

Entrepreneurship

Business



Opportunity Recognition as Pattern Recognition: How Entrepreneurs “Connect the Dots” to Identify New Business Opportunities Entrepreneurs are capable of identifying new business ventures which they achieve through the use of their cognitive frameworks they gain through their experience and other trends in the external world. This implies that entrepreneurship is highly associated with recognizing and acting upon opportunities. This is achieved through active search for these opportunities, knowing them when they come up combined with the prior knowledge of the market, industry and the customers.

One does not need to be actively searching for the opportunities in order to find them. This lead to the definition of entrepreneurship as alertness to changed conditions or to overlooked possibilities (p. 1). This article indicates that intelligence as a fundamental aspect in the search or founding of new ventures. Being another aspect of cognition, creativity is critical as it plays an important role in entrepreneurship. In addition information gained through life experience for example business and work can help these individuals to recognize profitable opportunities.

To summarize the above only a small part of evidence shows that active or passive search, alertness and prior knowledge are significant in the process of becoming an entrepreneur. Pattern recognition in this article is known to play a fundamental role in identifying opportunities (Baron, 2006). This means that one employs his or her existing cognitive frameworks and knowledge to realize associations between diverse events and trends. Research shows that pattern recognition plays an important role in the identification of new ventures and opportunities. An opportunity can then be

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defined as a means by which economic value or profit that previously had not been exploited by others. In this context there are various propositions related to the nature of opportunities and its establishment.

The first proposition is that opportunities originate from a complex pattern of changing condition in areas such as technology, economic, political, social, and demographic conditions (Baron, 2006). The second proposition is that recognition of opportunities is dependent on cognitive structures possessed by individuals and frameworks developed through their previous life experience. There are various models of pattern recognition. These models include prototype models in which individuals use prototypes as a basis of recognizing patterns. Exemplar models on the other hand employ the use of specific knowledge rather than idealized prototypes. Baron indicated that in this model “ individuals encounter new events or stimuli; they compare them with specific examples (exemplars) of relevant concepts already stored in memory” (2006, p.

6). These two models of pattern recognition help to integrate the effects of search, alertness, and knowledge. Their advantage is that they provide a means of integrating these factors within a single perspective. Research on pattern recognition indicates that people can gain experience in a certain area, their prototypes and other mental frameworks become more clearly defined, richer in information and more focused in their pursuit of becoming entrepreneurs. Consequently not all repeat entrepreneurs are successful because the relationship between growing experience in a certain field and performance in it are known to take curvilinear rather than linear in nature. There are practical implications of “ connect the dots” perspective.

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This is because entrepreneurs play a significant role in ensuring economic growth as well as job creation in a community (Baron, 2006, p. 15). Specific persons may recognize specific opportunities that others overlook because they possess the cognitive frameworks required to perceive patterns among seemingly unrelated trends and events. It is therefore certain that a pattern recognition perspective suggests additional reasons why specific persons and not others realize certain opportunities. The pattern recognition suggests that individuals can be trained to become entrepreneurs a step which it considers very feasible and which can be reached through different steps. Connect the dots perspective on opportunity recognition can therefore be termed as optimistic meaning that entrepreneurs can learn through the desired training in order to become more adept to a certain task.

Furthermore, practical education in entrepreneurship can be aimed to include information and training that is focused on where entrepreneurs should dedicate their attention (e. g., to important changes, trends, and events in technology, demographics, markets, government policies, etc.) and on the task of searching for patterns in these events and changes.

Recommendation Connect the dots perspective does not actualize the existence entrepreneurship. According to Bruin & Dupuis (2003) entrepreneurship occurs within certain constraints of social processes including restraints at the macro level and of cognitive limitations at the micro level of the individual.

It is therefore not necessary that entrepreneurs should be trained, but this may a fundamental role in the process of managing a venture. Eventually entrepreneurs are driven by the immense commitment and determination to <https://assignbuster.com/entrepreneurship-essay-samples-4/>

work very hard. Bruin & Dupuis (2003) says that they see a cup half full rather half empty. Connect dot perspective article ideal for providing an understanding of how the cognition of entrepreneurs function. The Promise of Entrepreneurship as a Field of Research This article suggests that entrepreneurship has lacked a conceptual framework.

This is because only research conducted on other fields of business has helped to create a framework for the field. In this context it has been noted that entrepreneurship has become a broad label under which a hodgepodge of research is housed. A lot of controversy arises because researchers ask why entrepreneurship research is necessary if it does not explain or predict empirical phenomena beyond what is known in other fields. According to this article there are not enough tests for entrepreneurship because it is only concerned with the discovery and exploitation of profitable opportunities. This is because though a conceptual framework can be used to predict relative performance between firms it is not enough for entrepreneurship.

One of the major obstacles to the creation of this conceptual framework is the definition of entrepreneurship because up to this day it has been defined in terms of what he or she does. Using this approach enables us to look at two phenomena which include the availability of opportunities and the existence of enterprising individuals. The article further indicates that the attributes of an entrepreneur differentiates them from the other members of the society. This goes hand in hand with exploitation of opportunities and the individuals who realize and make good use of them. At the organizational perspective, there exist three sets of research questions which include why, when and how opportunities for the creation of products and services came
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into existence, how specific individuals discover these opportunities and not others, and how different modes of actions are used to exploit these entrepreneurial opportunities. The article further argues that entrepreneurship can occur within an existing organization and at the same time does not require there to be an organization.

This framework is based on the existence, discovery and exploitation of opportunities, looking into detail the influence of individuals and opportunities rather than environmental consequences and it also puts into consideration a framework broader than the creation of an organization. Several questions have been put forward on why one should study entrepreneurship because it is difficult to obtain data, the theory is underdeveloped, and many findings are the same as those obtained in other areas of business. The article outlines that the first reason for studying it is that it is perceived as a mechanism by which society converts technical information to products and services. Secondly through entrepreneurship it is possible to discover and mitigate temporal and spatial inefficiencies in an economy. There are different categories of opportunities according to this article. The first one involves the creation of new information as it happens with the invention of new technologies, exploitation of market inefficiencies, and the reaction to shifts in the relative costs and benefits of alternative uses of resources.

More importantly studies indicate that technological, political, social, regulatory, and other types of change offer different ways of using resources to increase wealth. Since entrepreneurship opportunities depend on asymmetries of information and beliefs, eventually, and thus they become cost inefficient to pursue. The decision to exploit opportunities is based on <https://assignbuster.com/entrepreneurship-essay-samples-4/>

the nature of the opportunity and individual differences. People who exploit opportunities are considered overly optimistic about value of the opportunities. In addition people with greater self efficacy and more internal locus of control are more likely to exploit opportunities.

Recommendation This article plays a critical role in identifying opportunities on the basis of research and conceptual framework from other business studies.

The article can be of great help especially for individuals who discern to compare entrepreneurship with other business studies. Kuratko (2008) says that there are three major sources of information supply data related to the entrepreneurial mindset. This includes technical and professional journals, textbooks, and publications. Kuratko (2008) further says that entrepreneurs burn the competitive desire to excel and are perceived as high risk takers in new venture creations and people who derive great satisfaction from being independent. Entrepreneurs also said to use failure as a tool for learning and have enough confidence in themselves to believe that they personally can make a major difference in the final outcome of their ventures (Kuratko, 2008). The difference between the two articles There exists a fundamental difference between the two articles.

In the article “ Opportunity Recognition as Pattern Recognition: How Entrepreneurs “ Connect the Dots” to Identify New Business Opportunities” entrepreneurship is perceived in terms of cognitive framework and pattern recognition. This framework of pattern recognition helps integrate into one basic framework and why some individual identify some opportunities and not others. In the second article “ The Promise of Entrepreneurship as a Field
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of Research” it relies on a research conceptual framework in which it is housed. Entrepreneurship in this article is compared to other business fields according to research but it does not have dependable data, theory hence it is unexplained phenomena. One major similarity between these two articles is that entrepreneurship is depended on the presence of opportunities. At the same time the two articles indicate that opportunities exist because of the gaps available in technology, economic, social and political arena.