

# How IT Entrepreneurs Develop Business Models in the Face of Uncertainty and Opportunity Creation

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## I. INTRODUCTION

Opportunities for IT entrepreneurs are provided by new information technology. However, it might be challenging to foresee how technology will advance at times. The novel technology can prove to be ineffective or take an unforeseen turn. Thus, when planning their business strategies, IT entrepreneurs must operate in a highly uncertain environment. The key query here is: How do IT entrepreneurs build and evolve their business models in a setting where both the markets and the technology are ambiguous and dynamic.

The body of information about different elements that should be included in a business model and how entrepreneurs create their products based on a business model is abundant in the available literature. These contributions do highlight the significance of "initial planning" and "design," but they do not go into great detail about how entrepreneurs create opportunities or how these opportunities result in new business models. However, the focus in these studies has been on agile product development on the basis of customer feedback and learning, while other crucial business model elements (such as a firm's value network, value delivery, and revenue model) have not received much attention. "Lean" product and business development have received little attention. Additionally, the majority of business model definitions have been created primarily for practitioners, leaving the concept's theoretical foundations undeveloped. Has been well elaborated in the works. Additionally, the majority of business descriptions.

The goal will be to combine ideas from business model literature with insights from opportunity creation theory in order to close these gaps. The ways in which entrepreneurs start and grow their businesses in the face of uncertainty have been examined using the opportunity creation hypothesis in the field of entrepreneurship. However, the research on the formation and development of business models has not effectively characterized opportunity creation theory. Thus, an investigation into how software entrepreneurs construct and refine their business models under unpredictable circumstances has the potential to advance both IS and business model.

A variety of business models are included. Additionally, readers should be aware that this study updates and strengthens earlier research in terms of both theory and time. The essay is structured as follows: it starts off by going through the theoretical underpinnings of business models and opportunity creation. The research methodology, case study findings, and analytical findings are then presented. A tentative theoretical model is then presented, which leads to some final observations and useful conclusions.

## **II. BUSINESS PLANS**

Over the past two decades, business model research has grown significantly. However, the word "business model" has been used quite loosely in both IS and business literature, leading to studies of business models without precise definitions of the terms used. This makes it difficult to apply the phrase "business model" both in academic writing and in real-world applications. In a broad sense, a business model can be thought of as a "narrative" that describes how a company operates. However, as highlighted by numerous researches on business models, a business model should be examined in light of the firm's whole value network, making it obvious how value is created and provided to clients, partners, and other stakeholders.

This study conceptualizes the business model as consisting of four primary components using the terminology given and recent business model research. The product or service, the value network, the value delivery, and the revenue model are among these elements. These four elements can be thought of as condensed versions of the business model pillars that the canvas and business model both convey. The goal of doing things this way was to make the analysis and theory development easier. In other words, the goal was not to provide a "God's eye" vision of reality, but rather to deepen theoretical understanding of social reality, which is easier to do if the phenomenon being studied can be made simpler. Additionally, the business model canvas places a particular business activity.

## **III. PRINCIPLE OF OPPORTUNITY CREATION**

The development of newly created opportunities has received scant consideration in the literature on opportunity creation. This is mostly due to the idea that creating opportunities is a long-term process in which the opportunity that is produced continuously grows in response to market developments. Entrepreneurs generate possibilities by taking into account the tools at their disposal (abilities, knowledge, human resources, social networks, etc.), and they utilize these tools to select a potential outcome they have anticipated. There shouldn't be a set objective on how to develop opportunities. Instead, possibilities need to present themselves as businesses engage with the market during the development phase. Additionally, it should be highlighted that opportunity creation is distinct from product development in that it encompasses a full company rather than just one product. In conclusion, the body of extant literature provides in-depth and detailed descriptions of business models.

Furthermore, it appears that there are little studies on the causes of change or how complete business models evolve over time. A useful theoretical framework to describe how entrepreneurs create new chances and develop their business ideas in the face of ambiguous market conditions has been provided by entrepreneurship research. However, studies on business models have not yet incorporated this literature in a way that would explain how created possibilities lead to full business models. The study described here aimed to incorporate opportunity creation theory's insights into the study of business models and to give a realistic account of how software entrepreneurs build and develop their business models in a volatile market.

#### **IV. RESEARCH METHOD**

It was acknowledged that the research methodology used for a study of the kind envisioned should allow for an in-depth exploration of complex phenomena and capture cause-and-effect links. These factors led to the choice of the case study approach. In order to provide comprehensive and empirically rich data related to a phenomenon, the single-case method is helpful. A case study makes it easier to examine how a company's environment and internal dynamics have changed. The need for further case studies to look at business models in general has also been expressed.

#### **V. DATA GATHERING**

For theoretical reasons, the case firm for this study was chosen. The chosen company met the following requirements: (i) it used opportunity creation as part of its innovation process; (ii) it had a lengthy history, allowing for the observation of changes to its business model; (iii) it operated in a market segment with observable rapid technological development and extensive changes; and (iv) it was relatively small, facilitating the observation of entrepreneurial actions. The case firm's whole history was covered by the data gathering for this study, which used a variety of empirical sources. Interviews with company employees were conducted. All of the interviews for the study were conducted by the author. The initial business concept and international expansion of the subject of the first two interviews were the first two interviews concentrated on the company's initial business strategy and its international expansion, whereas later interviews and investigations were primarily concerned with the business model's development. Interviews with the businessman (referred to as the founder/CEO) who founded the firm served as the primary source of information because the case firm was quite tiny. Nine additional individuals with a variety of positions inside the company were interviewed, so various organizational levels were covered. These positions ranged from the Chairman of the Board to the Software Developer in order to eliminate prejudice from individual viewpoints (Huber and Power).

#### **VI. AN OVERVIEW OF THE CASE FIRM**

G-cluster, the case company, creates interactive cloud gaming platforms and services for games-on-demand. G-business cluster's model was centered on an innovative method of giving players access to PC and console games. Games are often placed on a computer or gaming console, which then powers the game. Contrarily, in the G cluster business model, games are hosted on a cloud platform. The platform is run by the game servers, who use a broadband network to provide the game material to users' devices as an MPEG stream. In addition to displaying the game and sending user commands back to the game servers, client devices also receive streams. As a result, the gaming platform developed by G-cluster enables the delivery of games to cloud environments. In Finland, G-cluster was founded in 2000. G-current cluster's headquarters are there.

#### **VII. RESEARCH LIMITATIONS**

When assessing the results of this study, a number of issues need to be taken into account. First of all, the study strategy employed here allowed for a thorough understanding of the phenomenon.

The single-case study approach calls for caution when generalizing, though, because the results may be context-specific by nature. Furthermore, a single author handled both the data collection and analysis. This can give rise to questions about the author's possible partiality. To prevent this, the CEO of the company verified the business models after sending the whole transcripts back to the interviewers for evaluation. It should also be highlighted that only a small percentage of software companies develop prospects for markets that do not already exist. They might, however, emerge as market leaders in their industry if they are successful in the opportunity generation process. Thirdly, it is difficult to determine how long a company may be considered a start-up or when it has transitioned to a more mature commercial foundation. When G-cluster was still searching for a repeatable and scalable business model, it was still considered to be a start-up. To develop fresh and more lucrative business concepts, even big, established companies can embrace opportunity creation. The business models of the case firm are then provided in the fourth section. These years encompass the majority of the model changes, which also contain more subtle, over time adjustments. Due to the limited amount of space, not all the modifications may be discussed here.

### **VIII. CONCLUSION**

This study contributes to IS and business model research in several ways. First of all, Using opportunity creation theory as a foundation, it develops a preliminary Theoretical model on business model creation and evolution. The model shows how Business models can be created on the basis of entrepreneurial behavior, and how Business models evolve further via business model reassessment and business model Development. The model developed here has some connections with more practically Oriented “lean startup” models. In these models, feedback from the market, continuous development of the product, and the concept of “pivot” has important roles.

The study has a number of consequences for IT entrepreneurs in the real world. According to the study, these findings demonstrate and objectively support the idea that a well-written business strategy is not always necessary for a successful venture. Some company models are created through a trial-and-error process in response to shifting market conditions. Pee-defined business plans may not function and may need to be adjusted because the IT marketplaces are changing quickly. Entrepreneurs must, however, regularly monitor market trends and, if required, reevaluate their business concepts. This emphasizes how crucial "context creating" is in design.

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