

# E–Entrepreneurship

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## INTRODUCTION

The formation of new ventures plays a decisive role for the social and economic development in the world and is often based on technological innovations. This is by and large due to the fact that with each new venture created, a market participant comes into existence which potentially stimulates the competition and drives the economic vitality further. In recent times, especially electronic information technologies (e.g. Internet applications, ITV or mobile services) have led to a considerable amount of newly founded companies. Business models making use of such electronic information technologies, allowing the execution of interactive, inter-business processes, are usually labeled as e-business. The ongoing rapid technological development within this electronic business environment makes even more innovative business models possible. Young companies are likely to implement such business models based on electronic information and communication networks (Kollmann, 2014). Therefore, e-entrepreneurship has emerged as a central theme within the academic discourse which addresses the theoretical interface of electronic business and entrepreneurship research. In this connection, the term e-entrepreneurship stands for the formation of new ventures within the net economy (Kollmann, 2008). However, merging concepts from electronic business and entrepreneurship research raises several questions that will be addressed by this article: 1. Which possibilities for innovative entrepreneurial activities does the net economy offer to create an electronic customer value? 2. What are the success factors for founding a company in the net economy? 3. What are the typical development phases that an electronic venture will undergo during its initial years of business? 4. What are

the trends in enabling technologies that entrepreneurs can take advantage of to develop new business models?

## BACKGROUND

This article provides fundamentals concerning the foundation of new ventures based on the usage of data networks. In addition, it will contribute to an enhanced understanding of the important interface of e-business and entrepreneurship.

Further, the article provides an overview of the current state of research and practice at the interface of e-business and entrepreneurship and shows emerging future trends in this important field of business activity. As the article will show, the competent processing of information has to be the foundation of entrepreneurial attempts. The electronic process value creation and the value oriented processing of information thus serve as the starting point for every venture operating at the interface of e-business and entrepreneurship as well as the basis for establishing a company in the net economy.

If one takes a closer look at the new companies in the net economy, also referred to as e-ventures (Kollmann, 2002), equipped with electronic value chains and electronic processes of value creation (Figure 1), there are a number of noticeable, common traits with regard to the way the company was established. In most cases it is a so-called original company founding, meaning that a completely new company is established without relying on any previously existing or available company structures. Additionally, one may observe that these cases were most often so-called independently established companies, initiated independently by the company founders seeking self-employed/full-time employment in the newly established company. Furthermore, establishing the company was a means to secure

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one's independent, entrepreneurial existence. Finally, it can be noticed that established e-ventures were most often innovative companies, i.e. not established to imitate an existing company (Kollmann, 2014). An innovative start-up presents a situation in which the initiating factors, in the classical sense proposed by Schumpeter (1911), are combined in a new way. This new combination can involve material or immaterial factors. The increasing importance of 'information' as a significant factor in the competitive advantage has recently increased, particularly the significance of immaterial factors (e.g. knowledge, know-how etc.). Due to this, a number of newly formed companies in the net economy are established consistently upon new knowledge-based and conceptually creative factors (the way in which information is dealt with and processed in the context of electronic value creation to form an electronic product (Kollmann, 1998)). The main phases of the electronic process are information collection, information processing and information transfer which create value for example in terms of giving an overview of information and making a selection of information (e.g. google.com, Figure 1). Further, the

value added in the net economy could be transaction, cooperation, mediation or exchange. Most e-ventures generate several types of value added depending on the business idea (Kollmann, 2014).

In addition to having an electronic product when establishing an e-venture, it was and is necessary to have an e-management, i.e. management members who have specific knowledge about the correlating factors within the network economy. In this case, special emphasis is put on the combination of management and computer science (informatics) in order to establish the company and guarantee the necessary technical processes. Furthermore, there is a high level of uncertainty on the customer's side with respect to the amount and the timely presence regarding acceptance of innovative information technologies (e.g. Internet start-ups' use of electronic procurement (Kollmann, 2004)). In addition it is crucial that new customers develop trust in the online company (Koufaris & Hampton-Sosa, 2004). The conditions outlined in such cases as presented here, underline the high level of risk involved with the development of the net economy and the influence this has on investments in this area.

Figure 1. Examples of the electronic process supporting the creation of value in the net economy (Adapted from Kollmann, 2014)

	Information collection	Information processing	Information transfer	Value added
<b>google.com</b>	Information about web sites and search queries (=input)	Matching of search strings and web content	List of appropriate web sites (=output)	Overview Selection
<b>webmiles.de</b>	Information about products, customer and web offers (=input)	Allocation of incentive points for the usage of web content	Information about points, options of exchange, customer information (=output)	Transaction Cooperation
<b>delticom.de</b>	Information about tires and customer requests (=input)	Matching of demand and supply	List of adequate offers and their possibility for online ordering (=output)	Overview Selection Transaction
<b>choice.com</b>	Information about product prices and customer requests (=input)	Structuring of product prices, matching of demand and supply	Product information, price information, customer information (=output)	Overview Selection Mediation
<b>worldtravel-guide.net</b>	Facts about destinations, online booking and travel reports (=input)	Matching of demands and supply, structuring of travel offers and travel reports	Travel offers, destination information, travel reports (=output)	Overview Selection Transaction Exchange

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