

SELECTED READINGS

Ardichvili, Alexander; Richard Cardozo; and Sourav Ray. (2003). A Theory of Entrepreneurial Opportunity Identification and Development. *Journal of Business Venturing*, vol. 18, no. 1, pp. 105–24.

This paper proposes a theory of the opportunity identification process. It identifies the entrepreneur's personality traits, social networks, and prior knowledge as antecedents of entrepreneurial alertness to business opportunities. Entrepreneurial alertness, in its turn, is a necessary condition for the success of the opportunity identification triad: recognition, development, and evaluation. A theoretical model, laws of interaction, a set of propositions, and suggestions for further research are provided.

Barney, Jay B. (2001). Resource-Based “Theories” of Competitive Advantage: A Ten-Year Retrospective on the Resource-Based View. *Journal of Management*, vol. 27, no. 6, pp. 643–751.

The resource-based view is discussed in terms of its positioning relative to three theoretical traditions: SCP-based theories of industry determinants of firm performance, neoclassical microeconomics, and evolutionary economics. It also discusses some of the empirical implications of each of these different resource-based theories.

Boulding, William; and Christen Markus. (2008). Disentangling Pioneering Cost Advantages and Disadvantages. *Marketing Science*, vol. 27, pp. 699–716.

In this paper, the authors empirically test three different sources of long-term pioneering cost advantage—experience curve effects, preemption of input factors, and preemption of ideal market space—and three different sources of pioneering cost disadvantage—imitation, vintage effects, and demand orientation. The complexity of their findings suggests that managers need to think carefully about their particular conditions before making assumptions about the cost and, therefore, profit implications of a pioneering strategy.

Bruton, Gary D.; and Yuri Rubanik. (2002). Resources of the Firm, Russian High-Technology Startups, and Firm Growth. *Journal of Business Venturing*, vol. 17, no. 6, pp. 553–77.

This study investigates the extent to which founding factors in Russia help high-technology firms to prosper. It was found that the team establishing the business mitigated the liability of newness. However, in contrast to the culture of the United States, the culture of Russia does not produce negative results if the founding team grows very large. Additionally, it was shown that firms that pursued more technological products and entered the market later performed best.

Erikson, Truls. (2002). Entrepreneurial Capital: The Emerging Venture's Most Important Asset and Competitive Advantage. *Journal of Business Venturing*, vol. 17, no. 3, pp. 275–91.

This study presents a parsimonious model of entrepreneurial capital, defined as a multiplicative function of entrepreneurial competence and entrepreneurial commitment. The presence of both entrepreneurial competence and commitment

lays the foundation for enterprise generation and performance. Inherent in this view on competence is the capacity to identify opportunities.

Fiol, C. Marlene; and Edward J. O'Connor. (2003). Waking Up! Mindfulness in the Face of Bandwagons. *Academy of Management Review*, vol. 28, no. 1, pp. 54–71.

This article models the interactions between mindfulness as a decision-maker characteristic and the decision-making context, and shows the impact of those interactions on managers' ability to discriminate in the face of bandwagons. The authors illustrate the framework by applying it to recent integration and disintegration bandwagon behaviors in the U.S. health care market.

Haynie, J. Michael; Dean A. Shepherd; and Jeffery S. McMullen. (2009). An Opportunity for Me? The Role of Resources in Opportunity Evaluation Decisions. *Journal of Management Studies*, vol. 46, no. 3, pp. 337–61.

The authors apply the prescriptions of the resource-based perspective to develop a model of entrepreneurial opportunity evaluation. They propose that opportunity evaluation decision policies are constructed as future-oriented, cognitive representations of "what will be," assuming one were to exploit the opportunity under evaluation. Their findings suggest that entrepreneurs are attracted to opportunities that are complementary to their existing knowledge resources; however, we also identify a set of opportunity-specific and firm-specific conditions that encourage entrepreneurs to pursue the acquisition and control of resources that are inconsistent with the existing, knowledge-based resources of the venture.

Keh, Hean T.; Maw Der Foo; and Boon C. Lim. (2002). Opportunity Evaluation under Risky Conditions: The Cognitive Processes of Entrepreneurs. *Entrepreneurship: Theory & Practice*, vol. 27, no. 2, pp. 125–49.

This study uses a cognitive approach to examine opportunity evaluation. It finds that illusion of control and belief in the law of small numbers are related to how entrepreneurs evaluate opportunities. The results also indicate that risk perception mediates opportunity evaluation.

Lévesque, Moren; and Dean A. Shepherd. (2004). Entrepreneurs' Choice of Entry Strategy in Emerging and Developed Markets. *Journal of Business Venturing*, vol. 19, no. 1, pp. 29–45.

From speculations over the differences between emerging and developed economies, the model offers a systematic way to determine the optimal entry strategy in terms of entry timing and level of mimicry. An implication of the model is that the cost/benefit ratio of using a high-mimicry entry strategy is lower for companies entering emerging economies than it is for companies entering developed economies.

Lichtenstein, Benyamin; G. Thomas Lumpkin; and Rodney Shrader. (2003). A Theory of Entrepreneurial Action. In J. Katz and D. A. Shepherd (eds.), *Advances in Entrepreneurship: Firm Emergence and Growth* (vol. 6). (Greenwich, CT: JAI Press).

This chapter categorizes the organizational learning literature into behavioral, cognitive, and action learning and suggests a number of ways in which new ventures could be more successful at learning than larger and older organizations. It also explores three entrepreneurial contexts in which learning might be particularly important and matches them to the categories of learning.

Lieberman, Marvin B.; and David B. Montgomery. (1998). First-Mover (Dis)advantages: Retrospective and Link with the Resource-Based View. *Strategic Management Journal*, vol. 19, no. 12, pp. 1111–26.

This article suggests that the resource-based view and first-mover advantage are related conceptual strategic planning frameworks that can benefit from closer linkage. It presents an evolution of the literature based on these concepts.

McEvily, Susan K.; and Bala Chakravarthy. (2002). The Persistence of Knowledge-Based Advantage: An Empirical Test for Product Performance and Technological Knowledge. *Strategic Management Journal*, vol. 23, no. 4, pp. 285–306.

The authors find that the complexity and tacitness of technological knowledge are useful for defending a firm's major product improvements from imitation, but not for protecting its minor improvements. The design specificity of technological knowledge delayed imitation of minor improvements in this study.

Robinson, William T.; and Sungwook Min. (2002). Is the First to Market the First to Fail? Empirical Evidence for Industrial Goods Businesses. *Journal of Marketing Research*, vol. 39, no. 1, pp. 120–29.

The main conclusion of this study is that the pioneer's temporary monopoly over the early followers plus its first-mover advantages typically offset the survival risks associated with market and technological uncertainties. These results are consistent with previous research in the sense that first-mover advantages that increase a pioneer's market share also help protect the pioneer from outright failure.

Teplensky, Jill D.; John R. Kimberly; Alan L. Hillman; and J. Stanford Schwartz. (1993). Scope, Timing and Strategic Adjustment in Emerging Markets: Manufacturer Strategies and the Case of MRI. *Strategic Management Journal*, vol. 14, pp. 505–27.

This study examines the realized strategies of domestic manufacturers in a growing, high-technological industrial market in the United States. It offers a typology of entry strategies focusing on issues of timing and scope and on the impact that these entry strategies have on a firm's performance.

Ucbasaran, Deniz; Mike Wright; Paul Westhead; and Lowell W. Busenitz. (2003). The Impact of Entrepreneurial Experience on Opportunity Identification and Exploitation: Habitual and Novice Entrepreneurs. In J. Katz and D. A. Shepherd (eds.), *Advances in Entrepreneurship: Firm Emergence and Growth* (vol. 6). (Greenwich, CT: JAI Press).

This paper synthesizes human capital and cognitive perspectives to highlight behavioral differences between habitual and novice entrepreneurs. Issues related to opportunity identification and information search as well as opportunity exploitation and learning are discussed.

Watson, Warren; Wayne Stewart, Jr.; and Anat BarNir. (2003). The Effects of Human Capital, Organizational Demography, and Interpersonal Processes on Venture Partner Perceptions of Firm Profit and Growth. *Journal of Business Venturing*, vol. 18, no. 2, pp. 145–65.

This study examines the effects of human capital, organizational demography, and interpersonal processes on partner evaluations of venture performance, defined as the presence of profit and growth. The results support this approach in analyzing venture teams, and it is proposed that this perspective be included in future venture viability assessment and used for intervention to enhance venture success.

Zahra, Shaker A.; Donald O. Neubaum; and Galal M. El-Hagrassey. (2002). Competitive Analysis and New Venture Performance: Understanding the Impact of Strategic Uncertainty and Venture Origin. *Entrepreneurship: Theory & Practice*, vol. 27, no. 1, pp. 1–29.

Using survey data from 228 new ventures, this study concludes that the formality, comprehensiveness, and user orientation of competitor analysis activities are positively associated with new venture performance. Strategic uncertainty and venture origin also significantly moderate the relationship between competitive analysis and new venture performance.