

# Identification of opportunities



Opportunities are conditions and situations that occur along the business line, which can cause improvements in the performance of an organization or lead to attaining of goals set by an organization. They are a ladder that moves a business from a lower level of performance and profit-making to a higher level. However, opportunities are unpredictable in terms of the time they are occurring. They also occur at a short period before they lose value and become normal market and business conditions. Therefore, it is evident that opportunities benefit only the opportunists who are ever alert and react fast on the realization of their existence.

An entrepreneur needs to have a high sense of recognition to evaluate between an opportunity and market venture that is too risky to fall under the category of opportunities. Such entrepreneurs discover the ideas timely and transform them into business concepts for an early benefit before the venture is flooded by other entrepreneurs. Synchronicity of the entrepreneur is the second most important aspect of utilizing an opportunity. Although timely discovery is important, synchronicity ensures that the schedule between discovery and market need is well-planned. This ensures that the goods and services realized are delivered at the right time to the consumers. Thus, a situation is avoided when an opportunity is discovered in a timely manner but delivered prematurely to consumers, or delivered at a later stage than required. The last important aspect is feasibility, which involves evaluation of human and financial resources required to launch and sustain the business ventures in the market.

Opportunity within the system of shared value arises mainly from serving the less developed countries in the globe and disadvantaged communities. The

same belief is discussed by Prahalad and Hart who think that opportunity for the world's wealthiest companies is established by the low income earners in the market (Prahalad and Hart, 2002). Such companies enjoy untouched communities, thus creating a business path that has never been treaded by the competitors in the same field. This establishes clients who trust their supplier and appreciate his efforts of serving their needs when other suppliers are venturing greener pastures. The situation is not only an opportunity to the business organization, but also to the societies who feel privileged to be supplied with commodities which are deemed to be for high-end customers. This move leads to improving technology and leaving standards of the disadvantaged and neglected communities. The outcome of this venture is the developments and formation of a developed community that relies on the products and services of the organizations, which took the initiative of empowering the community. It is, therefore, evident that such a move has benefits for both the society and business organization involved. Claretha Hughes' article, People as Technology encourages corporate firms to empower people with technology to improve on the efficiency of their services and products.

An example of a shared value opportunity in line with Hughes' model occurred in the 1980s and 1990s when mobile phones technology hit the global market. Most manufacturers made expensive phones and competed to supply their products to developed counties in Europe and parts of North America. The disadvantaged and less developed communities in Africa were neglected in favour of their developed counterparts. However, some Chinese companies opted to venture into this untouched market. They made cheaper

phones, which they supplied to the underdeveloped countries of Africa in large quantities. This resulted in improvement of technology-related businesses in Africa. The improvements increased the overall GDP of these countries, thus raising their living standards. The biggest benefit of such a move is discussed by Vicki Smith in Enhancing employability. The move created employment opportunities thus giving the consumers a financial power (Smith, 2010). The outcome was the transformation of the market demands from cheap mobile phones to expensive phones that the countries could now afford. China has already established the trust, thus continuing to enjoy large sells, as compared to those competitors who ventured in developed countries alone and faced stiff competition from other manufactures. Kenya, for example, used the cheap mobile services to establish MPESA, which is a mobile phone banking service. The service accounts for 11% of its GDP and has created millions of jobs to the citizen (Porter and Kramer, 2002).

Another common example is observed among manufactures that rely on raw materials from agricultural sources. Such manufactures apply the principle of shared value by advising farmers on good farming practices that enable them to attain a better yield than they could have attained without the support of the manufactures. Other services, such as financial assistance and farm machineries, also participate in increasing the output of the agricultural products. In the end, the farmers get to earn more from their raw materials than usual. However, the benefits do not end at the farmers' level. The manufactures who took the initiative of educating farmers and providing other services, enjoy the opportunity of acquiring quality raw materials in a

constantly sufficient supply. This increases the overall output of the company, quality of the products and sales that such a company makes. An example of organization that uses this means to create shared value and increase its performance is Nestle Company. Nestle embarked on a move of satisfying the needs of the poor coffee farmers who lived in Africa and Latin America. It gave farmers loans, farm inputs, and pesticides to protect their crops. The farmers were also given incentives with regards to the quality of their coffee beans, which prompted them to work harder than before to get coffee beans of high quality. The outcome of this move had a great impact on the two parties involved. The environment was preserved from deadly crop diseases and insects, and the farmers' rate and quality of production increased, thus making them earn extra income from profits and incentives. Nestle Company increased its rate of production and improved the quality of its products due to the high quality of raw materials it was using. This increased market demand and profits to a considerable extent.

The starting point of identifying opportunities is identifying societal needs. One needs to understand what the society lacks or what causes problems for a trouble-free living in the society. Such needs arise due to changes in technology. Changes in communication and manufacturing technology make societies switch from the old system to the new mode of technology, thus giving rise to the existence of new opportunities. These opportunities trigger further innovations, which in turn result in other opportunities.

Upon identification of opportunities, an entrepreneur needs to redefine productivity from the current system to the new system that satisfies the growing level of needs and demands. Re-definition of productivity occurs in a <https://assignbuster.com/identification-of-opportunities/>

way that embraces preservation of natural resources and provision of advanced services in equal measures to different societies. An example of such opportunities aimed at curbing pollution can be found in recycling and packaging field. Coca Cola and Dow Chemicals embarked on a similar move that was aimed at reducing the amount of water that the companies consume. The two companies reduced the level of water consumption to a large extent, thus cutting their operational costs. This contributed significantly to an increase in profits that the two companies made. Such a move has benefits to both the society and the companies involved. The two companies made this achievement upon taking the opportunity of improved technology and infusing it into their system of operation. The transport sector also boasts high rate of inventions and opportunities aimed at increasing speed and safety of movement (Porter and Kramer, 2002).

Social entrepreneurs also establish themselves based on a shared value, and use the opportunity to grow and establish their business in society. These are entrepreneurs who establish products and services that meet social needs in the society. They transform the social needs into business ventures and establish themselves with the profits they make. This makes them stand out from purely social programmes, which are not associated with doing business. The social entrepreneurs, therefore, use the opportunity they get to create shared value by satisfying the needs of the society and their own needs through attaining profits.