

Relation between strategic entrepreneurship with going competitive advantages and wealth- creation

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ABSTRACT

Asset would never stimulate the idea, but it is the idea which can motivate the asset, and it is with an innovative and creative idea, associated with asset resulting in new product in market, that we obtain success in business, called entrepreneurship. Study results have shown that strategic perspective in using entrepreneurship in national stage can lead to change in every field, and is based on value-making. Strategic entrepreneurship as a flexible plan can be a normative theory, trying to develop the choice of the best future. To achieve a subtle competitive advantage, strategic entrepreneurship can play a strong leverage strategic entrepreneurship would result in production and service-provision, in other words, they create some Value for customer-friendly service-provision, in other words, they create some value for customer which can become competitive advantage and finally conquers market through the value made and therefore makes wealth for organization.

KEY WORDS: strategic entrepreneurship, competitive advantage, asset-making, innovation, value-making.

1. INTRODUCTION

New organization face high failure rate, while the survivors have achieved marginal performance. On this basis, identifying applications and factors of competitive advantages prior to investing in business is considered as a value. It is at this point where strategic entrepreneurship causes to existence. Strategic entrepreneurship is used to portray a company's effects in utilization from present competitive advantage as well as innovative analysis In future in order to achieve a competitive advantage (Godhwani , 2008). Strategic entrepreneurship ship is a new term in entrepreneurship literature and also one of the most important one which if implemented effectively, there can be a balance between opportunity-seeking and advantage-seeking. (M.husina, 2012).strategic management and entrepreneurship both have significant and valuable role in management theories. Although each has its specific focus area, but they are required to have information and support for each other (Kraus, 2009). Strategic management and entrepreneurship are increasingly involved with the issue of organizations' continuous Ability to manage changes and maintain flexibility in order to survive (Heidemann, 2009).

2. LITERATURE REVIEW

Strategic entrepreneurship is a combination of entrepreneurial ideas and strategy in order to plan and implement entrepreneurship strategies to make values.

Therefore, strategic entrepreneurship is an entrepreneurship act that has happened along with a strategic perspective (hit, 2011). the recent study results showed that lack of strategic perspective in entrepreneurial activities, can lead to serious financial and moral detriments to entrepreneurs in some entrepreneurial activities ,specially young entrepreneurial activities(khazaei poul,2012) strategic entrepreneurship emphasizes the importance of resource management or strategic entrepreneurial activities , so that , we get competitive advantage (Dumitru, 2007). Recent results of studies in entrepreneurship field has shown that lack of strategic perspective in such activities can cause irreparable financial and moral detriments to entrepreneurs in some entrepreneurial activities, especially young entrepreneurial activities. On this bases new firms should act strategically upon need to excel their rivals in entrepreneurial business (Nahid, 2010). Therefore, we can interpret strategic entrepreneurship as developing codification of entrepreneurial. strategies as one of strategic forms, in which ,the ability of quick decision-making in accordance with exterior environmental changes has been considered(Rezaeian, 2012), strategic entrepreneurship allow firms to use their knowledge and capabilities in present environment ,while seeking future opportunities for exploitation through utilizing new knowledge and

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improved abilities. In order for strategic entrepreneurship to be effective, firms should achieve a balance between strategic management related opportunity –seeking behaviors and advantage-seeking behaviors.

To some extent, entrepreneurial part is required to be flexible and innovative in strategic entrepreneurship, whereas the strategic management is required to be stable and predictable. Achieving this balance due to restriction in firm resources, is challenging (Fairchild, 2011)

Entrepreneurship and strategic management are related to firms' behavior and performance. Ireland, camp and section 20 have introduced six main fields in profit-facilitation bases on similarity between entrepreneurship and strategy. Researches have shown that most of measures done in firms in order to increase their enterprise have taken place as a result of development in presented fields.

These fields are:

- 1) Innovation
- 2) Co operation
- 3) Globalization
- 4) Organizational learning
- 5) Senior supervising and management teams
- 6) Tendency to development.

(krasniqi , 2013)

Results from several researches have shown that strategic use from entrepreneurship can be of increasingly importance for making value, competitive advantage and wealth and can lead to creation of a formal framework which results to creativity in entrepreneurship by individuals or firms with an approach of focusing on national-goals (Man Alizadeh, 2012). Whether in a new investment or founding a new firm, strategic entrepreneurship has a dual Focus on changing or utilizing and obtaining value during forming this change (agrawal, 2010)

Small organizations have faced most challenges in order to grow into big ones, in the field of following changes, innovation and reconstruction intended for keeping the competitive power, regarding the post ,we can use strategic entrepreneurship in established small, medium or large firms. Existence of strategic entrepreneurship in large firms is due to a new or a conscious strategy (Burgelman, 1983).

New business owners are generally successful in identifying opportunities but show little success in developing competitive advantages. On the contrary, large stable firms are quite successful in fixing competitive advantages but less successful in recognizing them. Since young firms have limited opportunities to influence the market, therefore they should enter the market innovatively and with strategic perspective in order to start they new business effectively (ibrahimpour, 2012).

Big companies are skilled fixing competitive advantages, but their insistence on operational profit would normally cause their reduced capabilities in continuing discovering additional opportunities. Small enterprises are quite skillful in opportunity-seeking ,but lack of knowledge and also their weak market powers is restricting the activation of competitive advantages to utilize the most form their opportunities (Nicolai , 2011) , so , a simple strategic behavior and/ or an independent strategically behavior would happen . If consciously, these activities can be identified as a strategic entrepreneurship in firms, and if they are immature or independent, we consider them as simple entrepreneurship (not strategic entrepreneurship) (Ransburg, 2013). Flexible planning in organization can reduce the effectuality of reserved firms, because they have no innovation and are looking for gaining competitive.

Advantages through repetitive transactions and usual activities (bruce, 1999).

Although strategic as a flexible plan and a normative theory can try to choose the best future. For firm through opportunistic, advantageous behaviors, exploitations and intuitions, etc. (Kringelum , 2014). In other words, entrepreneur companies are always concerned about closure of opportunity windows while the traditional ones have closed the windows and are watchful from behind. (Nahid, 2010).

To create a superior value for customers, firms constantly need to be identifying market environment (Suliyanto. 2011). Green has reported that the small firms perusing strategic entrepreneurship should provide a rich set of sources and capabilities, whether from outside or inside of organization. Strategic entrepreneurship enables firms to show appropriate reaction against environmental changes. Study results showed that the only observed area in strategic entrepreneurship, is concerned with studies analyzing entrepreneurial activities and strategic management and also the peripheral issues. However, in some numerable studies, there has been specifically surveyed analysis in definition and concept of strategic entrepreneurship (Ibrahimpour, 2012).

Entrepreneurial activities are the kind of pursuit that support the entrepreneurial measures taken by organizations who are developing and utilizing present competitive advantages, in order to achieve future competitive advantages. Competitive products and services in customer's idea versus their rivals (Duncan,

1998). Entrepreneurial measures are the acts in which companies seek to utilize the entrepreneurial opportunities which their rival have not noticed or have not utilized property yet (Hitt, 2002).

Strategic entrepreneurship is created by combining two entrepreneurial and strategic perspectives to plan and implement entrepreneurial strategies so to achieve wealth (Hitt, 2002). When looking at present performance of entrepreneurship is due to the value which they have created in different forms. This value can be discovering new knowledge, making new technology, improving present productivity or services, new ways to render services or products with less resource consumption, etc. if fact, discovering new ways to satisfy customers' needs and creating new toward present products and services is considered as one of the most important entrepreneurial acts (kamalian, 2011)

Ireland et al. (2003) have proposed strategic entrepreneurship as a four-dimensional construct, involving entrepreneurial thinking, culture and leading, strategic management of resources and using creativity in order to develop innovation in the organization. They believe that the organization which uses this framework effectively, can easily achieve competitive advantages and value-making abilities. Strategic entrepreneurship can also cause increase organization's capability to constant innovation and share organizational knowledge (Ireland, 2009). In the global economy, dynamic competence and innovation are vital to an organization (Moghavvemi , 2012). Innovation is introducing new approaches that can make constant values.

Porter 1985 demonstrated that competitive advantages are basically derived from company- generated values for customers (Suliyot, 2011). Essence of innovation is creation. According to importance of entrepreneurship. Smith and Digregory assert that freshness is the nature of entrepreneurship new resources, new customers, new markets, and/ or a new combination of resources, customers or present market (Hitt, 2002).

Effective innovations make new values for customers. Results obtained from innovations in productivity factors combination are very vital for creating wealth (Nakyejwe, 2006). The major factor is the strategic situation plan and also a descriptive portray of organization's proportional performance regarding present competence factors in industry. In graphs of an industry's value, strategic of knowledge is drawn in respect to present state of industry and future of the business.(Chan Kim ,2005).

From Schumpeter's view point, an entrepreneur is an innovative person who does five duties:

- Creating a new product or new quality
- Creating a new production method
- Establishing a new market
- Exploiting a new offer resource
- Creating a new organization or industry.(Zeqiri,2010)

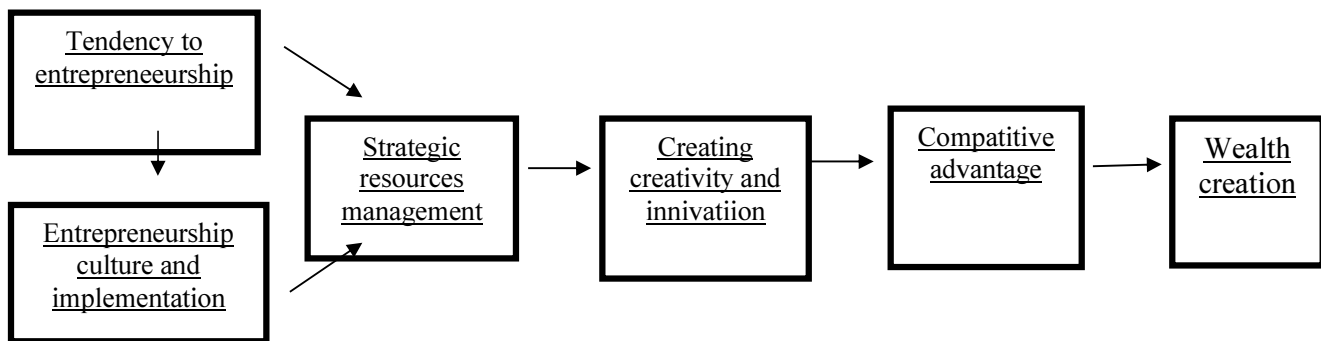


Fig. 1. A model of strategic entrepreneurship (Kamalian, 2011)

Entrepreneurship is a dynamic procedure toward making and increasing the asset. Some one would do it who has accepted the risk of losing time or other job opportunities in order to gain value for a product or service (Nahid, 2010)

Familiarity with wealth- creation procedure is a field of surveying key goals in all organization sciences. Each research field has its own specific view in these goals, e.g. strategic management has concentrated on this issue that how can a competitive situation create advantages for a company which would cause a better performance. The focus of entrepreneurship is to wealth- creation centers and identifying new opportunities in newly-founded markets (Ketchen, 2007)

Focus on opportunities is the cornerstone of identification of relations between entrepreneurship and strategy. Therefore, strategic entrepreneurship is simultaneously in the meaning of blousing wealth-creation strategies and opportunities to use them and looking for competitive advantages (Yilmaz, 2012). In order to make the maximum wealth, the integration of entrepreneurship and strategy in the company is necessary.

In order for maximum wealth, growth and expanding, integration of entrepreneurship and strategy can lead to success in procedures. To get to a constant competitive- advantages, we need a strategic leverage in wealth-creation. So, today business world needs strategy-oriented entrepreneurship. Firms should fulfill their wealth-creation strategies through: imagination, exploitation, invention and leadership, otherwise. Other firms would over take the markets and customers and also the best employees and the assets from them. (Yilmaz, 2011)

Ireland (2003) has described the organizational entrepreneurship from two perspectives: Risk-taking investment or cooperation, and strategic entrepreneurship. In this opinion, the five forms which strategic entrepreneurship can take are: rejuvenation of organization, strategic reconstruction, redefining the scope of organization's activities, restructuring organization's business model, and subtle recreation. Strategic reconstruction means organized and continuous innovative activities in products and services of company and also introducing new products and services and entering new markets. Redefining the scope of company's activity would indicate to creating a new product-market area by company which has not been identified or utilized by other firms. Rejuvenation means maintaining or promoting organization's competitive position through innovative activities inside the Company which would consist change of internal processes, constructs and capabilities. Restructuring business model indicates a situation in which company launches a change in business model in order to improve performance efficiency or distinguish itself from present rivals in industry, in a way that can create value of itself in the market.

Conclusion

In present challenging and dynamic state that markets and customers are evolving and therefore applicants of different products and services face new technologies and different efficiencies, it is obvious that organizations and firms are also pursuing gain of competitive advantages in order to survive their organization and also create wealth to support these advantages and meet the customers' and beneficiaries' demands. Strategic management and entrepreneurship are organizational processes which firms use to reduce unreliability and ambiguity and turn them in opportunities and creation of value and wealth. Essence of strategic management is about successful development and utilization of competitive advantages. The main focus of entrepreneurs is located on opportunities which utilizing them through competitive advantages results in creation of value and wealth.

Entrepreneurial strategies lead to use of opportunities which result in customer-friendly products and services. In other words, it creates a value for customer which turns into a competitive advantage conquering market through value-creation and therefore wealth-creation, too.

Innovation and creativity are cornerstones of entrepreneurship. Firms can gain customers' loyalty through producing and rendering new products and services. Customer's loyalty gives a competitive advantage to firm which in turn leads to wealth-creation. On the whole, we can say that entrepreneurship is increasingly considered as wealth-creation derive in emerging, developing and developed economies and strategic management is the reason of differences in creation of wealth among different firms and organizations.

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