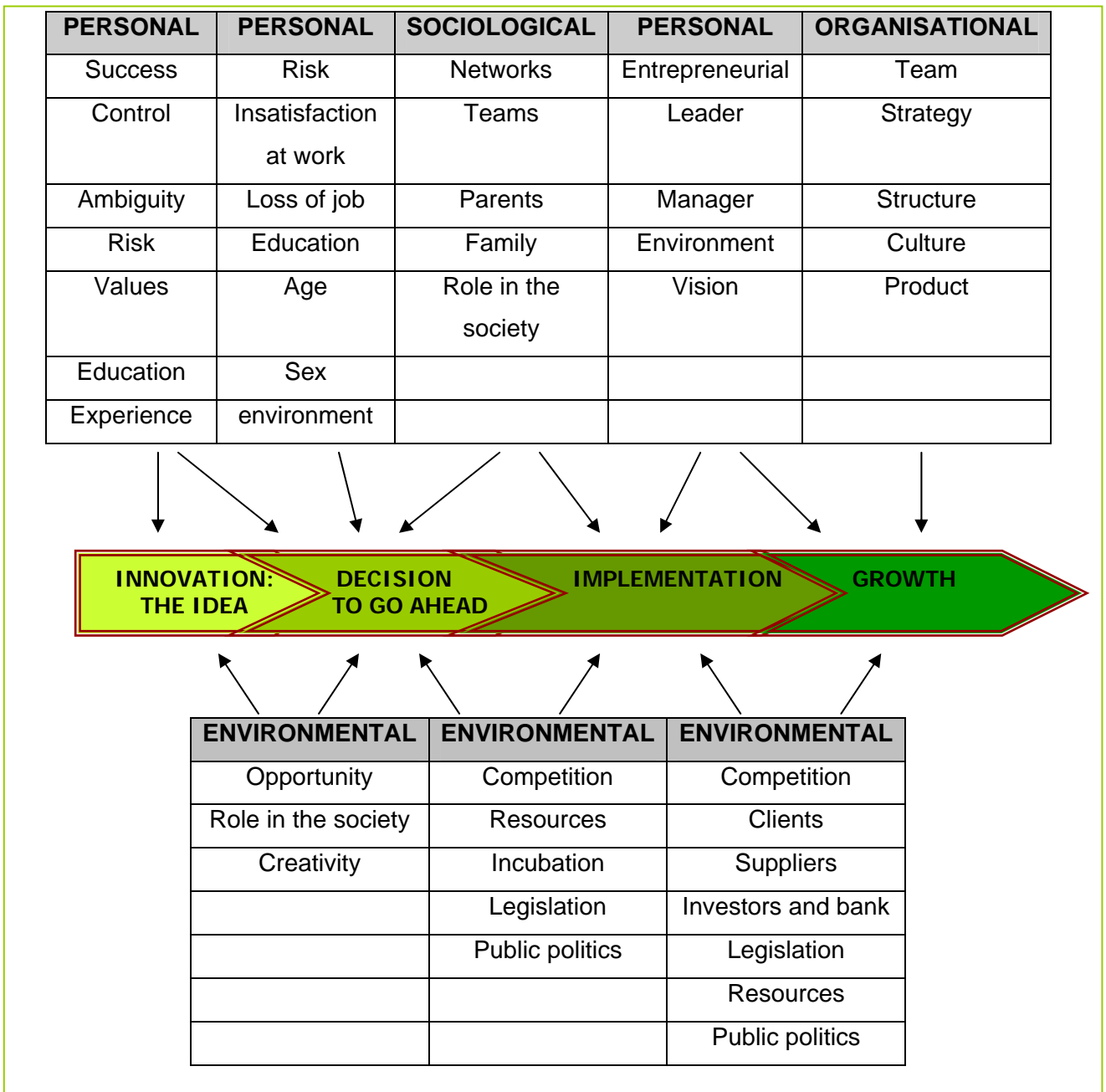


II – The Entrepreneurial Process

1. Introduction to the Entrepreneurial Process

A wide range of factors could influence someone to become an entrepreneur, including environmental, social, personal ones, or a combination of them.

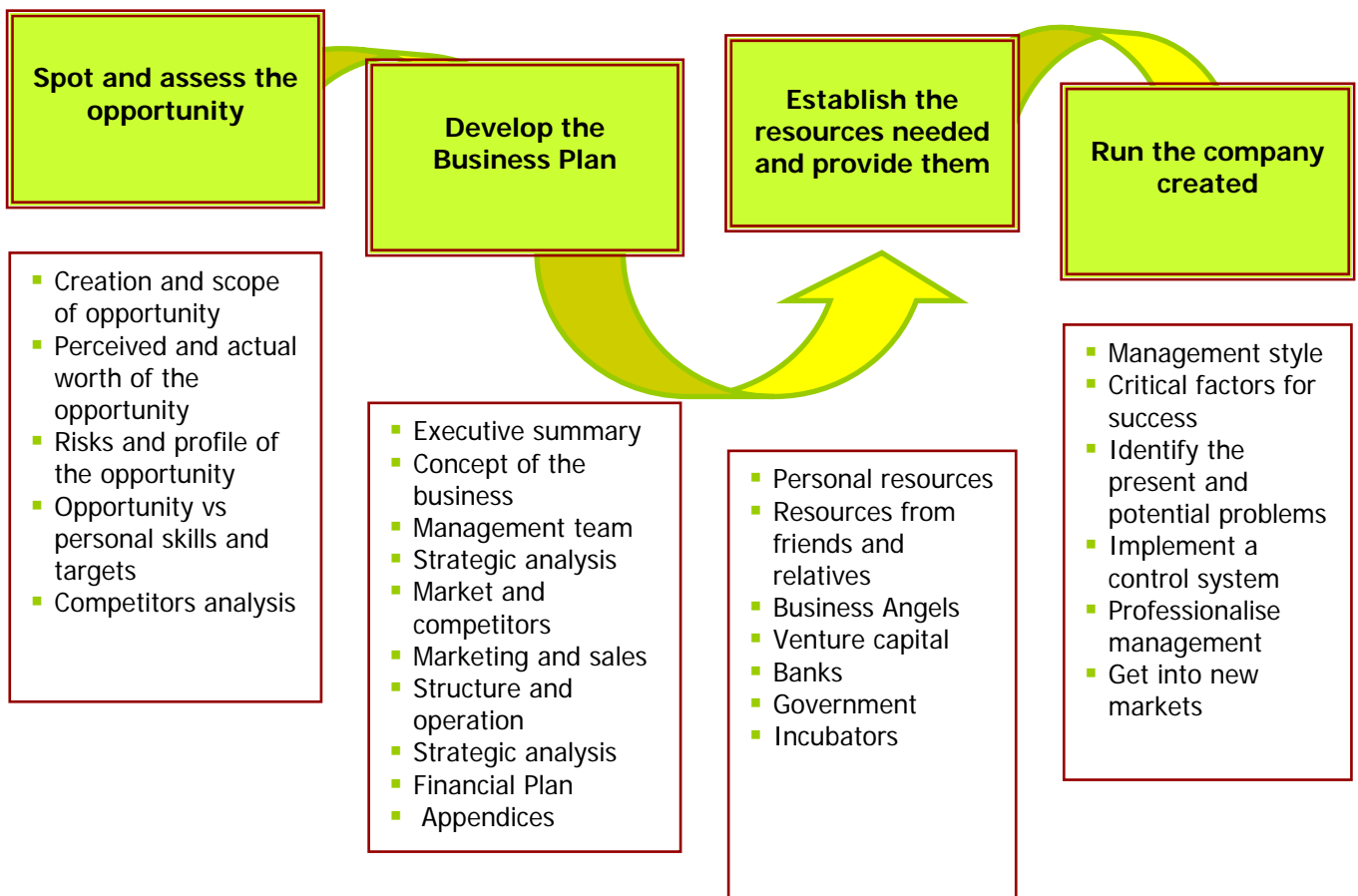


The company creation process [adapted from Gonçalves (2000)]

After one decides to be an entrepreneur, there are four steps of the entrepreneurial process he/she has to follow:

Spot and assess the opportunity;

- Draw up a business plan;
- Establish the resources needed and get them;
- Run the company created.



Adapted from Hirsch (1998)

Spot and assess the opportunity, to identify an opportunity and analyse its potential in terms of: market needs, competitors and market potential and product life-cycle.

It is important the entrepreneur to test his/her business idea/concept with potential customers, asking if they would buy the product or service, doing some research to find the market size and whether if it is growing, stable or stagnating, finding out about his/her competitors strengths and weaknesses, threats and opportunities.

Draw up the business plan. The business plan is an important part of the entrepreneurial process. A well-planned business will have more chance to succeed all the other aspects of the company being equal.

It is crucial for the entrepreneur to know how to plan his/her actions and lay out strategies for the business to be created or under expansion.

Establish the resources needed and provide them. The entrepreneur should use his/her planning ability and bargaining skills to get to know the best alternatives on the financing market for their business, that is, which will offer the best cost-benefit ratio.

Run the firm created. Running the company can seem to be the easiest part of the entrepreneurial process, since the opportunity has been identified, the business plan developed and the source of funding provided.

But running a company is not as straightforward as it seems. The entrepreneur must recognise his/her limitations, recruit a first-rate team to help manage the company, implementing actions to minimise problems and maximise profits. That is, the firm has to produce more, with the fewest resources possible, combining efficiency and efficacy.