DOWNLOAD PDF EXPLOITING OPPORTUNITIES.

Chapter 1 : How To Exploit and Enhance Project Opportunities

Introduction. The traditional view of risk is negative, characterizing risks as "threats" with adverse consequences on project objectives. But current risk thinking includes the possibility of "upside risk" or "opportunity," which could have a beneficial effect on achieving objectives.

Any relationship to the classic functional contributions is inspirational, not substantive. The most important exception is the literature in management and organization theory on opportunity discovery or opportunity identification, or what Shane calls the "individualâ€"opportunity nexus. While value can, of course, be created not only by starting new activities but also by improving the operation of existing activities, research in opportunity identification tends to emphasize new activities. These could include creating a new firm or starting a new business arrangement, introducing a new product or service, or developing a new method of production. As summarized by Shane , pp. Given this definition, the academic field of entrepreneurship incorporates, in its domain, explanations for why, when, and how entrepreneurial opportunities exist; the sources of those opportunities and the forms that they take; the processes of opportunity discovery and evaluation; the acquisition of resources for the exploitation of these opportunities; the act of opportunity exploitation; why, when, and how some individuals and not others discover, evaluate, gather resources for, and exploit opportunities; the strategies used to pursue opportunities; and the organizing efforts to exploit them. Shane and Venkataraman, This conception is admirably broad, incorporating not only opportunity discovery, but also the processes by which opportunities are pursued and exploited. What unifies these varied aspects of the entrepreneurial function is the concept of the opportunity. The discovery and potential exploitation of opportunities is proposed as the unit of analysis for entrepreneurship research. But what exactly are opportunities? How are they best characterized? How much explicit characterization is necessary for applied research in entrepreneurial organization and strategy? Shane and Venkataraman , p. Shane and Venkataraman also distinguish entrepreneurial opportunities from profit opportunities more generally. While the latter reflect opportunities to create value by enhancing the efficiency of producing existing goods, services, and processes, the former includes value creation through "the very perception of the means-ends framework" itself Kirzner, , p. Shane and Venkataraman seem to have in mind the distinction between activities that can be modeled as solutions to well-specified optimization problems â€" what Kirzner calls "Robbinsian maximizing" â€" and those for which no existing model, or decision rule, is available. However, Shane and Venkataraman appear to misunderstand Kirzner and the Austrians more generally on this point. In a world of Knightian uncertainty, all profit opportunities involve decisions for which no well-specified maximization problem is available. Kirzner does not mean that some economic decisions really are the result of Robbinsian maximizing, while others reflect discovery. Instead, Kirzner is simply contrasting two methodological constructions for the analysis of human action. More generally, the opportunity-identification literature seeks to build a positive research program by operationalizing the concept of alertness. How is alertness manifested in action? How do we recognize it empirically? Can we distinguish discovery from systematic search? As summarized by Gaglio and Katz , p. For example, Kaish and Gilad interpret this as having an aptitude to position oneself in the flow of information so that the probability of encountering opportunities without a deliberate search for a specific opportunity is maximized. Therefore, in their operational measures of alertness, they asked founders to recall: From this data the authors deduced: Their results conform to expectations in some ways but also reveal some unexpected patterns. Compared to the sample of corporate executives, the sample of new venture founders do appear to spend more time generating an information flow and do seem more likely to use unconventional sources of information. Interestingly, the founders do seem more attentive to risk cues rather than to market potential cues. However, the data also reveal that only inexperienced or unsuccessful founders engage in such intense information collection efforts. Successful founders actually behave more like the sample of corporate executives. Indeed Busenitz found few significant differences between corporate managers and new venture founders. In addition, validity checks of the survey measures yielded low reliability scores, which led the author to conclude that future research in

alertness required improved theoretical and operational precision. In the Kirznerian system, opportunities are exogenous arbitrage opportunities and nothing more. Entrepreneurship itself serves a purely instrumental function; it is the means by which Kirzner explains market clearing. Beyond specifying general-disequilibrium conditions, however, Kirzner offers no theory of how opportunities come to be identified, who identifies them, and so on; identification itself is a black box. The claim is simply that outside the Arrowâ€"Debreu world, in which all knowledge is effectively parameterized, opportunities for disequilibrium profit exist and tend to be discovered and exploited. In short, what Kirzner calls "entrepreneurial discovery" is simply that which causes markets to equilibrate. Again, this is true, but misses the point. Kirzner is not making an ontological claim about the nature of profit opportunities per se â€" not claiming, in other words, that opportunities are, in some fundamental sense, objective â€" but merely using the concept of objective, exogenously given, but not yet discovered opportunities as a device for explaining the tendency of markets to clear. Interest is a reward for forgoing present consumption, is determined by the relative time preferences of borrowers and lenders, and would exist even in a world of certainty. Profit, by contrast, is a reward for anticipating the uncertain future more accurately than others e. In such a world, given that production takes time, entrepreneurs will earn either profits or losses based on the differences between factor prices paid and product prices received. For Knight, in other words, opportunities do not exist, just waiting to be discovered and hence, by definition, exploited. Rather, entrepreneurs invest resources based on their expectations of future consumer demands and market conditions, investments that may or may not yield positive returns. Here the focus is not on opportunities, but on investment and uncertainty. Expectations about the future are inherently subjective and, under conditions of uncertainty rather than risk, constitute judgments that are not themselves modelable. Put differently, subjectivism implies that opportunities do not exist in an objective sense. Hence, a research program based on formalizing and studying empirically the cognitive or psychological processes leading individuals to discover opportunities captures only a limited aspect of the entrepreneurial process. Opportunities for entrepreneurial gain are, thus, inherently subjective â€" they do not exist until profits are realized. Entrepreneurship research may be able to realize higher marginal returns by focusing on entrepreneurial action, rather than its presumed antecedents. In the "discovery approach," for example, entrepreneurial actions are responses to exogenous shocks, while in the "creation approach," such actions are endogenous. Discovery entrepreneurs focus on predicting systematic risks, formulating complete and stable strategies, and procuring capital from external sources. Creation entrepreneurs, by contrast, appreciate iterative, inductive, incremental decision making, are comfortable with emergent and flexible strategies, and tend to rely on internal finance. Moreover, Alvarez and Barney write as if "discovery settings" and "creation settings" are actual business environments within which entrepreneurs operate. Some entrepreneurs really do discover exogenously created profit opportunities, while others have to work creatively to establish them. As I read Knight and Kirzner, by contrast, both the discovery and creation perspectives are purely metaphorical concepts useful for the economist or management theorist , not frameworks for entrepreneurial decision making itself. This suggests that opportunities are best characterized neither as discovered nor created, but imagined. The creation metaphor implies that profit opportunities, once the entrepreneur has conceived or established them, come into being objectively, like a work of art. Creation implies that something is created. There is no uncertainty about its existence or characteristics though, of course, its market value may not be known until later. By contrast, the concept of opportunity imagination emphasizes that gains and losses do not come into being objectively until entrepreneurial action is complete i. Entrepreneurs either earn profits or break even, but it is unclear how they suffer losses. Kirzner claims that entrepreneurs can earn losses when they misread market conditions. Mistaken actions by entrepreneurs mean that they have misread the market, possibly pushing price and output constellations in directions not equilibrative" Kirzner, , p. But even this formulation makes it clear that it is mistaken actions â€" not mistaken discoveries â€" that lead to loss. Misreading market conditions leads to losses only if the entrepreneur has invested resources in a project based on this misreading. It is the failure to anticipate future market conditions correctly that causes the loss. It seems obscure to describe this as erroneous discovery, rather than unsuccessful uncertainty bearing. Alvarez and Barney emphasize that "creation entrepreneurs" do take into account potential losses, the "acceptable losses" described by Sarasvathy

However, when those losses are realized, it seems more straightforward to think in terms of mistaken beliefs about the future â€" expected prices and sales revenues that did not, in fact, materialize â€" than the "disappearance" of an opportunity that was previously created. Entrepreneurs do not, in other words, create the future, they imagine it, and their imagination can be wrong as often as it is right. As noted by McMullen, Plummer, and Acs , p. Although some researchers argue that the subjective or socially constructed nature of opportunity makes it impossible to separate opportunity from the individual, others contend that opportunity is as an objective construct visible to or created by the knowledgeable or attuned entrepreneur. Either way, a set of weakly held assumptions about the nature and sources of opportunity appear to dominate much of the discussion in the literature. Do we need a precise definition of opportunities to move forward? Can one do entrepreneurship research without specifying what, exactly, entrepreneurial opportunities are? Can we treat opportunities as a black box, much as we treat other concepts in management, such as culture, leadership, routines, capabilities, and the like Abell, Felin, and Foss, ? One approach is to focus not on what opportunities are, but what opportunities do. Opportunities, in this sense, are treated as a latent construct that is manifested in entrepreneurial action â€" investment, creating new organizations, bringing products to market, and so on. The economist does not care what preferences "are," ontologically, but simply postulates their existence and draws inferences about their characteristics as needed to explain particular kinds of economic behavior. Empirically, this approach can be operationalized by treating entrepreneurship as a latent variable in a structural-equations framework Xue and Klein, By treating opportunities as a latent construct, this approach sidesteps the problem of defining opportunities as objective or subjective, real or imagined, and so on. The formation of entrepreneurial beliefs is treated as a potentially interesting psychological problem, but not part of the economic analysis of entrepreneurship. It also avoids thorny questions about whether alertness or judgment is simply luck Demsetz, , a kind of intuition Dane and Pratt, , or something else entirely. The Unit of Analysis As explained earlier, the opportunity-creation approach proposed by Alvarez and Barney differs in important ways from the opportunity-discovery approach. The creation approach treats opportunities as the result of entrepreneurial action. Opportunities do not exist objectively, ex ante, but are created, ex nihilo, as entrepreneurs act based on their subjective beliefs. In this sense, the creation approach sounds like the imagination approach described here. Still, like the discovery approach, the creation approach makes the opportunity the unit of analysis. How entrepreneurs create opportunities, and how they subsequently seek to exploit those opportunities, is the focus of the research program. At one level, the distinction between opportunity creation and opportunity imagination seems semantic. Both hold that entrepreneurs act based on their beliefs about future gains and losses, rather than reacting to objective, exogenously given opportunities for profit. There are some ontological and epistemological differences, however. The creation approach is grounded in a social constructivist view of action Alvarez and Barney, It holds that the market itself is a social construction, and that realized gains and losses are, in part, subjective. The imagination approach described here is, in this sense, less subjectivist than the creation approach.

Chapter 2 : Strategy for Responding to Positive Risks in Project Management

The most recent of the standards to include both opportunity and threat within its definition of"risk"is the latest edition of the Guide to the Project Management Body of Knowledge(PMBOKÂ®.

Definitions[edit] Opportunism is the conscious policy and practice of taking selfish advantage of circumstances. Opportunism is sometimes defined as the ability to capitalize on the mistakes of others: For the sake of doing something that will work, or that successfully solves the problem, a previously agreed principle is knowingly compromised or disregarded - with the justification that alternative actions would, overall, have a worse effect. In choosing or seizing opportunities, human opportunism is most likely to occur where: People can make the most gains for themselves at the least cost to themselves. Relevant internal or external controls on their behaviour are absent. People are pressured to choose and act. Criticism of opportunism usually refers to a situation where beliefs and principles are tested or challenged. Human opportunism should not be confused with "seeking opportunities" as such, or "making use of opportunities when they arise". Opportunism refers rather to a specific way of responding to opportunities, which involves the element of self-interestedness plus disregard for relevant ethical principles, or for intended or previously agreed goals, or for the shared concerns of a group. According to this redefinition, "opportunism" is a euphemism for "entrepreneurship". Etymology[edit] In the early 19th century, the term "opportunist" as noun or adjective was already known and used in several European languages, but initially it rarely referred to political processes or to a political tendency. The English term "opportunism" is possibly borrowed originally from the Italian expression opportunismo. However, it is more likely that the English expression was directly borrowed from the French term, when it began to refer specifically to the opportunist Republicans , since the term first entered the English language in the early s. Moral connotations[edit] As a style of human behaviour, opportunism has the connotation of a lack of integrity , or doing something that is out of character inconsistent. The underlying thought is that the price of the unrestrained pursuit of selfishness is behavioural inconsistency. Thus, opportunism involves compromising some or other principle normally upheld. Thus, the British Conservative statesman Stanley Baldwin is supposed to have quipped: It can also be viewed as a striving to realize or express certain principles. However, the moral dilemma implied by opportunism concerns the conflict of self-interest with the interests of others, or with following a principle: Thus, substantively, opportunism refers to someone who acts on opportunities in a self-interested, biased or one-sided manner that conflicts or contrasts in some way with a more general rule, law, norm, or principle. The fact that the self-interested action evokes this conflict, often implies that the tendency to use opportunities to advantage is excessive or improper, the corollary being a deficiency of character or at least a lack of propriety. Moralists may have a distaste for opportunism, insofar as opportunism implies the violation of a moral principle. It is often difficult for an outsider to understand why an action or an idea is or is not "opportunist", because the outsider does not know the whole story, or the whole context, or the true intention behind it. The way things appear can give an impression which is quite different from the real motivation that is behind it. Human behaviour[edit] In human behaviour generally, opportunism concerns the relationship between what people do, and their basic principles when faced with opportunities and challenges. The opportunist seeks to gain personal advantage when an opportunity presents itself, putting self-interest ahead of some other interest, in a way contrary either to a previously established principle or another principle that ought to have higher priority. Hence opportunist behaviour is usually regarded at least as questionable or dubious, and at most as unjustifiable or completely illegitimate. Opportunism is regarded as unhealthy, as a disorder or as a character deficiency, if selfishly pursuing an opportunity is blatantly anti-social involves disregard for the needs, wishes and interests of others. However, behaviour can also be regarded as "opportunist" by scholars without any particular moral evaluation being made or implied simply as a type of self-interested behaviour. The sociology and psychology of human opportunism is somewhat related to the study of gambling behaviour, and centres on the way people respond to risk and opportunity, and what kind of motivation and organizational culture is involved. Both the element of risk and opportunity play a role. To be opportunist in behaviour, a person or group must: Thus, the

opportunity exploited for selfish ends can itself exist either because an action is taken, or because of deliberate inaction when action should really have been taken. The propensity to engage in such kinds of behaviours depends a great deal on the presence of absence of personal characteristics such as integrity , moral character , personal insight or self-awareness , personal flexibility and balance. It also depends on the ability to judge the consequences of different courses of action correctly. Strong emotions and desires may also play a role, and much may depend on how permissive a person, group or organization is see permissive society. Much also depends on the beliefs people happen to have about themselves and the world they live in, and on the morale of an organization. In turn, that presupposes at least some basic self-motivation, inner direction, inventiveness and behavioural freedom; subjectively, an opportunist must at least be able to recognize and respond to opportunities when they are there. Eight main contexts[edit] Personalities and beliefs are shaped by the specific environment where they form. It is likely that the possibilities for opportunist behaviour are promoted in contexts where there is not only an incentive to engage in them, but also where it is also extremely difficult for some reason to remain behaviourally consistent, or where ordinary constraints on behaviour are lacking. In that case, opportunist behaviour does not seem to have much adverse effect or consequence, at least in the short term, compared to the much greater benefits of engaging in it. Eight main contexts are referred to in the literature: If there are only weak sanctions against unprincipled behaviour, this creates a setting where opportunist behaviour can flourish, and if the positions of people are very unequal in terms of power, wealth, status, knowledge or strength the possibility exists that some will take advantage of the disadvantage of others. Opportunism is facilitated if the situation permits an actor to appropriate the gains or advantages to be had from an activity to themselves, while shifting the costs, blame and disadvantages to others. This may be regarded as unfair competition. The propensity of opportunist behaviour is influenced by the general life-situations that people find themselves in. Opportunist behaviour can be self-reinforcing: Examples might be a gold rush and the tragedy of the commons. In this case, opportunist behaviour may be facilitated, especially if precise rules for how a resource should be distributed are lacking, or if it is unclear who really owns it, or if proper use cannot be enforced. This could be due to deliberate disinformation. Self-interest may be followed because it is unclear or undecided what other interests are at stake, or because a shared morality is lacking. If the situation is one where shared rules are lacking, where it is quite uncertain what the relevant rule to apply is, or where everything is very uncertain or chaotic, plenty of scope exists for opportunist behaviour. Ordinary laws and "rules of the game" break down, creating new opportunities for those positioned to take advantage of them. Opportunism is facilitated if for any reason there is a low level of awareness that it is happening. Perceptions of the strengths and vulnerabilities of others and oneself may play an important role. That motivation can promote the urge to win something "by any means necessary", even if it means to "cut corners" and do things not consistent with relevant principles. If people are for some reason motivated "to do anything at all to achieve success", they are more likely to engage in opportunist behaviour for that very reason. Five main organizational influences[edit] Opportunist behaviour is also strongly influenced by the organizational context in which it occurs. Other organizations may be so loosely structured and so lacking in controls and sanctions regulating behaviour, that opportunism becomes almost unavoidable. Lacking such a principled foundation, the organization may find itself constantly trying to compensate for both opportunist errors and factional errors. Sometimes expectations of behaviour are made explicit by the organization with the aid of formal rules communicated to members. Sometimes they are only implicit and informal - possibly because formal rules are not easy to formulate, or to enforce, or because it is assumed that members understand and share relevant norms and values. If for example the organization sets itself the task to exploit risks and opportunities to advantage, then no matter what its size is, it tends to facilitate opportunist behaviour. If, on the other hand, the aim of the organization is to carefully conserve a state of affairs or belief system, this is much less likely to attract opportunists. Use of the term in specific areas[edit] Professional[edit] In professional ethics , the concept of opportunism plays a role in defining criteria for professional integrity. Professionals may, to a great extent, make their own judgements, interpretations, and decisions about the exact approach to takeâ€”without an explicit rule that they must perform in a specific way. Such a situation can be exploited with opportunist motives that are contrary to the stated ethics of a profession. Consequently, it

becomes necessaryâ€”for the sake of preserving professional integrityâ€”to explicate "guiding norms" that define the boundaries of acceptable practice, or to divide up roles in such a way that different people in an organization can effectively check and control what their colleagues actually do "to keep them honest". Intellectual opportunism The term intellectual opportunismâ€”the pursuit of intellectual opportunities with a selfish, ulterior motive not consistent with relevant principlesâ€”refers to certain self-serving tendencies of the human intellect, often involving professional producers and disseminators of ideas, who work with idea-formation all the time. The phenomenon of intellectual opportunism is frequently associated by its critics with careerism. When human knowledge becomes a tradeable good in a market of ideas, all sorts of opportunities arise for huckstering, swindling, haggling and hustling with information in ways which are regarded as unprincipled, dubious or involve deceit of some sort. Normally this assumes some degree of intellectual flexibility, agility or persuasiveness. Sexual opportunism Sexual opportunism is the selfish pursuit of sexual opportunities for their own sake when they arise, often with the negative moral connotation that in some way it "takes advantage" of others, or "makes use" of, or "exploits", other persons for sexual purposes. To the extent that the feelings, wishes, intentions, purposes, interests or norms of others are not adequately considered in the pursuit of sexual gratification, it then conflicts with some or other principle for appropriate behaviour, and it may involve deceit or dishonesty for example, the deliberate exploitation of sexual innocence. In a clinical or scientific sense, sexual opportunism is often straightforwardly described as observable sexual promiscuity or the observable propensity to engage in casual sex , whatever the motive. Evolutionary[edit] In the theory of evolution , "evolutionary opportunism" refers to a specific pattern of development in the history of a species. The behaviour, culture or body part of a species that long ago evolved to serve a particular purpose or function may subsequently lend itself to a very different positive purpose or function that helps the species to survive. It turns out to have new advantages or potential benefits the species previously never usedâ€”and, therefore, the species retains an adaptation even if the original purpose it served is long gone. Biological[edit] In biology , an opportunist organism is generally defined as a species that can live and thrive in variable environmental conditions, and sustain itself from a number of different food sources, or can rapidly take advantage of favorable conditions when they arise, because the species is behaviorally sufficiently flexible. Such species can for example postpone reproduction, or stay dormant, until conditions make growth and reproduction possible. In the biological disciplines, opportunistic behavior is studied in fields such as evolutionary biology , ecology , epidemiology , and etiology , where moral or judgmental overtones do not apply see also opportunistic pathogens , opportunistic predation , phoresis , and parasitism. In microbiology , opportunism refers to the ability of a normally non-pathogenic microorganism to act as a pathogen in certain circumstances. Opportunist micro-organisms such as bacteria , viruses , fungi , and protozoa are ones that, when they invade the host organism, can cause infection in the host organism, but cause real disease only if the natural defenses, resistance or immune system of the host organism are lowered see opportunistic infection. In macrobiology , opportunist behaviour by an organism generally means that it is able to seize and use diverse opportunities in its environment to survive and grow. If one single opportunity or need occurs, the organism can "improvise" a response to it with whatever resources it has available, even if what it can do is not the best possible strategy. Some animals also show this behavior for group-foraging. In other words, they try to optimize the feeding intake of their colony. The Australian stingless bee Tetragonula carbonaria , for instance, has several workers search for an area full of rich resources, and will then recruit heavily in this area until the resources are depleted. Political opportunism The term "opportunism" is often used in politics and political science , and by activists campaigning for a cause. Political opportunism is interpreted in different ways, but usually refers to one or more of the following: The term "political opportunism" is often used in a pejorative sense, mainly because it connotes the abandonment of principles or compromising political goals. There are four main sources of political opportunism: Economic opportunism There exists no agreed general, scientific definition or theory of economic opportunism; the literature usually considers only specific cases and contexts. Market trade supplies no universal morality of its own, except the law of contract and basic practical requirements to settle transactions, while at the same time legal rules, however precise in their formulation, cannot control every detail of transactions and the interpretation or

implications thereof. Since economic opportunism must be assessed against some relevant norm or principle, controversy about what that norm or principle should be, makes a general definition difficult. Nevertheless, the gains or benefits of trading activity and indeed the losses , although entirely legal, might be distributed very unequally or in ways not anticipated by previous understandings, and thus accusations of "economic opportunism" can arise nevertheless in many different settings. Greed is frequently mentioned as a primary motive for economic opportunism. In transaction cost economics , opportunism means self-interest seeking with guile, involving some kind of deliberate deceit and the absence of moral restraint.

Chapter 3 : Exploiting Opportunities for Technological Improvement in Organizations

Exploiting a positive risk is about ensuring everything is in place to increase the probability of the occurrence of the risk. Here is an example of exploiting a risk. Suppose, some members of your team have determined a new technique to develop a product and by using this technique, the project duration can be reduced by 20%.

At the same event, the National Planning Authority presented a draft strategy for addressing the challenges and exploiting opportunities that exist to better the lives of people economically and socially. Since that day, many individuals have weighed in with a number of views and opinion about the same. Here are some critical facts and an account of the journey this far about the report and the planned course of action. Please note that special planning area does not remove geographical boundaries nor administrative functions of those areas. It rather seeks to address the overarching challenges and enhance coordination as well as planning in the area in a more harmonised way. The report highlights unemployment, disconnectedness, costly business environment and weak private sector capacity across the GMKA as the most pressing challenges daunting the area. According to the greater Kampala physical development plan, it is projected that by , the population in Greater Kampala metropolitan area will be 10 million ,which calls for joint and harmonised planning. Transforming urban leaders from regulators to facilitators of private sector development- the theme of the report, becomes a critical paradigm shift to embrace. The findings, recommendation and the strategy are critical for all stakeholders at all levels of governance, central and local to pay attention to. The areas include; 1. Competitive economic infrastructure, which focusses on strategic roads programmes, public transportation and affordable housing. Conserving and protection of environmental assets to create a green city with focus on comprehensive solid waste management, wet lands and waterways. Business support to transform the informal sector, youth and economics empowerment groups. Tourism development in the area. Effective city and local government service delivery. Those will be the critical areas of collaboration. The joblessness, heavy congestion and floods that Kampala city faces sometimes cannot be addressed without a metropolitan mindset. The city has continued to grow organically beyond its boundaries into the metropolitan municipalities of Mpigi, Wakiso and Mukono are functionally connected to Kampala. We are already experiencing the collaboration yielding results in the planning design and tendering of the Kabusuâ€”Bunamwaya-Lweza Road that is going through three local governments. The implementation of the European Union-funded climate change initiative, where Kampala is supporting Entebbe to develop the municipal Climate Change action plan is another example of collaboration. Such framework will be supported by the Inter-Ministerial Steering Working Group as laid down in the national development plan 2 that will be responsible for guidance on key strategic policies needed to transform Greater Kampala into a major Economic hub. The writer is the head of public and corporate affairs at the Kampala Capital City Authority.

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Chapter 4 : Exploiting business opportunities, Marketing and Sales Info

Opportunity exploitation is a necessary step in creating a successful business in the entrepreneurial process, yet there has been little conceptual and empirical development of this issue in the literature. This study examines the decisions of entrepreneurs to begin exploiting business opportunities.

DARA was one of the stocks on my watch list today but I closed it out because of the extremely wide spread and it was jumping around back and forth at the open so I closed it out. I liked the movement and the volume and I entered at 5. Immediately jumped up nice and high and pulled back but still higher than where I got in. I need to figure something out. I was thinking yesterday how long do I need to go before I put on a trade? Because it seemed like forever. It was none of the stocks I was watching but I saw it move and move in a straight line and jumped in at I let ERES run for few minutes and Like a double top kind of thing back in Oct. So I see it running up to that level and it seems to be hovering like I thought it might. Although it never decided to decline but that was after I sold out. I got out at So I got screwed on that part and I got screwed on me not wanting to stick it out and let it run. My stop was 25 cents from entry which would be at Posted by tradeswing at 7: Can I really trade successfully? Why do I do this? What am I doing wrong? A Position Sizing Calculator to tell me exactly how many shares I need to buy for my trade to ensure minimal loss as well as maximum upside. Lastly, I put together a 6 page mini book with jam packed information for the amateur trader required for the mind set of a professional.

Chapter 5 : Opportunism - Wikipedia

Exploiting business opportunities. No matter what industry you are in, if you want to be able to take advantage of an opportunity when it presents itself, you need to have or be able to do three main things.

The only problem was his living conditions were far from ideal. He grew up plowing barefoot behind a mule. Photo courtesy of DollarPhotoClub. He envisioned a day when he would have a good job, be married, and have a happy family. Daddy was highly motivated by the challenges of life. Something interrupted his dream. It was called World War II. Daddy enlisted and hopped on a train out of Ideal to the far reaches of the world. After much training as a radio technician in the U. Eventually, the war ended. When Royce Hall returned home to the family farm, he was a different man. He had memories and bad dreams of a terrible war and a compelling desire to fulfill his future dreams. Daddy pitched an idea to Granddaddy Hall to buy a tractor. We have two perfectly good mules. They borrowed the money and bought an Oliver tractor. Daddy not only plowed the family farm, but he made money plowing for other farmers. In the first year with the tractor, he made enough money to pay off the tractor loan, purchase a car, and go to college. He took advantage of the G. They had four children â€" Rusty, Susan, Charles, and Harry. I share this story to provide context to a brief discussion about opportunities. He knew the hard life that farmers had plowing with mules. He saw the opportunity to invest in a tractor, to help others, and to create a path to his desired destination. When we exploit an opportunity, we are ensuring that the opportunity WILL be realized. Suppose that you need 40 laptops for a project. The cost of the laptops is greater than you had budgeted. You discover that another manager needs 20 laptops for a separate project. Consider a project sponsor who asked a project manager to deliver a project four weeks earlier than originally planned for a software development project. The project team had been working on the project for three months with five months remaining. The project was one week ahead of schedule. The project manager reviewed the requirements with the project team and worked with the team and sponsor to reduce some of the lower priority items. However, this was not sufficient to meet the new deadline. The project manager discovered that one skilled developer and one senior tester would be available in one month as another project closed. Adding these additional resources to the two critical path tasks could greatly improve the probability of delivering the project by the required deadline. Do you see the difference between exploiting and enhancing opportunities? This is unfortunate since we may be missing the golden key to success. Individuals or organizations who wish to exploit and enhance their opportunities must be intentional. How do we do this? Be clear about your objectives and why the objectives are important. Capture and evaluate the opportunities. Which opportunities can be exploited? Which opportunities have the highest probability and impact scores? Develop and execute response plans. How can project managers motivate their team members to identify ways to exploit and enhance significant opportunities?

Chapter 6 : Opportunity and the Entrepreneur | Mises Institute

Exploiting definition, to utilize, especially for profit; turn to practical account: to exploit a business opportunity. See more.

Share through Email We often hear that companies must learn to embrace change. This is particularly true of companies that are applying advanced technologies to improve their competitive position. At the same time, organizational skills, procedures, and assumptions within the firm need to be adapted to fit the new technology. Most of the research on this topic has assumed that users learn about and modify new technologies gradually. These assumptions have been built into our theories and images about technological adaptation â€" such as the familiar learning curve, which implies a highly regular accretion of improvements over time. The same assumptions are built into the prescriptions many researchers offer to management. Yet most of the research on which these assumptions are based was performed at the aggregate level. Certainly, an entire firm or factory must strive for continuous improvement. But, at the level of a particular new technology, the process of learning about and modifying a new process may not be continuous at all. In general, it appears that the introduction of a new technology into an operating environment triggers an initial burst of adaptive activity, as users explore the new technology and resolve unexpected problems. However, this activity is often short-lived, with effort and attention declining dramatically after the first few months of use. This initiates a period of stability in which users focus attention more on regular production tasks than on further adaptation. Later on, users often refocus their attention on unresolved problems or new challenges, creating additional spurts of adaptive activity. In many cases, this episodic pattern continues over time, with brief periods of adaptation followed by longer periods of relatively stable use. In this paper, we discuss the evidence for such an episodic process of adaptation. We draw on our own research in U. After presenting this evidence, we also discuss why such an episodic pattern â€" provided it is understood and managed â€" may serve as an effective and powerful way to pursue ongoing improvement of new process technologies. Explicating the Pattern of Adaptation over Time In a recent research study, we investigated how three manufacturing and service organizations in the United States and Europe adapted new process technologies. The second site was SCC, a multinational software developer of custom-built computer applications, where we followed the introduction of computer-aided software engineering CASE tools in three U. The third site was Tech, a research university in the United States, where we examined modifications made to user-customizable computer tools such as text editors and electronic mail utilities. Our main findings are consistent with the pattern described in Figure 2. First, we found that the installation of a new process technology was followed by an immediate and relatively brief burst of adaptation efforts. Thereafter, such efforts fell off precipitously. Thus, experimentation was more likely to occur and significant changes more apt to be implemented immediately following introduction than at any later time. However, the initial period was not the only time when important modifications were made. In each company, events sometimes triggered new episodes of intensive adaptation effort. These later episodes were also short-lived, but they were critical because they enabled users to tackle outstanding problems and to apply the additional insights gained through use over time. Thus, the cycle of intensive improvement followed by relatively stable operations tended to repeat itself. The timing of adaptation at BBA illustrates this pattern. As shown in Figure 3 , we found that most of the adaptations made were accomplished within a very short time after implementation â€" on average, 54 percent of all adaptive activity was completed in the first three months, or only 12 percent of the average total time to full integration. This pattern was remarkably consistent across all of the projects analyzed; the episode of adaptation that seemed to accompany initial implementation lasted about the same time approximately three months whether the project involved five people or fifty, and whether the technology was familiar or a departure from current procedures. Further, it was clear that adaptation efforts were not falling off simply because the users had resolved all problems within this period; on average, respondents reported five significant problems still outstanding at the time when initial adaptation efforts were curtailed. Following the initial burst of activity, most of the technologies entered a phase of regular use as a part of the overall production process. On the other hand, participants did not completely ignore possible improvements to new technologies after the initial period of

adaptation. In most projects, they regrouped and refo-cused attention on modifications some time later, again in a concentrated manner and for a short period two to three months. Three-quarters of all projects at BBA showed a second spurt of adaptive activity. On average, this episode began about eleven months after the initial installation, and it accounted for an average of 23 percent of all reported adaptive activities. Further, in several of the projects, there was a third such spurt of adaptive activity about six to twelve months after the second episode. Similar patterns emerged at the other two firms studied see Table 1. At SCC, a large amount of adjustment and modification took place directly following initial installation of CASE tools into a new project site. In each project, the tools had to be fitted to the particular client organization. However, once application programmers i. These tool users required that their process technology be stable and reliable to facilitate production work. Thus, further refinement of the tools declined very sharply after the initial spurt of adaptive activity. At these times, technical support personnel were reassigned to undertake a new round of adaptations. In particular, exploring or experimenting to learn about the technology virtually ceased after the first few weeks of use. Instead, users quickly settled on a computing environment and tried to maintain its stability. As one Tech employee explained, few people even thought about making changes once they had become comfortable with the software: In short, all three of these very different organizations displayed a distinctly discontinuous pattern in the way they adapted new process technologies. Significantly, this did not seem to be a conscious management policy in any of the companies. To the contrary, managers and users frequently stated that they recognized the need for continuous ongoing changes to new technologies, but that it was difficult to keep people focused on this sort of modification activity for more than a short time. The forces for stability and routinization, however, were occasionally disrupted by events that forced â€" or allowed â€" technology users to ask new questions and to reexamine old problems. Typically, the events that created additional opportunities for adaptation were new developments that somehow interrupted routine operations. At BBA, for instance, the reported new episodes of adaptation were generally associated with events that placed new demands on existing operations and also created a pause in the normal production schedule. For example, when new machines were added to the production line where the technology was in use, they often created increased demands for high-precision or high-speed processing that had not yet been achieved. At the same time, the installation of the new machines imposed a temporary line shutdown. Users in our study often took advantage of this time to address old problems and to initiate new adaptations to their technology. Similarly, the introduction of new products or product requirements, the imposition of new production procedures, or occasional breakdowns of the new technology were also times when the need for improvement became apparent, while providing a brief and sanctioned stop in the action. At Tech, the release of new versions of computer software forced users to interrupt their normal routines; these events accounted for almost one-third 28 percent of all later episodes of adaptation observed there. Users at Tech also reported that they occasionally returned their attention to making software modifications when existing procedures became too frustrating, or when they were exposed to new ideas for making their routines more efficient. Several aspects of our findings are notable when compared to the conventional wisdom about technological adaptation. First, improvement is episodic, not continuous. That is, the initial burst of adaptation as well as later episodes are limited in duration, quickly giving way to longer periods of relatively routine operation. Second, some unusual event that interrupts normal productive operations typically triggers these periods of adaptation or at least triggers users to ask new questions. The contrary nature of these results raises a number of questions. Do these results suggest a new way of understanding the adaptation process, or are they simply the result of mismanagement at the companies we studied? To answer these questions, we examined several detailed accounts of how some successful firms in other industries and nations absorb and modify new technologies. We asked whether the pattern of adaptations around a specific new technology in such firms is in fact gradual and continuous over time, or whether it reflects the episodic pattern that we observed in our data. We discovered that the successful Japanese operations do not invite or expect continuous adaptations to specific new technologies. Instead we found a discontinuous model of adaptation that basically resembled our findings. An important difference, however, was that these Japanese firms appeared to consciously and carefully manage the timing of adaptations. Managers in these organizations apparently create and exploit the

very episodic pattern that we have described. Specifically, the managers in these companies appear to do three things. First, they aggressively utilize the introduction period to adapt new technologies. That is, they identify and make the maximum number of modifications as early as possible. Then, following this period, they impose routine on the use of new technologies, and they exploit that routine for what it can teach them. Third, they consciously and periodically create new opportunities for further adaptations. Next we describe these three aspects of technological management in more detail. We then present reasons why exploiting the episodic pattern of technological adaptation can be a particularly effective and attainable approach to learning and improving over time. Aggressively Adapting the New Technology The Japanese operations we examined truly exploit the initial period of technology introduction. They do not build in a great deal of extra time for debugging a new technology before moving into full production schedules. Rather, they develop very demanding, early production commitments for new technologies â€" and then they take steps to ensure that the new process technology will be ready. The ability to do this stems partly from the careful early design of new products and processes, well documented by Wheelwright and Clark. In reality, successful introduction required three months of intensive, exhausting effort by a team of engineers. These engineers knew that there would be problems, but they also knew that they had to resolve the problems during the brief ramp-up period. Managers do not expect or allow operators to introduce modifications on an informal, everyday basis. Jaikumar provides a vivid example; in his sample of flexible manufacturing system FMS users in Japan, operations were so smooth that production planning took only one hour per week and unexpected downtime was virtually nil. Operators in these firms perform considerable off-line experimentation, but they do not make unauthorized changes to production technology. Imposing the discipline of routine procedures ensures that the timing of further changes is carefully managed. Whenever possible, the managers batch modifications together systematically and implement them in one intensive episode of adaptation. Very often these episodes are timed to coincide with other major changes, such as product-model changeovers, releases of new software versions, or yearly factory shutdowns. The effective dates of most changes are timed to occur at schedule-change times. That is, managers in the firms cited achieve maximum benefit from their adaptation efforts by carefully managing both spurts of adaptation and periods of routine operation. Indeed, there is evidence that such a discontinuous pattern of modification can yield important benefits. First, there appears to be a natural surge of energy at the start of projects, which smart managers exploit fully. Second, managers can enhance both learning and efficiency goals by imposing and using periods of routine operation in between periods of rapid change. And third, by revisiting the adaptation agenda at intervals, managers can make problems more tractable and can render change more attractive and more manageable. Next we discuss each of these issues. At the start of the project, the level of energy is high.

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Chapter 7 : Exploiting Opportunities, One Day at a Time

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Custom Search Exploiting business opportunities No matter what industry you are in, if you want to be able to take advantage of an opportunity when it presents itself, you need to have or be able to do three main things. The following is a look at the three aspects you have to cover if you want to exploit business opportunities, grow your business, and increase your market share: Use your knowledge to create an advantage- A thorough working knowledge of your industry is going to be key to being prepared and able to exploit opportunities that come your way. You have know your subject matter and know your market. You have to constantly stay up to date on your industry, constantly evaluate the market, and get to know your customers and their needs. The more you know, the easier it is to create an advantage. When you know the industry you are part of and the customers you serve really well, you can then use that to see where other companies may have weaknesses or what is lacking in your industry. Create a sound business plan- This is incredibly important and something too few companies really spend the time and effort to do right. Making a plan that approaches your market the right way, knowing the right people, and taking advantage of your advantages is key. A sound business plan identifies your strengths and weaknesses, evaluates the industry conditions, and has goals as well as steps and metrics for working toward those goals, and measuring the success of your plans. Sometimes it is not what you know, but who you know, thus, be sure that networking is a big part of your marketing plan, and that you develop relationships with key players in your industry. Your business plan needs to be created, but it is important to keep it flexible, so that you can change it or adjust it as needed. Markets change, and your plan has to change accordingly. Execute well- Once you have created an advantage, and established a well thought out business plan, it is time to execute. Make sure you have stepping stones of execution, and that you manage it well so that it comes out flawlessly. This will garner the best results. Your marketing should have a focus, and that focus should take into account your strengths. The better you know your industry, the better prepared you will be to jump into action when an opportunity presents itself. You never know when timing and outside forces can culminate to create the perfect opportunity for growth for you! Search our site for more information:

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JOURNAL OF It~tA1P\ Pergamon FJ ~~~~~MANAGEMENT Journal of Management 30(3) Entrepreneurs' Decisions to Exploit Opportunities Young Rok Choi School of Business, Singapore Management University, Bukit Tinah Road, Singapore , Singapore.*

Chapter 9 : Risk Intelligence: Harnessing Risk, Exploiting Opportunity

We often hear that companies must learn to embrace change. This is particularly true of companies that are applying advanced technologies to improve their competitive position.