Strategies for Navigating Entrepreneurial ideas Into Successful Business Investment.

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Abstract— Entrepreneurs are faced with enormous risk when investing in an entrepreneurial idea. A creative entrepreneur converts a recognized idea otherwise known as opportunity into a new venture or improve on existing venture otherwise called innovation. An invention that will add value to customers is usually referred to as innovation, and entrepreneurs creatively innovate ideas into a product that will add value to customers. A product must pass through a business model that will satisfy the stakeholders involved in the entrepreneurial journey. The business model is to use strategies that will identify a market with a substantial number of customers that will make a profit on investment. This paper identified strategies that entrepreneurs use to develop a business model that reduces risk and add value to customers and stakeholders. The paper will guide entrepreneurs to select a business plan that will reduce risk when investing.

Index Terms— Entrepreneurship, opportunity recognition, innovation, opportunity exploitation, new venture development, business plan development.

1 Introduction

There are many definitions of entrepreneurship, but almost all the definitions are built around the following characteristics: entrepreneur, innovation, organization creation, creating value, profit or nonprofit, growth, uniqueness, and owner-manager (Gartner, 1990). A definition proposed by Kao (1993, p. 1) stated that entrepreneurship "is the process of doing something new and something different to create wealth for the individual and adding value to society." Entrepreneurship empirical measurement is seen as a difficult task and entrepreneurs are bound to fail even if an opportunity exists at any given time (Shane and Venkataraman, 2001). Entrepreneurial opportunity is the "situations in which new goods, services, raw materials, and organizing methods can be introduced and sold at greater than their cost of production" (Shane & Venkataraman, 2000, p. 220). Opportunities are mostly discovered where there is adversity; customers are faced with a problem; where there exists uncertainty; change has occurred in an environment; or where there is a strong underlying need or want from customers. According to Ardichvili, Cardozo, & Ray (2003), an entrepreneur perceived an opportunity when there is a market need and is recognized when the needs can be met. Ardichvili et al. also stressed opportunity identification and selecting the right opportunity are among the crucial competencies of an entrepreneur. Opportunity identification and selection are based on how much value can be obtained for the stakeholders. Since opportunity identification and selection is one of the cardinals of the entrepreneurship process, attention is necessary for vital research in the area (Ardichvili et al., 2003). Based on the scenario that only opportunities that will add value to the stakeholders can be selected for exploitation, it is pertinent to identify factors that made an opportunity to add value to stakeholders. In other words, to identify factors that will make an opportunity an exceptional one. The paper identified internal and external environmental factors that make an exceptional opportunity and strategies that will make an opportunity exceptional. The study was based on summations made by researchers on qualities of an opportunity idea, and strategies that will be used to fly an entrepreneurial idea into successful business investment. The findings of the study will help entrepreneurs to develop competencies for recognizing and exploiting exceptional opportunities. This paper will be a guide for future research on opportunity identification and selection.

Purpose of the Study

The paper review researched on the entrepreneurial opportunity and identified those factors and strategies that are important for flying new entrepreneurial ideas that turn out to be an opportunity before commitment by an entrepreneur to exploit it and make the new venture. An entrepreneur taps into a business plan made from a recognized opportunity idea. Within the business plan, specific important factors and strategies must be unveiled based on real facts that are available and verifiable. Most of the facts presented in a business plan are forecast made by competent members of the entrepreneurial team or consultants. The paper highlighted those areas presented in a business proposal to enable entrepreneurs to make valuable decisions before embarking on an entrepreneurial journey. Because entrepreneurship involves taking the risk, this paper presented factors and strategies that will guide entrepreneurs to select an opportunity idea that will result in a successful business with minimum risk to invested resources. Therefore, the paper aims at reducing the level of risk an entrepreneur will take before commencement and during the exploitation of business idea of an entrepreneurial journey.

The framework of the study

According to Hitt, Ireland, and Hoskisson (2015), business managers should consider both their internal and external environment when developing their business strategies to develop a sustainable competitive advantage. The paper presented factors and strategies based on the two-business environments (external and internal business environments). Entrepreneurs will find the presentation useful, especially when identifying factors that need external strategies and internal strategies. Because a successful business venture takes care of stakeholders, who are within and outside the business.

Literature review

Entrepreneurial opportunity can be defined as a situation where there is the possibility of meeting the needs of customers when resources are combined creatively such that the customers derived a value of superior quality (Casson, 1982; Kirzner, 1973; Schumpeter, 1934). An opportunity was also described as unformed phenomena which can be transformed into a new venture (Ardichvili et al., 2003). From the angle of customers, an opportunity is recognized only when it meets the needs of the customers and add value to them (Schroeder, Buckman, & Cardozo, 1996). Entrepreneurship process brings about many business concepts such as market and marketing, operations, supply chain management, competition, customer relationship management, and other business development issues (Cardozo, 1986). Six factors made up opportunity recognition as follows: searching, alertness, a gathering of information, evaluation, problem-solving, and communication (Kuckertz Kollmann Krell & Stockmann, 2017). Opportunity to invest in and form a new venture starts from a simple idea where an entrepreneur commits an action that will develop a business plan. The process of entrepreneurial action starts from recognizing an opportunity based on perceived market's need and ensuring the resources to exploit the opportunity will meet the needs of the market by ensuring that there is fit between market needs and the available resources to exploit the opportunity and meet the market needs. Thus, entrepreneurial process is beyond recognizing an opportunity but instead involves perceiving the market needs, perceiving the resources can meet the market needs, perceiving there is fit between the resources and the market needs, discovery all factors necessary to exploit the opportunity, and creating the new venture (Ardichvili et al., 2003). The entrepreneurial opportunity development process is made-up of two concepts: the concepts of opportunity recognition and that of opportunity exploitation (Kuckertz et al., 2000). Notwithstanding the two concepts of the entrepreneurial development process, Stevenson, Roberts, and Grousbeck (1985) stressed opportunity development process recognized the ability of an entrepreneur to select an exceptional opportunity that will add value to stakeholders as one of the most critical entrepreneurial competencies.

Similarly, Ardichvili et al. (2003) stated the abilities of an entrepreneur to identify an opportunity, the abilities to select an exceptional opportunity, and the ability to use the selected exceptional opportunity and form successful new venture as the qualities of an exceptional entrepreneur. An exceptional opportunity is possible when you gather information and determine the possibility of solving an existing problem, and if the information gathered can be evaluated and determine short-term and long-term prospects of the possible new venture. When an opportunity is identified, the selection of the right team, development of a good business plan, sourcing of resources, customers, and market identification, and setting the new organization are factors that make an exceptional opportunity possible (Kuckertz et al., 2017).

Ideas are converted into a business venture with an established business model (Henry, 2010). The most difficult part of new ideas commercialization is the abilities of entrepreneurs to develop new business models that will transform the ideas into successful new ventures (Henry, 2010). The invention is the term used to describe the creation of a new product from ideas or the introduction of a new process. An invention has no entrepreneurial value if customers dos not recognize any value in it. It is when customers value an invention then we have innovation, it is the work of the entrepreneur to make an innovation got on the market. It is only when an entrepreneur is creative that he can develop an idea, take action on the idea, discover new things or improve on existing products, and form new ventures or products. While innovation is new ideas, an improvement on existing idea, product, service, or process. The best way to innovate a business model that will be used in developing an idea is through experimentation and experimentation can come to life with the affordable loss (Henry, 2010). The personality traits of a successful entrepreneur include tenacity, passionate, eccentric and tolerant of ambiguity, visionary, flexible, and committed to self-confidence (Robinson, 2014). It is when an entrepreneur with the personality traits is creative he can fly an idea to form a new product, service, and venture; or improve on new products, service, or venture.

According to Hitt et al. (2015, p. 4), a business strategy "is an integrated and coordinated set of commitments and actions designed to exploit core competencies to gain a competitive advantage." A company gained a competitive advantage when it created products of superior value to its customers than what other competitors can offer to them, and the competitors can not pay the cost of duplicating the advantage gained. The stakeholders of a firm are involved in creating a competitive advantage in a firm by utilizing their capacities, core competencies, and available resources. A firm achieves strategic competency by invoking strategic management process which is described by Hitt et al. (2015, p. 5) "as the full set of commitments, decisions, and actions required by the firm to achieve strategic competitiveness and earn above-average returns."

An idea is usually transformed into an opportunity because there is an underlying need or want from customers. Characteristics of flying an opportunity idea into successful business include: it has to have a defined market and market needs (Gage, 2012; Wagner, 2013); there exists a balance between risk and return (Brigham & Ehrhardt, 2014); and there is an underline financial consideration (Anastasia, 2015). Other characteristics include: there exists a strategic differentiation associated with the business opportunity (Demsetz, 1982; Frantz, 2015; Maxwell Jeffrey & Lévesque, 2011; Micone, 2014; Moghaddam Bosse & Provance, 2016; Muda & Borhan, 2014); there is an exit strategy for the business (Robbins, 2018); and a strong entrepreneurial team is formed with a strong team leader (Clarysse & Moray, 2004).

Findings

The findings are presented on the framework of external and internal strategies that will help in flying entrepreneurial ideas into the successful business venture. Based on the two classifications, there are six external environmental strategies that if used by entrepreneurs can develop a successful venture from an idea. There are also nine strategies that can be applied to the external environment of a proposed entrepreneurial idea to make it work and become successful.

Internal Environment strategies.

The entrepreneur must consider the factors that are critical to the internal environment before forming a new venture. The followings are strategies that can be used to fly entrepreneurial ideas into successful businesses internally.

1) **Risk-Return Relationship** - Entrepreneurs must consider the risk-return relationship of an opportunity to determine whether it is an exceptional opportunity. All entrepreneurial opportunities are associated with both risk and return. According to an economist, a low-risk investment usually comes with low returns while a high-risk investment is associated with a high return. An exceptional investment opportunity is therefore associated with a high return and low risk. Since a high-risk investment is associated with a high return, it is crystal clear that entrepreneurs are left with the challenge of finding the strategies of reducing the risk to make an investment opportunity an exceptional one (Brigham & Ehrhardt, 2014). Some of the methods of reducing the risk associated with investment opportunities include:
a) Establishing a partnership with established firms and ventures so that the new venture can use their distribution channels.
b) Bringing together an exceptional entrepreneurial team that consists of members that have established new businesses and harvested them earlier successfully.
c) Securing advance purchase orders for the new venture before commencing trade.

2) **Financial Characteristics of an exceptional opportunity** - Before commencing trade by a new business, it is unlikely to have financial data to make Projections; entrepreneurs should, therefore, make estimates of the financial data that will underpin most of the business strategies to be utilized within three to five years (Gibson, 2013). To make such projections, it is important for them to understand the following financial characteristics of an exceptional opportunity:
a) High Net-Profit Margin – meaning, have a high positive difference between revenue and expenses.
b) Breakeven point time is low – the time when the new firm stops making losses and commences making a profit is low. The sooner a new firm makes a profit, the better.
c) When the financial projections show a higher return on investment.
d) If the opportunity requires low assets to commence operation.
e) Rent roll – referring to a situation where customers return to the firm to make an additional purchase.

3**) Scalability of Production** – at the early stage of entry into the market, production will be low. The scalability is where there is a chance to increase production as new customers need the products. An exceptional opportunity is one with the possibility of increasing production when new customers need the product. Most of the start-ups in the scale-up phase are making moderate profits (Frantz, 2015). Therefore, an opportunity with the scalable plan will generate profit immediately the scale-up process started which made it an exceptional opportunity.

4) **Fatal Flaws** – occurs when a possible problem is ignored or is undetected within the potential opportunity. Example of such fatal flaws includes a situation where a product has no customers, or the needs of the product by customers is not ascertained. Entrepreneurs should be able to diagnose opportunity for possible fatal flaws and reject such an opportunity at the first stage of the decision-making process (Maxwell, Jeffrey, & Lévesque, 2011). Researchers found all opportunities that do not have fatal flaws to progress to advanced stages of the entrepreneurial process (Maxwell et al., 2011).

5)**Building a successful entrepreneurial team** – the team is one of the success factors of forming a new venture. There is no unique way of forming the team, but it requires the selection of members with the skills needed for the venture (Clarysse & Moray, 2004). Entrepreneurs should not descend on selecting a full team at the initial stage as certain members of the team are not needed at the initial stage. Teams can continuously be updated by accessing them and identifying gaps to be filled at any time it is necessary for the venture. 65% of start-up failure is due to people problems as against 35% for other problems including funding, employees, etc. (Wasserman, 2012). Selecting the right start-up team might minimize interpersonal problems that resulted in failures. The right team can be selected based on the followings:
a) Design – the co-founders to be selected should be complementary to each other
b) Launch – expectations should be explicitly set out at the launch of the venture
c) Establishing a culture of managing the venture norms based on the set expectations.

"*The strength of a team is each member. The strength of each individual member is the team" Phil Jackson – 11-time NBA championship coach*."

There are three important aspects of team members to consider when selecting one and include strength, skills, and experience of each member (Clarysse & Moray, 2004). Entrepreneurs should also consider the factors that ignite and fuel the team to establish a successful venture. One further important thing to consider is the leadership skills required to lead the entrepreneurial team. The qualities to consider when selecting the team include:
a) Members should have different skills and capabilities to complement each other
b) Members should have experience in the perspective or industry of the business
c) Members should have the culture of supporting each other
d) Members should be relentless and committed to the success of the venture

e) A team of up to five people is usually ideal
f) Members should be comfortable working with each other
g) Members should interact with each other and the leader of the team
h) The team members should be passionate and powerful

Researchers have stated entrepreneurial teams perform better than a lone wolf because they create a profitable venture (Clarysse & Moray, 2004). It is also found that there is a positive relationship between the growth of a venture and the quality of an entrepreneurial team. Therefore, entrepreneurs must select excellent entrepreneurial teams for the success of exploiting an opportunity. Part of the quality of the team is balancing expertise and experience of the members where members should be expert in financial planning, creativity and innovativeness, marketing, and sales. When a team is formed, members should identify the sustainable competitive advantage of the venture and the type of people that need to be involved to successfully achieve it including the possibility of involving external resources. The team should, therefore, determine when proprietary knowledge should be compromised when external persons are involved. There are two approaches to entrepreneurial team formations: whether the lead entrepreneur forms the team by selecting members with the necessary skills, knowledge, and experience to exploit the opportunity, or team of entrepreneurs come together and recognized an opportunity and exploit it together.

There are six identified entrepreneurial team pitfalls, and they include:

a) Involving a friend as a co-founder - if a friend that does not possess the qualities required of an entrepreneurial team is involved as a team member, the problem will arise that may tamper with the progress of the new venture.
b) If the team is too product focused – for a new venture to have market recognition and acquire venture finance, an entrepreneurial team should not only be product focused but also be market focused. It is so because the product or service must meet market demand and price customers are willing to pay. Therefore, entrepreneurs must select team members that will also look at market issues.
c) Not appreciating team members – because all team members will have a role to play within the entrepreneurial process from innovation to product development, all team members must be appreciated to have a balanced team that will give in their best for the success of the project.
d) Equal equity – full members of the team may be holding an equal share of equity in the firm as they are unlikely to invite other people that are expert to avoid diluting their holding strength. Such behavior may pose a threat to retarding the growth of the business and further restrain new capital inflow into the business.
e) Lack of trust among team members or team integrity – is likely to hold building a coherent team which will automatically result in the demise of the team.
f) Lack of documentation – the documentation include Formal shareholders agreements – which include: rules of conduct, protocols of predictive scenarios and anticipated solutions, and potential conflict solutions.

Another aspect of team formation is the selection of the team leader. A team leader is selected based on certain qualities which will propel the success of the new venture.

The followings are the qualities entrepreneurial team leader:

a) The team leader must be organized
b) Must have the skills of prioritizing activities
c) To keep the team informed, must be a regular meeting convener
d) Must be a visionary person to achieve the future goals of the project
e) Must be a good thinker
f) Must be a person who prepares for challenges and can take risks
g) Must be a motivator of team members to complete tasks assigned to them
h) Must be a decisive person
i) Must be a good team worker
j) Must be interacting with team members to generate more ideas
k) Must be an achiever
l) Must engage team member to understand their vision to have a joint vision for the business.
m) Must be an honest person to ensure the integrity of the team and the new business
n) Must have a wide range of knowledge, experience, and skills in the methods, processes, techniques, and equipment to ensure the success of the business.
o) Must have access to information regarding the industry the business will operate to be able to make a sound decision that will impact positively on the new business.
p) The team leader must be equipped with information about the final product or service and share the information with team members to enable the success of the process.
q) Must be accessing the members of the team to identify the weaknesses and strength of the team members and utilize the same to complete the project.

To make things easier, the following are the summarized version of the qualities of an exceptional entrepreneurial team leader:

a) Decisive
b) Visionary
c) Accountable
d) Highly confident
e) Embracer of change
f) Manager of the conflict
g) High interpersonal skills
h) Embracer of clarity

It is also important to note some of the leadership styles embraced by entrepreneurs and how the styles are applied for the optimum performance of a new venture. The leadership styles are:

a) Visionary style – which enabled the team to create the picture of the firms' picture and continuously follow the path to actualize it. This style is always applicable for entrepreneurial teams to sustain competitive advantage.
b) Coaching Style – this is important because it enables team leaders to provide continuous guidance to the team members which resulted in the development of skills and expertise of members. This style is essential where the input of the entrepreneur is required in the entrepreneurial process.
c) Collaborative leadership style – is applicable where all

members of the team must be involved to lead the project to success.
d) Democratic style – is necessary when inputs from members of the team are needed.
e) Commanding/Autocratic style – is used in times of emergencies, where decisive action is needed, and usually works during the crisis.

6) Exit Strategies – there is the need for an entrepreneur to design exit strategies at the initial stage because no opportunity will last forever. Exit strategies are those strategies an entrepreneur will design to harvest value or efforts injected into a business which defines the end goal of a business. Exit strategies involve the identification of value in a business, time and triggers on how to harvest wealth. An entrepreneur defines the end goal of the initial design of a venture. The goal may either be building a business with the intention of selling it at a stage of making a substantial profit, or to achieve a desired social outcome, or build with the intention of assigning someone to manage the operations.

External Strategies to Fly ideas to Successful Business

Like existing business, it is necessary for entrepreneurs to consider strategies that affect the external environment in which a proposed new venture will operate. The strategies include:
1)Strategic differentiation issues of an exceptional opportunity – there are basically eight issues identified as issues that are strategic differentiators of an exceptional opportunities, and they include: proprietary technology, potential for strategic alliances, sustainable competitive advantage, barriers to entry, the extent of substitute products, scalability of production, potential endorsements, and fatal flows.
2) Market and Industry Issues of an Exceptional Opportunity – researchers have established that eight out of ten start-ups fail, and three out of four new venture firms fail: of the many reasons of their failure is lack of market need of their product or service (Gage, 2012; Wagner, 2013). Entrepreneurs need to understand what to look for in the marketplace for an exceptional opportunity to thrive. The market issues that will facilitate the choice of an exceptional opportunity include the followings:
a) Customer need of the product or service – it is important to identify the group of customers for the product or service which is possible by describing the potential customers based on their need. The entrepreneur should break-down the demographics and characteristics of people and organizations that might be the potential customers of the product or service. Break-down of the characteristics and demographics of the potential customers include:
b) The location where they leave?
c) How much is their income?
d) What other product the potential customers are interested?
e) What are the possible solutions that will solve their problems?
By doing so, an entrepreneur will identify a viable opportunity, because it meets the needs of the customers and must have a large market for potential growth.
a) Large and Small markets – a massive market usually gives an entrepreneur an opportunity to enter the market without being noticed by flying under the radar of competitors to establish loyal customers. Where the market is noisy due to many competitors, there is the need for entrepreneurs to invest more to differentiate a product or service from that of competitors. Entry into the small market will be noticed by competitors which makes stiff competition from experienced firms that already have a large share of the products market a possibility. When a differentiated product or service that offer a distinct solution is presented to customers, the small market will be an easy reach of potential customers for such a product.
b) Growth potential of the market – the potential growth of a market for a product usually depends on the level of innovation introduced into the market (Maguire, n. d.). The growth of the market can be of three types, as follows:
c) Grow the market share of a firm by taking away customers of competitors by meeting the needs of customers better than how the competitors meet their needs.
d) Grow the market or benefit from the growth established by competitors and retain market share by taking part of the new customers.
e) Organic growth of the market – which is possible when more people fit in the definition of potential customers of the product or service
f) Grow a subset of the market by creating new customers by investing in a competitive differentiator that will uncover a slightly different customer need that the solution provided will meet the need. There is no static rate of market growth established, but the higher growth rate is required for an exceptional opportunity.
g) Control of Profitability by entrepreneurs – the extent to which an entrepreneur will control profitability in the market is also important when determining an exceptional opportunity. An ideal opportunity can be found where the entrepreneur can determine the price of a product or service rather than a situation where competitors determine the price of the product or service. The bargaining power of customers also plays a role in controlling the profitability in the market. An exceptional opportunity is found where the bargaining power of potential customers and suppliers is low.
Therefore, when an entrepreneur is considering issues regarding market and industry regarding an opportunity, the issues that are ideal for consideration include: the ideas meet the needs of the customers, the group of potential customers is large enough in size, and there is potential for growth of customers and market, and the entrepreneur has control over the profitability of the market through right pricing model and a high bargaining power over customers and suppliers.
3**) Proprietary technology** – this refers to a situation where an entrepreneur found an innovation of a significant benefit more especially if it is protected by an intellectual property right such as copyright, patent, or registered design (Micone, 2014). A company with brand proprietary intellectual rights withstand some level of risk in the market and usually gain a competitive advantage (Yanzhuang, Lei, & Hongchun, 2015). Entrepreneurs should consider registering a trademark apart from registering a company to protect brand name and any associated graphics. Such protection will secure a long lead to a firm before competitors can capture market share or re-

engineer the design and produce something similar.

4) Establishing strategic alliances – rather than establishing new distribution channels, establishing alliances with companies, stakeholders or organizations will help entrepreneurs gain more knowledge and reduce the level of risk in a new business. Formation of selected relevant strategic alliances impacts positively on the market performance of entrepreneurial firms but forming large alliances might hurt the market valuations of the firm depending on the industry of the firm (Moghaddam, Bosse, & Provance, 2016). Entrepreneurs should focus on establishing strategic alliances with selected firms that will promote the outcomes of an entrepreneurial firm.

5**) Competitive advantage** – is when a product is having additional value or benefits than the products of competitors or when the products can sell at lower price or premium price with a superior profit margin (Hitt, Ireland, & Hoskisson, 2015). Maintaining competitive advantage for a longer period is difficult but is possible where there are continuous research and development, a deep customer relationship management, or where a complex technology exists (Hitt et al., 2015). Start-ups and small firms can maintain competitive advantage through the continued pursuance of new opportunities, the creation of agile products and services, the creation of new competencies through existing assets, and adoption of inevitable changes that relate to the foreseeable future trends in the market. Creation of agile products and service may be possible through either product differentiation, market differentiation, or price/profit differentiation.

6) Barriers of Entry – include those factors that will obstruct, weaken or inhibit competitors from entering the market to take a share of the market of the product or service (Demsetz, 1982). Some of the barriers are structural such as industry conditions that relate to cost and demand which usually are due to factors such as accreditation, registration, or economy of scale. Barriers to entry are usually generated intentionally by firms that exist in a market to inhibit new firms from entering the market. It is a must for an entrepreneur to check for any of such factors that will inhibit, obstruct, or weaken the entry of the new product into the market. An exceptional opportunity is one that has no barrier of entry into the market, and the entrepreneurial team can generate factors that will weaken, obstruct or weakens the entry of competitors into the market.

7) **Substitute products** – they can either be direct or indirect substitute products which will affect the market share of the product. Entrepreneurs should consider products with no substitutes to be an exceptional opportunity for investments.

8) Credible endorsements – refers to a situation where an entrepreneur will utilize endorsements from sources that are credible for the marketing of the products. Adverts with endorsements from credible people will ramp-up sales. The credible sources include influential people with powerful profiles and satisfied customers. It was revealed the credibility of celebrity in an advertisement and the credibility of the advertisement impact positively on the attitude of the customers towards the advertisement and the brand and is perceived to increase the purchasing intention of the customer (Muda & Borhan, 2014).

9**) Environmental Issues to Consider for an Exceptional Opportunity** – there are four factors to consider when determining an exceptional opportunity: they include political, economic, social and technological factors with the acronym PEST.

a) Political – include the regulatory and legal trend in the economy, how government policies are likely to affect production and the market, government stability, the policy of a nation regarding trade, available funding or grants for the recognized opportunity, and any international law that may affect the exploitation of the opportunity.

b) Economy – involve factors that have an impact on the economy such as the inflation rate, exchange rate, unemployment rate, fiscal policy, and the accessibility of credit in the economy. Entrepreneurs should diagnose the factors and their impact on the entrepreneurial process involving the recognized opportunity.

c) Social – including distribution of wealth in an economy and how it may impact on the purchasing power of potential customers, how cultural issues may impact on the business, the buying pattern of the potential customers, and other demographic factors that may impact on the customers and their need for the product.

d) Technology – the rate at which technology moves forward, or change affects the industry are the main concerns. Research and development funding should be considered, and other issues relating to the frequency of updates in technology to plan for designing a sustainable competitive advantage.

Conclusion

The paper presented six strategies for internal considerations and nine strategies for external considerations when identifying and exploiting an opportunity idea to develop a successful business venture. The paper identified the strategies that will reduce the level of risk involved when developing new ideas into a business venture. The paper also will be useful when improving on existing ideas, products, services, or process. Entrepreneurs will find the paper important, especially when selecting a business plan. The paper will be useful also to entrepreneurs when developing a business plan developed from ideas to form new ventures.

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Appendix 1

Checklist of an Exceptional Entrepreneurial Opportunity

1) The balance of Risk – Return

a) High-risk opportunity will result in a high return

b) Work of an entrepreneur is to reduce the risk by

i) Establishing partnerships

ii) Forming exceptional entrepreneurial teams

iii) Secure advance purchases

2) Should have the following financial forecast

a) Have a high net -profit margin
b) Low break-even time
c) Requires low assets to commence operations
d) Where the product has customers to make a repeat purchase
e) Have a high return on investment

3) Market issues include

a) Establish many customers that need the product or service
b) Establish there is a large market for the product to remain competitive
c) Establish the market has growth potentials
d) Establish that entrepreneur control the profitability of the market

4) Develop strategic differentiation for the product as follows:

a) Establish proprietary technology that will protect intellectual property such as copyright registration, trademark registration or patent to secure a long-term competitive advantage.
b) Establish strategic alliances especially in distribution instead of creating new distribution channels for the project.
c) Establish a sustainable competitive advantage by creating an agile product with either of the followings: the product is differentiated, the market is differentiated, price/profit is differentiated.
d) Establish market barriers to entry, factors that will obstruct, weaken, or inhibit competitors from entering the market
e) Make sure the product has no direct or indirect substitute in the market.
f) The investment has a scalable production process because when additional customers need the product, an entrepreneur can scale-up the production.
g) Ensure credible ads with credible endorsements from credible people to ramp-up sales.
h) Ensure that there are no fatal flaws in the entrepreneurial process.

5) Establish that the environment is ideal for the investment including factors such as:

a) Political issues- such as stability, legal and regulatory trend, trade policies, etc.
b) Economy – including wealth distribution, fiscal policies, exchange rate policies, etc.
c) Social – including cultural issues, the purchasing power of potential customers, buying pattern of potential customers, etc.
d) Technology – the rate of technological advancement and frequency of technology updates.

6) **Exit strategies should be established to guide the entrepreneur on how to harvest value or efforts put in the business for either:**

a) Build and sell
b) Build for a substantial profit, or
c) Build and achieve a desired social outcome

7) **Build an entrepreneurial team with members as follows**

a) Members should have complementary skills, knowledge, and capabilities
b) Should have the skills, knowledge, and experience in the focus of the business
c) The culture of supporting one another
d) Committed and relentless members
e) Powerful and passionate members

8) **Moreover, the team should have the right leadership with the following skills:**

a) Decisive
b) Visionary
c) Accountable
d) Highly confident
e) Embracer of change
f) Manager of the conflict
g) High interpersonal skills
h) Embracer of clarity

9) **Leadership styles applicable to the entrepreneurial process include:**

a) Visionary style for all type of entrepreneurial process
b) Coaching style for a project requiring the input of entrepreneur
c) Democratic style for project needing the inputs of members of the entrepreneurial process
d) Collaborative style for projects needing the involvement of all members
e) Commanding/autocratic style for a project that arose in emergency particularly where the action is required.

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