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The state of opportunities: clarifying the transitions between opportunity types

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Abstract

Purpose – The purpose of this paper is to describe how discovery and creation opportunities transition from one to the other and thereby clarify the relationship between opportunity types. This theoretical work will offer insight for studying opportunities and clarify the different practical implications of different opportunity types.

Design/methodology/approach – To further the understanding of opportunity types, the paper employs Dubin's (1978) theory building methodology focussing specifically on the concepts of system states. Approaching opportunity types as system states clarifies the relationship between discovery and creation opportunities.

Findings – This research argues that opportunities transition from creation opportunities to discovery opportunities. Furthermore, understanding the opportunity state can clarify the practical implications for entrepreneurs. In particular, entrepreneurs in discovery states employ different processes regarding human resources, strategy, financing, planning, leadership, and potential competitive advantage than entrepreneurs pursuing creation states.

Originality/value – This paper offers value to researchers by clarifying the differences between opportunity types. To date, there has been little to no investigation into how opportunity types change from one type to another. This research offers to clarify the debate about the existence of different opportunity types and move the discussion forward theoretically. Additionally, this manuscript offers practical insights for entrepreneurs pursuing different types of opportunities.

Keywords Opportunities, Discovery, Entrepreneurship, Theory building, Creation

Paper type Conceptual paper

Introduction

Opportunities exist. Or may be they do not? They are discovered, but sometimes they are created. Entrepreneurs find opportunities. No, they make them. In the end it does not matter or does it? Entrepreneurship literature has heavily investigated entrepreneurial opportunities for more than a decade (Shane and Venkataraman, 2000; Venkataraman *et al.*, 2012; Shane, 2012). Good empirical work has provided insight into entrepreneurs as they pursue opportunities, doing well to answer Shane and Venkataraman's (2000) question of who identifies opportunities. For example, greater knowledge and potential financial reward increase the number and innovativeness of opportunities identified (Shepherd and DeTienne, 2005), while gender does not affect the innovativeness of the opportunities identified (DeTienne and Chandler, 2007). Still, the large number of conceptual articles regarding opportunities (see Short *et al.*, 2010, for a review) without sufficient empirical work suggests that opportunities have not yet been understood sufficiently enough to enable rigorous testing (Dimov, 2011; Kuhn, 1996). The recent reflections on Shane and Venkataraman's (2000) original piece illustrate that the tension

