The Impact of Entrepreneurial Experience on Entrepreneurial Opportunity Identification—An Analysis of the Case of Agel Ecommerce Ltd

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**Abstract.** Entrepreneurial opportunity recognition is the starting stage of entrepreneurial process, is an important source of entrepreneurial ability and competitive advantage, opportunity recognition affects the entire business process, even the success or failure of entrepreneurial activities is very important. This paper takes Hu Jun founder of Agel Ecommerce Ltd’s entrepreneurial case as the research object, and through analysis how to identify and select entrepreneurial opportunity and its effects in the entrepreneurial process, then summarized to get the conclusion that entrepreneurial learning, entrepreneurial self-efficacy, entrepreneurial experience and another factors have positive effect on the opportunity identification, selection and execution of entrepreneurial opportunity, and they also could provide a reference for entrepreneurs of undergraduate to better carry out some entrepreneurial activities.

**Introduction**

Under the nation policy call of “public entrepreneurship, peoples innovation”, China are taking kinds of measures to actively promote graduate employment, at the meanwhile, China also proposes the strategy of “Entrepreneurship leads to employment”. With the increasing support to entrepreneurship from government, more and more young people prefer to select to set a business by themselves. From the experience of Hu Jun’s entrepreneurship, we know that the identification and selection of entrepreneurial opportunity is actually a processing of challenging ourselves and gathering experience, and the interaction effect of entrepreneurial learning, entrepreneurial self-efficacy and entrepreneurial experience could make entrepreneurial opportunity identification (EOI) more effective. Only when a good Entrepreneurship Program selected, can the entrepreneurial activities be developed better then improve entrepreneurial success probability.

**Case Analysis**

**Founder Profile**

Hu Jun, born in Jiujiang, Jiangxi province on June in 1990, was admitted to business college of Jiangxi Normal University in 2009 and majored in business administration (research direction of Entrepreneurial management). During the college, set all kinds of business by himself as his characteristics of unwilling to mediocrity, for example, set up a fried chicken restaurant in Nanchang institute of technology, organized practical activities to sell living goods or newspaper to freshman leading a team of more than 200 people which made him accumulate some experience on how to build or lead a team, what’s more, he also set up an education training class leading a team of more than 10 people which got some impressive achievements. All of these experience make him to realize the importance of entrepreneurship to him. But he also gradually realize that it could only get immediate relief by individual entrepreneurship, in order to a long-term development, he
decided to search his partner, then set up his company with the form of shareholding structure together with Hu Weijian, Li Wang and Ding Mou etc. Then Agel Ecommerce Ltd was established on March in 2016, now Hu Jun is its general manager and executive director.

Entrepreneurship Stage

Entrepreneurship of Education Training Class. During the summer holiday of Sophomore and Junior year, Hu Jun lead a dozen people to set up an education training class. Although there were already many kinds of training class, but with the experienced teacher needed and expensive training fee paid, a training team mainly college students was needed. Which on one hand could provide the practical opportunities to college students, on the other hand, human cost is reduced in this way to gain price advantage compared to another training class. In fact, it is actually a good program in the background of normal school. So when he looks back now, Hu Jun always regrets not to insist on this program, and regret not to find and deal with its problem in time when the problem exposed so as to miss it. But with this missed entrepreneurial experience make him understand that there were still much more to learn to be a good manager.

New beginning–Entrepreneurship in Yiwu. After graduated from school, Hu Jun also had hesitated to a stable job or entrepreneurship. Considering his family’s economic situation and his ambition, he decided to set up his business confirmedly. It was a period of explosive growth of e-commerce in 2013, Hu Jun came to Yiwu which is famous as small commodity under the introduction of his teacher Chen Wenhua. Various of small commodities made him excited, and let him see the unlimited business opportunities. In Yiwu Hu Jun contact with Taobao, Aliexpress, Amazon, Ebay, DHgate.com etc. E-commerce platform which must be the trend of future economic development. So he selected to stay there to achieve his ambition, and it also become his beginning of new opportunity.

Establishing Agel Ecommerce Ltd. With the self-business in Yiwu, Hu Jun realize that although his small store slowly started to gain, its development and scale were limited with an individual business, then in order to long-term development, it must be with corporate model. With the past 2 years experience and capital accumulating, it was time to set up a corporate. AliExpress’s main consumer group is Russia, USA, Brazil and other countries, and its target market is mainly to mid-range market. As is known to us, foreign buyers also like the bargain commodities made in China, so Made in China is gradually going global. Although it was not easy to set up a corporate, summarizing the previous experiences and lessons, Hu Jun had had a new idea and a broader view on the entrepreneurial program. Many people think that E-commerce business feel like a “fast food” type of small business, from the viewpoint of Hu Jun, E-commerce needs more time to accumulate resources. With the development of information and Internet technology, it is maybe easy to make a fast buck, but it is not easy to make a success. It need time to learn, to innovate, to draw useful lessons from failure, then to improve yourselves. Failure is not terrible, it is terrible to stand still.

Case Study

Entrepreneurial Opportunity

No opportunity no entrepreneurship[1].Entrepreneurial opportunity mainly refers to the business opportunity with strong attraction and endurance, and that is good for entrepreneurship. Based on entrepreneurial opportunity, entrepreneur could provide valuable products or services to customers, meanwhile, benefit to themselves.

Origin of Entrepreneurial Opportunity

In entrepreneurial journey, it needs to perceive the changes in consumer demand for entrepreneurs. Then entrepreneurs prefer to searching for entrepreneurial opportunity from existing market. In this way, on one hand, entrepreneurs are able to find potential market opportunity easily in their living environment; on the other hand, as the demand in existing market is often hard to be satisfied in full, then searching for opportunity in these markets can not only reduce processing cost effectively,
but also improve the survival rate of entrepreneur success and decline the entrepreneurial risk. Generally speaking, there are three ways to identify opportunity:

1. Active Searching: Get entrepreneurial opportunity by unique knowledge and skills.

From the above, according to the theory of origin way of EOI, we know that the individual could search for opportunity and to create it. As can be known from the case of Hu Jun, most of entrepreneurs choose active searching to get entrepreneurial opportunity, and observe existing market by themselves, than find it from obtaining information resources. The discovery of entrepreneurial opportunity is with lots of uncertainty, and entrepreneurial opportunity exists in a certain range of space and time. The opportunity will be vanished with the changes of objective condition of the appearance of entrepreneurial opportunity, therefore, not all people could identify the entrepreneurial opportunity, the chances are for those who have prepared for it. Sometimes we need to be active searching then to get the opportunity faster than others to reduce processing cost. Only by improving the ability of EOI, can we better to carry out entrepreneurial activities.

**Entrepreneurial Opportunity Identification**

EOI refers that the after entrepreneurs are aware of market demand or unused resources, they will identify these and then create new matching relationship between market demand and resources. EOI is initial phase of entrepreneurial process, and it is also one of the important origin of entrepreneurial ability and competitive advantage. It plays a vital role on the entire entrepreneurial process even on the success or failure of entrepreneurial activities for opportunity identification. So here comes some questions, how to identify the entrepreneurial opportunity? And what do have influences on EOI?

**Influence Factors of EOI**

For the factor of opportunity identification ability, scholars almost universally think the main factors which affect opportunity identification are perception and self-learning ability, and entrepreneurs’ perception and learning thought could prompt them to identify the opportunity. To identify the entrepreneurial opportunity successfully, entrepreneurs need to have a certain foundation on personal characteristics, prior knowledge and work experience. The conceptual model of EOI as figure 1:

![Conceptual Model](image)

As is known from the model, all of entrepreneurial learning, entrepreneurs’ experience and entrepreneurial self-efficacy have effects on EOI. We could make the following conclusions from the case of Hu Jun.

**Entrepreneurial Learning on EOI.** Entrepreneurial Learning refers to the process of acquiring, absorbing and organizing new knowledge from prior existing knowledge architecture, and it plays a key role on entrepreneurial situation. Now entrepreneurship education knowledge system has
been included in the professional courses for undergraduate students. The national policy is also encouraging students to learn the spirit of innovation and carry out related entrepreneurship courses.

Entrepreneurial Self-efficacy on EOI. Entrepreneurial Self-efficacy refers to the belief that the individuals believe themselves being capable of becoming an entrepreneur and being able to undertake various entrepreneurial roles and tasks successfully[7]. Most researches show that the characteristics of entrepreneurs is different from ordinary, like more confidence, more optimistic, stronger information sensitivity and risk awareness etc.. It could prompt more accurate decision and action to enhance the ability of EOI and development.

Entrepreneurs’ Experience on EOI. Entrepreneurs’ Experience refers to the sum total of various skills, knowledge, ideas or perceptual concepts accumulated from previous process where entrepreneurs do their reflective experience-learning[8]. The reason why experienced entrepreneurs could identify opportunity faster than poor-experienced is they have the experiences of opportunity identification in prior entrepreneurial process, gradually, they enhance the ability of market insight, information retrieval and management, then improve the ability of EOI.

Summary
On his way to be an entrepreneur, Hu Jun always keep learning and accumulating experience, dare to challenge and chasten himself, and he is good at find the potential customer’s requirements then to increase the value of EOI. What’s more, he also could learn from his failures and reflect his deficiency, and try to different innovated ideas to extent his social relationship and views. In his entrepreneurial process, Hu Jun always contacts with different target industry on purpose to obtain more valuable information, and to accumulate more entrepreneurial knowledge and skills. Therefore, Hu Jun’s success to identify different entrepreneurial opportunity is not on account of his special entrepreneurial ability, precisely because of his action as above.

The three factors (entrepreneurial learning, entrepreneurs’ experience and entrepreneurial self-efficacy) affect each other, successful EOI need to learn to summarize the past of entrepreneurs’ experience, then to enhance entrepreneurial self-efficacy to improve the ability of EOI.

References