsara uses a lot of creative maps in their advertisement. As well as, creating a pop out advertisement on the door handle of the toilets, washrooms, fitness, and nurseries in shopping malls. The team members are: Federico Roesler Franz, Giulia Conti. Currently the team is expanding and reaching eight members. Bulsara received their first funding through a fund raising event worth 350,000 Euros.

b. Business Model

Bulsara's business model is composed by three phases of search: first, location where they need to get exclusive contracts and agreements with the perfect location. Second, selling the spaces directly or through a network of agents. Last but not least, the office creative division is responsible for helping the clients to build an image of their brand and delivering it through Bulsara's creative graphics. Bulsara's customer value proposition is based on a business-to-business strategy. Target the gender 100% in each advertisement, and engaging with them as much as possible regarding the message, and each bathroom has different advertisement never repeating the same advertisement. The team can deliver this value by using auto marketing, and different media such as videos, graphics in order to promote their sales. In addition, attending a lot of events in order to meet new potential clients. The team is really proud reaching the break-even point.

Bulsara has already signed multiple contracts with clients like Pfizer, Compagnia di Bellezza and MAXXI, advertising at Turin International Airport, La Sapienza University, LUISS University, Circuito Cinema di Roma, Roma Capitale Libraries, and aims to expand on the Italian market in the next two years. Furthermore, Bulsara received such an honor when a market research by Demoskopoea confirmed the extraordinary effectiveness of Bulsara's marketing and communication strategies. What makes Bulsara so unique among competitors is that they don't offer only media, but consultancy as well.

1.4. Start-up Profile Maison Academia

a. About Maison Academia

Maison Academia previously known as NextStyler is an exclusive made in Italy fashion brand, solely Made in Italy, created by emerging fashion designers from all over the world and directly chosen by its customers. The idea of the business was generated by the founders who both worked for fashion companies, more precisely with fashion designers, and communication backgrounds. During their work experience they found out that designers face a lot of problems in the fashion business. Furthermore, this business can help emerging fashion designers by showcasing their own brand, and that is the main reason why they started this venture. Maison Academia proposes contests where the users participate by uploading their fashion sketches and competing through a voting system. The best-rated sketches are manufactured and sold on online-shop site. The community of the site and a Jury, made of professional experts in the fashion industry, that chooses the best sketches to be produced. The founders are: Maurizio Palumbo CEO & Co-founder, and Mary Palomba Co-founder.

b. Business Model

Maison Academia business model is an online collection created by emerging fashion designers, online sales. The production process is done through cooperating with manufacturing companies. The customer value proposition is mainly about produced in Italy with Italian quality attending to detail. It presents a high competitive workplace for emerging fashion designers because they have the freedom to create unique designs. The team can deliver this value by planning the strategy and thinking about the videos and pictures that will showcase the unique Italian quality through communication, which will help selling the designs. Maison Academia started with a funding worth 500,000 Euros. After launching an outstanding collection last April, and starting the first sale, they gained some profit. The team strategy is to use more fashion magazines and social networks to further promote their business and collections.

Maison Academia's main focus is Italy, but they want to expand to Europe, USA, Far East and Russia. What makes this business unique among competitors is that if you browse through their website you can find whole collection of clothes where all the designers contributed to complete this collection from different emerging fashion designers. In addition, those emerging fashion designers were mentored through the creative process, in which, this

service is unique and not found in other companies. Also, regarding the new emerging fashion designers there are no made in Italy designers, they are the only ones in the market that makes them the lead.

1.5. Theoretical Framework Analysis:

a. Qurami's Theoretical Framework Analysis

1.a User Entrepreneurship

After profiling Qurami and looking at how this venture started, it is fair to say that it is indeed a user entrepreneurship venture, because it was founded from a personal need. In addition, backing up the previous statement is a study done by the Ewing Marion Kauffman Foundation, stating these firms were initially created by the entrepreneurs who developed the innovative products or services by their own, and wanted to fulfill a certain need. After that they founded the firms, and commercialized them. As a result, the founders experienced a certain need, which is to stop queuing and wasting time, and according to that specific need, the user developed a service to address this need. In this case coming up with a service to reserve a spot in line through a mobile APP, in which this App presents as well a personalized alert about the current status of the line. Moreover, they commercialize the service in different sectors such as: public offices, universities, hospitals, restaurants and stores. As a result, it confirms their observations.

What defines user entrepreneurs is the personal experience that leads to the innovative discovery itself. Moreover, having the insights and knowledge about the subject, and understanding the circumstances of the situation helps with idea generation of a valid solution making. That said, it grants the users an inimitable position to identify the possible opportunities, the opportunity lies here in discovering the general gap in the market of the need to have a practical solution with a device owned by almost everyone.

Another interesting statement by Jeppesen and Lakhani, states that individuals from outside the core discipline of a given field generate original problem-solving approaches, and are often in a better position to find innovative solutions because they frame the problem differently depending on the situation (Jeppesen and Lakhani, 2007). This leads to a novel approach to the problem because there is no constraint of existing logics, which increases the

possibility of finding new opportunities. When human beings suffer from an inconvenient situation, the human mind tries to come up with a rational solution in order to achieve a certain need. The key here is whether to exploit the idea or not. When the founder experienced the inconvenient situation, following the phase of complaining, he scanned through the environment around him and realized the use of mobile phones. An object that is available for almost everyone, and from there the seed of the idea grew.

2.a Entrepreneurial Alertness:

Moving to entrepreneurial alertness and evaluating whether Qurami's founders are alert or not. Kirzner argues that if there is self-interest involved in the situation it will raise the entrepreneur to be alert (Kirzner, 1980). As a result, it is sufficient to link user entrepreneur to alertness, because of the self-interest factor that makes them more aware of the solutions around them.

McMullen and Shepherd (2006) believe that entrepreneurship fundamentally involves action. Moreover, alertness is not entrepreneurial unless it involves the process of judgment, and action. We can relate the argument here with Qurami in the process of judgment, when they assessed the idea and analyzed it from all aspects. The aspects included the market, consumer planning. Before the action a thorough evaluation is required in order to distinguish whether the new information represents an opportunity, in which queuing is a problem so finding a solution for it presented a valid opportunity. The action is when they decided to go forward with their idea by founding the start up. Therefore, I wanted to examine McMullen and Shepherd, 2006 dimensions for Alertness and compare it with Qurami:

- 1- Scanning and searching for new information. This phase requires a pre existing knowledge, being prepared, and sensitivity to new opportunities. What encourages Qurami with this dimension here is the diverse educational and work experience backgrounds from the founders. It plays a crucial element in respect of discovering an opportunity and to fully examine from all angles. It stretches the length of examinations by being alert to variety of aspects that would have been left out by normal people.
- 2- Connecting previously disparate information. The second dimension relates with Kirzner's later work on alertness, alert association and connection. This dimension implies gathering disparate pieces of information and coming up with logical

substitute (Kirzner, 1999). What Qurami did with this phase is taking what is already there in the environment and adding a useful extension by exploiting technology. In this case, the mobile APP service.

- 3- Evaluating whether the new information represents an opportunity. A business opportunity needs certain action to evolve by gathering the right information, and then evaluating them in order to have profit potential (McMullen and Shepherd, 2006). This dimension is necessary after the needed information and creative idea, a non-bias evaluation of the venture in order to decide whether to go ahead or aboard the whole idea.

The three dimensions here are very easy to apply to the venture, in fact they presents a very basic explanation to a normal decision process stage.

3.a Entrepreneurial Opportunities:

The realization of opportunity and taking action accordingly is a major variable here. Shane & Venkataraman states that entrepreneurial opportunity as an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw material through organizing efforts that previously had not existed (Shane & Venkataraman, 2000; Venkataraman, 1997). Qurami presents a service that did not exist in the market with a goal, which is improving the quality of life of customers by not wasting time in queuing.

In addition, Schumpeter believes that opportunities present new frameworks and new end. Moreover, he observed that these opportunities tend to be new, innovative, have the power to shift economies, lastly increase national output and employment. Joseph Schumpeter (Schumpeter, 1934) was the first economist to classify the innovative or novel entrepreneur. He proposed the role of the novel entrepreneur is to modify the economy by modifying outdated business and being the source of innovation in an economy. Furthermore, Schumpeter invented the term, “creative destruction” in order to better describe the process of destroying the old business, and creating a new one. Herewith Qurami presents advance technology mobile APP, and getting rid of the old ticket machine waiting method. It is a valid argument that Qurami presents new frameworks and means, by presenting a novel idea to ensure a better life for their consumer, and hiring the right personnel that raises the level of unemployment and working personnel by exploiting their creative skills. Last, is enhancing the economy of a country and contributing to the growth. In contrast to the previous statement, Isaac Kirzner found the non-novel form of entrepreneurship or what is called The Kirznerian. The principle is based upon extraordinary individual who do not create

opportunities, yet they already exist in the society to anyone who has the “alertness” to recognize them. Kirzner believes that opportunities occur because the market is in a state of disequilibrium originated by bad decision making, which leads to creating shortages and surpluses (I. Kirzner, 1973). Herewith, we can argue that both statements can actually work for Qurami in ways such as the fact that there is a shortage in the market regarding providing an accessible service.

It is really interesting to observe another statement by Freeman Klepper and Sleeper, there are features of life experience that can boost the possibility of the individual discovering opportunities such as: job function and experience variety. It is observed that individuals holding certain careers are more likely to notice new venture opportunities. It stresses yet again to the importance of having the right backgrounds, which plays a valid element in discovering opportunities. Besides, it is a factor that contributed to Qurami’s opportunity discovery.

Another interesting factor to examine is the cognitive processes, taking into consideration the processes that enhances the entrepreneurial discovery which are: being able to see causal links, being able to categorize information, seeing relationships and patterns in information, understanding how processes work and evaluating assumptions and information accurately (C. M. Gaglio & Katz, 2001).

According to the theorist, the cognitive processes are influenced by certain characters such as: levels of intelligence (De Wit & Van de Winden, 1989), perceptive ability (Hills, Sharder, & Lumpkin, 1999), creativity (Sarasvathy, 2001; Schumpeter, 1934), and last but not least is being prepared to take risks (Kaish & Gilad, 1991). Through observing the team members of Qurami’s it is noticeable to witness that these processes are actually were applied. In addition to the special characters they had.

4.a Creation Theory of Entrepreneurial Opportunity Formation

How can an opportunity formulate and be exploited, Kirzner and Shane, notices that entrepreneur’s mission is to be fully alert to the possible opportunities and demand to seize them (Kirzner, 1997; Shane, 2003). There by, Qurami’s founders embody this realization of opportunity from daily obstacles, by having the right approach to the problem, which makes them fully alert to the environment around them and what is missing in the market, by filling the gap.

Shane added an interesting point in the discovery theory, that it is necessary to recombine past knowledge with new ones by using novel techniques (Shane, 2000). This formation and exploitation of entrepreneurial opportunities occurs when entrepreneurs are operating under conditions of risk or moderate uncertainty and there is prior knowledge and information that is linked to the current opportunity. Hence, it is a natural thing for Qurami before starting the venture to operate under conditions of risk or moderate uncertainty. As a result, having the educational backgrounds, and career experiences came handy in the process and recognition of opportunity.

An extra point to consider is the business plan, having a business plan is crucial for any new venture, it helps entrepreneurs to integrate information and knowledge in novel ways to both describe what an opportunity is, and how that opportunity is going to be exploited (Delmar et al., 2003; Van de Ven, Venkataraman, Polley, & Garud, 1989). Also, it can make it easier for entrepreneurs when having the meeting for their funds to present a full vision of the venture with all aspects handled. According to Garud & Kotha, having to readapt aspects in the business plan requires a flexible decision-making charisma that will adapt to the results from enactment process (Garud & Kotha, 1994). In this situation of high uncertainty holding an adaptive charisma is more beneficial than a detailed strategic, financial, and market analyses. That said, Qurami's have a great advantage of having a mentor with fundamental background in venture capital and entrepreneurship. It provides a bonus, because it ensures having the right business plan, in ways it benefit them when pitching their business idea to the potential funders. Moreover, Qurami received funds worth 10,000 Euros.

5.a Resources, Dynamic Capabilities, and The Theory of the Growth of the Firm (Penrose, 1959)

Penrose (1959) characterize the internal activities of a firm that I used as indicators to evaluate Qurami as the following:

- 1- Members working together. Qurami Hired the right personnel and working together in harmony and collaboration not as individuals but as a team for the growth of the firm.

2- Combining resources in specific ways. Here, the combination in this venture is technology with an existing object, which is the cell phone and coming up with an App. Since the business model is conducted as business to business to consumer strategy. The business transaction is held with clients, and companies or public administration. Furthermore, the APP is offered for free to consumers, and the revenues are generated from selling the technology to companies, a simple strategy in terms of partnership and pricing policies. The policies clearly state that consumer don't pay a dime, only the companies who bought the app are paying and by that they gain their revenue streams.

4- Building firm-specific competence. Qurami delivered this aspect by satisfying consumer's needs. This aspect is delivered through Business-level strategies. A business level strategy provides value to consumers and gain competitive advantage by exploiting core competencies in specific, service markets. As a result, Qurami's homework was to particularly specify certain aspect about the consumer for instance: Who are the customers? Demographic, geographic, lifestyle choices, the answer is they are busy people who can't afford wasting time in queuing. What are the services that potential consumers need? Knowing ones customers is very important in obtaining and sustaining a competitive advantage in the industry. Being able to successfully predict and satisfy consumer needs is critical. How to satisfy customer needs? Qurami determined how to bundle resources and capabilities to form core competencies and then use these core competencies to satisfy customer needs by implementing value-creating strategies.

Penrose supports the fact that the management team is a key factor of the firm's growth: Qurami have the right personnel who contribute to the firm's growth. As learning occurs when knowledge is shared, it broadens the firm's pool of opportunities. When the team is in harmony it allows them to provide unique services. Furthermore, Qurami's management team has expansion plans in Europe.

6.a Resource Constraint and Radical Innovation

Start-ups that are keen on being the lead in technology and innovation tend to deliver radical innovation that leads to a breakthrough in the market. The management's vision is to change

the consumer expectations in a positive way, by replacing technologies with brand new ones. Usually ventures that seek the path to innovation are longing to replace current by new knowledge bases, and to redefine existing or create new markets (Hill and Rothaermel, 2003; Katila and Ahuja, 2002; Abernathy and Clark, 1985; Benner and Tushman, 2003; Danneels, 2002). What Qurami did here is replacing old technology by getting rid of the ticket machine and replacing it with a mobile APP service. This lead to satisfying the consumer needs, by not queuing, not wasting time, being comfortable. They redefined the idea of the ticket and adjusted it to fit the current fast track lifestyle, by making it more convenient with a device that is used by everyone.

Moreover, Kirzner and Schumpeter proved that innovation captures the essence of entrepreneurial activity (Kirzner, 1979; Schumpeter, 1934). The biggest advantage about innovation is that it stimulates the competitive advantage as new ventures starts growing towards maturity. Qurami's advantage is that they are the first mover in the market with this service, a service that is offered for free to its users. Besides, seeking diverse partnerships can effectively learn from different types of collaborators, including customers, suppliers, universities, public support agencies. Qurami uses this method; their strategy is based with business transaction held with clients, and companies or public administration. They sell the technology to the companies that the transactions are held with. To illustrate more about the strategy is handled:

Company: their clients, and the users of their clients. Companies invest in the technology such as the mobile phones, but the companies don't have the right knowledge to do it by themselves, which gives Qurami the advantage here. As well as providing benefits from the internal process in terms of selling. It gives value because people can optimize their time and arrive less stressed.

Users: Set them free by attending physically the queue, they are entering the perception of value that their technology provides, which is really high. They can easily deliver this value by consumers using their service.

Stressing the fact that the main advantage in product development strategies is in ensuring that the firm is actually the first-mover in the industry, which will allow it to charge premium prices, and can prevent competitors from tapping into the same niches (Covin and Slevin, 1990; Hofer and Sandberg, 1987). In order for a firm to develop radical innovation they have

to be the first movers. Qurami develops radical innovation by being the lead in the market with such a service, although there are some copycats that are trying to copy their ideas. It is really hard for the competitors to steal Qurami's users, because they already established their reputation and loyal clients.

7.a Entrepreneurial Success

A worthy of note aspect presented by the neoclassical entrepreneurs is that they respect and take into consideration the standard von Neuman-Morgenstern axioms of decision making under uncertainty regarding preference completeness, consistency, and independence. The expected utility hypothesis refers to entrepreneurs' preferences with regard to choices that have uncertain outcomes. The theory asserts that if certain axioms are satisfied, the subjective value associated with a gamble by an individual is the statistical expectation of that individual's valuations of the outcomes of that gamble. As a result, entrepreneurs have a systematic response to uncertainty; use probabilistic calculating procedures by calculating their actions according to their competitors' possibilities. The theory helped explaining why entrepreneurs make certain choices that seem to contradict the expected value creation. Herewith, The von Neuman-Morgenstern provides necessary and sufficient rationality axioms under which the expected utility hypothesis holds (Khilstrom and Laffont, 1979). This interesting theory works for Qurami for several reasons: starting a new venture is a risk, another word is a gamble, entrepreneurs use various methods to plan the whole process and venture before starting one. They will lay the options and settle for the most attractive one regarding their own preferences. In addition, they have a systematic response to uncertainty; use probabilistic calculating procedures by calculating their actions according to their competitors' possibilities when studying the market. Qurami created a mental representation that had not occurred to other competitors. It is true that it creates a level of riskiness, a gambling situation in order to achieve the unexpected.

Last but not least, Shane's presented some valuable evidence that contributes to the entrepreneurial success: having prior information, whether gathered from work experience, education, or other means, influences the entrepreneur's ability to comprehend, extrapolate, interpret and apply new information in ways that those lacking prior information cannot replicate. Afterwards, Shane refers to cognitive limits and specialization of knowledge as set of entrepreneurial opportunities in a given technology (Shane, 2000). Applying Shane's evidence to Qurami, they encounter the educational backgrounds and prior job experiences, which helped them realizing and seizing the opportunity. Resulting in exploiting the opportunity in novel ways.

b. Interactive Project's Theoretical Framework Analysis

1.b User Entrepreneurship:

We can proceed analogously to how Interactive Project's started following the profile preview, it is clear that it is in some way a user entrepreneurship venture, because it was founded as a university project by passionate online gamers. At first, it was only focused on the development process of the project. After that, the team started focusing on the business model, research analysis, growth, searching the market, and lastly interviewing users. What is also interesting to mention here, is that there is a sort of consumer demand-pull in this venture, because the team interviewed a large amount of platform players in order to come up with unique features for browsing the game. As well as providing the Asian market with what they requested. In addition, backing up the previous statement is a study done by the Ewing Marion Kauffman Foundation, stating these firms were initially created by the entrepreneurs who developed the innovative products or services by their own, and wanted to fulfill a certain need. After that they founded the firms, and commercialized them. As a result, the founders experienced a certain need, which is a unique online game that allows players to manage every aspect of a Formula One team, from drivers and sponsors contracts to the setup of research laboratories to the car aerodynamic setup and racing strategies. Furthermore, MyGPTeam is available in two versions: The first version, the Career version is more suitable for true Formula One addicted users. The second version, the Turbo version is dedicated to gamers who simply want to have fun by rapidly defining racing strategies. Fond players can access the game throughout different devices such as: browsers and mobile devices.

User entrepreneurs are all about the personal experience that leads to the innovative discovery. Moreover, acquiring the insights and knowledge about the subject, and understanding the circumstances of the situation helps with idea generation of a valid solution making. As a result, it grants the users the ability to distinguish possible opportunities, which opportunities are situated in the market gap. Since, they are already passionate online gamers, it gave them the knowledge in understanding their own needs and other gamers as well. This is what makes Interactive Project stand out, because they offered a solution from their own personal experience.

Plus, Jeppesen and Lakhani, states that individuals from outside the core discipline of a given field generate original problem-solving approaches, and are often in a better position to find

innovative solutions because they frame the problem differently depending on the situation (Jeppesen and Lakhani, 2007). This leads to a novel approach to the problem because there is no constraint of existing logics, which increases the possibility of finding new opportunities. When human beings suffer from an inconvenient situation, the human mind tries to come up with a rational solution in order to achieve a certain need. The key here is whether to exploit the idea or not. When the founder experienced the inconvenient situation, following the phase of complaining, he scanned through the environment around him and realized the online game world. A passion for online games that started as a university project that became the reality, the excitement to provide a unique experience.

2.b Entrepreneurial Alertness:

Discussing the next topic, entrepreneurial alertness and evaluating whether Interactive Project's founders are alert or not. Kirzner argues that if there is self-interest involved in the situation it will raise the entrepreneur to be alert (Kirzner, 1980). As a result, it is sufficient to link user entrepreneur to alertness, because of the self-interest factor that makes the founder more attentive to the solution.

Onward, McMullen and Shepherd (2006) believe that entrepreneurship fundamentally involves action. Moreover, alertness is not entrepreneurial unless it involves the process of judgment, and action. We can relate the argument here with Interactive Project in the process of judgment, when they assessed the idea and analyzed it from all aspects. The aspects included the market, consumer planning. Before the action a thorough evaluation is required in order to distinguish whether the new information represents an opportunity, in which queuing is a problem so finding a solution for it presented a valid opportunity. The action is when they decided to go forward with their idea by founding the start up. Therefore, I wanted to examine McMullen and Shepherd, 2006 dimensions for Alertness and compare it with Interactive Project:

- 1- Scanning and searching for new information. This phase requires a pre existing knowledge, being prepared, and sensitivity to new opportunities. What encourages Interactive Project with this dimension here is the diverse educational and work experience backgrounds from the founders. It plays a crucial element in respect of discovering an opportunity and to fully examine from all angles. It stretches the length of examinations by being alert to variety of aspects that would have been left

out by normal people. In addition, the developers' team is continuing their work on the mobile devices, 3D development, marketing, and graphic design to ensure a better quality for the future R&D.

- 2- Connecting previously disparate information. The second dimension relates with Kirzner's later work on alertness, alert association and connection. This dimension implies gathering disparate pieces of information and coming up with logical substitute (Kirzner, 1999). What Interactive did in this phase is taking what is already there in the environment and adding a useful extension by exploiting all means of technology and graphic designs. Starting this venture as a university project and moving forward by interviewing a large amount of platform players in order to come up with unique features for browsing the game. As well as providing the Asian market with what they requested. In addition, the development process of the project the team focused on the business model, research analysis, growth, searching the market, and lastly interviewing users.
- 3- Evaluating whether the new information represents an opportunity. A business opportunity needs certain action to evolve by gathering the right information, and then evaluating them in order to have profit potential (McMullen and Shepherd, 2006). This dimension is necessary after the needed information and creative idea, a non-bias evaluation of the venture in order to decide whether to go ahead or abort the whole idea.

The three dimensions here are very easy to apply to the venture; in fact they present a very basic explanation to a normal decision process stage.

3.b Entrepreneurial Opportunities:

The realization of opportunity and taking action accordingly is a major variable here. Shane & Venkataraman states that entrepreneurial opportunity as an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw material through organizing efforts that previously had not existed (Shane & Venkataraman, 2000; Venkataraman, 1997). Interactive Project presents a management browser game inspired by the Formula One world.

In addition, Isaac Kirzner found the non-novel form of entrepreneurship or what is called The Kirznerian. The principle is based upon extraordinary individuals who do not create

opportunities, yet they already exist in the society to anyone who has the “alertness” to recognize them. Kirzner believe that opportunities occur because the market is in a state of disequilibrium originated by bad decision making, which leads to creating shortages and surpluses (I. Kirzner, 1973). Herewith, Interactive Project presents a high level gaming experience to users not only through playing part but in the management aspects as well. Hence, Interactive Project can easily deliver this value by making the games as realistic as possible, and engaging games in a strategic way. The key is to make the player the manager who manages the racing sport team similar to reality in Formula One. It’s a whole different online experience than what the normal gamers are used too.

A compelling factor to examine is the cognitive processes, taking into consideration the processes that enhances the entrepreneurial discovery which are: being able to see causal links, being able to categorize information, seeing relationships and patterns in information, understanding how processes work and evaluating assumptions and information accurately (C. M. Gaglio & Katz, 2001).

According to the theorist, the cognitive processes are influenced by certain characters such as: levels of intelligence (De Wit & Van de Winden, 1989), perceptive ability (Hills, Sharder, & Lumpkin, 1999), creativity (Sarasvathy, 2001; Schumpeter, 1934), and last but not least is being prepared to take risks (Kaish & Gilad, 1991). Through observing the team members of Interactive Project’s it is noticeable to witness that these processes are actually were applied. In addition to the special characters they have.

4.b Creation Theory of Entrepreneurial Opportunity Formation

How can an opportunity formulate and be exploited, Kirzner and Shane, notices that entrepreneur’s mission is to be fully alert to the possible opportunities and demand to seize them (Kirzner, 1997; Shane, 2003). Thereby, Interactive Project’s founders embrace the realization of opportunity from daily obstacles, by having the right approach to the problem, which makes them fully alert to the environment around them and what is missing in the market, by filling the gap.

Shane added an interesting point in the discovery theory, that it is necessary to recombine past knowledge with new ones by using novel techniques (Shane, 2000). This formation and exploitation of entrepreneurial opportunities occurs when entrepreneurs are operating under conditions of risk or moderate uncertainty and there is prior knowledge and information that is linked to the current opportunity. Hence, it is a natural thing for Interactive Project before starting the venture to operate under conditions of risk or moderate uncertainty. As a result,

having the educational backgrounds, and career experiences came handy in the process and recognition of opportunity.

A critical point to consider is the business plan, having a business plan is crucial for any new venture, it helps entrepreneurs to integrate information and knowledge in novel ways to both describe what an opportunity is, and how that opportunity is going to be exploited (Delmar et al., 2003; Van de Ven, Venkataraman, Polley, & Garud, 1989). Also, it can make it easier for entrepreneurs when having the meeting for their funds to present a full vision of the venture with all aspects handled. According to Garud & Kotha, having to readapt aspects in the business plan requires a flexible decision-making charisma that will adapt to the results from enactment process (Garud & Kotha, 1994). In this situation of high uncertainty holding an adaptive charisma is more beneficial than a detailed strategic, financial, and market analyses. That said, Interactive Project's have a great advantage of having a mentor with fundamental background in venture capital and entrepreneurship. It provides a bonus, because it ensures having the right business plan, in ways it benefit them when pitching their business idea to the potential funders. Moreover, Interactive Project received funds worth 25,000 Euros.

5.b Resources, Dynamic Capabilities, and The Theory of the Growth of the Firm (Penrose, 1959)

Penrose (1959) characterize the internal activities of a firm that I used as indicators to evaluate Interactive Project as the following:

1- Members working together. Interactive Project hired the right personnel and working together in harmony and collaboration not as individuals but as a team for the growth of the firm.

2- Combining resources in specific ways. Here, the combination in this venture is technology, online games, distinctive graphics, and 3D with an existing object, which is the mobile phone and browsers. Since the business model is based on a premium strategy. It is not focused on purchasing games, but on downloading games for free. Furthermore, the revenue streams comes from upgrades were it gives the players extra features to have while playing the game. As a result, players have an additional option. Also, from advertisement, advertising about the motor sports that are included in the games somehow brings a real element for the players. For instance, the advertisement

about a certain car in which, this car is included in the game for the players to try and use. Interactive Project attained 10% of the users that are registered as premium users, they receive an average profit of 8 Euros per user. Thanks to recent international partnerships, Interactive Project is now available in several countries across Europe and South America, with an estimate of 100,000 users.

3- Building firm-specific competence. Interactive Project delivered this aspect by satisfying consumer's needs. This aspect is delivered through Business-level strategies. A business level strategy provides value to consumers and gain competitive advantage by exploiting core competencies in specific, service markets. As a result, Interactive Project's homework was to particularly specify certain aspect about the consumer for instance: Who are the customers? Demographic, geographic, lifestyle choices, the answer is they are passionate online gamers who are interested in experiencing a new level of online games. What are the services that potential consumers need? Knowing ones customers is very important in obtaining and sustaining a competitive advantage in the industry. Being able to successfully predict and satisfy consumer needs is critical. How to satisfy customer needs? Interactive Project determined how to bundle resources and capabilities to form core competencies and then use these core competencies to satisfy customer needs by implementing value-crating strategies.

Penrose supports the fact that the management team is a key factor of the firm's growth: Interactive Project has the right personnel that contribute to the firm's growth. As learning occurs when knowledge is shared, it broadens the firm's pool of opportunities. When the team is in harmony, it allows them to provide unique services. As a result, Interactive Project is investing in so many countries such as: Italy, Brazil, and France. Furthermore, Interactive Project's management team has expansion plans in Europe, UK, Germany, and South-East Asia and Japan. Interactive Project has a unique project to start in South-East Asian market called "Market Pay Race Mode" where the users can pay to participate in a real race, where the winner gets money as a bidding process. It was a special request from the Asian market, and they are more than willing to fulfill their needs. Hence, it is a clear case of consumer demand- pull strategy by the Asian market. Adding to that, the new features that they want to add to their existing games in order to develop the perfect game experience. In addition, the Interactive Project's management team is developing other motor sport platforms that fit the markets. Last but not least, for the US market Interactive Project is implementing the Nascar

(The National Association for Stock Car Auto Racing) standings. The recent launch of the game “Turbo” version at the Global Game Connection in San Francisco attracted the attention of some of the most important online game distributors. Herewith, Interactive Project’s management is keen to fulfill and provide the best experience for online gamers depending on their market gaps and desires.

6.b Resource Constraint and Radical Innovation

Start-ups that are keen on being the lead in technology and innovation tend to deliver radical innovation that leads to a breakthrough in the market. The management’s vision is to change the consumer expectations in a positive way, by replacing technologies with brand new ones. Usually ventures that seek the path to innovation are longing to replace current by new knowledge bases, and to redefine existing or create new markets (Hill and Rothaermel, 2003; Katila and Ahuja, 2002; Abernathy and Clark, 1985; Benner and Tushman, 2003; Danneels, 2002). What Interactive Project did here is replacing the regular online games and replacing it with new technical features that upgraded the level of technology, and the level of interactions. This lead to satisfying the consumer needs, by providing a different experience for the gamers. Furthermore, Interactive Project redefined the idea of online gaming by adding management aspects as well.

In other respects, Kirzner and Schumpeter proved that innovation captures the essence of entrepreneurial activity (Kirzner, 1979; Schumpeter, 1934). The biggest advantage about innovation is that it stimulates the competitive advantage as new ventures starts growing towards maturity. Interactive Project’s advantage is that they are the first mover in the market with the online game that is offered for free to its users to download unless they want to obtain the extra features. They have agreements with publishers especially in Brazil, and with French publisher. Besides, seeking diverse partnerships can effectively learn from different types of collaborators, including customers, suppliers, universities, public support agencies. Interactive Project uses this method; they have international partnerships in several countries across Europe and South America.

Stressing the fact that the main advantage in product development strategies is in ensuring that the firm is actually the first-mover in the industry, which will allow it to charge premium prices, and can prevent competitors from tapping into the same niches (Covin and Slevin, 1990; Hofer and Sandberg, 1987). In order for a firm to develop radical innovation, they have to be the first movers. Interactive Project develops radical innovation by being the lead in the market with unique online game, although there are some copycats that are trying to copy

their ideas. It is really hard for the competitors to steal Interactive Project 's users, because they already established their reputation and loyal clients. Therefore, the Formula One's idea is really hard to copy, which grants them the advantage.

7.b Entrepreneurial Success

A worthy of note aspect presented by the neoclassical entrepreneurs is that they respect and take into consideration the standard von Neuman-Morgenstern axioms of decision making under uncertainty regarding preference completeness, consistency, and independence. The expected utility hypothesis refers to entrepreneurs' preferences with regard to choices that have uncertain outcomes. The theory asserts that if certain axioms are satisfied, the subjective value associated with a gamble by an individual is the statistical expectation of that individual's valuations of the outcomes of that gamble. As a result, entrepreneurs have a systematic response to uncertainty; use probabilistic calculating procedures by calculating their actions according to their competitors' possibilities. The theory helped explaining why entrepreneurs make certain choices that seem to contradict the expected value creation. Herewith, The von Neuman-Morgenstern provides necessary and sufficient rationality axioms under which the expected utility hypothesis holds (Khilstrom and Laffont, 1979). This interesting theory works for Interactive Project for several reasons: starting a new venture is a risk, another word is a gamble, entrepreneurs use various methods to plan the whole process and venture before starting one. They will lay the options and settle for the most attractive one regarding their own preferences. In addition, they have a systematic response to uncertainty; use probabilistic calculating procedures by calculating their actions according to their competitors' possibilities when studying the market. Interactive Project created a mental representation that had not occurred to other competitors. It is true that it creates a level of riskiness, a gambling situation in order to achieve the unexpected.

At last, Shane's presented some valuable evidence that contributes to the entrepreneurial success: having prior information, whether gathered from work experience, education, or other means, influences the entrepreneur's ability to comprehend, extrapolate, interpret and apply new information in ways that those lacking prior information cannot replicate. Thereupon, Shane refers to cognitive limits and specialization of knowledge as set of entrepreneurial opportunities in a given technology (Shane, 2000). Applying Shane's evidence to Interactive Project, they encounter the educational backgrounds and prior job experiences, which helped them realizing and seizing the opportunity. Resulting in exploiting the opportunity in novel ways.

c. Bulsara's Theoretical Framework Analysis:

1.c User Entrepreneurship:

Viewing Bulsara from the start, it is accurate to say that it is not a user entrepreneurship venture, because the idea already existed in the market, but not in Italy. In addition, Bulsara is an innovative advertising agency leader in specializing in the Italian Toilet Advertising sector. The founders developed the idea further to adjust with the Italian market standards. In order to reach the target audience, the founders used creative maps in their advertisement. As well as creating a pop out advertisement on the door handle of the toilets, washrooms, fitness, and nurseries in shopping malls. They also offer consultancy to their clients, which differs from their competitors.

2.c Entrepreneurial Alertness:

Examining Entrepreneurial alertness and evaluating whether Bulsara's founders are alert or not. Kirzner argues that if there is self-interest involved in the situation it will raise the entrepreneur to be alert (Kirzner, 1980). As a result, it is sufficient to link user entrepreneur to alertness, because of the self-interest factor that makes them more aware of the solutions around them.

Subsequently, McMullen and Shepherd (2006) believe that entrepreneurship fundamentally involves action. Moreover, alertness is not entrepreneurial unless it involves the process of judgment and action. We can relate the argument here with Bulsara in the process of judgment, when they assessed the idea and analyzed it from all aspects. The aspects included the market, consumer planning. Before the action a thorough evaluation is required in order to distinguish whether the new information represents an opportunity, in which they find a way to engage the audience with them as much as possible regarding the message, and each bathroom has different advertisement never repeating the same advertisement to raise awareness. Therefore, I wanted to examine McMullen and Shepherd, 2006 dimensions for Alertness and compare it with Bulsara:

1-Scanning and searching for new information. This phase requires a pre-existing knowledge, being prepared, and sensitivity to new opportunities. What encourages Bulsara with this dimension here is the diverse educational and work experience backgrounds from the founders. It plays a crucial element in respect of discovering an opportunity and to fully examine from all angles. It stretches the length of

examinations by being alert to variety of aspects that would have been left out by normal people.

2- Connecting previously disparate information. The second dimension relates with Kirzner's later work on alertness, alert association and connection. This dimension implies gathering disparate pieces of information and coming up with logical substitute (Kirzner, 1999). What Bulsara did with this phase is taking what is already there in the environment and adding a useful extension by exploiting technology. In this case, using different mediums such as: auto marketing, and different media such as videos, graphics in order to promote their sales. In addition, attending a lot of events in order to meet new potential clients than normal advertisement, and the location is different which are the toilets.

3- Evaluating whether the new information represents an opportunity. A business opportunity needs certain action to evolve by gathering the right information, and then evaluating them in order to have profit potential (McMullen and Shepherd, 2006). This dimension is necessary after the needed information and creative idea, a non-bias evaluation of the venture in order to decide whether to go ahead or abort the whole idea.

The three dimensions here are very easy to apply to the venture; in fact they present a very basic explanation to a normal decision process stage.

3.c Entrepreneurial Opportunities:

The realization of opportunity and taking action accordingly is a major variable here. Shane & Venkataraman states that entrepreneurial opportunity as an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw material through organizing efforts that previously had not existed (Shane & Venkataraman, 2000; Venkataraman, 1997). Bulsara presents an innovative advertisement service, in particular showcasing their brilliant work in Italian toilets.

What's more, Isaac Kirzner found the non-novel form of entrepreneurship or what is called The Kirznerian. The principle is based upon that extraordinary individual do not create

opportunities, yet they already exist in the society to anyone who has the “alertness” to recognize them. Kirzner believes that opportunities occur because the market is in a state of disequilibrium originated by bad decision making, which leads to creating shortages and surpluses (I. Kirzner, 1973). Herewith, Bulsara presents a solution to the shortage in the market by providing a service that is accessible to almost everyone can easily save time. As well as, adapting a creative way to sell advertisement and fitting the strategy to fit a new market.

It is really interesting to observe the statement by Freeman Klepper and Sleeper, there are features of life experience that can boost the possibility of the individual discovering opportunities such as: job function and experience variety. It is observed that individuals holding certain careers are more likely to notice new venture opportunities. It stresses yet again to the importance of having the right backgrounds, which plays a valid element in discovering opportunities. Besides, it is a factor that contributed to Bulsara’s opportunity discovery. Adding to that Bulsara have signed multiple contracts with important clients such as: Pfizer, Compagnia di Bellezza and MAXXI, advertising at Turin International Airport, La Sapienza University, LUISS University, Circuito Cinema di Roma, Roma Capitale Libraries.

A compelling factor to examine is the cognitive processes, taking into consideration the processes that enhances the entrepreneurial discovery which are: being able to see causal links, being able to categorize information, seeing relationships and patterns in information, understanding how processes work and evaluating assumptions and information accurately (C. M. Gaglio & Katz, 2001).

According to the theorist, the cognitive processes are influenced by certain characters such as: levels of intelligence (De Wit & Van de Winden, 1989), perceptive ability (Hills, Sharder, & Lumpkin, 1999), creativity (Sarasvathy, 2001; Schumpeter, 1934), and last but not least is being prepared to take risks (Kaish & Gilad, 1991). Through observing the team members of Bulsara’s it is noticeable to witness that these processes actually were applied. In addition to the special characters they have.

4.c Creation Theory of Entrepreneurial Opportunity Formation

How can an opportunity formulate and be exploited, Kirzner and Shane, notices that entrepreneur’s mission is to be fully alert to the possible opportunities and demand to seize them (Kirzner, 1997; Shane, 2003). Thereby, Bulsara’s founders embody this realization of opportunity from daily obstacles, by having the right approach to the problem, which makes

them fully alert to the environment around them and what is missing in the market, by filling the gap.

Shane contributed a valid point to the discovery theory; it is necessary to recombine past knowledge with new ones by using novel techniques (Shane, 2000). This formation and exploitation of entrepreneurial opportunities occurs when entrepreneurs are operating under conditions of risk or moderate uncertainty and there is prior knowledge and information that is linked to the current opportunity. Hence, it is a natural thing for Bulsara before starting the venture to operate under conditions of risk or moderate uncertainty. As a result, having the educational backgrounds, and career experiences came handy in the process and recognition of opportunity. In addition, the creative element that adds to Bulsara's venture on how they can develop innovative ways to present their advertisement, and making it more interesting to the target audience.

An extra point to consider is the business plan, having a business plan is crucial for any new venture, it helps entrepreneurs to integrate information and knowledge in novel ways to both describe what an opportunity is, and how that opportunity is going to be exploited (Delmar et al., 2003; Van de Ven, Venkataraman, Polley, & Garud, 1989). Also, it can make it easier for entrepreneurs when having the meeting for their funds to present a full vision of the venture with all aspects handled. According to Garud & Kotha, having to readapt aspects in the business plan requires a flexible decision-making charisma that will adapt to the results from enactment process (Garud & Kotha, 1994). In this situation of high uncertainty holding an adaptive charisma is more beneficial than a detailed strategic, financial, and market analyses. That said, Bulsara's have a great advantage of having a mentor with fundamental background in venture capital and entrepreneurship. It provides a bonus, because it ensures having the right business plan, in ways it benefit them when pitching their business idea to the potential funders. Moreover, Bulsara received funds worth 350,000 Euros.

5.c Resources, Dynamic Capabilities, and The Theory of the Growth of the Firm (Penrose, 1959)

Penrose (1959) characterize the internal activities of a firm that I used as indicators to evaluate Bulsara as the following:

1- Members working together. Bulsara hired the right personnel and working together in harmony and collaboration not as individuals but as a team for the growth of the firm.

2- Combining resources in specific ways. Since Bulsara's business model is based on a business-to-business strategy. It is composed by three phases of search: first, location where they need to get exclusive contracts and agreements with the perfect location. Second, selling the spaces directly or through a network of agents. Last but not least, the office creative division is responsible for helping the clients to build an image of their brand and delivering it through Bulsara's creative graphics. That said. The combination of the three phases delivers creative and innovative campaigns, while satisfying their clients needs by delivering the best message through creative graphics.

3-Building firm-specific competence. Bulsara delivered this aspect by satisfying consumer's needs. This aspect is delivered through Business-level strategies. A business level strategy provides value to consumers and gain competitive advantage by exploiting core competencies in specific, service markets. As a result, Bulsara's homework was to particularly specify certain aspect about the consumer for instance: Who are the customers? Demographic, geographic, lifestyle choices, the answer is they are people who want to reach a target audience through creative advertisement. What are the services that potential consumers need? Knowing ones customers is very important in obtaining and sustaining a competitive advantage in the industry. Being able to successfully predict and satisfy consumer needs is critical. How to satisfy customer needs? Bulsara determined how to bundle resources and capabilities to form core competencies and then use these core competencies to satisfy customer needs by implementing value-crating strategies.

Penrose supports the fact that the management team is a key factor of the firm's growth: Bulsara have the right personnel that contribute to the firm's growth. As learning occurs when knowledge is shared, it broadens the firm's pool of opportunities. When the team is in harmony it allows them to provide unique services. Furthermore, Bulsara's management team has plans to further expand in Italy. It is really important to mention here that Bulsara have

already signed multiple contracts with clients like Pfizer, Compagnia di Bellezza and MAXXI, advertising at Turin International Airport, La Sapienza University, LUISS University, Circuito Cinema di Roma, Roma Capitale Libraries. Furthermore, Bulsara received such an honor when a market research by Demoskopoea confirmed the extraordinary effectiveness of Bulsara's marketing and communication strategies. This gives their venture a credibility and value that other competitors do not have.

6.c Resource Constraint and Radical Innovation

Bulsara's venture as unique their idea in the industry and the market is; still it does not fit under the radical innovation category. Yet again, the acknowledgment lays here regarding being the first mover in the market. In addition, Bulsar's service is innovative and gained special recognition in Italy. As a result it makes it difficult for the competitions in the market.

7.c Entrepreneurial Success

A distinctive note presented by the neoclassical entrepreneurs is that they respect and takes into consideration the standard von Neuman-Morgenstern axioms of decision making under uncertainty regarding preference completeness, consistency, and independence. The expected utility hypothesis refers to entrepreneurs' preferences with regard to choices that have uncertain outcomes. The theory asserts that if certain axioms are satisfied, the subjective value associated with a gamble by an individual is the statistical expectation of that individual's valuations of the outcomes of that gamble. As a result, entrepreneurs have a systematic response to uncertainty; use probabilistic calculating procedures by calculating their actions according to their competitors' possibilities. The theory helped explaining why entrepreneurs make certain choices that seem to contradict the expected value creation. Herewith, The von Neuman-Morgenstern provides necessary and sufficient rationality axioms under which the expected utility hypothesis holds (Khilstrom and Laffont, 1979). This interesting theory works for Bulsara for several reasons: starting a new venture is a risk, another word is a gamble, entrepreneurs use various methods to plan the whole process and venture before starting one. They will lay the options and settle for the most attractive one regarding their own preferences. In addition, they have a systematic response to uncertainty; use probabilistic calculating procedures by calculating their actions according to their competitors' possibilities when studying the market. Bulsara created a mental representation that had not occurred to other competitors. It is true that it creates a level of riskiness, a gambling situation in order to achieve the unexpected.

At last, Shane presented some valuable evidence that contributes to the entrepreneurial success: having prior information, whether gathered from work experience, education, or other means, influences the entrepreneur's ability to comprehend, extrapolate, interpret and apply new information in ways that those lacking prior information cannot replicate. Afterwards, Shane refers to cognitive limits and specialization of knowledge as set of entrepreneurial opportunities in a given technology (Shane, 2000). Applying Shane's evidence to Bulsara, they encounter the educational backgrounds and prior job experiences, which helped them realizing and seizing the opportunity. Resulting in exploiting the opportunity in novel ways.

d. Maison Academia's Theoretical Framework Analysis

1.d User Entrepreneurship

After examining Maison Academia and looking at how this venture started, it is noticeable that it has a lot of aspects to being a user entrepreneurship venture, because it venture was founded from a personal experience to fill a certain gap in the market specially the fashion industry in order to help provide the best quality of made in Italy designs. In addition, backing up the previous statement is a study done by the Ewing Marion Kauffman Foundation, stating these firms were initially created by the entrepreneurs who developed the innovative products or services by their own, and wanted to fulfill a certain need. After that they founded the firms, and commercialized them. As a result, the founders experienced a certain need in the industry towards creative fashion designers and exploit that need into producing unique designs for consumers through contests. Also, to show case many designers work who contributed in one collection.

What designate user entrepreneurs is the personal experience that leads to the innovative discovery itself. Moreover, having the insights and knowledge about the subject, and understanding the circumstances of the situation helps with idea generation of a valid solution making. That said, it grants the users an inimitable position to identify the possible opportunities, the opportunity lies here in discovering the general gap in the market of the need to have an exclusive made in Italy fashion brand, solely Made in Italy, created by emerging fashion designers from all over the world and directly chosen by its customers. In addition, providing the platform for the designers to fully exhibit their work.

Jeppesen and Lakhani affirm that individuals from outside the core discipline of a given field

generate original problem-solving approaches, and are often in a better position to find innovative solutions because they frame the problem differently depending on the situation (Jeppesen and Lakhani, 2007). This leads to a novel approach to the problem because there is no constraint of existing logics, which increases the possibility of finding new opportunities. When human beings suffer from an inconvenient situation, the human mind tries to come up with a rational solution in order to achieve a certain need. The key here is whether to exploit the idea or not. When the founders experienced working in the industry through different mediums, it made them aware of the gap. More precisely working daily with fashion designers made them attentive towards designers in particular and the daily discouragement they face. Plus, consumers can have an exclusive fashion pieces that is not available elsewhere.

2.d Entrepreneurial Alertness

Preceding with entrepreneurial alertness and evaluating whether Maison Academia's founders are alert or not. Kirzner argues that if there is self-interest involved in the situation it will raise the entrepreneur to be alert (Kirzner, 1980). As a result, it is sufficient to link user entrepreneur to alertness, because of the self-interest factor that makes them more aware of the solutions around them.

McMullen and Shepherd (2006) assert that entrepreneurship fundamentally involves action. Moreover, alertness is not entrepreneurial unless it involves the process of judgment, and action. We can relate the argument here with Maison Academia in the process of judgment, when they assessed the idea and analyzed it from all aspects. The aspects included the market, consumer planning. Before the action a thorough evaluation is required in order to distinguish whether the new information represents an opportunity, in which during their work experience they found out that designers face a lot of problems in the fashion business. So finding a solution to a problem by providing a space to fairly showcase their work, and mentoring designers as well throughout the whole process presented a valid opportunity. The action is when they decided to go forward with their idea by founding the start up. Therefore, I wanted to examine McMullen and Shepherd, 2006 dimensions for Alertness and compare it with Maison Academia:

- 1- Scanning and searching for new information. This phase requires a pre-existing knowledge, being prepared, and sensitivity to new opportunities. What encourages

Maison Academia with this dimension here is the diverse educational and work experience backgrounds from the founders. It plays a crucial element in respect of discovering an opportunity and to fully examine from all angles. It stretches the length of examinations by being alert to variety of aspects that would have been left out by normal people. Leading to the discovery of opportunity that is unnoticed by others.

2- Connecting previously disparate information. The second dimension relates with Kirzner's later work on alertness, alert association and connection. This dimension implies gathering disparate pieces of information and coming up with logical substitute (Kirzner, 1999). What Maison Academia did with this phase is presenting a platform for designers to participate by uploading their fashion sketches and competing through a contest with a specific theme with a voting system. Then, The best-rated sketches are manufactured and sold in an online-shop.

3- Evaluating whether the new information represents an opportunity. A business opportunity needs certain action to evolve by gathering the right information, and then evaluating them in order to have profit potential (McMullen and Shepherd, 2006). This dimension is necessary after the needed information and creative idea, a non-bias evaluation of the venture in order to decide whether to go ahead or abort the whole idea.

The three dimensions here are very easy to apply to the venture, in fact they presents a very basic explanation to a normal decision process stage.

3.d Entrepreneurial Opportunities

Grasping an opportunity by taking an action regarding an opportunity is a step forward. Shane & Venkataraman states that entrepreneurial opportunity as an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw material through organizing efforts that previously had not existed (Shane & Venkataraman, 2000; Venkataraman, 1997). Maison Academia presents service that is unique from their competitors as browsing through their website you can find a collection of clothes where all designers from all over the world contributed to complete this collection. In addition, those emerging fashion designers were

mentored through the creative process, in which, this service is unique and not found in other companies. Also, regarding the new emerging fashion designers, there are no made in Italy designs, they are the only ones in the market, which makes them the lead.

In addition, Isaac Kirzner found the non-novel form of entrepreneurship or what is called The Kirznerian. The principle is based upon that extraordinary individuals do not create opportunities, yet they already exist in the society to anyone who has the “alertness” to recognize them. Kirzner believes that opportunities occur because the market is in a state of disequilibrium originated by bad decision making, which leads to creating shortages and surpluses (I. Kirzner, 1973). Herewith, Maison Academia presents a solution to the shortage in the market regarding the emerging fashion designers and provided a place for them to showcase different designs through contests with different themes with every season, also provided a mentoring follow ups in order to help them through out the process.

It is really interesting to observe another statement by Freeman Klepper and Sleeper, there are features of life experience that can boost the possibility of the individual discovering opportunities such as: job function and experience variety. It is observed that individuals holding certain careers are more likely to notice new venture opportunities. It stresses yet again to the importance of having the right backgrounds, which plays a valid element in discovering opportunities. Besides, it is a factor that contributed to Maison Academia’s opportunity discovery.

Another interesting factor to examine is the cognitive processes, taking into consideration the processes that enhances the entrepreneurial discovery which are: being able to see causal links, being able to categorize information, seeing relationships and patterns in information, understanding how processes work and evaluating assumptions and information accurately (C. M. Gaglio & Katz, 2001).

According to the theorist, the cognitive processes are influenced by certain characters such as: levels of intelligence (De Wit & Van de Winden, 1989), perceptive ability (Hills, Sharder, & Lumpkin, 1999), creativity (Sarasvathy, 2001; Schumpeter, 1934), and last but not least is being prepared to take risks (Kaish & Gilad, 1991). Through observing the team members of Maison Academia’s it is noticeable to witness that these processes actually were applied. In addition to the special characters they had.

4.d Creation Theory of Entrepreneurial Opportunity Formation

How can an opportunity formulate and be exploited, Kirzner and Shane, notices that entrepreneur's mission is to be fully alert to the possible opportunities and demand to seize them (Kirzner, 1997; Shane, 2003). There by, Maison Academia's founders embody this realization of opportunity from daily obstacles, by having the right approach to the problem, which makes them fully alert to the environment around them and what is missing in the market, by filling the gap.

Shane added an interesting point in the discovery theory, that it is necessary to recombine past knowledge with new ones by using novel techniques (Shane, 2000). This formation and exploitation of entrepreneurial opportunities occurs when entrepreneurs are operating under conditions of risk or moderate uncertainty and there is prior knowledge and information that is linked to the current opportunity. Hence, it is a natural thing for Maison Academia before starting the venture to operate under conditions of risk or moderate uncertainty. As a result, having the educational backgrounds, and career experiences came handy in the process and recognition of opportunity.

An extra point to pay attention to is the business plan, having a business plan is crucial for any new venture, it helps entrepreneurs to integrate information and knowledge in novel ways to both describe what an opportunity is, and how that opportunity is going to be exploited (Delmar et al., 2003; Van de Ven, Venkataraman, Polley, & Garud, 1989). Also, it can make it easier for entrepreneurs when having the meeting for their funds to present a full vision of the venture with all aspects handled. According to Garud & Kotha, having to readapt aspects in the business plan requires a flexible decision-making charisma that will adapt to the results from enactment process (Garud & Kotha, 1994). In this situation of high uncertainty holding an adaptive charisma is more beneficial than a detailed strategic, financial, and market analyses. That said, Maison Academia's have a great advantage of having a mentor with fundamental background in venture capital and entrepreneurship. It provides a bonus, because it ensures having the right business plan, in ways it benefit them when pitching their business idea to the potential funders. Moreover, Maison Academia received funds worth 500,000 Euros.

5.d Resources, Dynamic Capabilities, and The Theory of the Growth of the Firm (Penrose, 1959)

Penrose (1959) characterize the internal activities of a firm that I used as indicators to evaluate Maison Academia as the following:

1- Members working together. Maison Academia hired the right personnel and working together in harmony and collaboration not as individuals but as a team for the growth of the firm. The community of the website and the jury, made of professional experts in the fashion industry, that chooses the best sketches to be produced.

2- Combining resources in specific ways. Here, Maison Academia's business model is an online collection created by emerging fashion designers, online sales. The production process is done through cooperating with manufacturing companies. In addition, the customer value proposition is mainly about produced in Italy with Italian quality attending to detail. Therefore, it presents a high competitive workplace for emerging fashion designers because they have the freedom to create unique designs. Maison Academia's team deliver this value by planning the strategy and thinking about the videos and pictures that will showcase the unique Italian quality through communication, which will help selling the designs. The team strategy is to use more fashion magazines and social networks to further promote their business and collections.

4- Building firm-specific competence. Maison Academia delivered this aspect by satisfying consumer's needs, the consumers find unique clothing pieces that is only available in their online website. This aspect is delivered through Business-level strategies. A business level strategy provides value to consumers and gain competitive advantage by exploiting core competencies in specific, service markets. As a result, Maison Academia's homework was to particularly specify certain aspect about the consumer for instance: Who are the customers? Demographic, geographic, lifestyle choices, the answer is they are people who love fashion and follow the latest trends. What are the services that potential consumers need? Knowing ones customers is very important in obtaining and sustaining a competitive advantage in the industry. Being able to successfully predict and satisfy

consumer needs is critical. How to satisfy customer needs? Maison Academia determined how to bundle resources and capabilities to form core competencies and then use these core competencies to satisfy customer needs by implementing value-creating strategies.

Penrose supports the fact that the management team is a key factor of the firm's growth: Maison Academia has the right personnel who contribute to the firm's growth. As learning occurs when knowledge is shared, it broadens the firm's pool of opportunities. When the team is in harmony, it allows them to provide unique services. Furthermore, Maison Academia's management team has expansion plans in Europe, USA, Far East and Russia.

6.d Resource Constraint and Radical Innovation

Maison Academia's venture as unique their idea in the industry and the market is; still it does not fit under the radical innovation category. Yet again, the acknowledgment lays here regarding being the first mover in the market. In addition, Maison Academia's service is unique and not found in other companies. As a result it makes it difficult for the competitions in the market.

7.d Entrepreneurial Success

An important note presented by the neoclassical entrepreneurs is that they respect and take into consideration the standard von Neuman-Morgenstern axioms of decision making under uncertainty regarding preference completeness, consistency, and independence. The expected utility hypothesis refers to entrepreneurs' preferences with regard to choices that have uncertain outcomes. The theory asserts that if certain axioms are satisfied, the subjective value associated with a gamble by an individual is the statistical expectation of that individual's valuations of the outcomes of that gamble. As a result, entrepreneurs have a systematic response to uncertainty; use probabilistic calculating procedures by calculating their actions according to their competitors' possibilities. The theory helped explaining why entrepreneurs make certain choices that seem to contradict the expected value creation. Herewith, The von Neuman-Morgenstern provides necessary and sufficient rationality axioms under which the expected utility hypothesis holds (Khilstrom and Laffont, 1979). This interesting theory works for Maison Academia for several reasons: starting a new venture is a risk, another word is a gamble, entrepreneurs use various methods to plan the whole process and venture before starting one. They will lay the options and settle for the most attractive one regarding their own preferences. In addition, they have a systematic response to

uncertainty; use probabilistic calculating procedures by calculating their actions according to their competitors' possibilities when studying the market. Maison Academia created a mental representation that had not occurred to other competitors. It is true that it creates a level of riskiness, a gambling situation in order to achieve the unexpected.

Last but not least, Shane's presented some valuable evidence that contributes to the entrepreneurial success: having prior information, whether gathered from work experience, education, or other means, influences the entrepreneur's ability to comprehend, extrapolate, interpret and apply new information in ways that those lacking prior information cannot replicate. Afterwards, Shane refers to cognitive limits and specialization of knowledge as set of entrepreneurial opportunities in a given technology (Shane, 2000). Applying Shane's evidence to Maison Academia, they encounter the educational backgrounds and prior job experiences, which helped them realizing and seizing the opportunity. Resulting in exploiting the opportunity in novel ways.

1.6. Leonard-Barton Matrix Analysis:

Dorothy Leonard-Barton proposes five generic situations matrix from her book "*Wellsprings of Knowledge*" as the following: User-driven enhancement; developer-driven development; user-context development; new application or combination of technology, and technology/market co evolution. In addition, this matrix is formed by the new product development situation including two axes focusing on the maturity of technology design, and the alignment of product line with current customer base. The variance along these dimensions highlights the level of uncertainty that new-product developers face when coming up with a new product/service. As a result, this matrix can help the developers to examine their ideas in advance in order to know what type of extra information needed. As well as, having an analysis to where the venture will be standing in the market. It is vital here to state that applying this matrix to the start up may not be a hundred percent accurate, but it will provide an interesting subjective analysis, and point of view to the research. Hence, not all of the start-ups deliver a full on innovation; yet again analyzing all of them regardless to the level of innovation is fundamental to my research. It draws an example of different ventures in the market, with different outcomes (Leonard-Barton, 1998).

Before analyzing each start up separately, I would like to introduce the matrix in respect to what each axis represents.

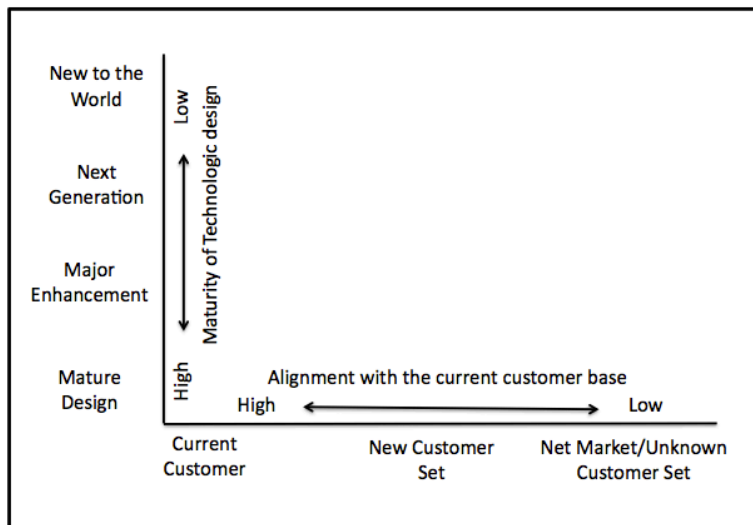


Figure 1. Technology and market factors shaping the new-product definition situation, from Wellsprings of Knowledge: Building and Sustaining the Sources of Innovation (p.180), D. Leonard-Barton, 1998 by Harvard Business Reviews Press.

The matrix is represented by two alignment factors, underlining importing knowledge from the market place under uncertain conditions, which presents a new product development process at the extremes, which are: maturity of technology design, and alignment of product line with current customer base. First, I would like to describe the maturity of technology design in details underlying each dimension that falls under it as the following starting from the top to the bottom of the axes: new to the world, next generation, major enhancement, and mature design.

Starting with the vertical axis. From the top, which is considered the lowest regarding the technological design maturity within a firm. New to the world: this is the main pickle to the developers concern, it raises the question of how can they make this product/service work? That said, it is vital here for the developers at this stage to invent a valid solution to the problem or gap by understanding the technology's potential and managing and commercializing it as well. Moving downward to the next generation: as soon as the developers prove the technical feasibility to actually benefit the customers, it presents the next leap in performance, the next generation. After that, it's the stage for major enhancement: after proving the feasibility, the developers team can move forward by dividing the team in two teams were one focuses on the innovation of the product/service. While the other one seeks ways to improve and refine the basic design. Last but not least is the mature design: it is

considered the highest level of maturity giving the fact that at this stage, the design is just going through cosmetic changes rather than fundamental (Leonard-Barton, 1998).

Next, is the horizontal axis the market alignment: it represents the degree to which the product/service supports the customer base. Starting with the highest alignment that is the current customers: it is considered the highest because it is the easiest group to manage. Here the developers know the customer very well, because they have been working with them for some time. As a result, they are aware of their needs and requirements. Moving towards the middle is the new customer set: it highly occurs with technology-based ventures where they move from current customers to new customer set, when providing something new, and most likely entering new markets as well. Last but not least, moving to the right, which is the lowest point, is the net market/unknown customer set: at this stage the level of uncertainty increases for the reason that developers here are not sure that they have identified the correct customers (Leonard-Barton, 1998).

Moving to explain in details the five generic clusters: user-driven enhancement; developer-driven development; user-context development; new application or combination of technology, and technology/market co evolution.

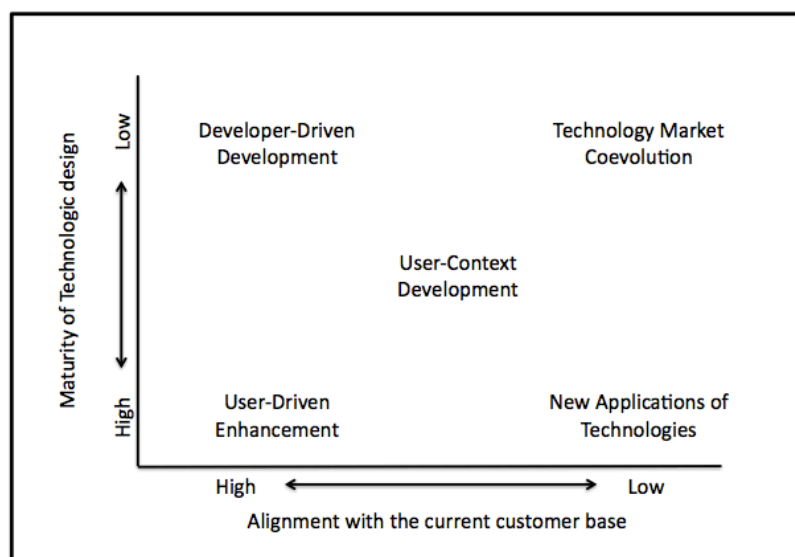


Figure 2. New-product development processes at the extremes, from Wellsprings of Knowledge: Building and Sustaining the Sources of Innovation (p.184), D. Leonard-Barton, 1998 by Harvard Business Reviews Press.

Starting with the bottom left user-driven enhancement: it represents “an improved solution to a known need”. In this case having competition or customer demands can play a crucial role in deriving the invention. Also, developers do not need to do a lot of market research giving the fact they are fully aware of the gap and need in the market. Moving to the top right developer-driven development: it represents “a new solution to a known need”. In this case, customers are aware of the need, but they do not have the ability to translate this need to the developers, nor they know that there is a potential solution. Therefore, they cannot ask for a solution, but here the developers can perfectly satisfy their customers by fulfilling their needs. The big advantage here for the developers is that they are aware of the technological capability, which coming up with a solution is easy for them. After that, heading towards the middle is user-context development: it represents “a new solution to an unexpressed need”. In this case customers needs may have existed for such a long time before a technological solution was presented. Therefore, customers could not communicate what they wanted in order to move ahead with the process development. Then, heading to the bottom right is new application or combination of technologies: it represents “a novel solution to an identified need”. In this case, it’s more about the technology’s capability rather than the market demand. That said, the developers take a mature technology and apply it to an entire different area. As well as, new set of customers. Last but not least, the top right technology/market co-evolution: it represents “an evolving solution to an uncertain need”. In this case, it’s all about technology push from the developers towards the customers and market (Leonard-Barton, 1998).

In order to make sure that I placed each start up in the most accurate position possible, I used two market research techniques: empathic design, and creating a new market method by placing each start up accordingly to visualize where they stand. In addition, it backs up by giving a fuller picture of the placement and whether it is the right one or not. Moreover, it provides an extra explanation to each start up position in the market. It is important to mention that there is other market research techniques other than the ones used in the research paper, but I decided to only explain the one applied on the start-ups.

Empathic design is used when creating a product or a service; the creation phase is fully derived from unarticulated user need. There are three types of empathy mechanisms, which are: developer’s market intuition, anthropological expeditions, and market matching (Not included in the analysis).

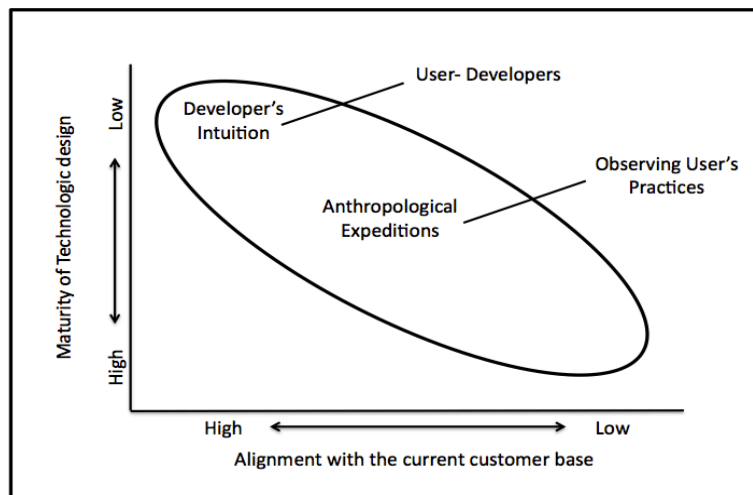


Figure 3. Importing knowledge from the market- empathic design, from Wellsprings of Knowledge: Building and Sustaining the Sources of Innovation (p.196), D. Leonard-Barton, 1998 by Harvard Business Reviews Press.

Developer's Market Intuition: "Technologies who have developed a fine intuition for what the market wants now and will need in the future". In this case it induces user- developers: Here a technologist's empathy reaches the top for a reason that the user and the developer are the same person. In addition, this situation highly occurs when the user experiences a certain problem, and has the technological background to find a solution. Next, the anthropological expeditions: This is considered the most promising position for empathic design, because developers soak themselves in the user environment. In this case, designers or developers holding technological knowledge live in the user environment in order to gather all the required information about the user's needs to come up with a solution. From there it induces observing users practices: "The developer combines his/her observation with his/her knowledge of computer technology to originate a solution that would not have occurred to someone else (Leonard-Barton, 1998).

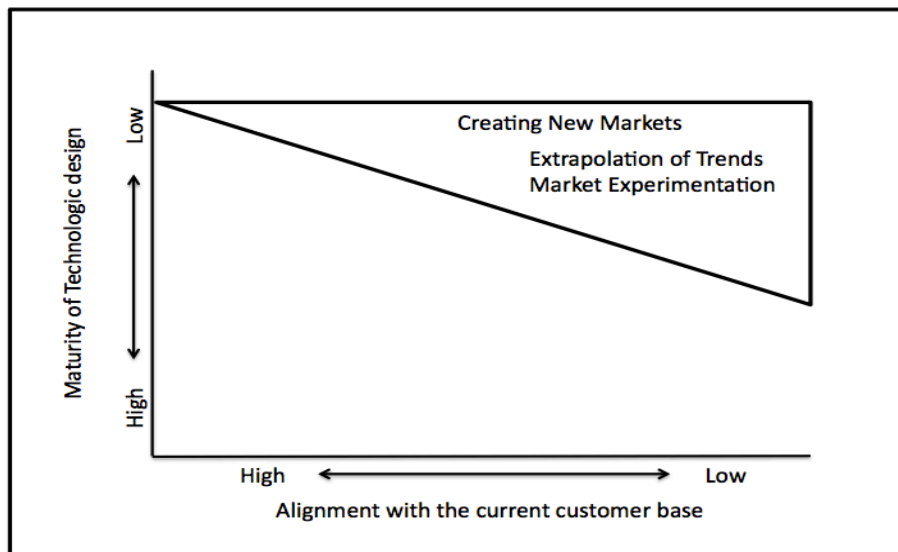


Figure 4. Importing knowledge from the market-creating new markets, from Wellsprings of Knowledge: Building and Sustaining the Sources of Innovation (p.204), D. Leonard-Barton, 1998 by Harvard Business Reviews Press.

Moving to the next market research techniques: creating a new market. In this case, it is very critical to gather information from the market, because neither technologies nor customers are certain. As a result, information from the market must be gathered from the present life situations in order to draw a futuristic plan for the future. Another option is to use the trial, error methods until reaching the desired answer or in this case success. That said it induces extrapolation of trends: “Developers attempt to foresee what users in current market will need in the future when the trends will reach a mature point”. It is easy for developers to anticipate the solution if they have a great understanding of the industry and trends. Next, is market experimentation: the best way to know if a product/ service is a success is to put it out there in the market, through a trial test and monitor feedbacks (Leonard-Barton, 1998).

It is important here to mention that empathic design do not replace traditional techniques, but enhance the chances for ventures to exploit their technological resources. In addition, you can view empathic design as a tool that gives a subjective view to the management team and developers to import knowledge, and have a better evaluation of an uncertain situation. It draws a fuller picture of the whole product/ service and position it in ways it helps the team to consider all the aspects. Furthermore, it is true that it's not a very accurate matrix in the real world, but it gives a different point of view of the whole venture, which in ways makes it valuable to evaluate (Leonard-Barton, 1998).

a. Qurami's Leonard-Barton Matrix Analysis

After analyzing Qurami from a theoretical framework perspective, it is rather appealing to move forward by examining and applying the Leonard-Barton matrix to the venture by adopting a position that best describes Qurami.

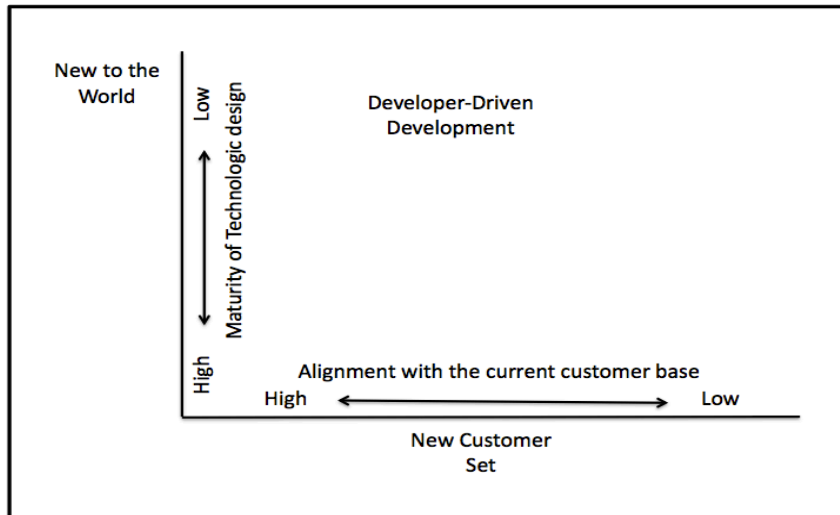


Figure 5. Qurami's Leonard-Barton matrix analysis, adapted from Wellsprings of Knowledge: Building and Sustaining the Sources of Innovation, D. Leonard-Barton, 1998 by Harvard Business Reviews Press.

The most suitable placement for Qurami is developer-driven development that presents a new solution to a known need. In this situation users needs may exist for years, but they never managed to communicate their needs to the developers. In addition, users knew that queuing is a problem, which makes them aware of the problem, but in the same time did not manage finding a suitable solution. Herewith, Qurami's founders introduced the APP as a solution to the issue by delighting the customers with a leap of performance that no competitors offered before Qurami.

Since Qurami fits under developer-driven development, it is positioned in the top left side of the matrix. That said, taking into consideration the two axes forming the matrix and what they refer to, the matter of alignment was slightly shifted to have a more accurate analysis with the venture. Besides, it is still positioned on the top left side, but slightly shifted towards the middle. In order to understand the shift in the alignment, it is vital to explain where Qurami stands with the two axes. Starting with

analyzing maturity of technology design, it is noticeable that Qurami fits with new to the world variable. It is important to state here that I am not evaluating the maturity of the mobile

phone nor the APP, yet Qurami. Being positioned on the top, meaning Qurami holds a low maturity of technology design. Giving the fact that they are the first mover in the market, and the fact it's a new service. The problem lies here with commercializing the service, and understanding the technologies potential as well. Moving to the horizontal axis, alignment with the current customer base yet again Qurami is positioned towards the middle reaching the new customer set, meaning their targeting new set of customers.

Another necessary element to take into consideration is evaluating Qurami with respect to the empathic design.

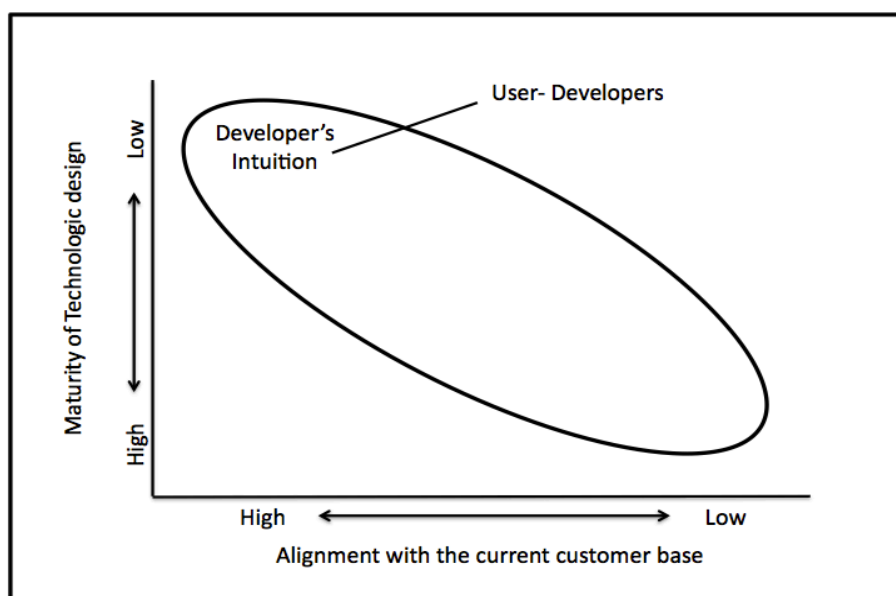


Figure 6. Qurami's Leonard-Barton matrix analysis, adapted from Wellsprings of Knowledge: Building and Sustaining the Sources of Innovation, D. Leonard-Barton, 1998 by Harvard Business Reviews Press.

As the above discussion suggests, that Qurami falls under developer-driven development. Looking at the empathic design, it is obvious that Qurami will fall in fact under developer's intuition because it represents a technology that is developed to fill a needed gap in the market. Moreover, developer's intuition induces user- developers: Giving the fact that Qurami is a user entrepreneur venture; it makes a lot of sense to be positioned at the top.

b. Interactive Project's Leonard-Barton Matrix Analysis

After analyzing Interactive Project from a theoretical framework perspective, it is rather

appealing to move forward by examining and applying the Leonard-Barton matrix to the venture by adopting a position that best describes Interactive Project.

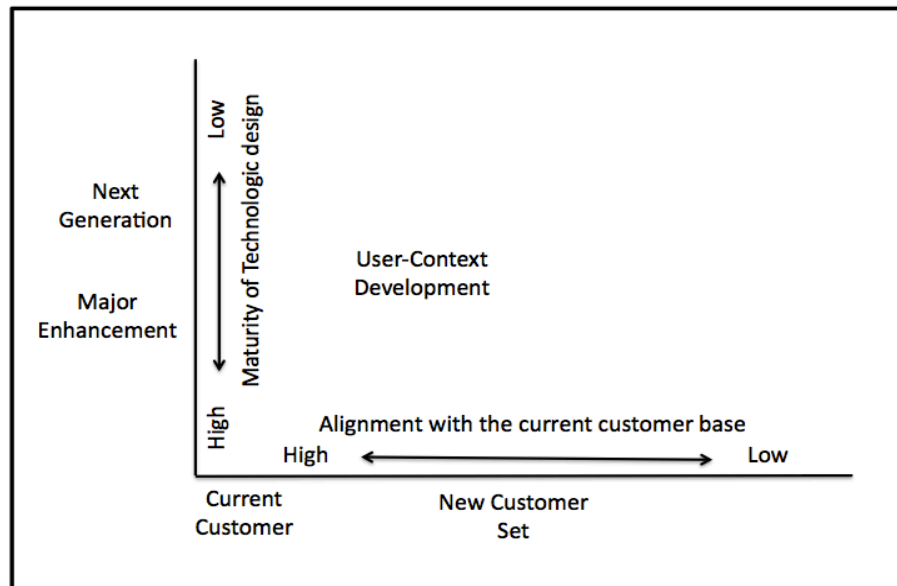


Figure 7. Interactive Project's Leonard-Barton matrix analysis, adapted from Wellsprings of Knowledge: Building and Sustaining the Sources of Innovation, D. Leonard-Barton, 1998 by Harvard Business Reviews Press.

The most suitable placement for Interactive Project is user-context development that presents a new solution to an unexpressed need. In this situation customer's needs may have existed, but they were not aware of a technological solution. In addition, online gamers are always keen on finding more fulfilling engaging games. Herewith, Interactive Project's founders introduced a unique online game that allows players to manage every aspect of a Formula One team.

Since Interactive Project fits under user-context development, it is positioned in the middle of the matrix. That said, taking into consideration the two axes forming the matrix and what they refer to, the matter of alignment was slightly shifted to have a more accurate analysis with the venture. Besides, it is still positioned in the middle, but slightly shifted towards the left. In order to understand the shift in the alignment, it is vital to explain where Interactive Project stands with the two axes. Starting with

analyzing maturity of technology design, it is noticeable that Interactive Project fits

in between next generation and major enhancement. The reason behind Interactive Project's position is that it achieved the technical perspective towards the customers. Therefore, it is moving towards the stage of major enhancement, Interactive project already achieved the technological stage, and what developers are doing is investing more time in improving the game features and interactions to fit each market with what would appeal to the gamers. While the others further improve the technology design. Being positioned in the middle, meaning Interactive Project holds a medium level maturity of technology design. Moving to the horizontal axis, alignment with the current customer base yet again Interactive Project is positioned towards the middle in between current customers and new customer set, meaning they are targeting the current online gamers, and a new set of passionate online gamers as well.

Another necessary element to take into consideration is evaluating Interactive Project with respect to the empathic design.

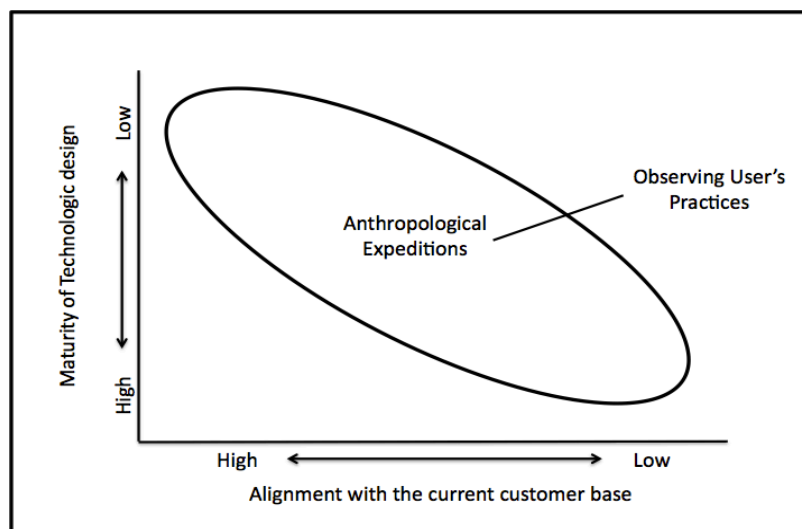


Figure 8. Interactive Project's Leonard-Barton matrix analysis, adapted from Wellsprings of Knowledge: Building and Sustaining the Sources of Innovation, D. Leonard-Barton, 1998 by Harvard Business Reviews Press.

As the above discussion suggests, that Interactive Project falls under user-context development. Looking at the empathic design, it is obvious that Interactive Project will fall in fact under anthropological expeditions because it represents a situation where developers soak themselves in the user's environment. Moreover, anthropological expeditions induces observing users practices: Giving the fact that Interactive Project's team combines their

observations of being passionate online gamers with their knowledge of computer technology to create a solution that did not occur to other competitors.

c. **Bulsara's Leonard-Barton Matrix Analysis**

After analyzing Bulsara from a theoretical framework perspective, it is rather appealing to move forward by examining and applying the Leonard-Barton matrix to the venture by adopting a position that best describes Bulsara.

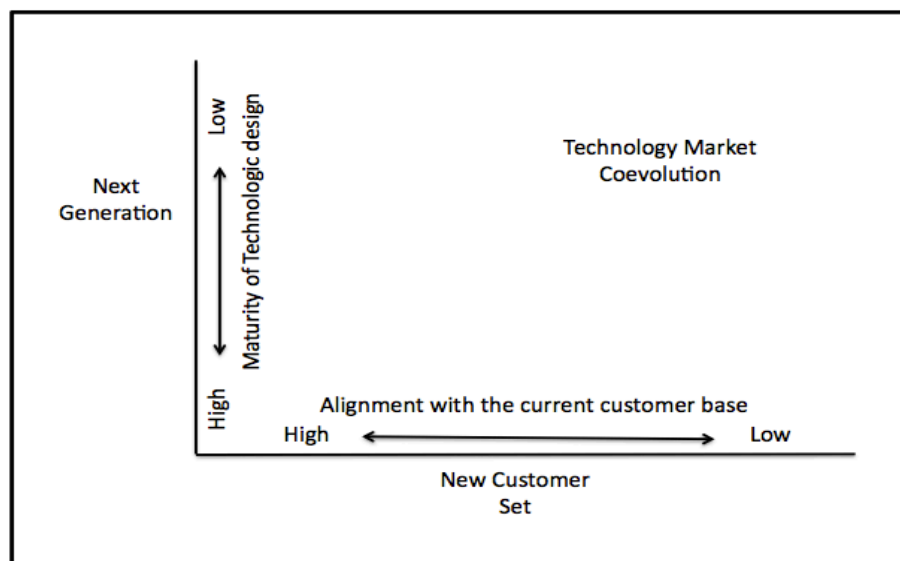


Figure 9. Bulsara's Leonard-Barton matrix analysis, adapted from Wellsprings of Knowledge: Building and Sustaining the Sources of Innovation, D. Leonard-Barton, 1998 by Harvard Business Reviews Press.

The most suitable placement for Bulsara is technology market co-evolution that presents an evolving solution to an uncertain need. In this situation the developers have the technological ability, as a result it creates a technology-push towards the market. In addition, Bulsara's team is fully aware of their means of communication, and how they can deliver it to the market. Herewith, Bulsara's founders introduced

an innovative way to advertising, in the Italian toilet a solution to reach the targeted customers. Since Bulsara fits under technology market co-evolution, it is positioned in the top right side of the matrix. That said, taking into consideration the two axes forming the matrix and what they refer to, the matter of alignment was slightly shifted to have a more accurate analysis with the venture. Besides, it is still positioned on the top right side, but slightly shifted towards the middle. In order to understand the shift in the alignment, it is vital to explain where Bulsara stands with the two axes. Starting with analyzing maturity of

technology design, it is noticeable that Bulsara fits with next generation variable. Giving the fact that they are not the first movers in the market, and the fact that it's not a new service but the idea have been re-adjusted to fit the Italian market. In addition, being positioned in the next generation for the reason that it achieved the technical perspective towards the customers. That said, the challenge here is to produce the next leap in performance, in this case it is continuing with their strategy into finding the perfect location, selling the spaces directly or through a network of agents, and helping the clients to build an image of their brand and delivering it through Bulsara's creative graphics. Moving to the horizontal axis, alignment with the current customer base yet again Bulsara is positioned towards current customers, meaning they already know the customers they are targeting, which makes identifying solutions and attracting them much easier.

Another necessary element to take into consideration is evaluating Bulsara with respect to the empathic design.

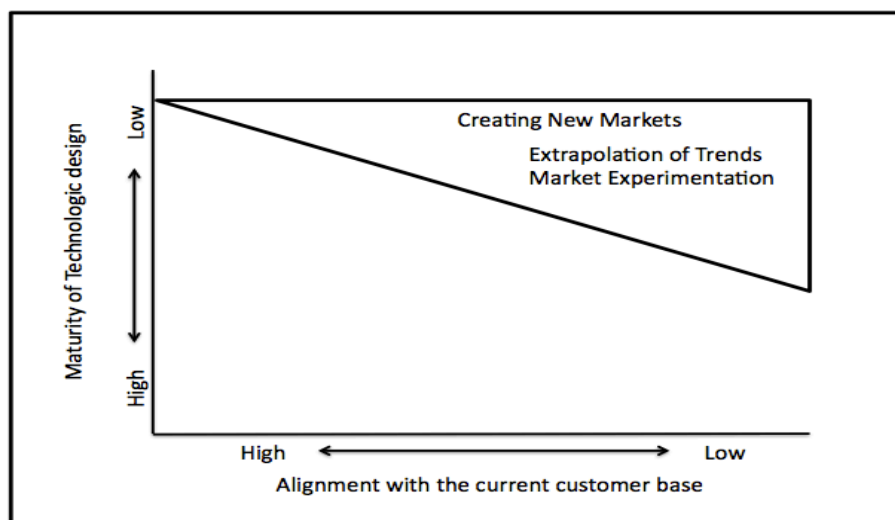


Figure 10. Bulsara's Leonard-Barton matrix analysis, adapted from Wellsprings of Knowledge: Building and Sustaining the Sources of Innovation, D. Leonard-Barton, 1998 by Harvard Business Reviews Press.

As the above discussion suggests, that Bulsara falls under technology market co evolution. Looking at the empathic design, it is obvious that Bulsara will fall in fact under developer's creating new markets. Moreover, it induces extrapolation of trends, meaning Bulsara meet with their clients and gather the information needed to their exclusive target audience, then the team uses their creativity and technical abilities to anticipate the message. Giving the fact

that Bulsara provides a consultancy service and having the technological ability as well helps the team to understand trends better. The second factor is market experimentation: with each advertisement placed, paying attention to feedbacks is crucial for Bulsara in order to know how to generate better results each time.

d. Maison Academia's Leonard-Barton Matrix Analysis

After analyzing Maison Academia from a theoretical framework perspective, it is rather appealing to move forward by examining and applying the Leonard-Barton matrix to the venture by adopting a position that best describes Maison Academia.

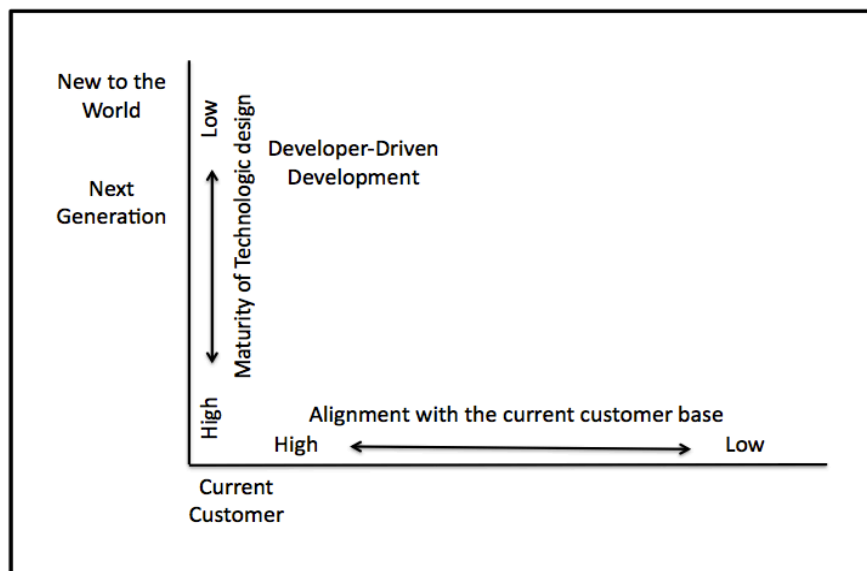


Figure 11. Maison Academia's Leonard-Barton matrix analysis, adapted from Wellsprings of Knowledge: Building and Sustaining the Sources of Innovation, D. Leonard-Barton, 1998 by Harvard Business Reviews Press.

The most suitable placement for Maison Academia is developer-driven development that presents a new solution to a known need. In this situation users needs may exist for years, but they never managed to communicate their needs to the developers. In addition, users knew that showcasing designs of emerging fashion designers is difficult, which makes them aware of the problem, but at the same time did not manage finding a suitable solution. Herewith, Maison Academia's founders provided a platform for upcoming designers to showcase their creative designs as a solution to the issue by delighting the designers by having an arena, and the customers by having limited designs that no competitors offered before Maison Academia.

Since, Maison Academia fits under developer-driven development it is positioned in the top left side of the matrix. That said, taking into consideration the two axes forming the matrix and what they refer to, the matter of alignment was slightly shifted to have a more accurate analysis with the venture. Besides, it is still positioned on the top left side, but slightly shifted towards the lower case left. In order to understand the shift in the alignment, it is vital to explain where Maison Academia stands with the two axes. Starting with analyzing maturity of technology design, it is noticeable that Maison Academia fits in between new to the world, and next generation variables. Being positioned on the top, meaning Maison Academia holds a low maturity of technology design. Giving the fact that they are the first movers in the market, and the fact it's a new service. The problem lies here with commercializing the service, and understanding the technologies, potential as well. In addition, moving towards the next generation variable for the reason that it achieved the technical perspective towards the customers. That said, the challenge here is to produce the next leap in performance, in this case it is what they are considering to use different strategy in approaching fashion magazines and social networks to further promote their business and collections. Moving to the horizontal axis, alignment with the current customer base yet again Maison Academia is positioned towards current customers, meaning they already know the customers they are targeting, which makes identifying solutions and attracting them much easier.

Another necessary element to take into consideration is evaluating Maison Academia with respect to the empathic design.

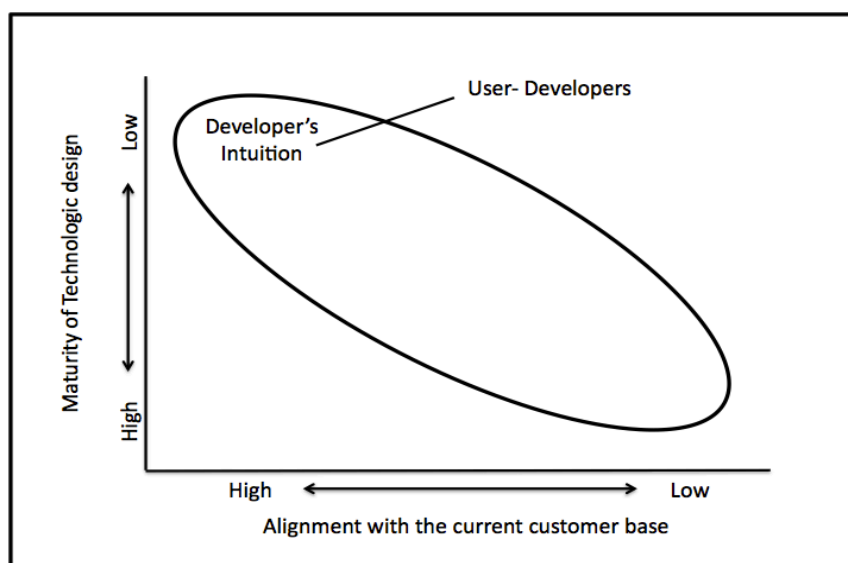


Figure 12. Maison Academia's Leonard-Barton matrix analysis, adapted from Wellsprings of Knowledge: Building and Sustaining the Sources of Innovation, D. Leonard-Barton, 1998 by Harvard Business Reviews Press.

As the above discussion suggests, that Maison Academia falls under developer-driven development. Looking at the empathic design, it is obvious that Maison Academia will fall in fact under developer's intuition because it represents a technology that is developed to fill a needed gap in the market. Moreover, developer's intuition induces user- developers: Giving the fact that Maison Academia is a user entrepreneur venture it makes a lot of sense to be positioned at the top.

Chapter 4: Case Study Findings and Discussion

Each section in this chapter has a specific purpose in leading up to the determining factors of successful management and innovative entrepreneurship framework. The case studies provide an updated analytical support to the literature review. Furthermore, it offers new discoveries to the research landscape. The literature review's purpose is to provide a knowledge base tool that helps leading the seed of the findings. It is fundamental to look at the history of the previous scholars work, and either build up to their findings, or take it as an advantage to base new discoveries from. The second framework is using the Leonard-Barton matrix as a tool to further analyze the case studies from a different dimension. Also, it leads into forming a subjective point of view. A great advantage the matrix provided me with is it offered me a sort of experiment a trial test approach to apply on the start-ups in order to examine and re-assure the findings. In addition, it re-assured the analysis from the literature review framework.

Building on the case studies in hand there are several observation noticed after applying the literature review, and the Leonard-Barton matrix frameworks on the start-ups. In general, the findings are divided into different verdicts according to them being: applicable to the theories included in the literature review chapters, or the combination of multiple theories and schools of economy to be matching, and the subjectivity of the matrix provides an added value to the findings.

It is vital here to mention that all the findings are a contribution, specifically into triggering the determining factors of successful management and innovative entrepreneurship in today's start-ups industry. After thoroughly examining each start up aside, a lot of elements kept on popping out that helped shaping my reasoning about the successful factors. That said, turning now to the findings observed from the framework of the previous chapter.

I'll start by listing the findings and observations from the case studies: An important finding was that all four start-ups founders are categorized by having an "antenna" quality, as all of them proved to be more aware and alert towards the recognition of creative opportunities and

enacting behavior afterwards. Hence, this finding can be linked to Kirzner's (1973; 1979) finding regarding alertness in the context of opportunity alertness and the definition of "antenna". In addition, all team members have prior knowledge and experiences in the field whether it was educational backgrounds or work experiences that contributed to the venture in a positive way. It is necessary here to mention that there are so many scholars from the literature review that argued in the importance of possessing such quality on the context of cognitive capacities and processes or non-psychological factors, the growth of the firm, and opportunity discovery (Ardichvili, Cardozo and Ray, 2003; Baron, 2006; Csikszentmihalyi, 1996; Gaglio and Katz, 2001; Shane 2003; Penrose, 1959). Another obvious incentive was that in all four start-ups, teamwork played a big role regardless to the small number of employees in each venture. The findings here are consistent with the context of the importance of internal activities to a firm (Penrose, 1959).

Moreover, it is apparent that three out of the four start-ups are considered as user entrepreneurs, which made them have access to both needs and solutions which generated the innovative answers. The fourth start up is generated because of market imperfections, more precisely shortage. Plus, if we look at the observations from both Schumpeter and Kirzner it is clear that Kirzner is a firm believer in the interaction between the individual and the environment (market), and the disequilibrium in the environment (market) is the absolute mean. On the other hand, Schumpeter believes that the individual is the absolute mean for the entrepreneurship phenomenon, where the individual is the one who impacts the environment. From the case studies we can observe that the four start-ups included both Schumpeter and Kirzner beliefs even in the user entrepreneur case.

Another interesting finding was that the four founders were operating under conditions of uncertainty where outcomes are not classified; yet they still managed measuring their chances by having the advantage of prior knowledge, information that is linked to their opportunities, being intuitive, and last but not least risk takers. This finding supports previous research in the discovery theory regarding the formation and exploitation of entrepreneurial opportunities and knight's observations as well (knight, 1921).

Interestingly, two out of the four start-ups can be considered to produce radical innovation, because they are replacing technologies with brand new ones. This finding is in agreement with the resource constraint and radical innovation chapter regarding how resource constraints can have a positive push towards creating something novel (Hill and Rothaermel, 2003;

Katila and Ahuja, 2002; Abernathy and Clark, 1985; Benner and Tushman, 2003; Danneels, 2002). Another interesting factor observed from all the four start ups, was regardless whether they are producing radical innovation or not, still they are using the resource constraints and limitations as a push towards exploring novel technologies and strategies in the future. Those resource constraints are used as an opportunity to exploit ideas by further investigating in R&D.

Furthermore, it is noticeable in all four start-ups that the management team (founders) were pushing towards expansion. In addition, the four ventures have the incentive to grow for couple of reasons such as: growing demand for particular products, changes in technology, discoveries and inventions with particularly promising uses, and opportunities to obtain a better market position. This finding further support the ideas of Penrose's predictions of the external incentives that stimulate future expansion (Penrose, 1959).

It is evident that the four start-ups had a clear identified business plan, which contributed to them receiving their funds. We can relate that to the importance of having a business plan to acquiring funds and future success (Delmar et al., 2003; Van de Ven, Venkataraman, Polley, & Garud, 1989). Even though, operating under conditions of uncertainty is a hassle, the four start-ups are a clear example of going through this condition and overcoming it. The finding of the current study is consistent with the neoclassical entrepreneurs in respect to the standard von Neuman-Morgenstern axioms of decision making by associating it to the expected utility hypothesis regarding entrepreneurs' preferences to choices that have uncertain outcomes, and the measures taken in order to take actions.

These previous findings help us understand the determining factors of successful management and innovative entrepreneurship in today's start-ups industry, and the characteristics that an entrepreneur endures, which contribute to the success factors. It is apparent that the previous contributions in the literature review chapters are consistent with the current findings. Surprisingly, the mixtures of the previous theories and schools have made more logic than taking into consideration the theories separately. In addition, it's a way of modernizing the theories to the present time by adapting different variables from different scholars who belongs to different economic schools varying from Austrian, neoclassical, etc. It is worthy of note how uncertainty played a huge role in a lot of the discussed theories, and how scholars' opinions differed regarding the processes that the entrepreneurs undergo to making the final

decision, as well as how their interpretation towards it is the matter varied according to viewing it as positive or negative influences on the entrepreneurs. What grabbed my attention as well is that the matrix can be analyzed in uncertain situations, because by having the full analysis entrepreneurs can have a better picture of the venture. Furthermore, the experimental matrix is rather subjective, which gives rational insights to the matter. Hence, it could conceivably be hypothesized that “ *if entrepreneurs possess certain traits such as: alertness, intuition, risk taking, acquiring educational background, possessing prior work experience, then it will work to their favor of having a successful venture, because those variables can influence the decision making process in positive ways*”.

Chapter 5: Conclusion

The purpose of this research paper is to shed light on the subject of successful management and innovative entrepreneurship underlining the consumer's demand- pull side, by combining what seems to normal people as unrelated specialization with each other. Success is a result of previous actions as it includes multiple contributions from different variables. Therefore, a cooperative interaction in the development process between different specializations can indeed reduce the boundaries that hinder success. In today's challenging economy having the right team is a deal maker in the industry. That said, combining teams from entrepreneurship, innovation, and strategic management is a recipe made for success. Such collaboration and understanding of variety of variables can stimulate value to the venture. In short, the method used for analysis has a number of limitations, because defining the determining factors of successful management and innovative entrepreneurship; from the consumer-demand pull perspective in start-ups is not an easy task. Adding to that, the wide range of external and internal factors shaping the consumer's demand-pull attributes. Therefore, a further investigation should interest keen researchers who are willing to study and understand the consumers' behaviors by clarifying the agents triggering the demand side variables, which in the end will lead to success.

Appendix

This appendix contains samples of all the participant interviews (Luigi Capello, Qurami, Interactive Project, Bulsara, and Maison Academia). All the interviews are assembled through a primary data process. Furthermore, The balance sheets are provided by the start-ups. It is fundamental to underline the fact that how those interviews helped shaping the outcomes of the research paper.

PARTICIPANT 1

Luigi Capello's Interview

What is your job title?

Entrepreneur and business angle. Founder and CEO of LVenture Group, a Venture Capital Holding listed on the Milan Stock Exchange. In addition, I am the co-founder of Italian Angles for Growth (IAG), the first organized group of Italian Business Angles. I also teach Entrepreneurship & Venture Capital at LUISS Guido Carli University where I studied Economics and Business.

Why did you fund these firms?

In 2002, I went to Silicon Valley, and studied the eco system. 5 years ago we didn't have business angels and the accelerator program in Italy. So I organized the first business angels group in Italy (100 investors). In tech's economy it is very important that all the start-ups companies gather together, because they have common aspects that relates them together. I studied the new accelerator program in the US and then I decided to open it in Italy. In my opinion investing in start-ups at this moment is really important because of the level of unemployment in Italy is increasing, and there are a lot of graduates with good skills.

I invested 30 thousands K and got 10% back. Moreover, it is very cheap here to invest in start-ups in Italy because; you don't pay them a lot in contrast, with Berlin. Another social point is that if you invest in young companies now, you are creating the future!

PARTICIPANT 2

Qurami's Interview

Did you have the idea of the business from the consumers' needs?

The idea was generated by one of the founders, from standing in line for more than an hour and a half. He thought that everyone are using the mobile phone devices and it would have been easier if they can just have the ticket from the mobile phone instead of queuing for hours for their turn. So he made a lot of research about this topic, and checked whether the idea was already available. He found out that it's new!

Business Model:

B to B to C.

Clients, and companies or public administration. We offer the app for free to the consumer and their revenue comes from selling the tech to companies. We gained number of customers from using our app.

Background info:

Manolo: studied International Business, and worked in the commercial side as an entrepreneur.

Roberto: CEO (The one that came up with the idea) studied Computer science.

Alessio: Studied Telecommunication Engineer, and did some projects for consultant companies and worked as a freelancer.

How would you grow, plans for expansion?

Expand as much as possible, we are already planning to expand in Europe. Queuing is a problem all over the world. From a social aspect the issue is that we thought that we are well prepared to enter the market, but then we discovered that it's different in other markets such as the UK. As a result we need to find the right key to enter the market.

Where are you currently in the market?

We are the leaders in the market, though there are some companies that are trying to copy our idea. The main advantage is that we already gained international and domestic clients.

Funding:

10,000 Euro.

Where are you on the process?

We are still at the process side, because when you use technology you should always continue with the research and development to improve the service you have. Maintenance is also important. With technology we can't sell the technology as it is.

Are you making profit?

We started making profit last year, and started growing as well.

Customer value proposition:

Company: our clients, and the users of our clients. Companies invest in the technology such as the mobile phones, but they don't have the right knowledge to do it. Also we provide the benefit from the internal process in terms of selling because people can optimize their time and arrive less stressed.

User: Set them free by attending physically the queue, we are entering the perception of value that our technology gives, which is really high. Nobody likes to waste time.

How can you deliver this value?

By using our service.

How are you different?

Technology difference: other companies have similar goals but still the tech is different, we have a clear strategy in terms of partnership and pricing policies (consumer don't pay only companies pays the ones who bought the app).

Qurami Srl

Sede in Via Giovanni Giolitti n. 34 – 00185 Roma (RM)

Capitale Sociale Euro 10.900,00 int. vers.

Bilancio al 31/12/2012

ATTIVO		31-dic-12	31-dic-11
A	CREDITI V/O SOCI	0	0
B	IMMOBILIZZAZIONI		
I.	Immobilizzazioni immateriali		
1.	Costi d'impianto e ampliamento	900	1.200
2.	Costi di ricerca, sviluppo e pubblicità	0	0
3.	Diritti di brevetto industriale ed opere d'ingegno	7.632	2.000
4.	Concessioni, licenze, marchi e diritti simili	0	0
5.	Avviamento	0	0
6.	Immobilizzazioni in corso e acconti	0	0
7.	Altre	0	0
	Totale I	8.532	3.200
II.	Immobilizzazioni materiali		
1. 1.	Terreni, fabbricati, ecc.	0	0
	(F.do amm.to Terreni, fabbricati, infrastrutture)	0	0
2. 2.	Impianti e Macchinario	0	0
	(F.do amm.to Impianti e Macchinario)	0	0
3. 3.	Attrezzature Industriali e Commerciali	0	0
	(F.do amm.to Attrezzature ind. e comm.li)	0	0
4. 4.	Altri beni	4.993	4.327
	(F.do amm.to Altri beni)	(1.381)	(433)
5. 5.	Immobilizzazioni in corso ed acconti	0	0
	(F.do amm.to Immobilizzazioni in corso)	0	0
	Totale II	3.612	3.895
III.	Immobilizzazioni finanziarie		
1.	Partecipazione in:		
a)	Imprese controllate		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
b)	Imprese collegate		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
c)	Imprese controllanti		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
d)	Altre imprese		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
	Totale	0	0

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2	Crediti verso:		
a)	Imprese controllate		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
b)	Imprese collegate		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
c)	Imprese controllanti		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
d)	Altre imprese		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
	Totale	0	0

TOTALE B IMMOBILIZZAZIONI	12.144	7.094
----------------------------------	---------------	--------------

C	ATTIVO CIRCOLANTE		
I.	Rimanenze		
1.	Materie prime, sussidiarie e di consumo	0	0
2.	Prodotti in corso di lavorazione e semilavorati	0	0
3.	Lavori in corso su ordinazione	0	0
4.	Prodotti finiti e merci	0	0
5.	Acconti	0	0
	Totale I	0	0
II.	Crediti verso		
1.	Clienti		
	Esigibili entro l'esercizio	93.819	29.798
	Esigibili oltre l'esercizio	0	0
2.	Imprese controllate		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
3.	Imprese collegate		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
4.	Imprese controllanti		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
4-bis	Tributari		
	Esigibili entro l'esercizio	1.594	1.382
	Esigibili oltre l'esercizio	0	0
4-ter	Imposte anticipate		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
5.	Altri		
	Esigibili entro l'esercizio	22.663	2.698
	Esigibili oltre l'esercizio	0	0
	(Fondo svalutazione crediti)	0	0

Totale II		118.076	33.878
III.	Attività finanziarie che non costituiscono imm.ni		
1.	Partecipazioni in imprese controllate	0	0
2.	Partecipazione in imprese collegate	0	0
3.	Partecipazioni in imprese controllanti	0	0
4.	Altre partecipazioni	0	0
5.	Azioni proprie	0	0
6.	Altri titoli	0	0
	Totale I	0	0
IV.	Disponibilità liquide		
1.	Depositi bancari e postali	5.570	12.577
2.	Assegni	0	0
3.	Denaro e valori in cassa	9.376	6.756
	Totale IV	14.947	19.333
TOTALE C ATTIVO CIRCOLANTE		133.022	53.211
D	RATEI E RISCONTI	0	0
TOTALE D RATEI E RISCONTI		0	0
TOTALE DELL'ATTIVO		145.166	60.305
PASSIVO		31-dic-12	31-dic-11
A	PATRIMONIO NETTO		
I	Capitale sociale	10.900	10.000
II	Riserva da sovrapprezzo azioni	0	0
III	Riserve di rivalutazione	0	0
IV	Riserva legale	0	0
V	Riserve statutarie	0	0
VI	Riserva per azioni proprie in portafoglio	0	0
VII	Altre riserve -distintamente Indicate-	99.100	0
VIII	Utili (perdite) a nuovo	8	0
IX	Utile (perdita) d'esercizio	(8.337)	8
TOTALE A PATRIMONIO NETTO		101.671	10.008
B	FONDI PER RISCHI E ONERI		
TOTALE B FONDI PER RISCHI ED ONERI		0	0
TOTALE C TRATTAMENTO FINE RAPPORTO		353	0
D	DEBITI VERSO		
1.	Obbligazioni		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0

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2.	Obbligazioni convertibili		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
3.	Soci per finanziamenti		
	Esigibili entro l'esercizio	23.502	33.500
	Esigibili oltre l'esercizio	0	0
4.	Banche		
	Esigibili entro l'esercizio	2.529	1.909
	Esigibili oltre l'esercizio	0	0
5.	Altri finanziatori		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
6.	Acconti		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
7.	Fornitori		
	Esigibili entro l'esercizio	2.572	4.038
	Esigibili oltre l'esercizio	0	0
8.	Titoli di credito		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
9.	Debiti verso imprese controllate		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
10.	Debiti verso imprese collegate		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
11.	Debiti verso controllanti		
	Esigibili entro l'esercizio	0	0
	Esigibili oltre l'esercizio	0	0
12.	Debiti Tributari		
	Esigibili entro l'esercizio	315	850
	Esigibili oltre l'esercizio	0	0
13.	Debiti verso istituti di previdenza		
	Esigibili entro l'esercizio	458	0
	Esigibili oltre l'esercizio	0	0
14.	Altri debiti		
	Esigibili entro l'esercizio	13.767	10.000
	Esigibili oltre l'esercizio	0	0
TOTALE D DEBITI		43.142	50.297
E	RATEI E RISCONTI	0	0
TOTALE E RATEI E RISCONTI		0	0
TOTALE DEL PASSIVO		145.166	60.305

C PROVENTI ED ONERI FINANZIARI			
15.	Proventi da partecipazioni		
-	verso imprese controllate e collegate	0	0
-	verso controllanti	0	0
-	verso altri	0	0
	Totale 15	0	0
16.	Altri proventi finanziari		
a)	da crediti iscritti nelle immobilizzazioni	0	0
b)	da titoli iscritti nelle immobilizzazioni	0	0
c)	da titoli iscritti nell'attivo circolante	0	0
d)	proventi diversi dai precedenti	0	0
	Interessi attivi	0	0
	Totale 16	0	0
17.	Interessi ed altri oneri finanziari		
-	verso imprese controllate e collegate	0	0
-	verso controllanti	0	0
-	verso altri	0	0
	Interessi passivi	3	0
	Totale 17	3	0
17-bis.	Utili e perdite su cambi		
-	verso imprese controllate e collegate	0	0
-	verso controllanti	0	0
-	verso altri	0	0
	Totale 17-bis	0	0
TOTALE C PROVENTI E ONERI FINANZIARI		(3)	0
D RETTIFICHE DI VALORE DI ATTIVITA' FINANZIARIE			
18.	Rivalutazioni		
a)	di partecipazioni	0	0
b)	di immobilizzazioni finanziarie	0	0
c)	di titoli iscritti nell'attivo circolante	0	0
	Totale 18	0	0
19.	Svalutazioni		
a)	di partecipazioni	0	0
b)	di immobilizzazioni finanziarie	0	0
c)	di titoli iscritti nell'attivo circolante	0	0
	Totale 19	0	0
TOTALE D RETTIFICHE DI VALORE		0	0
E PROVENTI E ONERI STRAORDINARI			
20.	Proventi straordinari		
-	plusvalenze da alienazioni	0	0
-	contributi per ristrutturazioni	0	0

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	-	altri proventi	0	0
	-	Sopravvenienze	11	0
	-	Arrotondamenti attivi	1	0
		Totale 20	12	0
21.		Oneri Straordinari		
	-	minusvalenze da alienazioni	0	0
	-	imposte relative ad esercizi precedenti	0	0
	-	altri oneri	0	0
	-	Ribassi e abbuoni	6	0
	-	Sopravvenienze	456	0
		Totale 21	462	0
TOTALE E PARTITE STRAORDINARIE			(450)	(0)
		RISULTATO PRIMA DELLE IMPOSTE	(8.337)	608
22.		Imposte sul reddito d'esercizio		
	-	Imposte correnti	0	600
	-	Imposte differite	0	0
	-	Imposte anticipate	0	0
		Totale 22	0	600
23.		UTILE (PERDITA) DELL'ESERCIZIO	(8.337)	8

CONTO ECONOMICO		31-dic-12	31-dic-11
A	VALORE DELLA PRODUZIONE		
1.	<i>Ricavi delle vendite e delle prestazioni</i>	73.380	38.773
2.	<i>Variazioni delle Rimanenze</i>	0	0
3.	<i>Variazione dei lavori in corso su ordinazione</i>	0	0
4.	<i>Incrementi di immobilizzazioni per lavori interni</i>	0	0
5.	<i>Altri ricavi</i>	0	0
TOTALE A VALORE DELLA PRODUZIONE		73.380	38.773
B	COSTI DI PRODUZIONE		
6.	<i>Per materie prime, sussidiarie, di consumo e merci</i>		
	Totale 6	1.046	1.172
7.	PER SERVIZI		
	Totale 7	69.247	28.417
8.	<i>Per godimento beni di terzi</i>		
	Totale 8	1.869	3.856
9.	<i>Per il personale</i>		
a)	Salari e stipendi	1.941	0
b)	Oneri sociali	690	0
c)	Trattamento di Fine Rapporto	353	0
d)	Trattamento quiescenza e simili	0	0
e)	Altri costi del personale	0	0
	Totale 9	2.984	0
10.	<i>Ammortamenti e svalutazioni</i>		
a)	Ammortamento immobilizzazioni immateriali	3.707	1.300
b)	Ammortamento immobilizzazioni materiali	949	433
c)	Altre svalutazioni delle immobilizzazioni	0	0
d)	Svalutazione dei crediti	0	0
	Totale 10	4.656	1.733
11.	<i>Variazioni delle rimanenze</i>	0	0
12.	<i>Accantonamenti per rischi</i>	0	0
13.	<i>Altri accantonamenti</i>	0	0
14.	<i>Oneri diversi di gestione</i>		
	Totale 14	1.463	2.987
TOTALE B COSTI DELLA PRODUZIONE		81.265	38.164
DIFFERENZA TRA VALORE E COSTI DELLA PROD.NE		(7.885)	609

PARTICIPANT 3

Interactive Project's Interview

Did you have the idea of the business from the consumers' needs?

The project started as a university project, at the beginning it was only focused on the development process of the project. After that, we started focusing on the business model, research analysis, and growth of the project, studied the market, and interviewed users. The business model was created after the start up was founded. We interviewed a lot of players in order to come up with the features for browsing the games.

Business Model:

Fermium. The business model is not focused on purchasing games, but on downloading games for free. The revenue streams comes from the upgrades were it gives the players extra features. Also, the advertisement about the motor sports they are included in the games somehow to bring a real element for the players. Ex. The advertisement about a certain car, this car is included in the game for the players to try and use.

Background info:

Matteo Palumbo: the founder. The team consists of 8 people, and they were growing for the last 7 months. Founded in May 2011, it's about motor sport games focused specifically on Formula 1. We have 60,000 registered players. We work on web browsers and mobile phones as well. We have agreements with publishers especially in Brazil, and French publisher.

How would you grow, plans for expansion?

The goal is to reach the Asian market (Asia and Japan). The project is called "Market Pay Race Mode" the users can pay to participate in a real race where the winner gets money. The Asian market requested this project, so we looked at their needs.

Where are you currently in the market?

Investing in Italy, Brazil, French market as well. We are working in expanding in Europe in the UK, and Germany. We are developing other motor sport platforms for those markets. Last but not least, for the US market they want to implement the Nascar.

Funding:

25,000 Euro.

Where are you on the process?

We are no longer on the process phase, but we have the developers' team working on the mobile devices, 3D development, marketing, and graphic design.

Are you making profit?

We are not making huge revenues, but we are working on the advertisement, users features. We have 10% of the users that are registered as premium users. Moreover, the average cost is 8 euro per user.

Customer value proposition:

We want to bring the game experience to the users not only through the playing part aspects but, in the management aspects. We can implement that in the games because the users need to manage the race as a Formula 1.

How can you deliver this value?

By making realistic games, engaging games in a strategic way. The key is to make the player the manager who manages the racing sport team the same as reality.

How are you different?

We have a lot of competitors, but we have a unique racing game. Also, we are expanding in the market with our features; we are developing the game experience with different devices and platforms. We have communities from different devices and platforms.

16245

INTERACTIVE PROJECT SRL

Via Gabriele Malagrida 11

C.F. 11475151004

00196

ROMA

P.IVA 11475151004

RM

Data di stampa

5/04/2013

Pagina

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BILANCIO DI VERIFICA

ESERCIZIO 2013

Conto	Part/Csp	Descrizione	% Reddito	Saldi iniziali		Importi del periodo		Saldi Finali	
				Dare	Avere	Dare	Avere	Dare	Avere
11		IMMOBILIZZAZIONI IMMATERIALI		10.435,65		57.885,46		68.321,11	
11.01		COSTI D'IMPIANTO E DI AMPLIAMENTO		2.300,00		19.189,11		21.489,11	
11.01.01		Spese societarie				19.189,11		19.189,11	
	2013.11	ASSEMBL. AUMENTO CAPITALE CON SOVRAPPREZZ.				13.089,11		13.089,11	
11.01.02		Spese di costituzione		2.300,00				2.300,00	
11.03		BENI IMMATERIALI		5.850,65		31.796,85		37.648,50	
11.03.01		Software di proprietà capitalizzato		5.230,00		29.268,85		34.498,85	
	2012.1	Software		3.455,00				3.455,00	
	2012.4	SPESE INCREMENTATIVE		1.775,00				1.775,00	
	2012.6	MYGPTEAM		28.948,85				28.948,85	
	2013.1	Upgrade software di proprietà				320,00		320,00	
11.03.03		Software in concessione capitalizzato		20,65				20,65	
	2012.5	Software Pole Position Management simulation 2012		20,65				20,65	
11.03.04		Software				1.630,00		1.630,00	
11.03.07		Marchi		600,00		900,00		1.500,00	
11.05		SPESE PLURIENNALI				6.577,50		6.577,50	
11.05.50		Creazione e sviluppo sito web				6.577,50		6.577,50	
	2013.10	LAYOUT SITO WEB				3.855,50		3.855,50	
11.07		IMMOBILIZZ. IMMAT. IN CORSO E ACCONTI		2.285,00		320,00		2.605,00	
11.07.03		Costi ricerca e sviluppo in corso		2.285,00		320,00		2.605,00	
13		IMMOBILIZZAZIONI MATERIALI		449,97		7.190,25		7.640,22	
13.07		ALTRE IMMOBILIZZAZIONI MATERIALI		449,97		7.190,25		7.640,22	
13.07.07		Macchine d'ufficio elettroniche		449,97		7.083,64		7.533,61	
	2012.2	SERVER		549,96				549,96	
	2012.3	SPESE INCREMENTATIVE			99,99			99,99	
	2013.2	PC XPS15 - Standard Base				1.578,00		1.578,00	
	2013.4	MBP 13.3/2.5/2X2GB/500D COD: MD101T/A				1.320,59		1.320,59	
	2013.5	MBP 15.4/2.3/8GB/256GB FLASH COD: MC975T/A				1.949,55		1.949,55	
	2013.6	SAMSUNG MTV-LE				147,93		147,93	
	2013.7	MBP 13.3/2.5/2X2GB/500SD				1.106,57		1.106,57	
	2013.8	STANDARD BASE VOSTRO 2520				485,00		485,00	
	2013.9	LG MON LCD M22				164,46		164,46	
	2013.12	WACOM INTU OS4 L PTK840IT				325,65		325,65	
13.07.21		Telefonia mobile				106,61		106,61	
	2013.3	PACK TIM 723434				106,61		106,61	
31		DISPONIBILITA' LIQUIDE		6.300,48		404.437,71	92.502,67	318.235,52	
31.01		BANCHE C/C E POSTA C/C		6.300,48		404.437,71	92.502,67	318.235,52	
31.01.01		Banca o/c		3.605,38		402.187,92	89.266,51	316.526,79	

SEQUE

BILANCIO DI VERIFICA										ESERCIZIO 2013
Conto	Part/Csp	Descrizione	% Reddito	Saldi iniziali		Importi del periodo		Saldi Finali		
				Dare	Avere	Dare	Avere	Dare	Avere	
31.01.03		Paypal c/c		2.695,10		2.129,79	3.236,16		1.588,73	
31.01.16		Cassa				120,00		120,00		
41		CAPITALE E RISERVE			15.536,00		409.953,50		425.489,50	
41.01		CAPITALE E RISERVE			15.536,00		409.953,50		425.489,50	
41.01.01		Capitale sociale			10.000,00		3.200,00		13.200,00	
41.01.13		Riserva copertura perdite			5.536,00				5.536,00	
41.01.15		Riserva da sovrapprezzo					406.753,50		406.753,50	
43		RISULTATI DELL'ESERCIZIO		8.536,58				8.536,58		
43.03		RISULTATO D'ESERCIZIO		8.536,58				8.536,58		
43.03.03		Perdita d'esercizio		8.536,58				8.536,58		
55		FINANZIAMENTI DI TERZI		29,51		15.955,00	15.618,71		365,80	
55.03		MUTUI E FINANZIAMENTI		29,51		15.955,00	15.618,71		365,80	
55.03.02		Banca c/carta di credito		29,51		15.955,00	15.618,71		365,80	
57		DEBITI COMMERCIALI				515,87	3.503,88		2.988,01	
57.01		FATTURE/NOTE CREDITO DA RICEVERE					3.000,00		3.000,00	
57.01.01		Fatture da ricevere da fornitori terzi					3.000,00		3.000,00	
57.03		FORNITORI				515,87	503,88	11,99		
57.03.03		Fornitori terzi Estero				515,87	503,88	11,99		
	18120	UBM GAME ADVERT. ON LINE LP				515,87	503,88	11,99		
59		CONTI ERARIALI		4.067,70		23.068,53	6.864,85	20.271,38		
59.01		ERARIO CIVIA		1.162,65		6.657,27	1.425,92	6.394,00		
59.01.09		Erario c/liquidazione Iva		1.162,65		6.251,78	1.020,43	6.394,00		
59.01.21		IVA a debito acquisti intracomunitari			155,40		405,49		560,89	
59.01.23		IVA a credito acquisti intracomunitari			155,40		405,49		560,89	
59.03		ERARIO C/OSTITUTO D'IMPOSTA			275,00	5.779,20	5.438,93	65,27		
59.03.01		Erario c/itenute su redd.lav.dipend.e assi				2.561,48	2.543,88	17,60		
59.03.03		Erario c/itenute su redditi lav. auton.			275,00	3.217,72	2.895,05	47,67		
59.05		ERARIO CRIT. SUBITE E CREDITI D'IMPOSTA		0,22		1,06		1,28		
59.05.01		Ritenute subite su interessi attivi		0,22		1,06		1,28		
59.07		ERARIO C/IMPOSTE		3.179,83		10.631,00		13.810,83		
59.07.27		Crediti IRES per imposte anticipate		3.179,83		10.631,00		13.810,83		
61		ENTI PREVIDENZIALI			97,49	5.618,00	5.158,68	361,83		
61.01		ENTI PREVIDENZIALI			97,49	5.618,00	5.158,68	361,83		
61.01.03		INPS collaboratori			156,80	5.618,00	5.158,68	302,62		
61.01.05		INAIL, dipendenti/collaboratori		59,31				59,31		
63		ALTRI DEBITI			1.743,24	18.305,33	19.020,19		2.458,10	
63.05		DEBITI VARI			1.743,24	18.305,33	19.020,19		2.458,10	
63.05.05		Debiti viamministratori			1.743,24	350,00	1.063,86		2.457,10	

SEQUE

BILANCIO DI VERIFICA										ESERCIZIO 2013
Conto	Part/Csp	Descrizione	% Reddito	Saldi iniziali		Importi del periodo		Saldi Finali		
				Dare	Avere	Dare	Avere	Dare	Avere	
63.05.07		Debiti vicolaboratori				17.955,33	17.956,33		1,00	
65		F.DI AMMORTAMENTO IMMOBILIZZAZIONI			2.439,66		15.165,99		17.605,65	
65.01		F.DI AMMORT. IMMOBILIZZAZ. IMMATERIALI			2.349,66		12.343,77		14.693,43	
65.01.01		F.do ammortamento spese societarie					3.837,00		3.837,00	
65.01.02		F.do ammortamento spese di costituzione					460,00		460,00	
65.01.06		F.do ammort. costi di impianto e ampliame.			460,00				460,00	
65.01.07		F.do ammortam. costi di ric.e sviluppo			457,00		521,00		978,00	
65.01.13		F.do ammortamento marchi			120,00		300,00		420,00	
65.01.21		F.do ammort.to sw di proprieta' capitalizz.			1.312,66		7.225,77		8.538,43	
65.09		FONDI AMMORTAMENTO ALTRI BENI MATERIALI			90,00		2.822,22		2.912,22	
65.09.02		Fondo ammortamento sito web					1.315,50		1.315,50	
65.09.05		F.do amm.macchine d'ufficio elettroniche			90,00		1.506,72		1.596,72	
70		RICAVI DELLE VENDITE E DELLE PRESTAZIONI					1.828,44		1.828,44	
70.06		CORRISPETTIVI					1.600,82		1.600,82	
70.06.01		Corrispettivi					1.600,82		1.600,82	
70.09		RICAVI DA PRESTAZIONI					227,62		227,62	
70.09.03		Prestazioni di servizi					227,62		227,62	
75		ACQUISTI DI BENI				274,29		274,29		
75.07		ACQUISTI DIVERSI				274,29		274,29		
75.07.31		Cancelleria varia				254,27		254,27		
75.07.51		Materiale vario di consumo				20,02		20,02		
76		ACQUISTI DI SERVIZI				1.908,35		1.908,35		
76.05		COSTI ACCESSORI PER ACQUISTI				57,11		57,11		
76.05.01		Trasporti su acquisti				57,11		57,11		
76.07		COSTI PER INTERMEDIAZIONE VENDITE				141,24		141,24		
76.07.08		Provvigioni PAYPAL				141,24		141,24		
76.09		COSTI PER UTENZE				1.710,00		1.710,00		
76.09.07		Servizi telematici				394,00		394,00		
76.09.44		Abbonamenti a servizi INTERNET				25,00		25,00		
76.09.45		Attivazione e gestione domini WEB				326,02		326,02		
76.09.46		Gestione Server				899,94		899,94		
76.09.47		AGGIORNAMENTI PERIODICI PROGRAMMI INFRAN				65,04		65,04		
78		PRESTAZIONI DI LAVORO NON DIPENDENTE				33.070,22	25.673,00	7.397,22		
78.01		PRESTAZIONI DI LAVORO AUTONOMO				4.519,80		4.519,80		
78.01.04		Servizi amministrativi e disponibilit�				3.600,00		3.600,00		
78.01.05		Consulenze Legali				250,00		250,00		
78.01.06		Consulenze in materia di lavoro				506,00		506,00		
78.01.13		Consulenze afferenti diverse				35,80		35,80		

SEQUE

BILANCIO DI VERIFICA										ESERCIZIO 2013
Conto	Part/Csp	Descrizione	% Reddito	Saldi iniziali		Importi del periodo		Saldi Finali		
				Dare	Avere	Dare	Avere	Dare	Avere	
78.01.21		Rimb.spese lavorat.autonomi afferenti				118,00				118,00
78.01.31		Contrib. Cassa Previd.lav.aut. non affer.				10,00				10,00
78.03		ALTRE PRESTAZIONI DI LAVORO				28.550,42	25.673,00	2.877,42		
78.03.01		Compensi co.co.co. afferenti				28.525,62	25.673,00	2.852,62		
78.03.05		Rimb.spese pie'di lista co.co.co. affere				24,80				24,80
79		SPESE AMMIN.COMM. E DI RAPPRESENTANZA				8.994,48		8.994,48		
79.01		SPESE COMMERCIALI E DI VIAGGIO				5.761,67		5.761,67		
79.01.01		Pubblicità, inserzioni e affissioni ded.				2.506,58		2.506,58		
79.01.11		Fiere, mostre, convegni deducibili				857,00		857,00		
79.01.16		Alberghi,rel/osp.rappr.con limite ricavi	75,00			682,55		682,55		
79.01.17		Spese alberghi, ristoranti deducibili				94,55		94,55		
79.01.21		Spese di viaggio				1.620,99		1.620,99		
79.05		SPESE AMMINISTRATIVE E GENERALI				3.232,81		3.232,81		
79.05.07		Servizi contabili di terzi				3.000,00		3.000,00		
79.05.08		Contrib. Cassa Previd. servizi contabili				223,76		223,76		
79.05.43		Valori bollati				9,05		9,05		
81		COSTI PERSONALE DIPENDENTE				5.114,36	3.275,85	1.838,51		
81.01		COSTI PERSONALE DIPENDENTE				3.639,83	3.275,85	363,98		
81.01.18		Contributi INPS COCOPRO				3.639,83	3.275,85	363,98		
81.03		COSTI DIVERSI PERSONALE DIPENDENTE				1.474,53		1.474,53		
81.03.51		Altri costi per il personale dipendente				1.474,53		1.474,53		
83		ONERI DIVERSI DI GESTIONE				1.788,50		1.788,50		
83.05		ONERI TRIBUTARI				575,00		575,00		
83.05.11		Diritti camerali				200,00		200,00		
83.05.12		DIRITTI AMMINISTRATIVI				350,00		350,00		
83.05.20		Imposta di bollo				25,00		25,00		
83.07		ALTRI COSTI DI ESERCIZIO				1.213,50		1.213,50		
83.07.01		Spese, perdite e sopravv.passive ded.				563,45		563,45		
83.07.11		Contributi associativi				600,00		600,00		
83.07.15		Abbonamenti, libri e pubblicazioni				50,05		50,05		
85		PROVENTI FINANZIARI					5,29		5,29	
85.11		PROVENTI FINANZIARI VARI					5,29		5,29	
85.11.13		Interessi attivi su o/c bancari					5,29			5,29
86		ONERI FINANZIARI				154,56		154,56		
86.01		ONERI FINANZIARI VERSO BANCHE				106,00		106,00		
86.01.05		Commissioni e spese bancarie				106,00		106,00		
86.03		ONERI FINANZIARI DIVERSI				48,56		48,56		
86.03.23		Differenze passive su cambi				48,56		48,56		

SEQUE

BILANCIO DI VERIFICA										ESERCIZIO 2013
Conto	Part/Csp	Descrizione	% Reddito	Saldi iniziali		Importi del periodo		Saldi Finali		
				Dare	Avere	Dare	Avere	Dare	Avere	
87		PROVENTI STRAORDINARI					248,35		248,35	
87.01		PROVENTI STRAORDINARI					248,35		248,35	
87.01.19		Sopravvenienze attive					248,35			248,35
90		AMMORTAMENTI				15.165,99		15.165,99		
90.01		AMMORT.TI IMMOBILIZZAZIONI IMMATERIALI				12.343,77		12.343,77		
90.01.01		Amm.to spese societarie				3.837,00		3.837,00		
90.01.02		Ammortamento spese di costituzione				460,00		460,00		
90.01.07		Amm.to costi di ricerca e sviluppo				521,00		521,00		
90.01.15		Amm.to marchi				300,00		300,00		
90.01.21		Amm.to software capitalizzato				7.225,77		7.225,77		
90.03		AMMORT. IMMOBILIZZ. MATERIALI				1.506,72		1.506,72		
90.03.31		Amm.ord.macchine d'ufficio elettroniche				1.506,72		1.506,72		
90.13		AMMORT.TI CIV.IMMOBILIZZ.IMMATERIALI				1.315,50		1.315,50		
90.13.57		Amm.to civilistico sito web				1.315,50		1.315,50		
93		IMPOSTE DELL'ESERCIZIO					10.631,00		10.631,00	
93.01		IMPOSTE DELL'ESERCIZIO					10.631,00		10.631,00	
93.01.09		IRES anticipata di competenza					10.631,00			10.631,00
Totali				30.309,60	20.306,10	599.446,90	609.450,40	461.827,22	461.827,22	
Differenza di quadratura										
PERDITA				24.808,82						

PARTICIPANT 4

Bulsara's Interview

Did you have the idea of the business from the consumers' needs?

The idea of the business is already existed in the market, but not in Italy. We developed the idea furthermore and adjusted it to fit our standards. The start up is about creative toilet advertisement. Moreover, we use a lot of creative maps in our advertisement. As well as, creating a pop out advertisement on the door handle of the toilets, washrooms, fitness, and nurseries in shopping malls.

Business Model:

Composed by three phases of search: first we have location where we need to get exclusive contracts and agreements with the perfect location. Second we have selling the spaces directly or through a network of agents. Last but not least, we have the office creative division that is responsible of helping the clients to build an image of their brand and delivering it through our creative graphics.

Background info:

The start up was founded two years ago, but two months ago we received our first funding through fund raising 350,000. At the beginning we started with three employees and now we reached eight.

How would you grow, plans for expansion?

We want to expand in Milan where we would like to have different targets of communication such as Airports in Milan, Rome, and Torino. Also, we would like to employ two more people.

Funding:

350,000 Euro.

Where are you on the process?

Phase after the fund raising.

Are you making profit?

We are making little profit, and reached the break-even point.

Customer value proposition:

B to B. To target the gender 100% in each advertisement, and engage them as much as possible to the message. Each bathroom with different advertisement.

How can you deliver this value?

By using auto marketing, and different media such as videos, graphics in order to promote our sales. In addition, we attended a lot of events to meet new potential clients.

How are you different?

We don't offer only media, but we also offer consultancy. Our advertisements are different and unique that other companies don't offer.

CONTO ECONOMICO

Movimenti dal 01/01/2012 al 30/11/2012

Bulsara Advertising Srl

P. IVA: 11127341003 Codice fisc.: 11127341003

Indirizzo: Via Montebello, 8 00185 / Roma

COSTI	€ 20.496,95
310 ACQUISTI DI MATERIE PRIME, SUSSIDIARIE, MERCI	€ 3.196,91
082 <u>ACQUISTI DI MATERIE PRIME PER LA PRODUZIONE DI BENI</u>	<u>€ 1.849,00</u>
matcco Acquisto materiale di consumo	€ 1.849,00
083 <u>ACQUISTI DI MATERIE PRIME PER LA PRESTAZIONE DI SERVIZI</u>	<u>€ 1.347,91</u>
costam spese per stampe	€ 1.286,33
matcc2 Materiale di consumo	€ 61,58
315 COSTI PER SERVIZI CORRELATI ALLA PRODUZIONE	€ 5.319,75
096 <u>ACQUISTI DI SERVIZI PER LA PRESTAZIONE DI SERVIZI</u>	<u>€ 5.319,75</u>
certif Acquisto certificati/vidimazioni	€ 246,00
cospoz Costi per spazi affissioni	€ 895,39
servin Spese per servizi indeducibili	€ 327,17
specon Spese per elaborazione dati contabilità	€ 1.500,00
speser Spese per Servizi	€ 1.500,42
spetro Spese di trasferta componenti organi sociali	€ 850,77
320 COSTI PER PRESTAZIONI DI LAVORO	€ 4.951,06
101 <u>SALARI</u>	<u>€ 500,00</u>
salor Salari e stipendi	€ 500,00
102 <u>STIPENDI</u>	<u>€ 90,22</u>
stipco Contributi impiegati	€ 90,22
108 <u>PRESTAZIONI PROFESSIONALI</u>	<u>€ 927,78</u>
pre001 Consulenze legali e notari	€ 927,78
109 <u>PRESTAZIONI OCCASIONALI</u>	<u>€ 3.433,06</u>
preocc Prestazioni occasionali	€ 3.433,06
330 COSTI PER UTILIZZO BENI DI TERZI	€ 3.300,00
110 <u>LOCAZIONE BENI IMMOBILI</u>	<u>€ 3.300,00</u>
loco05 Locazione uffici	€ 3.300,00
340 UTENZE	€ 260,13
122 <u>UTENZE TELEFONICHE ED INTERNET</u>	<u>€ 260,13</u>
telef Spese telefono fisso	€ 260,13
355 PUBBLICITÀ E RAPPRESENTANZA	€ 1.243,80
152 <u>PUBBLICITÀ</u>	<u>€ 810,70</u>
pubman Pubblicità su manifestazioni	€ 810,70
154 <u>SPESE DI RAPPRESENTANZA</u>	<u>€ 433,10</u>
rappre Spese di rappresentanza	€ 433,10
363 ASSICURAZIONI	€ 43,50
170 <u>ASSICURAZIONI OBBLIGATORIE</u>	<u>€ 43,50</u>
ass01 Assicurazioni rischi relativi all'attività	€ 43,50
365 ONERI FINANZIARI	€ 325,50
181 <u>INTERESSI LIQUIDAZIONE IVA TRIMESTRALE</u>	<u>€ 5,15</u>
intiva Interessi iva trimestrale	€ 5,15
183 <u>INTERESSI PASSIVI RITENUTE PAGAMENTO IMPOSTE</u>	<u>€ 2,86</u>
intimp Interessi Pagamento imposte	€ 2,86
184 <u>ONERI BANCARI</u>	<u>€ 317,49</u>
comban Commissioni bancarie	€ 317,49
370 ONERI TRIBUTARI	€ 534,08
189 <u>ALTRI TRIBUTI</u>	<u>€ 534,08</u>
inallv Oneri Tributari Inali Varie	€ 15,55
taszz Altre imposte e tasse	€ 509,87
ztrib Multe ed ammende	€ 8,66

Pagina: 1

Anno: 2012

CONTO ECONOMICO

Movimenti dal 01/01/2012 al 30/11/2012

Bulsara Advertising Srl

P. IVA: 11127341003 Codice fisc.: 11127341003

Indirizzo: Via Montebello, 8 00185 / Roma

372	ONERI DIVERSI DI GESTIONE	€ 582,94
191	COSTI AMMINISTRATIVI	€ 168,83
<i>conce</i>	Spese di cancelleria	€ 112,84
<i>posta</i>	Spese postali	€ 55,99
193	ALTRI ONERI DI GESTIONE	€ 414,11
<i>arropas</i>	Arrotondamenti passivi	€ 0,38
<i>oneind</i>	Oneri indeducibili	€ 403,73
<i>risto2</i>	Spese per alberghi e ristoranti	€ 10,00
375	ONERI STRAORDINARI	€ 1,03
196	SOPRAVVIVENENZE PASSIVE	€ 1,03
<i>sop1</i>	Sopravvenienze passive ordinarie	€ 1,03
390	RISULTATO DI ESERCIZIO	€ 738,25
209	UTILE DI ESERCIZIO	€ 738,25
<i>utilese</i>	Utile di esercizio	€ 738,25

RICAVI		€ 20.496,95
410	RICAVI DALL'ATTIVITÀ PRINCIPALE	€ 8.489,55
222	<u>SERVIZI</u>	€ 8.489,55
riadde	Riaddebito spese	€ 24,20
ricser	Ricavi da servizi	€ 8.465,35
415	RICAVI DA ATTIVITÀ COLLATERALI	€ 7,40
230	<u>PROVENTI FINANZIARI</u>	€ 7,40
intcc	Interessi attivi su c/c	€ 7,40
420	PROVENTI STRAORDINARI	€ 12.000,00
235	<u>SOPRAVVIVENENZE ATTIVE</u>	€ 12.000,00
sopr2	Sopravvenienze attive straordinarie	€ 12.000,00
450	RISULTATO DI ESERCIZIO	€ 0,00
290	<u>PERDITA DI ESERCIZIO</u>	€ 0,00
perese	Perdita di esercizio	€ 0,00

STATO PATRIMONIALE

Movimenti dal 01/01/2012 al 30/11/2012

Bulsara Advertising Srl

P. IVA: 11127341008 - Codice fisc.: 11127341008

Indirizzo: Via Montebello, 8 00185 / Roma

ATTIVO		€ 22.768,72
105	IMMOBILIZZAZIONI	€ 2.501,00
007	IMMOBILIZZAZIONI IMMATERIALI	€ 2.501,00
ampli	Costi di impianto ed ampliamento	€ 2.501,00
130	CREDITI	€ 19.560,37
022	CREDITI COMMERCIALI	€ 6.248,28
client	Clienti	€ 5.983,38
forac	Acconti a fornitori	€ 264,90
024	CREDITI V/ERARIO	€ 1.312,09
ivaacq	Iva su acquisti	€ 1.310,57
ritsub	Erario c/ritenute subite	€ 1,52
028	ALTRI CREDITI	€ 12.000,00
credpr	Crediti Vs. Provincia di Roma	€ 12.000,00
140	DISPONIBILITÀ FINANZIARIE	€ 687,78
031	BANCHE C/C	€ 145,68
banca	banca c/c	€ 145,68
034	CASSA	€ 29,68
cassa	cassa	€ 29,68
035	AMM.FONDO CASSA-RIMBORSO	€ 512,42
ammco	amministratori fondo cassa-rimborsi	€ 512,42
180	RATEI E RISCONTI ATTIVI	€ 19,57
037	RISCONTI ATTIVI	€ 19,57
riscoa	Risconti attivi	€ 19,57
PASSIVO		€ 22.768,72
220	DEBITI DI FUNZIONAMENTO	€ 11.030,47
053	DEBITI COMMERCIALI	€ 657,52
fornit	Fornitori	€ 657,52
056	DEBITI V/ERARIO	€ 170,39
eran2	Erario c/ritenute lavoro autonomo	€ 86,41
esprov	Erario c/ritenute 1038	-€ 73,52
iva ven	Iva vendite	€ 157,50
058	DEBITI V/ENTI PREVIDENZIALI	-€ 0,40
inps	Inps c/ritenute su dip.	-€ 0,40
060	ALTRI DEBITI	€ 10.202,96
deb ben	Socio Benini C/finanziamento infruttifero	€ 5.561,00
deb vis	Socio Crivelli Visconti C/finanziamento infruttifero	€ 4.411,00
soc per	Versamento soci c/copertura perdite	€ 230,96
240	FONDI DI RETTIFICA	€ 1.000,00
062	FONDI AMMORTAMENTO	€ 1.000,00
fdolmp	Fondo ammortamento impianti	€ 1.000,00
270	PATRIMONIO NETTO	€ 10.738,25
070	CAPITALE NETTO	€ 10.000,00
cap soc	Capitale sociale	€ 10.000,00
072	UTILI/PERDITE RIPORTATI	€ 738,25
utiper	Utile (Perdita) anno corrente	€ 738,25

PARTICIPANT 5

Maison Academia's Interview

Did you have the idea of the business from the consumers' needs? (Background info)?

Us the founders we both had communication and worked for fashion companies, and more precisely worked with designers. During our work experience we found out that designers have big problems in the fashion business, so we decided to help them by coming up with this start up business. Furthermore, this business can help emerging fashion designers by showcasing their own brand, and that is the main reason why we started this business.

Business Model:

Our business model is an online collection created by emerging fashion designers, online sales. Also, we do the production through cooperating with manufacturing companies.

How would you grow, plans for expansion?

We want to work on our second collection, coming up with marketing strategy to penetrate the market we want first to focus in Italy, then Europe, USA. In addition, for the next years we want to add Far East and Russia.

Where are you currently in the market?

We launched our first collection last April, and started our first sale, and now we are planning the second collection, using fashion magazines and social networks.

Funding:

500,000 Euro.

Are you making profit?

Yes, we made profit through the sales of our first collection.

Customer value proposition:

We have 2 main matters, which are: produce in Italy with Italian quality attention to detail. It is a competitive workplace for emerging fashion designers because they can have all the freedom to create unique work.

How can you deliver this value?

By planning the strategy and thinking about the videos and pictures that will showcase the unique Italian quality through communication, which will help selling the designs.

How are you different?

If you look at other websites you can find different style of clothes, but in their websites there is single pieces of different designers. But in our website you can find whole collection of clothes (where all the designers contributed to complete this collection) from different emerging fashion designers. And those emerging fashion designers were mentored through the creative process and got help, this service is not provides in any other companies. Also, regarding the new emerging fashion designers there are no made in Italy designers they are the only ones.

NEXTSTYLER S.R.L.

Sede Legale: CUPA SAN PIETRO, 73 NAPOLI (NA)
 Iscritta al Registro Imprese di: NAPOLI
 C.F. e numero iscrizione: 06944931218
 Iscritta al R.E.A. di Napoli n. 850232
 Capitale Sociale sottoscritto €: 12.857,00 Interamente versato
 Partita IVA: 06944931218

Bilancio abbreviato dal 01/07/2012 al 31/12/2012

Stato Patrimoniale Attivo

	Parziali 31/12/2012	Totali 31/12/2012	Esercizio 30/06/2012
B) IMMOBILIZZAZIONI			
I - IMMOBILIZZAZIONI IMMATERIALI			
Immobilizzazioni immateriali lorde		13.428	11.440
Fondo ammortamento immobilizzazioni immateriali		4.974-	2.288-
TOTALE IMMOBILIZZAZIONI IMMATERIALI		8.454	9.152
II - IMMOBILIZZAZIONI MATERIALI			
Immobilizzazioni materiali lorde		6.869	3.175
Fondo ammortamento immobilizzazioni materiali		1.085-	413-
TOTALE IMMOBILIZZAZIONI MATERIALI		5.784	2.762
TOTALE IMMOBILIZZAZIONI (B)		14.238	11.914
C) ATTIVO CIRCOLANTE			
I - RIMANENZE		12.700	7.957
II - CREDITI			
esigibili entro l'esercizio successivo	12.665		4.800
esigibili oltre l'esercizio successivo			
TOTALE CREDITI		12.665	4.800
IV - DISPONIBILITA' LIQUIDE		190.224	13.131
TOTALE ATTIVO CIRCOLANTE (C)		215.589	25.888
D) RATEI E RISCONTI			
Ratei e risconti attivi		1.113	
TOTALE RATEI E RISCONTI (D)		1.113	
TOTALE ATTIVO		230.940	37.802

Stato Patrimoniale Passivo

	Parziali 31/12/2012	Totali 31/12/2012	Esercizio 30/06/2012
A) PATRIMONIO NETTO			
I - Capitale		11.857	10.000
II - Riserva da soprapprezzo delle azioni		302.712	
VII - Altre riserve, distintamente indicate			40.527
Versamenti in conto aumento di capitale			40.526
Varie altre riserve			1
IX - Utile (perdita) dell'esercizio		88.674-	35.957-
TOTALE PATRIMONIO NETTO (A)		225.895	14.570
D) DEBITI			
esigibili entro l'esercizio successivo	5.045		19.982
esigibili oltre l'esercizio successivo			
TOTALE DEBITI (D)		5.045	19.982
E) RATEI E RISCONTI			
Ratei e risconti passivi			3.250
TOTALE RATEI E RISCONTI (E)			3.250
TOTALE PASSIVO		230.940	37.802

Conto Economico

	Parziali 31/12/2012	Totali 31/12/2012	Esercizio 30/06/2012
A) VALORE DELLA PRODUZIONE			
1) Ricavi delle vendite e delle prestazioni		1.477	108
5) Altri ricavi e proventi		32	
Ricavi e proventi diversi	32		
TOTALE VALORE DELLA PRODUZIONE		1.509	108
B) COSTI DELLA PRODUZIONE			
6) Costi per materie prime, sussidiarie, di consumo e di merci		9.062	8.226
7) Costi per servizi		78.107	24.714
8) Costi per godimento di beni di terzi		870	3.793
10) Ammortamenti e svalutazioni		3.358	2.701
a) Ammortamento delle immobilizzazioni immateriali	2.686		2.288
b) Ammortamento delle immobilizzazioni materiali	672		413
11) Variazioni delle rimanenze di materie prime, sussidiarie, di consumo e merci		4.743-	7.957-
14) Oneri diversi di gestione		3.568	4.618
TOTALE COSTI DELLA PRODUZIONE		90.222	36.095
Differenza tra valore e costi della produzione (A - B)		88.713-	35.987-
C) PROVENTI E ONERI FINANZIARI			
16) Altri proventi finanziari		46	36
d) Proventi diversi dai precedenti	46		36
da altre imprese	46		36
17) Interessi ed altri oneri finanziari			2-
verso altri			2-
17-bis) Utili e perdite su cambi		7-	3-
TOTALE PROVENTI E ONERI FINANZIARI (15+16-17+-17bis)		39	31
E) PROVENTI E ONERI STRAORDINARI			
21) Oneri straordinari			1-
Differenza da arrotondamento all'unità di Euro			1-
TOTALE DELLE PARTITE STRAORDINARIE (20-21)			1-
Risultato prima delle imposte (A-B+-C+-D+-E)		88.674-	35.957-
23) Utile (perdita) dell'esercizio		88.674-	35.957-

Il Bilancio sopra riportato è vero e reale e corrisponde alle scritture contabili.

Per il CdA
Maria Palomba, Presidente

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