MODELS OF CREATION AND DEVELOPMENT OF AN ENTERPRISE – A CONCEPTUAL APPROACH

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The complexity and variability of the contemporary environment have significantly changed the relationship along the organization-environment line and require flexible and creative enterprises to adapt to the needs of customers and possess the ability to anticipate the future. The increased competition in the local and global markets imposes a constant search for the determinants of the creation and development of organizations. On the basis of studies in the field of academic entrepreneurship, an attempt has been made to conduct a synthesis of concepts and theories to create new organizations. Moreover, the purpose of this paper is to present an authorial, holistic model of organizing enterprise development. The analysis of the process of enterprise development discloses a system of elements relevant from the organizing potential point of view that can be managed in the long term.

**Keywords:** entrepreneurial opportunity, entrepreneurial individual, academic start-ups, creation of enterprise, development orientations, development management.

1. INTRODUCTION

Developing since the mid-twentieth century, theories and concepts of strategic management have proposed radically different answers to questions about key success factors, building competitive strategies, creating internal potential, the range of business environment, the criteria for the optimization of action programs or measuring their effects. The complexity and the dynamic changes of external conditions necessary for enterprises to function and increased competition in the local and global markets impose a constant search for the determinants of the creation and development of organizations. Their accurate identification and measurement influence the utilization of the internal capacity of organizations, emerging market...
opportunities and the application of adequate instruments of competition. The human factor is all the time growing in importance, and it essentially determines business effectiveness. In addition, special importance is given to such intangible values as: information, expertise, competence, which all require continuous improvement and development. The external knowledge search plays a key role in achieving variety through the identification and acquisition of new information and ideas that, in combination with their internal knowledge base, lead firms to generate solutions for emerging problems and new opportunities (Cruz-González et al., 2015).

The development of a company is primarily a qualitative phenomenon and it is sometimes considered as a change of state, adapting to the requirements of the environment or as internal changes. The analysis of the process of enterprise development is understood as a positive, desirable qualitative change and discloses a system of elements relevant from the organizing potential point of view that can be managed in the long term development of the company.

On the basis of literature review and own studies in the field of academic entrepreneurship an attempt has been made to conduct a creative synthesis of concepts and theories to create new organizations taking into account both endogenous and exogenous conditions. Moreover, the purpose of this paper is to present an authorial, holistic model that includes the elements necessary for the development of the enterprise, as well as to identify relevant, internal organizational reasons for its basis. The paper presents a theoretical-conceptual approach.

2. THE INDIVIDUAL-OPPORTUNITY NEXUS

The determinants conditioning the creation of new organizations are not only economic, but also psychological, sociological, political, social and legal. Shane (2003) pointed out that all these conditions have to be treated together because they are mutually dependent and have more or less influence on the formation of the organization. As a result of interdisciplinary studies Shane coined the term „Nexus” whose essence is the entrepreneurial Opportunity and the entrepreneurial Individual. According to the author opportunities always exist, however, whether they are recognized and properly utilized and carry economic benefits depends only on the entrepreneurial Individual. Shane (2003, p. 9) proposes “the nexus between enterprising individuals and valuable opportunities” as the general framework to understand entrepreneurship.

1 In the research literature on the subject the semantics of ”growth” and ”development” is not clear (Penrose, 1995, p. 3; Wasilczuk, 2005, p. 101; Sysko-Romańczuk, 2005, p. 81; Wach, 2012, p. 23). In the paper the considerations concern the development of organizations defined by Armstrong (2000) as a process of improving the methods of operation.
A similar approach to explore the opportunity is presented in the Discovery Theory, according to which entrepreneurial opportunities exist in the environment regardless of the behavior of individuals and await their discovery and utilization (Alvarez, Barney, 2007). Entrepreneurs must systematically analyze the environment in their quest to be able to create new products and services (exogenous approach). Discovery opportunities that are yet to be observed do not deny the reality of their existence. However, it is entrepreneurs who bring ‘agency to Opportunity’ (Shane, 2003).

The opposite point of view is presented by the Creation Theory (Alvarez, Barney, 2007). Entrepreneurs and their actions and decisions initiate the reactions of consumers and the markets. Exploring market opportunities occurs during the creation of the company, which is essential for its success. Decisions are taken in a state of uncertainty, because environmental analysis does not provide full information about existing opportunities. The entrepreneur has to take proactive measures which would result in the appearance of these opportunities (endogenous approach).

Figure 1 shows the model of the Individual-Opportunity Nexus portraying the relationships occurring between the processes and active factors determining the formation of new organizations. The main element of the model is based on opportunities for entrepreneurial actions. Opportunities are situations conducive to the creation of new cause and effect conditions for the efficient use of resources, thanks to the relevant decisions of the entrepreneur. Opportunities refer to the discovery of an occasion, its objective evaluation and effective exploitation by the entrepreneur.

![Fig. 1. The Model of Individual-Opportunity Nexus, author’s (Badzińska) elaboration based on Grichnik (2006)
The reasons constituting an opportunity for the creation of a new organization are rooted in such personal factors as motivation, perception of market opportunities, inventiveness, as well as factors stemming from the environment, e.g. in technological, political and socio-demographic changes. Every occasion arises as a result of the state of imbalance and rapidly changing processes which occur dynamically. In turn, the sources of these processes are to be found in individual humans, potential entrepreneurs and also their surroundings.

Grichnik (2006) suggests two approaches in describing the reasons for change: active creation of new and innovative opportunities according to Schumpeter's model (Schumpeter, 1976) – new opportunities arise as a result of creative innovative activities which destroy the current state of equilibrium (creative destruction) – and the incremental process of discovering new opportunities according to Kirzner's model (Kirzner, 1979). In both approaches a decisive role is played by information gained in the course of acquiring new knowledge and experience. The innovative nature of the changes involves completely new, hitherto unknown opportunities. Liu et al. (2005) represent ways in which entrepreneurs draw on resources and structures to exploit emerging technological opportunities.

In contrast, the creative process is based on gaining new information by the entrepreneur – he recognizes new opportunities and uses them effectively. Entrepreneurship is seen as a process of searching for market opportunities and organizational resources necessary to exploit these opportunities in order to gain results in the long term. (…) It can be distinguished as an independent risk taking ability to achieve the biggest gains on the market (Nacu, Avasilcăi, 2014, p. 229). Entrepreneurial opportunities often have to be “created” by using the entrepreneurial imagination to embody human aspirations in concrete products and markets (Venkataraman, Sarasvathy, 2001). On the basis of intuition, intellect and a creative approach the entrepreneur-innovator becomes a causative agent of change (Lumpkin, Dess, 1996).

In identifying occasions Schumpeter (1976) points out three areas of external factors, namely: technological, demographic and political changes. New products and services, new resources and markets, and new methods of organization and production appear as the result of using new opportunities. In turn, according to Kirzner (1979), exploring occasions as a prerequisite for the creation of new businesses (enterprises) is less innovative. The entrepreneur does not create new opportunities and only discovers the existing ones through the use of knowledge. He or she does not have to acquire completely new information. It is enough that they see the wrong decisions their competitors make and adjust them based on the available information. The process of change is gradual, leading to a new equilibrium. It is understood that this solution, although less radical and less innovative, appears much more commonly in the economic reality.

The above-mentioned theories and the Individual Opportunity Nexus model are relevant for the creation of academic start-ups which lead to new jobs and opportunities opening up in front of the academic community: students, graduates and
academics. Academic entrepreneurship is expressed, inter alia, via the ability to put into practice interdisciplinary knowledge, the ability to perceive gaps and market opportunities, looking forward, searching for change and responding to it and using it to implement innovative solutions in various areas of socio-economic life (Badzińska, 2013, pp. 30-31). New ICT technologies provide a simpler way to manage knowledge and offer a new content format, and help and are able to incentivize knowledge diffusion (Kozłowski, Kania, 2013, p. 168).

Current expertise and interdisciplinary knowledge in conjunction with the skills to develop them constitute a basis to build the core competencies of a company, allow one to design an appropriate organizational structure and division of responsibilities, and to make the right decisions, thereby reducing business risk (Badzińska, 2014, p. 17). An important determinant for the undertaken actions is the knowledge of the behavior of competitors and changes in the environment, both direct and continuing. Management of knowledge is a complementary organizational process that directly affects and influences growth in the value of a company (Grudzewski, Hejduk, 2004, p. 509).

The transformation of contemporary societies into knowledge societies and the transition of economic systems from managerial into entrepreneurial systems (Carree, Thurik, 2003) promote creative and entrepreneurial individuals willing and able to discover new and better ways of doing business, find business opportunities and contribute to a sustainable high quality of life. Essential to the emergence of young organizations is the level of interaction between enterprises and the business ecosystem. We are talking here about a wide range of cooperation ranging from consortia or research centers, through consultancy, organizational, funding and infrastructure services, up to relations with business environment institutions in the field of incubation (Badzińska, 2013, p. 30-31). In turn, the development of business incubators and other institutions of economic support is the success of local communities and their direct involvement in various initiatives (Matusiak, 2003, p. 87). The creation of innovative academic start-ups stimulates structural changes and increases competitiveness of the region.

One of the main problems at the organizational level of young academic enterprises is the modeling of business processes. Such modeling consists in developing process algorithms, identifying the actors, defining performance indicators and identifying the resources necessary for their implementation (Gerth, 2013). In this case, abstract thinking is crucial for the activities of managers. It determines the ability to design new processes and to analyze the existing ones by the adopted criteria (Jelonek, Stępniać, 2014). The creativity, capabilities, dynamism, and innovativeness of the entrepreneurs in a country are important aspects of the absorptive capacity, which is such a distinctive characteristic of successful development experiences (Szirmai, Naudé, Goedhuys 2011).
3. THE MODEL OF ORGANIZING ENTERPRISE DEVELOPMENT

The development of an enterprise is presented as the improvement process initiated from within by transformation (a carefully planned, complete restructuring of the system designed to ensure existence in the long term), integrated around the formation of identity in the strategic perspective. In the context of the process involving the development of a company, a system of elements is revealed which is relevant to the organization of strategic development projects. The key components of this system include: development orientations (trends, tendencies and priorities), models of life cycle and development management, organizational development, designing enterprise development (shaping development strategies), and management of enterprise development (project management) (Fig. 2).

Fig. 2. Elements of Enterprise Development (Wyrwicka, 2003)

3.1. Development Orientations

The first element of the model refers to the development tendencies of companies, determined by important considerations on the dynamics of functioning and company transformation. These include: time pressure to improve quality, limited resources, drastic increase in complexity.

As a starting point for reflection on the development of the organization, the concept of lean management has been adopted. It is a continuation of a managerial, pro-effective approach to doing business. The recommendations of this concept regarding outsourcing and spin-off activities, resulting in network organizational
structures, indicate a virtual organization as a form preferred in the future. It is worth underlining such qualities of virtual companies as flexibility and agility (Trzcieliński, 2007).

### 3.2. Models of Life Cycle and Development Management

After identifying current trends and development trends it is necessary to recognize the mechanisms and factors that determine development. Among the models of enterprise life cycle the following approaches can be distinguished:

- **Phase approach** – the essence is represented by successive steps that occur during the existence of the company (exemplary models by: L.E. Greiner, B.C.J. Lievegoed, J. Argenti, H. Mintzberg).

- **Development management** – attention is paid to factors whose change determines their development while their oversight allows one to control development (exemplary models: 7S by McKinsey and the Balanced Scoreboard BSC).

- **Overall approach** – shows both typical phenomena occurring during the existence of the company, as well as endogenous factors of development (exemplary models by: J. Gościński, K. Bleicher and F. Glasl and B.C.J. Lievegoed).

The models of enterprise life cycle organize and enrich knowledge about the enterprise development process. Moreover, they point to organization growth rules by focusing on solutions to gain a competitive advantage or to come out of a crisis. The logic of the phenomena occurring during the company life cycle points to the need to identify the current phase of development. The above models show the conditions for provident proactive activities which are aimed at the efficient and effective implementation of changes. The need for the evolution of a company’s personnel policy is also stressed and it should be adequate both to the stage of an organization’s life cycle and to improve the efficiency of operation and willingness to make changes.

### 3.3. Organizational Development

Further considerations concern the development of organizations defined by Armstrong (2000) as a process of improving the methods of operation. In substantive terms the development of organizations means creating an intelligent organization based on the identification of competencies necessary to guide the company in the future. A model proposed by Grudzewski and Hejduk (2001) has been adopted as a model solution for intelligent organizations. It shows the combination of the following four cycles: knowledge, adaptability, innovation and implementation. The elements of each cycle include: assimilation and understanding, teaching, and solving, thinking and communication, as well as values and behaviors. Knowledge
here represents the axis for the integration of processes which determine the intelligence of organizations; it is approached from businesslike, attribute and functional perspectives. With regard to the first aspect, it is necessary to identify company resources, namely knowledge. Assuming that it includes a valid and proven interpretation of information, theories, feelings, experiences and skills, which is always coupled with a certain sense and meaning, it has been pointed out that it is a structure that allows for expedient communication of a social system with the environment (Luhmann, 1997). In functional terms, it is necessary to focus on the implementation of a knowledge management system and the related difficulties.

Regarding the model approach of an intelligent organization it is worth noting that a pioneering company, especially in its molding phase, exposes actions related to the cycles of knowledge, innovation and implementation, and less related to adaptation, as it is not important. A company in a phase of growth and differentiation intensifies adaptive processes by building appropriate organizational structures, adequate to the needs of the environmental systems of supply, distribution and management. In turn, companies are reluctant to verify the accumulated experience or knowledge of marketing. Life cycles begin to dominate within them. The company in a declining phase does not use the cycle of knowledge, and the adaptation and implementation cycles have slowed down. In attempting to maintain a high degree of intelligence organizations need to intensify and accelerate the cycle of knowledge and conduct innovative experiments.

3.4. Designing Enterprise Development

Another element of the model concerns designing enterprise development in the following three areas: developing strategy, creating strategic identity and creating a system of developmental transformation of a company. Considerations on creating strategies are presented extensively in literature, and they are limited to criticism of the classical approach of shaping strategy and to description of the analytical perspectives of strategic processes relevant to the modern conditions of an enterprise.

The development of a company is initiated from the inside by forming a strategic identity of the organization. It is the result of systemic effects and is associated with the desire to focus organizational units in such a way that a company is as a whole recognized and regarded within the organization and in its vicinity. Identity is a combination of common values and core competencies that should be improved in a strategic perspective. From the enterprise’s point of view its strategic identity can be seen as the following concepts (Wyrwicka, 2015):

- a concept of success that mobilizes employees to act in accordance with the principle of competition (analogous to vision),
– a concept explaining the future market position, thanks to which the customer will associate the company with a specific advantage,
– a concept targeting actions onto acquiring new competencies under the vision of the company and providing workers with a sense of relative stability.

In a conceptual sense, strategic enterprise identity can be explained as a fundamental relationship between the attractiveness of the company's future offer, measured as the product’s value to the customer, and the development of competencies, which are a reflection of the benefits for the company. It should be emphasized that identity is not focused exclusively on targets (e.g. the leading position in the market), but on value – a state specified with an objective from the point of view of the company. Forming strategic identity means to transform customer values and to initiate cultural transformations that run parallel to the acquisition of new competencies and fulfilling the objectives of the enterprise. The construction of strategic corporate identity – as an important design element of its development – must lead to (Wyrwicka, 2015):
– identifying potential gaps and competencies essential for the survival of the company on the market.
– mobilizing workers and the existence of will to change the situation.
– integrated learning throughout the organization, aimed at improving cooperation in the value chain.
– targeting all areas of the company to create value for the market and offer genuine benefits for the customer.
– cementing the company’s vision of key competencies.

Conceptually, a strategic corporate identity will be determined by the consistency of the existing identity and competence considered in the context of the future vision, while its implementation – by the will to transform resulting from the strategy and the level of development of the organization (its intelligence). The execution of both those processes is a precondition for the implementation.

The next stage in designing the development of the company is the transformation system, which is the result of integrating the seven elements (7S) of McKinsey’s development management model (strategy, skills, values, management style, staff, structure, system) with four aspects of transformation, namely: requirements, direction, an object that defines the object of transformation and a process that explains the mode and procedures. The effect of this procedure is to create a matrix containing 28 term guidelines for the transformation, showing the ideological solutions of development transformations. It is a set of requirements for the transformation process, which should be further developed to explain the measures of quality of the obtained result and to imply strategic projects implemented in the enterprise.
3.5. Management of Enterprise Development

When implementing development changes it is necessary to control the development process. In exploring the causal mechanisms and in identifying and classifying factors into controllable and non-controllable ones, it is possible to use network thinking methodology by Gomez and Probst (1989) and Ulrich (1990). On its basis it is necessary to identify active, passive, critical and lazy agents that will give clues to what extent one can and should take preventive actions (pre-emptive coupling), and to what extent it is necessary and worthwhile to react to impulses from the environment (feedback). A coherent set of measures of effective development actions could be developed based on the Balanced Scorecard (BSC) (Kaplan, Norton, 2001).

Operational management is a process, and systematic work on important problems existing in the organization should be implemented in different ways, namely (Wyrwicka, 2003, p. 148):

- reactively – actions are taken only when the response to a particular situation becomes inevitable.
- actively – actions are taken when the emerging issue is at least partially recognized.
- proactively – there is motivation to take up the topic despite the absence of a real confrontation with the problem.

When planning the development of the company one should also take into account social and generational changes. The transformation of values and attitudes – particularly with respect to work, supervisors, scientific authorities, colleagues, the way of spending time, etc. brings about a need to modify the management concept, especially in relation to human resources.

4. CONCLUSIONS

Significant attention should be paid today to conditions stimulating new innovative companies, such as academic start-ups. Through the transfer of innovative solutions and knowledge to business practice they affect the local, regional, and even global economy. These companies are characterized by a relatively high share of expenditures on R&D, intensive use of knowledge and human capital in building competitive advantage, fast response to market signals – mobilization of resources. Moreover, the ability to implement practical, technical, technological and organizational solutions by the employees of these innovative entities and the ability to cooperate with other companies and business environment institutions, undoubtedly prove their competitive advantage. Thus, diagnosing the key factors determining the formation and further development and success of young companies with aca-
demic origin has now become an important topic for discussion. Unfortunately, during the creation of the company decisions are taken in a state of uncertainty, because environmental analysis does not provide full information about existing market opportunities and the rapidly changing conditions to compete. A large level of uncertainty requires the application of new research methods such as tools and techniques of Grey System Theory (Liu & Lin, 2010). Due to the incompleteness and limited scope of data acquisition in the research of entrepreneurial opportunities, the application of the method of grey clustering, precisely cluster of grey incidence, is justified and intentional (Więcek-Janka et al., 2015, p. 432; Więcek-Janka et al., 2016, p. 128).

The presented model of organizing business development shows the sequence of cause-and-effect relationships. The increase in competence of a single employee and their active attitude towards colleagues and objectives of the enterprise translate into staff development. This, in turn, determines the development of the company, which results in creating an intelligent knowledge-based organization. It needs to be pointed out that knowledge resources of an enterprise constitute its intellectual assets, being the sum of knowledge of individual employees and the teams of employees. These resources are undergoing constant changes, which are the result of the learning process of an organization (Skrzypek, 2009). To improve the development process, it is necessary to implement a knowledge management system. As a result, not only the functioning of current employees and of the organization is improved, but also joint actions are taken to define future key competencies and to determine the desired strategic identity. The consequence will be the company's internal development, which should be adaptively designed, taking into account the identification phase of a company's life and an adequate model of management development.

LITERATURE


MODELE TWORZENIA I ROZWOJU PRZEDSIĘBIORSTWA – UJĘCIE KONCEPCYJNE

Streszczenie

Złożoność i zmienność współczesnego otoczenia znacząco odmieniły relacje na linii organizacja-otoczenie i wymagają od przedsiębiorstw elastycznego i kreatywnego dostosowania się do potrzeb klientów oraz umiejętności antycypowania przyszłości. Wzrost konkurencji na rynku lokalnym i globalnym wymusza ciągłe szukanie czynników determinujących budowę i rozwój organizacji. Na podstawie badań w obszarze przedsiębiorczości akademickiej podjęto próbę syntezy koncepcji i teorii tworzenia nowej organizacji. Ponadto celem opracowania jest przedstawienie autorskiego, holistycznego modelu organizowania rozwoju przedsiębiorstwa. Analiza procesu rozwoju przedsiębiorstwa ujawnia system elementów istotnych z punktu widzenia organizowania potencjału, którym można będzie zarządzać w dłuższej perspektywie.

Słowa kluczowe: przedsiębiorcza okazja, przedsiębiorcza jednostka, start-upy akademickie, tworzenie przedsiębiorstwa, orientacje rozwojowe, zarządzanie rozwojem.