

Chapter 3

Entrepreneurship and Innovation: The Search for the Business Idea

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ABSTRACT

The role of the entrepreneur in modern society is very important because it develops new businesses, new solutions, new markets, creating employment and offering new innovations to improve and simplify our life. Entrepreneurs must realize if their offering allows users to do things in a simpler, faster, efficient way, at a lower cost. The analysis of information sources available can indeed help prevent problems by having thought about them in advance and solved what was not yet properly planned. The identification of opportunities is one of the essential points in entrepreneurial activity. In the preparation of any project, it is essential to search for information to validate the business idea. For all the collected data to be transformed into information, it is necessary to undertake a systematization of the information. The primary purpose of collecting information is to enable the entrepreneur to be aware of all the changes that take place in the markets, preferably at the right time, to be able to adapt its strategy according to what is taking place.

BACKGROUND

In order to evaluate their business idea, entrepreneurs are confronted with the question, among many concepts and applications sometimes developed and analyzed, to find the better idea to fulfill their dream cherished for so many years: what is the best way to achieve success (Baron & Shane, 2005; Hisrich, Peters & Shepherd, 2013; Spinelli Jr. & Adams, 2012).

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They must realize if their offering allows users to do things in a simpler, faster, efficient way, at a lower cost (Badoc, 2001; Casson, 2001; Rye, 1998).

To properly assess the validity of the business idea, this must be analyzed and developed in accordance with certain aspects and assumptions (Dornelas, 2015).

The identification of opportunities, whether in solving a problem or a need detected, is one of the essential points in entrepreneurial activity (Bucha, 2009; Costa, & Ribeiro, 2004; Ferreira, Santos, & Serra, 2008; Ferreira, Reis, & Serra, 2009; Gaspar, 2009).

In the preparation of any project is essential to search for information to validate the business idea (Beuren, 1998; Choo, 2003; Glossbrenner & Rosenberg, 1995; Haythornthwaite, 1990; Lowe, 1999; McGee & Prusak, 1995).

For all the collected data to be able to be transformed into information, useful to support the decisions that the entrepreneur has to take, it is necessary to undertake a thorough analysis and systematization of the information (Badoc, 2001; Viana & Hortinha, 2005).

It's important to learn how to filter what is relevant and discard the accessory. That's the only way to avoid falling into a situation of information overload, that rather than having advantages would become the worst nightmare of the entrepreneur (Dearlove, 1998).

To have the information is important, but to know how to select relevant information is even more so.

To do this, you should only look at information sources that warrant the quality and impartiality of the same, discarding the sources that may contain only unfounded rumors, gossip or mere repetitions from other sources (Choo, 2003; Glossbrenner & Rosenberg, 1995; Haythornthwaite, 1990; Lowe, 1999).

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THE ROLE OF ENTREPRENEURS AND INNOVATION

Innovation and entrepreneurship are themes closely associated and are in the heart of any discussion about competitiveness and how companies face the challenges of surviving in the world arena. Despite there is no question about the relevance of both themes, any action depends on the entrepreneurs themselves. Among many characteristics, the main role of entrepreneurs is in the first place, to detect signals in the environment of changes and the resources available to conduct innovation projects. The entrepreneurs seem to be crucial to promote creativity, changes and therefore innovativeness inside the organizations.

The relation between innovation and entrepreneurship has been studied since the seventeenth century in France. However, only in the eighteenth century, in Ireland, the economist Richard Cantillon used the term "entrepreneur" in the business context. However, only in the twentieth century, a modern economist called Joseph Schumpeter, radically called attention for the relation of entrepreneurship and innovation and the impact on economies. He also introduced the first modern concept of innovation which suggested that innovation may happen in many forms, from introduction of new product, new methods of production, organization or management, transportation, communication, marketing, new markets, new sources of raw materials, and new business models (Schumpeter, 1979). He argued that:

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