

Review of *The Theory of Entrepreneurship: Creating and Sustaining Entrepreneurial Value* by Chandra S. Mishra, and Ramona K. Zachary. (2014). Palgrave Macmillan.*

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For some time in Entrepreneurship education there has been the recognition that the field has moved beyond the much cited definition by Shane and Venkateraman (2000) p. 218 where “we define the field of entrepreneurship as the scholarly examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated and exploited”. In **The Theory of Entrepreneurship** Mishra and Zachary posit the Entrepreneurial Value Creation Theory consisting of a two-stage model, namely venture formulation, and, venture monetisation. This approach ensures a comprehensive multidisciplinary model which bears a close resemblance to reality for entrepreneurs. It is a very useful model to assist entrepreneurs and their funders to assess the potential success of a venture and the strength of the constituent parts.

Professor Zachary is Peter S. Jonas Distinguished Professor of Entrepreneurship, Narendra Paul Loomba Department of Management at Baruch College, The City University of New York. She brings a strong knowledge of business and venture formulation. With a background in Engineering and Finance, Dr. Mishra brings extensive insight into entrepreneurial monetisation and is currently a faculty member at Florida Atlantic University. Together the authors have made a very strong case for their proposed theoretical model which serves to capture the complexity of entrepreneurship in a holistic way. Described by the publishers Palgrave Macmillan as a text that “*examines the interiors of the entrepreneurial value creation process, and offers a new unified and comprehensive theory to afford empirical investigations as well as delineate a broader view of the entrepreneurial contextual milieu*”.

The book is divided into 4 parts:

* URL: <http://ojs.aishe.org/index.php/aishe-j/article/view276>

- Starting Up: Introduction
- From External Intention and Opportunity to Entrepreneurial Competence
- From Entrepreneurial Competence to Entrepreneurial Reward
- Summing Up: The Theory of Entrepreneurship

The first part, Starting Up: Introduction, highlights definitions to date coupled with theoretical shortcomings in research and introduces the reader to the Entrepreneurial Value Creation Theory and how it goes beyond current theoretical models to unify and reposition thinking on this complex, multidisciplinary concept.

In the second part, From External Intention and Opportunity to Entrepreneurial Competence, entrepreneurial intention is reviewed in conjunction with entrepreneurial opportunity. Theoretical limitations to date have resulted in failure to capture the importance of entrepreneurial intention and adaptability in the process of formulation. The Entrepreneurial Value Creation Theory model comprehensively outlines the stages of intentionality from thinking to action and then to preliminary resource analysis and feasibility. This is outlined in a very accessible way in this part. The module also usefully allows for the entrepreneur's repeated attempts to move from stage one, formulation as competence is developed and built up through repeated attempts to combine the idea, the intention, a suitable environment and opportunity.

The third part, From Entrepreneurial Competence to Entrepreneurial Reward, looks at venture financing and incentives and risks comprehensively. After the entrepreneurial competence is developed to a sufficient level, the venture is then moved to stage two of the model – monetisation. A very useful outline of dynamic complementary capabilities is introduced which demonstrate the capacity to successfully interact with the competitive environment of the venture. Importantly it is highlighted that entrepreneurial competence, outlined in Stage 1 of the Entrepreneurial Value Creation Theory model, will not be enough to result in success unless it is combined with an efficient and sustainable business model design. Business models predict value creation of a venture and this part outlines how the input and moderating effects come together in the Entrepreneurial Value Creation Theory model to determine success and predict failure. The stages where impediments occur in the journey to a successful venture are outlined and the model encompasses the complexity of the process to establishing successful entrepreneurial ventures with value creation. The model integrates the prediction capacity of combining the four value drivers of lock-in, efficiency,

complementaries and novelty which is a very useful tool for all stakeholders in new ventures.

The fourth part, Summing Up: The Theory of Entrepreneurship, revisits the model and its components and concludes with a challenge for researchers to expand their thinking beyond single disciplinary lenses to capture the complexity that is the process of entrepreneurship.

Mishra and Zachary knit all four book parts together to take the reader on a journey which underpins the rationale for the adoption of the theoretical model that is Entrepreneurial Value Creation Theory. Along this journey the reader is provided with well-informed critique and exposition of alternate models and this ensures a comprehensive understanding of the theory of entrepreneurship by the end of the text.

Reference

Shane, S., and S. Venkateramin. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review*, 25(1), 217-226.