European Public & Social Innovation Review

ISSN 2529-9824

Research article

Navigating uncertainty: a strategic framework for early-stage entrepreneurial

Marco estratégico de emprendimientos para la creación de startups en la fase inicial

Iván Sosa Gómez: Camilo José Cela University, Spain.
ivan.sosa@ucjc.edu

Date Received: 29/05/2024

Acceptance Date: 15/11/2024

Publication Date: 21/01/2025

How to cite the article

Sosa, I. (2025). Navigating uncertainty: a strategic framework for early-stage entrepreneurial [Marco estratégico de emprendimientos para la creación de startups en la fase inicial] *European Public & Social Innovation Review*, 10, 01-18. https://doi.org/10.31637/epsir-2025-1115

Abstract

Introduction: This research presents a strategic framework for early-stage entrepreneurial startups, focusing on navigating uncertainty and optimizing resources to create value. Integrating multidisciplinary perspectives across four dimensions - entrepreneurship, opportunity, value, and business model - this research provides actionable insights to enhance decision-making and increase startup success rates. **Methodology:** Based on the research strategy, entrepreneurship is viewed through managerial theories, highlighting the exploitation of opportunities and resource management as critical to successful entrepreneurship. Grounded in existing literature and enriched with empirical case studies, the entrepreneurial framework validates theoretical constructs and demonstrates real-world applicability. **Findings:** By expanding the scope of business opportunity, value creation, and business model, this research provides a strategic entrepreneurial framework for navigating the complexities of launching new startups. **Contributions:** This framework contributes to the field by providing an integrative approach to entrepreneurship that can significantly enhance the effectiveness of entrepreneurial activities, suggesting actionable approaches for entrepreneurs to enhance their decision-making processes and increase the success rate of startups in the early stages. **Conclusion:** This research offers a robust and practical guide for early-stage entrepreneurship, enhancing decision-making and increasing the potential for entrepreneurial venture survival.

Keywords: strategic framework; early-stage startups; entrepreneurial activity; business opportunity; value creation; business model development; uncertainty management; resource optimization.

Resumen
Introducción: Esta investigación presenta un marco estratégico para las nuevas empresas emprendedoras en fase inicial, integrando perspectivas multidisciplinares en cuatro dimensiones -emprendimiento, oportunidad, valor y modelo de negocio-, para mejorar la toma de decisiones y aumentar las tasas de éxito de las nuevas empresas. **Metodología:** De acuerdo con la estrategia de investigación, basada en la bibliografía existente y enriquecida con estudios de casos empíricos, el marco de emprendimiento valida los constructos teóricos y demuestra su aplicabilidad en el mundo real. **Resultados:** Al ampliar el alcance de la oportunidad empresarial, la creación de valor y el modelo de negocio, esta investigación proporciona un marco de emprendimiento estratégico para navegar por las complejidades del lanzamiento de nuevas startups. **Contribuciones:** este marco contribuye al campo proporcionando un enfoque integrador de la iniciativa emprendedora que puede mejorar significativamente la eficacia de las actividades emprendedoras, sugiriendo enfoques procesables para que los emprendedores mejoren sus procesos en la toma de decisiones y aumenten la tasa de éxito de las nuevas startups en las primeras etapas. **Conclusión:** esta investigación ofrece una guía sólida y práctica para el emprendimiento en fases tempranas, mejorando la toma de decisiones y aumentando el potencial de supervivencia de las empresas emprendedoras.

Palabras clave: marco estratégico; startups en etapas tempranas; actividad emprendedora; oportunidad de negocio; creación de valor; desarrollo del modelo de negocio; gestión de la incertidumbre; optimización de recursos.

1. Introduction

This research aims to develop a comprehensive framework for entrepreneurship, focusing on creating business opportunities. The framework seeks to understand the dynamics of entrepreneurial activities, particularly in managing uncertainty and resource optimization to create value in new business ventures. It synthesizes scientific theories to provide a holistic understanding of entrepreneurial activities, adopting a multi-dimensional approach and integrating theoretical and empirical results to explore the essential elements of entrepreneurship. The study is structured into four main chapters: Entrepreneurship, examining various academic disciplines and theories; Opportunity, identifying and classifying market opportunities; Value, focusing on value creation for customers; and Business Model, conceptualizing business models that create, deliver and capture value.

1.1. Entrepreneurship

The phenomenon of entrepreneurship can be investigated from different disciplines, where each uses its concepts and operates within its preferred terms (Cornelius et al., 2006; Low & MacMillan, 1988). In this sense, the theories of entrepreneurship can be classified into four streams of research (Stevenson & Jarillo, 1990): economic, psychological, sociological, and business management.

In the economic theories of entrepreneurship, the economic factors that enhance entrepreneurial behavior are explored (Simpeh, 2011), trying to find an explanation for the link between entrepreneurship and firm profits (Terán-Yépez, 2018). According to psychological theories, the level of analysis is the entrepreneur as an individual; the entrepreneurial stream of this theory emphasizes the personal characteristics that define entrepreneurship by asserting that certain psychological attitudes and attributes differentiate entrepreneurs from non-entrepreneurs and successful entrepreneurs from unsuccessful entrepreneurs (Landstrom, 1998). The sociological theories focus on the social, cultural, and religious context (Terán-Yépez, 2018); in other words, the analysis level is traditionally the community's origin, development, customs, and beliefs. Finally, theories of entrepreneurship from the point of view of business management identify the exploitation of opportunities and resources as the trigger of the entrepreneurial phenomenon (Simpeh, 2011), ensuring that the search for opportunities (Stevenson & Harmeling, 1990) and access to financial resources, social capital and human capital (Davidsson & Honig, 2003) improve the entrepreneurs' capacity for business management. Empirically, it has been proven that access to human capital increases the identification of opportunities (Anderson & Miller, 2003), that access to financial capital allows for more efficient exploiting of opportunities (Blanchflower et al., 2001), and that social capital increases the possibilities of recognizing opportunities given in the market (Shane & Eckhardt, 2003). Therefore, there is a strong linkage between the different perspectives from the point of view of the business management theory.

This research has focused on the theory of entrepreneurship from a business management perspective. It has led to a strategic framework for entrepreneurial activity focusing on the origin of Opportunity as the basis for Value Creation, resulting in the development of a Business Model.

1.2. Opportunity

Creating new businesses in entrepreneurial activity is a process (Lumpkin & Dess, 1996). In this sense, Bygrave and Hofer (1991) define an individual in entrepreneurial activity as *someone who perceives an opportunity and creates an organization to take advantage of it*. Shane and Venkataraman (2000) present a convincing argument that the recognition and exploitation of entrepreneurial opportunities are constructs that belong to the unique domain of entrepreneurship and should be the focus of attention in this field. Identifying and selecting appropriate opportunities for new business is one of the most critical capabilities of a successful entrepreneur (Stevenson & Gumpert, 1985). Therefore, explaining the identification and development of opportunities is a fundamental part of entrepreneurship research (Venkataraman, 1997).

The theoretical framework for this research on entrepreneurial activity begins by focusing on the factors that influence opportunity identification. It has been supported by the theoretical argument on the work of Ardichvili et al. (2003), highlighting the importance of prior knowledge and asymmetric information (Kirzner, 1997; Ronstadt, 1988), the relevance of social networks in the entrepreneurial framework (Granovetter, 1973), the personal characteristics of entrepreneurs (Krueger & Dickson, 1994; Neck & Manz, 1992) and the state of entrepreneurial alertness (Kirzner, 1973), as the primary keys to opportunity identification in the entrepreneurial activity framework.

Then, an entrepreneurial opportunity consists of a set of ideas, beliefs, and actions that enable the creation of future goods and services without current markets for them (Venkataraman, 1997). An opportunity can satisfy a market need or desire by creatively combining resources to deliver superior value (Schumpeter, 1983; Kirzner, 1973; Casson, 1982). The review of the business literature appears to include three distinct market processes as they relate to opportunity recognition (Hills, 2004): detect or perceive market needs and inefficiency of the resources employed, detect or discover a *fit* between market needs and specific resources and, create a new *fit* between previously separate needs and resources in the form of a business.

Thus, three perspectives have been encountered: opportunity as a recognition process, opportunity as a discovery process, and opportunity as a creation process. Thus, based on the concept of business opportunity from a market perspective, there are three streams in the economic literature. These streams represent, respectively, recognition, discovery, and creation, not simply *identification* of an opportunity (Christensen et al., 1989; Singh et al., 1999).

However, the critical question is not which of the three perspectives is correct, but which view is most useful under what conditions of uncertainty. Knight (1921) realized the implications of uncertainty for economic organization. In his seminal dissertation, Knight distinguished between three types of uncertainties about the future that an economic agent may face.

The first consists of a future whose distribution exists and is known. Therefore, decisions would only involve calculating the probabilities of a particular draw and placing resources based on the analysis. In this case, risks can be reduced by diversification. This assumes all possible outcome scenarios are equally likely (Opportunity Recognition). The second consists of a future whose distribution exists but is not known in advance. In this case, the agent must estimate the distribution through repeated trials and treat it like the first case. Moreover, as the environment changes dynamically, successful strategies evolve through adaptive processes, including experimentation and learning. In this sense, although the probabilities associated with each outcome scenario are unknown, they exist, and their distribution can be discovered over time (Opportunity Discovery). The third type of uncertainty is what Knight called *true uncertainty* since it consists of an unknown and unclassifiable future in which the probability distribution is non-existent. The economic agent, or entrepreneur in this case, assumes this genuine uncertainty, receiving a residual market return in the form of profits once the factors of production have been paid for (Opportunity Creation).

This approach allows us to establish a reasonably simple framework of opportunity in entrepreneurial activity based on the preconditions for its existence, which depend on uncertainty. Thus, as Sarasvathy et al. (2002) state, there are three different market perspectives concerning the origin of the opportunity.

1.3. Value

Some authors have defined entrepreneurship as *creating new value* (Bruyat & Julien, 2000; Fayolle, 2008). Value creation is one of the main objectives of the entrepreneurial scenario. The evolution of the scientific literature on the subject shows an upward trend in the number of publications and their typology. However, contrary to what is established by the current entrepreneurial framework, great value propositions do not always start with the customer. However, they end up with what matters to customers (Osterwalder & Pigneur, 2014).

For this reason, customers should be the starting point for developing a business opportunity since it allows the establishment of priorities from the outset to create value. In other words, service, quality, image, and price can determine customer satisfaction, company performance, market share, competitive advantage, profits, and market position. These variables create value by satisfying customer needs, wants, and expectations. Notably, Weinstein and Johnson (1999) approach customer value involving the extraordinary delivery of four components of value: service (the intangible value offered to customers), quality (customers' perception of how well a company's products and services meet their expectations), image (customers' perception of the company or business with which they interact), and price (the amount set by the company that customers are willing to pay). Another approach to achieve this is to use Weinstein's *value funnel* (VFC), which serves as a strategic and diagnostic tool to understand a company's business environment and contexts and the most critical factors involved in designing, creating, and delivering customer value.

Specifically, in the customer value funnel (CVF), companies should pay attention to what Weinstein (2012) refers to as the value drivers: society (Level I), suppliers and competitors (Level II), owners and employees (Level III) and customers (Level IV). Both the S-Q-I-P approach and the Customer Value Funnel (CVF), developed and presented by Weinstein and Johnson (1999), and Weinstein (2012), are practical tools that companies can use to strategically create customer value as a foundation for a company's operations, performance, growth, and success.

For this reason, companies must understand that customers are their most valuable long-term strategic partners, so in line with the theoretical argument carried out by Ardichvili et al. (2003), where the authors present a central process of types of opportunities according to different approaches, we have proceeded to the adaptation of existing literature, establishing a matrix with two strategic approaches to the creation of a value proposition in which the value definition or demand needs may be identified (defined) or unidentified (undefined), and the value development or supply development capability may be defined (known) or undefined (not known). In other words, the definition of the value or market need represents the problems and, the development of the value or the development capacity of the offer represents the solutions, giving rise to the division of four types of scenarios. according to the strategic approach adopted in the value creation, this theoretical approach to value creation allows it to present two strategies to be carried out. On the one hand, push strategies start with a technology or a solution to begin designing the value proposition. On the other hand, there are pull strategies, in which it has identified a market need and create the value proposition around it.

This requires a business model that describes a firm's value logic regarding how it creates, and captures customer value (Fielt, 2014). Firms must balance creating and capturing (appropriating) value to establish a profitable and sustainable competitive advantage (Mizik & Jacobson, 2003).

1.4. Business Model

A business model should describe the logic of how an organization creates, delivers, and captures value (Osterwalder & Pigneur, 2009). Nevertheless, the connections and interdependencies of the different elements of a business model that contribute to value creation led to different outcomes for various stakeholders. Therefore, the concept of a business model contains different sources of ideas, and the depth of each concept differs from the field in which it is applied (Jansen et al., 2007). In other words, a business model is oriented towards creating value for all parties involved (Brandenburger & Stuart, 1996). Six key elements are mainly identified in the conceptualization of a business model (Kujala et al., 2010): customers, customer value proposition, competitive strategy, position in the value chain, internal organization, as well as critical capabilities and, revenue generation logic.

The essence of a business model is how a company delivers value to customers, entices them to pay for the value delivered, and converts those payments into profits (Teece, 2010). In other words, the business model relates to how a company generates revenue by delivering value to customers. It refers to the company's logic from a static perspective, focusing primarily on opportunity. In this sense, a business model is the company's logic, which creates and captures value for a market stakeholder and describes the company's activities to create value for consumers and other relevant parties in the environment (Wikström et al., 2010).

Therefore, a business model could be defined as the set of strategic activities and resources that transform the company's orientation into a distinctive value proposition, enabling the company to create and capture value (Svejenova et al., 2010). Christensen et al. (2008) suggested that a business model is a consistent system that should consist of four interlocking elements that together create and deliver value for customers. As stated in their research, the authors defined customer value proposition, profit formula, key resources, and key processes. Nevertheless, Alex Osterwalder (2004), who has developed the complete framework on constructing a business model, provides the following definition: *A business model is a set of hypotheses*. To this end, he established a canvas that is essentially an organized way of setting out the hypotheses in a coherent manner through the definition of nine elements: customer segment, value proposition, channels, relationships, key resources, activities, key partners, cost structure and, revenue streams.

These hypotheses will allow the business model to clearly define what value proposition we offer to the market, to whom we will sell it, how we will deliver it, and how we will generate income since a business model has to create customer value by converting market opportunities into profits (Rajala & Westerlund, 2005). Thus, an integrated approach to the business model represents an opportunity to unlock value generation processes and predict business outcomes (George & Bock, 2011), as the business model is an abstract representation of a company, where all the interrelated elements developed by an organization around its products or services that the company offers are based on the need to achieve its strategic goals and objectives (Al-Debei et al., 2008).

Therefore, this research has developed an entrepreneurial framework that applies the business model as a tool for creating, delivering, and capturing value. This framework relates to the transition from entrepreneurship to a scenario associated with growth as a competitive strategy.

2. Methodology

This research strategy has been defined by developing a methodology through a thorough review of the existing literature and a multiple case study based on six (6) projects launched in the market (See Appendix 1). The literature review has a multidisciplinary approach integrating four dimensions: entrepreneurship, business opportunity, value creation, and business model. The multiple case study approach examined the actual applicability by launching startup (their MVPs) to verify feasibility in the early stage. The phases of this methodology carried out are outlined below. The qualitative method has addressed the *how* (Findings) and *why* (discussion) in unexplored areas of research the field (Eisenhardt & Graebner, 2007) as this chapter has been organized around the research objective: to develop a strategic framework for launching early-stage startups. The multiple case study method (Stake, 2006; Yin, 2003) has allowed it to focus on the potential of a strategic framework for entrepreneurship.

2.1. *Theoretical Design*

The overall design of the chapter is demonstrated with evidence from selected sample cases (Eisenhardt & Graebner, 2007) as defined in Appendix 1. Regarding the study design, it has been applied a set of measures operationalized enough to avoid subjective judgments based mainly on what is reflected in the theoretical framework section (See References). In addition, the multiple sources of knowledge from the literature framework provided during the research have addressed potential construct validity issues, as they essentially provide multiple measures of the same phenomenon (Yin, 2003). In this regard, it has been determined the origin of the business opportunity, the strategic focus on value creation and finally the business model as a value generation system. This rigorous process ensures the reliability and validity of the findings presented.

2.2. *Empirical Data collection*

The selected sample comprises the minimum viable products (MVPs) of startups created for market launch (see Appendix 1). Multiple sources of evidence have been applied for data collection. First, the framework of entrepreneurship literature has been used to guide the research. Second, customer feedback on the value proposition of each of the startups launched was used to ascertain the MVP's desirability, feasibility, and viability. Finally, to ensure the data collection procedure, it has been analyzed the initial phase of each MVP launched to the market by defining and executing the business model of each of the startups by studying the outcome of the available use cases of the product or service of each of them (See appendix 1). The integration of the case studies conducted (MVPS) into the research methodology to form the entrepreneurship framework is outlined below:

Case Study #1 - Insurance Trader: This MVP addressed a clear market need for a more efficient, time-saving insurance process. Customer feedback highlighted the demand for efficiency in insurance contracting, validating the MVP's feasibility and desirability. The initial phase analysis revealed the MVP's success in saving customers time and reducing complexity, confirming the strategic framework's emphasis on value creation and opportunity recognition.

Case Study #2 - Web Makers Hub: Tailored for startup entrepreneurs, this MVP identified a gap in access to cost-effective, professional website development. Empirical data showed high customer satisfaction with the affordability and quality of services. This case study strongly reinforced the strategic framework's focus on recognizing market needs and developing a value proposition around them, providing a solid direction for the business.

Case Study #3 -People&Talent: This MVP is an educational model that leverages professional volunteers to mentor university startups. It addresses the need for a results-focused approach with professional mentorship. Analysis of mentor-student interactions validates the MVP's value creation strategy. Feedback indicates that structured mentorship significantly enhances startup success, supporting the strategic framework's principles.

Case Study #4 - Fincalia: This MVP revolutionized homeowners' communities by digitizing bureaucratic procedures. It addressed a significant market need for digital solutions in property management, streamlining operations, and saving economic resources. Empirical data collected from customer feedback confirmed the MVP's ability to meet demand and significantly improve neighbors' satisfaction, aligning with the strategic framework's principles.

Case Study #5 - Gasfy: This MVP offered a comprehensive management model for gas and heating installations, focusing on cost savings and customer comfort. Customer feedback analysis validated the MVP's value proposition and effectiveness in reducing costs, supporting the strategic framework's emphasis on value creation through efficient service delivery.

Case Study #6 - InvestingSense: This MVP targeted aspiring investors, providing access to information about financial markets and investment opportunities. It identified a gap in the market for comprehensive investment guidance and strategic insights. Feedback from users confirmed the MVP's success in empowering informed investment decisions, reinforcing the strategic framework's focus on recognizing and addressing market needs.

2.3. *Empirical Data Analysis*

It has been carried out an analysis strategy based on Yin (2003) to support the significant gap reflected in the research objective. In this direction, it has been classified the entrepreneurship initiatives and their use cases resulting from the multiple case studies of the sample of MVPs launched in the market. On the one hand, it has been used the sample to analyze the origin of the business opportunity and the strategic focus on value creation. On the other hand, it has been used the sample to analyze the impact of the executed business models by stratifying the MVPs according to four main categories (What? How? Who? How much?). Based on this procedure, a data visualization dashboard has been created to examine the use cases and tabulate the frequency of early-stage venture initiatives for each MVP.

2.4. *Interpretation of the MVPs*

The purpose of empirically applying this qualitative methodology is explained by the fact that multiple case studies can richly describe the existence of a phenomenon (Siggelkow, 2007) and provide a more robust basis for theory building (Yin, 2003). Specifically, applying multiple case studies has allowed it to empirically explore each launched startup MVP by obtaining feedback from the market, as this type of research method also creates a more convincing theory, according to Eisenhardt and Graebner (2007). To this purpose, the complexity of all the interactions of each MVP has been explored, identifying the relationships between the origin of the opportunity and the creation of value as a methodological procedure to investigate the definition and execution of the business model in order to have a central framework to include the captured knowledge with which to build the strategic reference framework in the section on results and contributions.

2.5. *Representation of Results*

The representation of the results through the different figures developed makes it possible to ensure consistency and clarity in the research strategy to maintain validity and reliability since, according to Stake (2006), the logic underlying the use of multiple case studies is the same. Therefore, each MVP startup that goes to the market must a) predict similar results (this is a literal replication) on the origin of the business opportunity, value creation, and business model as critical stages in the initial phase of a startup, as shown in the Results section; and b) predict contrasting results for predictable reasons (this is a theoretical replication) exposing the transformative potential of strategic entrepreneurship framework through the definition of four approaches to launch a startup depending on the context, as shown in the Contributions section.

3. Findings

Research results intended to develop a reference framework for entrepreneurship associated with the origin of the business opportunity as a basis for value creation. A relevant theoretical frame of reference but easily understandable and, simultaneously, does not oversimplify the complex functioning of the entrepreneurial activity.

In this sense, the entrepreneurship framework developed addresses the startup idea from an adaptive approach (See Figure 1). That is, from an approach where the vision of the business idea is clearly defined (Business Opportunity), reflecting seriously on the strategic approach to be established (Value Creation), where the ability to adapt to market demands (Resource Management) and assume the associated risks in a given context (Uncertainty Management), will be critical to increase the chances of survival of the entrepreneurial initiative (Growth Expectations).

Figure 1.

Integrated Structure of the Elements of the Entrepreneurship Framework

Source: Own Elaboration (2024).

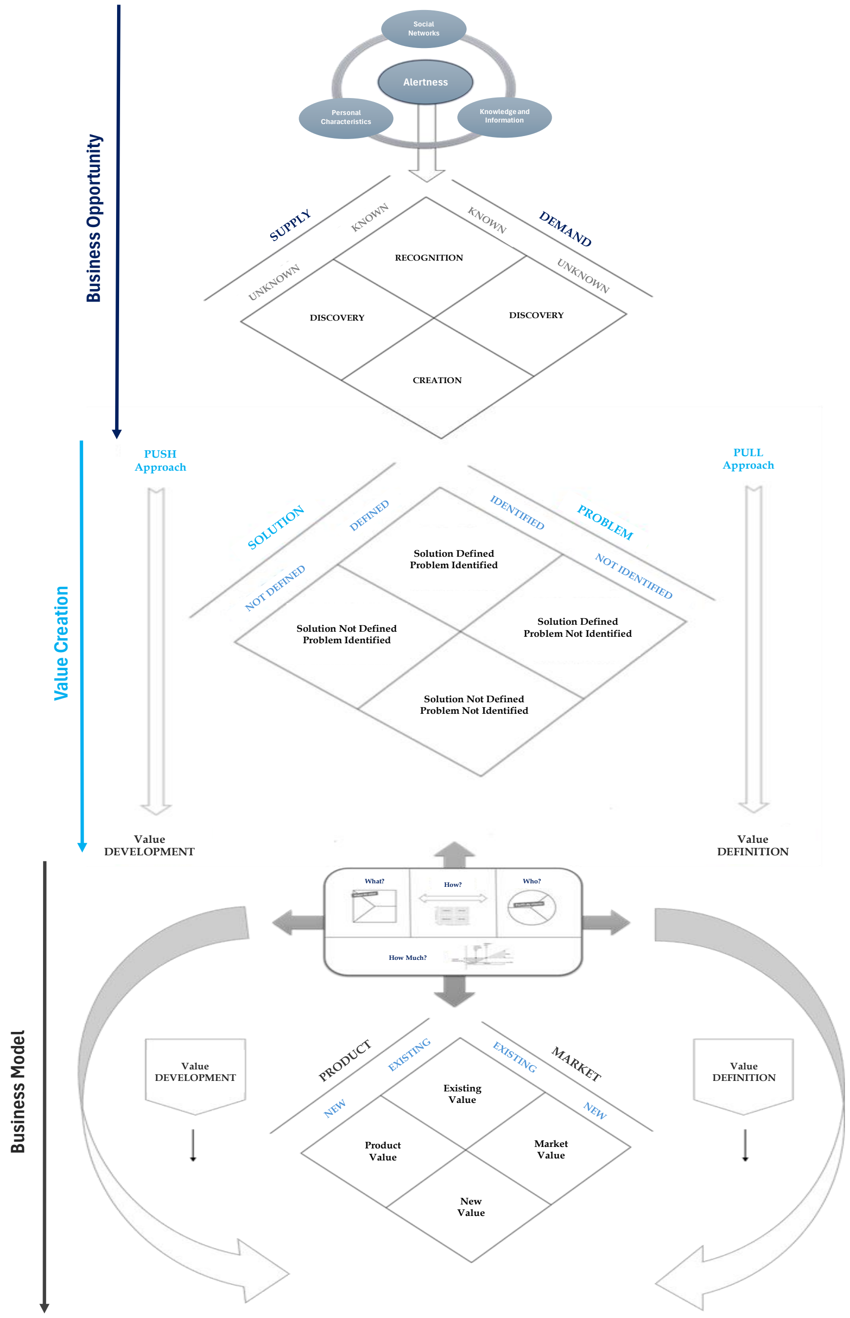
Based on the empirical findings of the research strategy applied, a strategic framework for early-stage entrepreneurial startups has been developed, which relates the main criteria with the approaches of the different contexts (see Contributions section). For this reason, based on the knowledge of the different currents of entrepreneurship, the research project focused mainly on the theory of entrepreneurship from a business management field, where the exploitation of opportunities and resources is primarily identified as the trigger of the entrepreneurial phenomenon (See Figure 2).

Because identifying opportunities is one of the most critical capabilities of an entrepreneur, the factors that influence the process are a fundamental part of the entrepreneurial initiative. These include the knowledge and information available, the social networks in the ecosystem, the personal characteristics of the entrepreneur, and the state of alertness as keys to the identification of the opportunity within the framework of entrepreneurial activity. In this regard, the literature review on the identification of an opportunity for the research project seems to include three market perspectives: opportunity as a process of recognition, opportunity as a process of discovery and, opportunity as a process of creation. These perspectives, or streams, represent the origin of the business opportunity, not just its identification. This has allowed it to define a strategic framework of the opportunity in entrepreneurial activity based on the preconditions for its existence.

This framework does not seek to establish which of the three perspectives is correct, but rather which process is more valuable, depending on the conditions of uncertainty of the context, since value creation must occur within a context, and interactions within it affect the degree and type of value that can be created. The context determines the type of cost and scope of resources a new startup needs to have available for value creation. It is interesting to use the *customer value funnel* (CVF) to achieve this. This strategic and diagnostic tool establishes four levels of factors that affect the creation of value for customers.

Figure 2.

Strategic Entrepreneurship Framework for Start-Ups



Source: Own Elaboration (2024).

This approach to value creation indicates two strategies to be carried out. On the one hand, push strategies start with a technology or solution to begin designing the value proposition. On the other hand, there are pull strategies, in which we identify a market need and create the value proposition around it. In other words, in a push approach, it is a solution in search of a problem. On the contrary, in a pull approach, it is a problem searching for a solution. Opposite concepts in creating value in search of the same result. For this reason, a matrix has been developed with two strategic approaches to value creation in which the needs of the demand (value definition) may or may not be identified and, where the supply development capacity (value development) may or may not be defined. In the matrix established in the entrepreneurial framework, the definition of value represents the problems, and the development of value represents the solutions, giving rise to the division of four types of scenarios according to the strategic approach adopted in the creation of value. Nevertheless, the strategic approach to creating value requires a business model that describes a company's value logic in terms of how it creates, delivers, and captures value for customers (Osterwalder & Pigneur, 2009). The connections and interdependencies of the different elements of a business model that contribute to value creation result in different outcomes for various stakeholders.

Consequently, it is relevant to introduce in the strategic framework an integrated approach to entrepreneurial activity that includes two perspectives: a business perspective based on the actions of identifying opportunities and, a strategic perspective based on the actions of seeking competitive advantages for value creation. Thus, the business model relates to how a company generates revenue by delivering value to customers, referring to the business logic in the market from a static perspective, focusing mainly on opportunity. In contrast, a competitive advantage is necessary for survival. It contains a differentiating factor, complementing the business model from a dynamic perspective in the entrepreneurial activity, giving it a strategic direction and focus as a value generation system.

4. Contributions

The importance of adequate management of uncertainty and optimization of resources depends on the scenario where the entrepreneurial activity is implemented. These scenarios, which will be developed below, must be understood as possible paths consisting of a series of steps leading to the end. In other words, they should be understood as systems that minimize exposure to risk through the optimal allocation of resources throughout the process. All approaches for the contexts have their origin in the business opportunity, which, by adopting a strategic approach to value creation, will allow the implementation of the business model as a system for creating and capturing value (See Figure 3).

Context A: In this approach, the sources of supply and demand exist in an obvious way, so the opportunity to bring them together must be recognized so that entrepreneurs can identify a need in the market, or an inefficiency in the resources used to solve it. Once the value proposition has been established, the entrepreneurs have identified the market need (value definition) and have defined the development of the offer (value development); that is, in this scenario, the customer's problems have been identified, and the solutions to solve them are known. Therefore, the business model can be implemented as a system for delivering and capturing value with an already available product (supply) in a market (demand) that has also been identified.

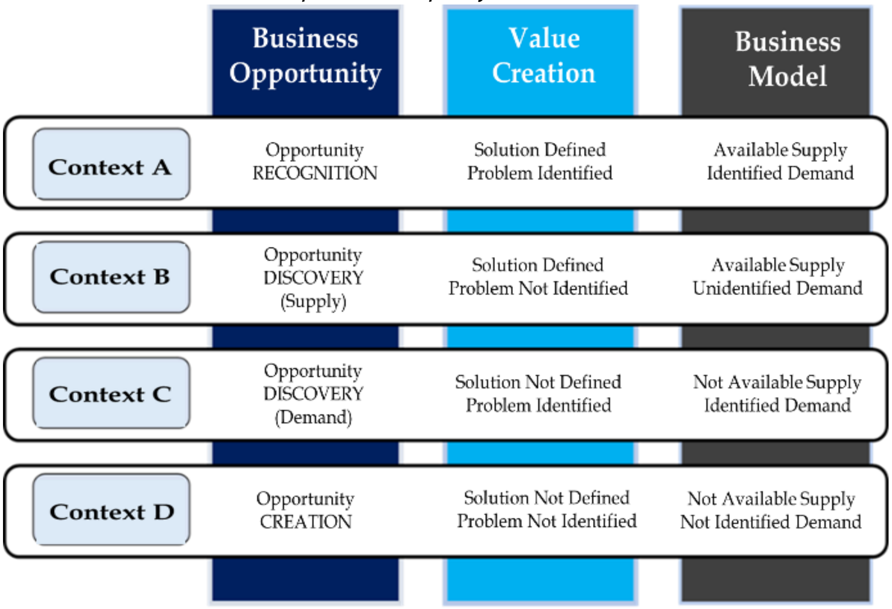
Context B: This is an approach in which only the existing supply is known, so the demand must be discovered to create to an opportunity. In this case, entrepreneurs can discover a new fit between specific known resources and particular undiscovered market needs. Once the value proposition has been established, entrepreneurs have defined the development of the solution (value development) but have not been able to identify the needs of the market (value definition); that is, in this scenario, customer applications have not been identified, but possible solutions, in the form of products or services, are known. Therefore, the business model can be implemented as a system for delivering and capturing value with a product (supply) already available in a market (demand) that has not yet been identified.

Context C: This is an approach in which only existing demand is available, so supply must be discovered to create an opportunity. In this case, the entrepreneur can discover a new fit between the market needs to be known and the specific resources yet to be discovered. Once the value proposition has been established, the entrepreneurs have identified the market needs (value definition) but have not been able to define the development of the solution (value development); that is, in this scenario, the possible solutions, in the form of products or services, are not known, but the customers' problems have been identified. Therefore, the business model can be implemented as a system for delivering and capturing value with a product (supply) that is not yet available to a market (demand) that has already been identified.

Context D: This approach is a scenario in which neither supply nor demand exists in an obvious form, so one or both sources must be created for the opportunity to exist. In this approach, the entrepreneur has to create a new, previously unknown fit between supply and demand in the form of a business idea. Once the value proposition has been established, entrepreneurs have neither identified the market needs (value definition) nor defined the development of the solution (value development). In this scenario, both customer problems and possible solutions are unknown variables. Therefore, the business model can be implemented as a value delivery and capture system with a product (supply) not yet available in a market (demand) that has not yet been identified.

Figure 3.

Approach to the Contexts in the Entrepreneurship Reference Framework

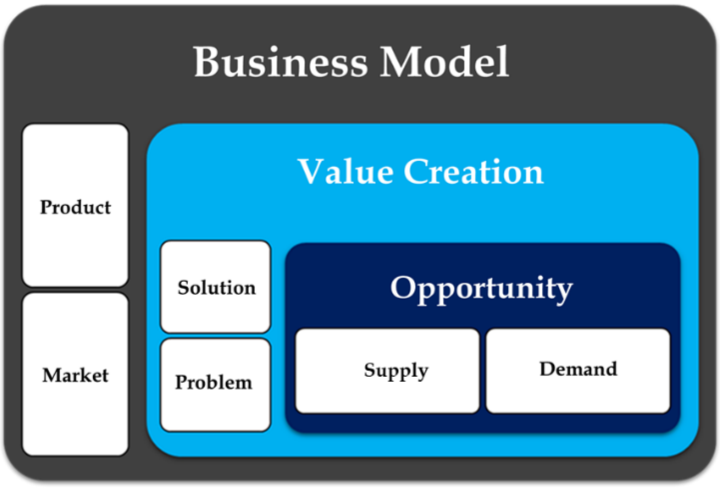


Source: Own Elaboration (2024).

Therefore, the possible scenarios in the entrepreneurship framework have been developed based on three main criteria in the Conceptual Structure of the Entrepreneurship Reference Framework (See Figure 4).

Figure 4.

The Conceptual Structure of the Entrepreneurship Reference Framework



Source: Own Elaboration (2024).

The origin of the business opportunity, according to the market perspective, is that the opportunity has been established as a process of recognition, discovery, and creation based on the sources of supply and demand.

The strategic approach adopted in value creation is where value definition represents the problem in the form of demand (customer needs), and value development represents the solution in the form of supply (products or services).

The business model is a system for delivering and capturing value, where classification has been established according to the relationship between the entrepreneurial activity's situation and the available knowledge of the product (supply) and the possible identification of the market (demand).

5. Conclusion

This research develops a strategic framework for early-stage entrepreneurial startups, emphasizing the importance of navigating uncertainty and optimizing resources to create value. Integrating multidisciplinary perspectives across four primary dimensions- entrepreneurship, opportunity, value, and business model- this framework provides actionable insights that improve decision-making processes.

The entrepreneurial framework addresses opportunity as a fundamental axis for entrepreneurial activities and is explored through three main perspectives: recognition, discovery, and creation; recognition involves identifying existing market needs and matching them with available resources; discovery refers to uncovering latent market demands through innovative combinations of resources; and creation involves actively generating new market opportunities through business innovation and strategic foresight. Value creation focuses on delivering products and services that meet or exceed customer expectations through quality, service, and pricing strategies. Innovative business models and strategic market positioning facilitate value creation. The business model is conceptualized as a system for generating and capturing value. It integrates the value proposition and revenue mechanisms to provide an overall framework for implementing business strategies, ensuring alignment with overall business objectives.

As a result, the research not only validates the theoretical constructs by combining existing literature and empirical case studies but also emphasizes the adaptability of this framework in the real world. A critical aspect of this framework is aligning business models with market opportunities, which is crucial in a dynamic and uncertain business environment. By recognizing, discovering, and creating opportunities, entrepreneurs can strategically position their businesses to meet and exceed customer expectations, thereby facilitating the creation and capture of value in launching their startups.

Contributions suggest that a holistic approach to entrepreneurship, which includes the entrepreneur's active role in identifying and seizing opportunities, effectively managing resources, and continuously adapting to market changes, provides strategic guidance as a robust and practical tool for entrepreneurs. This approach offers a pathway to navigate the complexities of launching new startups, placing the entrepreneur as a key participant.

In conclusion, this research underscores the vital role of an integrative approach in the early stages of entrepreneurship. By expanding the scope of opportunity creation, value generation, and business model development, this framework provides definitive guidance for entrepreneurs aspiring to succeed in uncertain times.

The insights derived from this research are not only valuable, but also highly adaptable, resulting in applicability in a variety of business contexts and providing entrepreneurs with a sense of confidence in launching start-up ventures.

6. References

Al-Debei, M., El-Haddadeh, R., & Avison, D. (2008). Defining the Business Model in the New World of Digital Business. *Fourteenth Americas Conference on Information Systems,* 1-11. https://bit.ly/3WQDHk0

Anderson, A., & Miller, C. (2003). Class matters: human and social capital in the entrepreneurial process. *The Journal of Socioeconomics,* 32, 17-36. https://doi.org/10.1016/s1053-5357(03)00009-x

Ardichvili, A., Cardozo, R., & Sourav, R. (2003). A Theory of Entrepreneurial Opportunity Identification and Development. *Journal of Business Venturing,* 18, 105-123. https://doi.org/10.1016/S0883-9026(01)00068-4

Blanchflower, D., Oswald, A., & Stutzer, A. (2001). Latent entrepreneurship across nations? *European Economic Review,* 45, 680-691. https://lc.cx/2JDXjl

Brandenburger, A., & Stuart, H. (1996). Value-based Business Strategy. *Journal of Economics and Management Strategy, 5*(1), 5-25. https://doi.org/10.1111/j.1430-9134.1996.00005.x

Bruyat, C., & Julien, P. (2000). Defining the Field of Research in Entrepreneurship. *Journal of Business Venturing, 16*(2), 165-180. https://doi.org/10.1016/S0883-9026(99)00043-9

Bygrave, W. D., & Hofer, C. W. (1991). Theorizing about entrepreneurship. *Entrepreneurship Theory and Practice, 16*(2), 13-22. https://doi.org/10.1177/104225879201600203

Casson, M. C. (1982). *The entrepreneur: an economic theory.* 2nd edition. Martin Robertson. http://library.wbi.ac.id/repository/183.pdf

Christensen, C., Johnson, M., & Kagermann, H. (2008). Reinventing Your Business Model. *Harvard Business Review, 87*(12), 52-60. https://hbr.org/2008/12/reinventing-your-business-model

Cornelius, B., Landström, H., & Persson, O. (2006). Entrepreneurial studies: The dynamic research front of a developing social science. *Entrepreneurship Theory and Practice, 30*(3), 375-398. https://doi.org/10.1111/j.1540-6520.2006.00125.x

Davidsson, P., & Honig, B. (2003). The role of social and human capital among nascent entrepreneurs. *Journal of Business Venturing, 18*(3), 301-331. https://doi.org/10.1016/S0883-9026(02)00097-6

Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: opportunities and challenges. *Academy of Management Journal, 50*(1), 25-32. https://doi.org/10.5465/amj.2007.24160888

Fayolle, A. (2008). Entrepreneurship and new value creation - The dynamic of the entrepreneurial process. *Cambridge University Press.* http://dx.doi.org/10.1017/CBO9780511488689

Fielt, E. (2014). Conceptualizing Business Models: Definitions, Frameworks and Classifications. *Journal of Business Models, 1*(1), 85-105. https://doi.org/10.5278/ojs.jbm.v1i1.706

George, G., & Bock, A. J. (2011). The business model in practice and its implications for entrepreneurship research. *Entrepreneurship Theory and Practice, 35*(1), 83-111. https://doi.org/10.1111/j.1540-6520.2010.00424.x

Granovetter, M. (1973). The strength of weak ties. *American Journal of Sociology, 78*(6), 1360-1380. https://doi.org/10.1086/225469

Hills, G. E., & Singh, R. P. (2004). Opportunity recognition. *Handbook of Entrepreneurial Dynamics: The Process of Business Creation.* https://doi.org/10.4135/9781452204543

Jansen, W., Steenbakkers, W., & Jägers, H. (2007). *New Business Models for the Knowledge Economy.* Routledge. https://doi.org/10.4324/9781351152723

Weinstein, A., & Johnson, W. C. (1999). *Designing and Delivering Superior Customer Value: Concepts, Cases, and Applications.* CRC Press. https://doi.org/10.4324/9780429277979

Kirzner, I. M. (1973). *Competition and Entrepreneurship.* Chicago: University of Chicago Press. Available at SSRN. https://ssrn.com/abstract=1496174

Kirzner, I. M. (1997). Entrepreneurial discovery and the competitive market process: an Austrian approach. *Journal of Economic Literature,* 35, 60-85. https://www.jstor.org/stable/2729693

Knight, F. H. (1921). *Risk, Uncertainty, and Profit.* Hart, Schaffner and Marx; Houghton Mifflin. https://oll.libertyfund.org/titles/knight-risk-uncertainty-and-profit

Krueger, N. J., & Dickson, P. R. (1994). How believing in ourselves increases risk taking: perceived self-efficacy and opportunity recognition. *Decision Sciences,* 25, 385-400. https://doi.org/10.1111/j.1540-5915.1994.tb00810.x

Kujala, S., Artto, K., Aaltonen, P., & Turkulainen, V. (2010). Business models in project-based firms - towards a typology of solution- specific business models. *International Journal of Project Management,* 28, 96-106. https://doi.org/10.1016/j.ijproman.2009.08.008

Landstrom, H. (1998). The Roots of Entrepreneurship Research. In *RENT X11 Conference*, Lyon, France. https://digitalcommons.sacredheart.edu/neje/vol2/iss2/2

Low, M., & MacMillan, I. (1988). Entrepreneurship: Past research and future challenges. *Journal of Management, 14*(2), 139-161. https://doi.org/10.1177/014920638801400202

Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review, 21*(1), 135-172. https://doi.org/10.2307/258632

Mizik, N., & Jacobson, R. (2003). Trading off between value creation and value appropriation: The financial implications of shifts in strategic emphasis. *Journal of Marketin,* 67, 63-75. https://doi.org/10.1509/jmkg.67.1.63.18595

Neck, C.P., & Manz, C.C. (1992). Thought self-leadership: the influence of self-talk and mental imagery on performance. *Journal of Organizational Behavior,* 13, 681-699. https://doi.org/10.1002/job.4030130705

Osterwalder, A. (2004). *The Business Model Ontology. A proposition in a design science approach.* Doctoral Thesis. University of Lausanne. https://bit.ly/46B9oAU

Osterwalder, A., & Pigneur, Y. (2009). *Business model generation: A Handbook for Visionaries, Game Changers, and Challengers.* Strategyzer series. https://bit.ly/3A9bGeL

Osterwalder, A., & Pigneur, Y. (2014). *Value Proposition Design: how to create products and services customers want.* Strategyzer Series. Wiley. https://bit.ly/3LSeqzD

Rajala, R., & Westerlund, M. (2005). Business Models: A new perspective on knowledge-intensive services in the software industry. In *18th Bled eCommerce Conference e-Integration in Action,* Bled, Slovenia, 1-15. https://bit.ly/3SzqGso

Ronstadt, R. (1988). The corridor principle. *Journal of Business Venturing, 1*(3), 31-40. https://doi.org/10.1016/0883-9026(88)90028-6

Sarasvathy, S., Dew, N., Velamuri, S., & Venkataraman, S. (2002). *Three Views of Entrepreneurial Opportunity.* Handbook of Entrepreneurship Research. https://ssrn.com/abstract=1442950

Schumpeter, J. A. (1983). *Theory of Economic Development* (1st ed.). Routledge. https://doi.org/10.4324/9781315135564

Eckhardt, J. T., & Shane, S. A. (2003). Opportunities and Entrepreneurship. *Journal of Management, 29*(3), 333-349. https://doi.org/10.1016/S0149-2063(02)00225-8

Shane, S., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review, 25*(1), 217-226. https://doi.org/10.2307/259271

Simpeh, K. N. (2011). Entrepreneurship theories and Empirical research: a Summary Review of the Literature. *European Journal of Business and Management, 3*(6), 1-8. https://bit.ly/3yrmNir

Singh, R. P., Hills, G. E., Lumpkin, G. T., & Hybels, R. C. (1999). The entrepreneurial opportunity recognition process: examining the role of self-perceived alertness and social networks. *Academy of Management Proceedings, 1999*(1), G1-G6. https://doi.org/10.5465/apbpp.1999.27600505

Stake, R. E. (2006). *Multiple Case Study Analysis.* Guilford Publications. https://bit.ly/3WOzgpW

Stevenson, H. H., & Gumpert, D. E. (1985). *The Heart of Entrepreneurship.* Harvard Business Review. https://hbr.org/1985/03/the-heart-of-entrepreneurship

Stevenson, H. H., & Harmeling, S. (1990). Entrepreneurial Management's Need for a More "Chaotic" Theory. *Journal of Business Venturing,* 5, 1-14. https://www.hbs.edu/faculty/Pages/item.aspx?num=1931

Stevenson, H. H., & Jarillo J. C. (1990). A Paradigm of Entrepreneurship: Entrepreneurial Management. *Strategic Management Journal,* 11, 17-27. https://doi.org/10.1007/978-3-540-48543-8_7

Svejenova, S., Planellas, M., & Vives, L. (2010). An individual business model in the making: a Chef's quest for creative freedom. *Long Range Planning,* 43, 408-430. https://doi.org/10.1016/j.lrp.2010.02.002

Teece, D. J. (2010). Business Models, Business Strategy and Innovation. *Long Range Planning* 43, 172-194. https://doi.org/10.1016/j.lrp.2009.07.003

Terán-Yépez, E. (2018). State-of-the-art Entrepreneurship theories: A Critical Review of the Literature. *International Institute of Social and Economic Science Annual Conference,* Spain. https://bit.ly/3MdhCGp

Venkataraman, S. (1997). The distinctive domain of entrepreneurship research: an editor's perspective. *Advances in Entrepreneurship, Firm Emergence, and Growth,* 3, 119-138. https://ssrn.com/abstract=1444184

Weinstein, A. (2012). Superior customer value: Strategies for winning and retaining customers. *Boca Raton, Florida: CRC Press-Taylor and Francis Group. 3rd ed.* https://doi.org/10.1201/b11689

Wikström, K., Artto, K., Kujala, J., & Söderlund, J. (2010). Business models in project business. *International Journal of Project Management,* 28, 832-841. https://doi.org/10.1016/j.ijproman.2010.07.001

Yin, R. K. (2003). *Case Study Research: Design and Methods. Applied Social Research Methods Series.* Sage Publications. https://bit.ly/3Wzqr1P

Funding: This research did not receive external funding.

Acknowledgments: to all the people who made it possible to implement the startup MVPs.

Conflict of interest: There are no conflicts of interest.

AUTHOR
Iván Sosa Gómez
Camilo José Cela University, Spain.

Professional with 14 years of experience focusing his career on strategy and business models. He has launched startups in different sectors. His contributions go beyond his corporate responsibilities, as he actively participates in academic activities focused on the startup ecosystem and its transformative impact on the sector. With his unwavering dedication and hybrid expertise in business consulting and academic research, he positions himself as a key driver of change in the startup landscape in the insurance industry. He has a bachelor's degree in business administration from Universidad Rey Juan Carlos and a master's degree in marketing and sales management from IMF Business School.
ivan.sosa@ucjc.edu

Orcid ID: https://orcid.org/0000-0001-8665-8708
Google Scholar: https://scholar.google.es/citations?user=RB7i5U4AAAAJ&hl=es