



## An investigation and analysis of the role of strategic entrepreneurship on business development

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### Abstract

The inclination to entrepreneurship is an approach to prompt development in an organization through novel products, newborn processes and innovative strategies. The link between strategy and entrepreneurship, which is referred to as strategic entrepreneurship, is the basis of entrepreneurial success in organizations. Strategic entrepreneurship is the result of making a balance between two related and continuous actions, i.e., opportunistic actions and advantage-seeking actions. Strategic entrepreneurship is considered as the application or stimulation of entrepreneurial activities to achieve strategic purposes. Strategic entrepreneurship benefits to increase company performance and develop sustainable competitive advantage through entrepreneurial activities with a strategic perspective. Thus, strategic entrepreneurship is a necessity for businesses in order to generate maximum revenue.

### Keywords

Entrepreneurship, strategic entrepreneurship, competitive advantage.

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## **Introduction**

Entrepreneurship, as the driving engine of economic and social development, plays a fundamental role in the developmental process of societies; as it would be the entrepreneurship development would be considered the foundation of countries' developmental programs (Azadi and Mansouri, 2014). On account of the complex and dynamic nature of present milieu affected by two main factors named in technological change rate and the rate of market change, it can be concluded that it is difficult not to enter the field of entrepreneurship continuously and periodically, for entrepreneurship is a vital mechanism that leads to the strength of companies' and industries' competitive stance in the future competitive world.

However, researchers believe that in the absence of a strategy for entrepreneurship, the objectives of entrepreneurship cannot be achieved, since the strategy determines the arrangement of resources, processes, products and systems that industries and companies adopt to face the distrust in their settings. Therefore, the link between strategy and entrepreneurship, which is referred to strategic entrepreneurship, is the basis of entrepreneurial success in organizations, and performance improvement is rooted in the adoption of these types of strategies via managers of organizations (Talebi et al., 2013). Thus, strategic entrepreneurship plays a significant role on businesses development.

## **Entrepreneurship**

Entrepreneurship incorporates merging the resources and utilizing them to fabricate an industrial and organizational structure. Applying entrepreneurial opportunities fosters the company's efforts to make competitive advantage and capital. From Kerzner's point of view, entrepreneurship is the process of profit making, identifying and exploiting opportunities, including generating new products and services, or identifying new markets, or both.

Marie Kalter, believed that entrepreneurship is a process by which an individual or a group of individuals utilize organized endeavors to pursue occasions to erect benefits and development by satisfying demands and needs through innovation and being unique. Simply put, entrepreneurship is the process of putting a business (company) in place based on a novel impression and outlook. The significance and function of entrepreneurship in economic development and progress and dynamism of society is accepted by anyone, due to the saturation of job capacities in public and private sectors and the relatively high unemployment rate, especially among the educated experts, noting to the approach of independent and individual entrepreneurship has become more prominent. Entrepreneurship is not only confined by its individual type, but there are also organizations at the global level that pay attention to entrepreneurial approaches in order to boost their capabilities in today's highly competitive environment. They have placed internal organization and organizational entrepreneurship at the top of their agenda (Bodlai, 2018).

Entrepreneurial approach or, in other words, tendency to entrepreneurship is defined as the strategic orientation of the organization that reflects the desire of the organization to participate in entrepreneurial activities. Entrepreneurship is an approach to create development in the organization through novel products, new processes and innovative strategies. In other words, entrepreneurial orientation is considered as an organizational state that leads the organization to adopt entrepreneurial activities, processes and decisions. Svoboda and Oljenik1 (2014), believe that the tendency to entrepreneurship is a dynamic capability that assists the organization in opportunities perception and taking advantage of them in an innovative, market-oriented and timely manner (Yazdan-e-Shanesh and Madani, 2021).

## **Strategic entrepreneurship**

Entrepreneurship deals with recognizing and exploiting the potential opportunities of the external setting that have not been exploited before; Taking advantage of these opportunities fosters organizations and industries to achieve a sustainable competitive advantage.

Nevertheless, industries that aimed to achieve a sustainable competitive advantage and make capital might not rely on just one of these two. Although entrepreneurship is a factor that can bring organizational dynamism by providing new methods and making comparative advantages, without special strategy it cannot lead to remarkable successes. Thus, the synergic and effective use of the advantages of both of them will depend on the utilization of strategic entrepreneurship. As a consequence, strategic entrepreneurship is putting entrepreneurial activities in practice along with strategic perspectives in order to develop and achieve superior performance and carry out organized activities to create wealth (Malek Ekhlaq et al., 2013).

Strategic entrepreneurship is issued by making a balance between two related and continuous actions, i.e., opportunistic behaviors and advantage-seeking behaviors. The key concept of strategic entrepreneurship is that; in order to gain competitive advantage and create sustainable values, the company must establish a balance between seeking for new opportunities in the market, which is the subject of entrepreneurship discussion, with maintaining existing competitive advantages, which is the focus of strategic management. So, the concept of strategic entrepreneurship can be considered as the development of entrepreneurial strategy formulation as one of the modes of strategy in which the ability to make abrupt decisions in line with changes in the external context is considered. Ireland et al. (2003) have introduced strategic entrepreneurship as a four-dimensional structure that involves entrepreneurial thinking, entrepreneurial culture and leadership, strategic

Management of resources and the use of creativity to develop innovation in the organization. They believe that an organization that applies this framework and utilizes it effectively will be able to achieve competitive advantage and the ability to create value smoothly. Besides, strategic entrepreneurship can lead to the organization's capabilities increment to gain continuous innovation and organizational knowledge sharing. Ireland has proposed three different categories of solutions in the form of operational, structural and cultural characteristics for the establishment of strategic entrepreneurship in organizations in another paper, considering the two dimensions of opportunity identification and using opportunities. For instance, in the structural dimension, on flexibility and independence of action in work and decentralization of decision making. And in the cultural dimension, it has been emphasized on accepting the need to experience, having the motivation to overcome failures, setting short-term goals and being market-oriented (Rezaian and Naeji, 2013).

Koratko and Adertech (2009), acknowledge strategic entrepreneurship as the use or stimulation of entrepreneurial activities to achieve strategic goals. Strategic entrepreneurship is an entrepreneurial action with a strategic perspective and seeks for integrating entrepreneurship and strategic management. In fields of entrepreneurship and strategic management, the focus is on using opportunities and adapting to change. Thus, opportunities are one of the distinctive points of connection between entrepreneurship and strategy management. Opportunities have a central place in the concept of entrepreneurship and strategic management as well. Strategic entrepreneurship is a special manifestation and state of strategic management, besides it is a creative destruction, along with that in large organizations, it is fundamentally the organizational entrepreneurship with a strategic goal (Amiri, 2017).

### **The role of strategic entrepreneurship on business development**

Strategic entrepreneurship supports the company performance enlargement plus sustainable competitive advantage development through entrepreneurial activities in accompany with a strategic perspective. Thus, strategic entrepreneurship is a prerequisite for businesses in order to create maximum capital (Azimi Dalarstagi et al., 2016). Tami et al. (2014), proposed different types of strategic orientations. Theoretically, organizations are on a continuum in terms of strategic orientation. On one side of this continuum are organizations guided by developed strategies and act in an assertive manner in environment; on the other hand, there

are organizations with less developed strategies. A large number of researchers have concluded that strategic orientation has a significant effect on organizational performance and managerial expectations. Business performance is one of the most important constructs discussed in management research and without a doubt it is considered as the most important measure of success in business companies. Therefore, the survival and success of organizations in present day competitive environment, where change and transformation, complexity and uncertainty are its main features, necessitates the adoption and implementation of effective strategies and continuous improvement of performance. Strategic orientation is an effective guide on marketing and formulating the company's business strategy, and guidelines. It reflects the implemented strategy of the company, which leads to precise activities for superior performance. Strategic orientation refers to the route a company adapts itself to in line with the external environment. Thus, strategic orientation is applied to understand specific management, preparations, desires, motivations and demands, which is a pattern for strategic planning as well as strategic development process (Naeji et al., 2018).

### **Conclusion**

Strategic entrepreneurship has been introduced as a four-dimensional framework that encompasses entrepreneurial thinking, entrepreneurial culture and leadership, strategic management of resources, and the use of creativity to develop innovation in the organization. An organization that utilizes this framework well can benefit competitiveness and the ability to create value easily. Likewise, strategic entrepreneurship can lead to the boost in an organization's capabilities for continuous innovation and sharing organizational knowledge. Hence, the survival and success of organizations in today's competitive environment where change and transformation, complexity and uncertainty are its main features, adoption and implementation of effective strategies and continuous improvement of performance is required. Strategic orientation is a guide that is effective on marketing and formulation of the company's business strategy and reflects the implemented strategic instructions of the company that leads to correct behaviors for better performance. Strategic entrepreneurship through Activities Entrepreneurship with a strategic perspective fosters the company's performance rise and a developed sustainable competitive advantage. Therefore, strategic entrepreneurship is a necessity for businesses in order to reach to financial peak.

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