

A STUDY OF YOUNG ENTREPRENEUR'S BEHAVIORS ON RESOURCES OBTAINING AT AMBIENT DISADVANTAGE

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ABSTRACT

New technologies, platforms, business models, and demands, such as the Internet of Things (IoT), mobile communications, social media, cloud computing, and big data have been driving the sharp upward trend of young entrepreneurship. The new generation of entrepreneurs is dynamic and full of vigor in pursuing innovation and entrepreneurship. However, research shows that for most entrepreneurs, activities are often irregular in the early stages of their new business. In addition, new business opportunities often arise in connection with a solution to a specific problem. Often, entrepreneurs may even encounter unforeseen circumstances that add huge difficulties and challenges to the entrepreneurial process. This study explores how young entrepreneurs in Taiwan obtain resources at ambient disadvantage. In all the cases used in this study, it is found that role conversion, resource acquisition, and seizing the opportunity occur due to the emergence of certain demands, thereby forcing the young entrepreneurs to change their roles and become managers. Throughout the course of each business, while the start-up idea may be bold and daring, businesses once established tend to make gradual innovations and changes that focus on existing products to ensure consistent performance and sustainability.

KEYWORDS: Bricolage Entrepreneurship, Obtain Resources & Young Entrepreneur

INTRODUCTION

Driven by the rapid shift of new technologies, platforms, and businesses models, such as the Internet of things (IoT), mobile communications, social media, cloud computing, and big data, the younger generation is leading an intellectual revolution through the fast and transparent connectivity of the Internet. This has allowed young entrepreneurship to flourish. The new generation of dynamic entrepreneurs, full of vigor in pursuing innovation, is staking claim to becoming the most important force in the mainstream economy of the future.

The management guru, Peter Drucker said, "A real entrepreneur uses innovation as a tool to fill the gap in the market demands and to bring about changes, and sees innovation as a purposeful disciplined activity" (Drucker, 1985). In other words, starting a new business is to satisfy not only entrepreneur needs, but also market demands by providing unique and competitive products and services. However, research shows that most entrepreneurs' activities in the early stages of their start-ups are irregular. Often, they may even encounter unforeseen circumstances that bring about huge difficulties to or create bottlenecks for the business. Only by understanding your own competitive advantage and leveraging available resources can you make the journey of the start-up smoother. Therefore, this study investigates how to find the moment of breakthrough under difficult circumstances.

In 1966, Lévi-Strauss proposed the concept of bricolage. There has been a series of research works focusing on the survival of businesses faced with difficult circumstances. However, few studies on either the bricolage approach of applying resources or the transition role of the bricoleur have addressed the entrepreneurial process of youths. This study examines the transition in the role of youths when they face difficulties in the entrepreneurial process, and how youths seize the opportunity and leverage resources to turn a disadvantageous situation to their advantage. This study also discusses the importance of implementing bricolage in real life from the three aspects of roles, timing, and resources.

Innovation and Start-Up

Innovation is a process of trial and error. Without taking actions, there can be no feedback nor will businesses find out the real needs of the market. Therefore, having directions is the key when starting a business. Table 1 shows the elements of innovation.

Table 1: Table of Elements of Innovation

		Technology Push	
		Small Creativity	Big Creativity
Market pull	Low value	A: Engineering improvement	B: Basic scientific discovery
	High value	C: New operating methods	D: Patented invention
Source : Science & Technology Policy Research and Information Center (STPI) – S & T Industry Information Room (iKnow) 2006 / 05			

Entrepreneurship is about starting your own business, which means the creation of a business from scratch. To be an entrepreneur, it is crucial to have the ability to execute, imagine, and create. In this study, start-ups are thus defined as newly founded businesses that are able to transform innovation into new products or services that can create value.

Resource Bricolage

The term “bricolage” originated from the French word “bricoleur”, which means a person who does odd-jobs or constructs by using whatever comes to hand (Webster’s Third New International Dictionary, 1964). A Piecing together methods and structures is not a rationally planned process, but rather a process of improvisation and being resourceful with whatever resources are at hand, incomplete tools and parts, and so on to create a new assembly model or application of materials. In fact, the purpose of piecing together is to find out what is suitable rather than what is optimal (Hsieh et al., 2011).

The attributes of young entrepreneurs under 30 in Taiwan are abundant creativity, dependence on the Internet, strong researching skills, boldness, and a penchant for intermittent progress. When facing insufficient resources, such as funds, human resources, relationship networks, and distribution channels, they are often at a disadvantage, suffering multiple constraints due to the “liability of smallness”. With their penchant for intermittent progress, when facing challenges due to changes in reality in the early stages of their business, young entrepreneurs often work like bricoleurs by piecing together existing resources at hand to overcome the lack of resources, with unexpected results. This study investigates the bricolage behavior of young entrepreneurs in the face of business disadvantages, who are able to create resources out of nothing in the process of acquiring resources, have innovative ideas at their fingertips, and turn their disadvantages into their strengths.

Opportunities as a Business Resource

Opportunities indicate the valuable timing that enables businesses to improve their organizational performance in the course of pursuing their goals, but opportunities are scarce and fleeting. An opportunity consists of both problems and choices. In case B, the company was shut down as it was unable to improve its business performance in the initial stages of the business because of the lack of connections and sales volume. Thereafter, the cofounder joined a start-up incubator funded by a large international corporation where peer competition and network resources spurred the creation of a shopping platform specifically for art products.

Changes in the external environment and market systems may result in imbalances and gaps between supply and demand, which are important factors for the emergence of opportunities. Therefore, identifying the opportunity is the first step towards starting a business. The product or service problems that customers face are often the gaps in the current market. Understanding customers' problems will help in discovering the cause of supply–demand imbalance. In case C, the founder's younger sister was to further her studies in Japan and friends funneled requests to purchase Japanese products on their behalf. After some time, the founder noticed recurring requests for certain items, the Polaroid camera being one of them. Thus, the company was established as a specialized store for Polaroid cameras and related accessories.

An opportunity can be defined as the opening to use innovative resource combinations to fulfill market demands (Ardichvili et al., 2003). This method is similar to the bricolage approach of piecing together resources available at hand to meet customers' demands; therefore, this study includes opportunities as an important resource for entrepreneurship.

RESEARCH METHODS

Reynolds (2003) study shows that the most entrepreneurial gold is between the ages of 25 and 34. İlhan (2011) believe that those with a higher level of education are more likely to start a business and, Timmons (1990) found that new ventures fail in the first year after their establishment Up to 40%. We refer to these previous studies, selecting to first-time entrepreneurs aged 25-35 and chose five youth entrepreneurs with businesses that had been established for at least 2 years to conduct interviews as our target Research objects.

One of the subjects was not able to attend an interview; therefore, past interviews by other parties with this subject were used in the research instead. Interviews and on-site observations were carried out simultaneously during the research.

This study was based on qualitative research through multiple case study analysis that used multiple sources to gather information on one or multiple cases (individual, group, or organization) (Benbasat et al., 1987; Yin, 1994; Yin, 2003). The basic information and attributes of the interviewees are summarized in Table 2.

Table 2: Basic Information and Attributes of Interviewees

		Case A	Case B	Case C	Case D	Case E
Interviewee haracterization	Age of starting business	28	25~26	26	25	32
	Education	Master	Master	Bachelor	Bachelor	Master
	Work experience	3	0	0	0	7
	Company age	3	5	11	3	6
Identifying opportunities	Actively seeking opportunities		V			
	Awareness of opportunities	V	V	V		V
	Former knowledge	V		V		

Table 2: Contd.,						
Characteristics of opportunity	Potential economic value		V	V		V
	Novelty	V	V	V		V
	Feasibility			V		
Business core	Core technology		V		V	V
	Intellectual property	V	V		V	V
	Innovative business model	V	V			V
Resource acquisition	Friends and family			V	V	V
	Venture capital		V			V
	Government	V				
Competitive advantage	Professional knowledge		V		V	V
	Social networks	V			V	
	Supply chain		V	V		V

Source of data: Compiled by the authors

RESULTS

In this study, three of the interviewees' age was between 25 and 26, who started the business without any work experience. The case C interviewee started working during his undergraduate years as a broker purchasing popular Japanese products, and then an increasing demand motivated him to start the business. The case B interviewee also started during his undergraduate years by participating in entrepreneurial competitions and used the prize money as start-up capital. Although the ventures were unsuccessful, he continued to enroll in start-up incubator programs at the university and business acceleration programs to acquire entrepreneurial skills while trying different opportunities. Finally, a request from an illustrator to produce postcards prompted the idea of merchandising artworks, which further gave rise to an e-commerce platform for artists to provide customized products. Benefiting from the exposure to the family business, the third interviewee in case D became an entrepreneur and returned to Taiwan to start a business after graduating from college. These three cases demonstrate that access to relevant entrepreneurial knowledge and experience has a positive impact on entrepreneurial intentions and ambitions.

In terms of identifying opportunities, the subjects in this research displayed high awareness of opportunities, particularly showing interest in potential economic value and novelty. Both Company B and Company D operate e-commerce platforms for artistic products. There are stark differences in professional experience and the number of attempts to start a business between the two; however, both companies are roughly the same age and have annual revenue of over 100 million New Taiwan Dollars. This indicates that there may be many similarities in their entrepreneurial processes. For example, both companies evaluated their business opportunities on the basis of novelty and potential economic value and also positioned creative merchandise protected by intellectual property rights and unique e-commerce platforms as the core of their businesses. To sustain and expand their businesses, both companies accepted funding from venture capitalists or angel investors. These companies are able to catch the eye of these investors precisely because of the products they carry, their innovative business models, and their feasibility of future development, particularly by integrating the supply chain to involve artists, designers, and manufacturers of products. These two cases show that in order to be successful, start-ups need to combine good products with innovative operating models to differentiate their niche and excel in the existing market.

In Company C is another interesting case, where the founder began as a broker purchasing products from Japan on behalf of friends and family. As the venture grew over time, a business opportunity emerged, which led to the creation of

the store. During the period serving as a broker, the founder also learned how to negotiate with manufacturers from overseas. When the Japanese yen rose sharply against the New Taiwan Dollar and the pressure on procurement costs surged, the founder found distributors of the original dealer in other countries to serve as alternative suppliers after continuous inquiry and exploration. What is interesting about this company is that the founder did not intentionally start a business. The founder also operates according to customer demand and when encountering difficulties, acts like a bricoleur by making adjustments along the way: progressing from serving as a broker, to setting up an online auction, and then to opening a specialized store for Polaroid cameras. In addition, when faced with competition from smart phones, Company C recreated trendiness and a hype about its products and maintained its competitive advantage in the young market. This bricolage approach of starting a business makes it possible to overcome resource shortages by operating and learning simultaneously to find new niche markets and solutions—a situation that other entrepreneurs could also face in the entrepreneurial process. Bricolage proves to be a flexible and adaptable approach toward starting a business. It is worth mentioning that in the case of high product growth, this adaptable approach can enable the business to keep pace with market growth. Nevertheless, when a replacement product emerges, such as when convenient smart phones threaten the camera market, repositioning the products may enable short-term growth, but not necessarily maintain long-term competitive advantage of the products as we can see from the company failing to deliver expected performance. A summary of the interviews and findings from the analysis are shown in Table 3.

Table 3: Summary of Interview Findings

Identifying Opportunities	Resources	Descriptions of Bricolage Behaviors
Existing knowledge of market, industry, or customers	Professional knowledge and Social networks	Knowledge of a certain field acquired through interests, past customers, or social networks may heighten the awareness of and ambition in seizing relevant entrepreneurial opportunities. Once the entrepreneurial opportunity is deemed feasible through evaluation, the entrepreneur combines their own professional knowledge and social networks to get the business started first, and eventually develop a unique and innovative business model through continuous adjustment.
Actively seeking opportunities	Professional knowledge and Supply chain	In the process of continuous entrepreneurial attempts, the entrepreneur improvises new combinations or applications, utilizing resources that are readily available, such as the potential economic value, novelty, and feasibility of the opportunity and their own professional knowledge and supply chain. As the new business stabilizes and revenue grows steadily, a unique business model also develops naturally as a result. In the entrepreneurial process, the entrepreneur also actively seeks funding support from external parties such as angel investors.
Awareness of opportunities	Professional knowledge and Customers	This start-up approach is predicated on the entrepreneur's awareness of the novelty of the opportunity, which then prompts them to utilize their own professional knowledge and resources provided by external parties to develop an innovative business model.

CONCLUSIONS

This study discovered that young entrepreneurs would use two methods to solve the problem. The first method was to start the business first and then develop a unique and innovative business model through continuously refining and adjusting, that is, operating and learning simultaneously to accumulate experience for the next adjustment. The second method utilized resources that were readily available such as the entrepreneur's own professional knowledge and supply chain to make do and improvise new applications. As the new business stabilized and revenue grew steadily, a unique business model developed naturally as a result. Regardless of the method employed, a high awareness of entrepreneurial opportunities is required, particularly with regard to potential economic value and the novelty of the opportunities, along with a flexible combination of one's own competitive advantage with the core of the business. This should lead to satisfactory results in the early stages of a start-up. However, in terms of resource acquisition and business expansion, it is crucial to have a clear operating model to ensure business sustainability.

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