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Expanding the Entrepreneurial Value Creation Model of Mishra & Zachary (2014)

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ABSTRACT

There have been many theories applied to explain entrepreneurship and its factors. A majority have not explained an entrepreneurial process entirely. This paper builds on existing theoretical and empirical studies to detail and expand the Entrepreneurial Value Creation Model to provide a complete theoretical model of the entrepreneurship process for empirical studies in the future. Three main contributions of the research include: (1) a detailed entrepreneurial value creation model; (2) a review of 8 types of research related to Entrepreneurial Value Creation theory; and (3) seven factors influencing entrepreneurial intention and five factors influencing opportunity recognition added to the model.

Keywords: Entrepreneurial Value Creation Model, intention, opportunity, competency, business model.

INTRODUCTION

In recent years, entrepreneurship has gained the attention of economists, governments, educational institutions, and researchers worldwide because of its critical role in high innovation-driven growth. Countries like the USA, Japan, Germany consider entrepreneurship a vital factor for society and economic development (Prakash, Chain & Chauhan, 2015). In Asia, countries like China, Indonesia, Malaysia, and Thailand own the most robust entrepreneurial ecosystem because they combine different conditions for entrepreneurs to thrive, such as finance, government policies, programs, and education and training.

Over the period, most studies were designed to discover the individual's intention to start a business venture. In doing so, many factors influencing entrepreneurial intention were explored through models such as a model for implementing entrepreneurial ideas (Bird, 1988); model of the entrepreneurial event (Shapero & Sokol's, 1982); and theory of planned behavior (Ajzen, 1991). Some parts of research focus on the opportunity existing around individuals and their capability of exploring and exploiting that opportunity. Others are interested in identifying specific factors in entrepreneurial competency which individual owns to start their business. Notable contributions include Model of the entrepreneurial opportunity recognition process (Ardichvili & Cardozo, 2000), Theory of entrepreneurial opportunity identification and development (Ardichvili, Cardozo, & Ray, 2003), Individual-Opportunity Nexus theory (Eckhardt & Shane, 2010), and Entrepreneurial Cognition Theory (Baron, 2006). Despite their

outstanding contribution to the current entrepreneurship literature, it brings us an unpredictable picture about how to ultimately interpret the entrepreneurial process and the factors that determine this entrepreneurial creation value process.

Therefore, this paper aims to propose a model of the entrepreneurial value creation process based on the theory of entrepreneurial value creation (Mishra & Zachary, 2014). Our contribution is twofold: (a) we present in detail the factors influencing three components of the model: intention, opportunity, and competence; (b) we extend the theory of entrepreneurial value creation by adding an integrated model to demonstrate the entrepreneurship process from the stage of intention emerged to the stage of a business building.

RESEARCH METHODOLOGY

To understand the entrepreneurial value creation model, we reviewed relevant insights in highly regarded entrepreneurship journals in Vietnamese and English. The searching procedure began with the SCOPUS database to identify all the major contributions related to entrepreneurial value creation theory (Mishra and Zachary, 2014). The primary searching tool is Google Scholar with the keywords "entrepreneurial value creation theory," "entrepreneurial value creation model," "entrepreneurship theory," "entrepreneurial intention," "entrepreneurial opportunity," "entrepreneurial competency." We significantly focused on the reliability and validity of the papers by checking the name of the journal and the citation number. After reviewing the entrepreneurial value creation theory, we searched the empirical studies that applied this theory. These studies provide many valuable data for the theory.

LITERATURE REVIEW

Entrepreneurship

Prior entrepreneurship research focused on how a person tries to translate their vision into a business venture successfully. For example, Drucker (1985) defined entrepreneurship as innovative activity, including empowering existing resources with a new wealth-producing capacity. Lately, entrepreneurship is known to combine unique resources to exploit opportunities to create value then. For example, Shane and Venkataraman (2000) suggested that entrepreneurship discussed how someone recognized opportunities and what means they used to exploit opportunities to create new things such as new products or services, new markets, new production processes, or new ways of organizing. Additionally, Korsgaard and Anderson (2011) assumed that entrepreneurship is primarily about economic value creation. To conclude, entrepreneurship plays a vital role in economic development and researchers are encouraged to explore entrepreneurship determinants at different levels.

Entrepreneurial values

According to Mishra and Zachary (2014), an entrepreneurial model can create several values in terms of economy, society, environment, politics, but business rewards are the most important. An entrepreneurial model can produce different values for entrepreneurs and related people, including investors, employees, management, customers, suppliers, and other strategic partners. And this profit relationship is mutual. For example, the customers create value for business in terms of revenue, and, in turn, the business creates value for customers in terms of product quality and efficiency.

Theory of entrepreneurial value creation

The entrepreneurial value creation theory describes a framework including Stage 1-Venture formulation and Stage 2- Venture monetization.

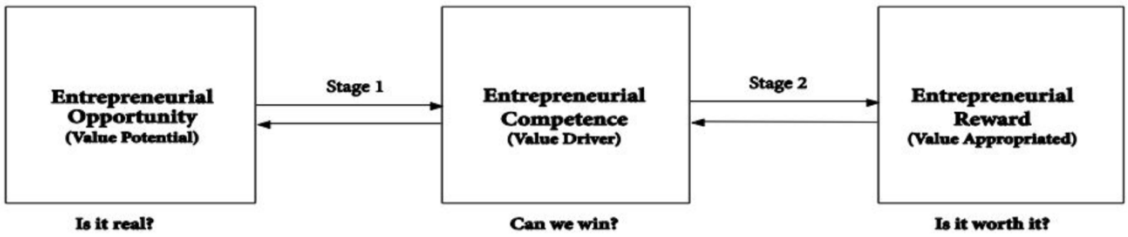


Figure 1. Entrepreneurial value creation model (Mishra & Zachary, 2014)

Stage 1 begins with the entrepreneurial intention, which refers to a desire for reward. This intention encourages the individual to explore the opportunity rather than a foundation for venture formulation This is consistent with the Global Entrepreneurship Monitor (GEM), which distinguishes between opportunity- based entrepreneurship and necessity-based entrepreneurship. Entrepreneurs may start a business because they have no other work option and need to earn money. While others may start a business because they recognize opportunities. Kelly et al. (2011) stated that opportunity recognition gradually becomes a motivator with greater economic development levels.

According to Mishra and Zachary (2014), most of the venture is unsuccessful in the first stage. It may take a long time for others to invest sufficient entrepreneurial competence to move to Stage 2-Monetization. The primary goal of Stage 2 is an entrepreneurial reward, which refers to the value created by the business model. In this stage, the entrepreneur has to carry out various activities such as raising capital, conflicting choices, risk and profit, moral hazard, encouragement, and risk minimization.

More in detail, the following sections will present four elements of Entrepreneurial Value Creation Theory: (1) Entrepreneurial Intention (EI), (2) Entrepreneurial Opportunity (EO), (3) Entrepreneurial Competence (EC), and (4) Business Model (BM).

Entrepreneurial intention

Using mainly cognitive theory, Bird (1988) defined intentionality as a state of mind driving attention, experience, and action towards a particular target to accomplish something. It is a crucial input to understand the entrepreneurial process. Entrepreneurial intention is also considered the first step of discovering, creating, and exploiting opportunity processes (Gartner, Shaver, Gatewood, & Katz, 1994). Although entrepreneurial intention has been studied profoundly by many scholars, less research on the relationship between intention and other critical aspects of the entrepreneurial process has been found. According to Mishra & Zachary (2014), the intention is accumulated from thinking and acting depending on adaptability, and then it will be developed to form a business venture.

Researchers also suggest different methods to measure the factors influencing an individual's entrepreneurial intentions. They propose many analyzing models, among which The Entrepreneurial Event Model by Shapero & Sokol (1982) and The Theory of Planned Behavior

by Ajzen (1991) are the representative ones and applied popularly in Vietnam as in the world. They can be divided into individual or psychological factors, family background, and social and environmental factors.

Psychological factors

Planned behaviour theory (Ajzen, 1991) has been popularly applied in explaining and predicting behavioural intentions. By illustrating and reviewing an empirical proof, Ajzen had sufficient evidence to confirm antecedents of intention, including (1) attitude toward the behavior, (2) subjective norm, and (3) perceived behavioral control. He additionally concluded that entrepreneurial intention is linked to venture creation or formulation.

First, *attitude toward the behavior* is related to the perception of a behavior outcome and how an individual evaluates positively or negatively about being an entrepreneur. Attitude toward the behavior was defined as how favorable or unfavorable an individual evaluates or appraises the behavior in question (Ajzen, 2002). Accordingly, if an individual owns a higher rate of attitude toward the behavior will be more likely to attempt to become an entrepreneur. This aspect is in line with Kolvereid (1996), who assumed that students who have a higher attitude toward the behavior, subjective norm, and perceived behavioral control would be more likely to form entrepreneurial intentions. Therefore, the first proposition is developed as follows.

Proposition 1*. Attitude toward the behavior is positively related to entrepreneurial intention*

The second antecedent, *subjective norms*, is the perceived trust in relevant people such as family, relatives, friends, and other significant individuals or groups who affect the entrepreneur carrying out the target behavior. Although subjective norms often fail to predict entrepreneurial intention in several studies (Armitage & Conner, 1998), it should be investigated in the Vietnamese context where social norms are essential for the youths to start up. For instance, whether parents, relatives, mentors, and friends agree with the student's intention to become an entrepreneur or not. Furthermore, thus subjective social norms are likely to impact entrepreneurial intention as the following proposition.

Proposition 2. *The subjective norm is positively related to entrepreneurial intention*

Next, *perceived behavioral control* describes an individual's awareness of the difficulty level in carrying out becoming an entrepreneur. This aspect is consistent with the perceived self-efficacy concept of Bandura (1997) and with the perceived feasibility definition of Shapero and Sokol (1982). Perceived behavior control describes the individual's awareness of how difficult to become an entrepreneur (Bandura, 1997). However, the most significant difference between them is that perceived behavior control involves the confidence to fulfill an entrepreneurial activity and the awareness of entrepreneurial behavior controllability. High controllability of behaviors may increase the strength of an individual's intention. Therefore, the following proposition is as follows.

Proposition 3. *Perceived behavior control is positively related to entrepreneurial intention*

Family factors

Henderson and Robertson (2000) proved that family background affects entrepreneurial intention. Family factor includes sentimental and monetary supports from members in the

family especially parents. If someone owns family support when they start a business, they will be more encouraged. Van Auken et al. (2006) also stressed that families with a business background would influence and motivate their children to do business. Their children would be able to own a higher propensity to start a business in the future. Furthermore, Ayodele (2014) also supports that parents are a source of peers who provide a positive experience and impact on the entrepreneurial intention of their children. Therefore, we propose the following proposition.

Proposition 4*. A business family is positively related to entrepreneurial intention*

Contextual factors

Contextual factors are a very vital factor influencing entrepreneurial Intention. Contextual factors include education support, structural support, and formal network.

Entrepreneurial knowledge mainly comes from universities that effectively provide professional education to get the necessary knowledge and skills about entrepreneurship. According to Wang and Wong (2004), inadequate preparation mainly hinders students from entrepreneurial dreams. When students get insufficient knowledge and skills, they will not be ready to take the risk to realize their dreams. Gorman, Hanlon, and King (1997) also showed that education programs positively affect entrepreneurial attributes. Hence, the following proposition is suggested.

Proposition 5.*Entrepreneurial knowledge is positively related to entrepreneurial intention*

Structural support in entrepreneurship mainly includes economic and political systems that can involve opportunities or threats for entrepreneurs. For example, in the period of Covid-19 disease, if there are some cares from the government to startups and give startups favorable conditions, people might be likely to start a business. If there are barriers in legal mechanisms or policy, people might show a lower tendency for entrepreneurship.

Proposition 6*. Structural support is positively related to entrepreneurial intention*

A formal network is the linkages between the resources and opportunities created in society to constrain and facilitate entrepreneurship (Leonard-Barton, 1984). While informal network refers to family members, friends, parents. According to Shaw and Conway (2000), a formal network is similar to the combination of relationships in which small firms are connected to exist and operate their business. In this study, a formal network means government agencies, bankers, lawyers, consultants, and insurance companies. This network also includes information for an entrepreneur to identify and maximize opportunities.

Proposition 7. *A formal network is positively related to entrepreneurial intention*

Entrepreneurial opportunity

Scholars have been trying to determine the prominent factors affecting an individual's recognition to explain why someone can recognize or discover opportunities while others cannot. According to Mishra and Zachary (2014), the Individual-Opportunity Nexus theory (Eckhardt & Shane, 2010) and Entrepreneurial Cognition Theory (Baron, 2006) are utilized in coordination with entrepreneurial value creation theory. According to Eckhardt and Shane (2010), entrepreneurial opportunities were defined as situations in which new goods, services, raw materials, markets, and organizing methods can be introduced for profit. Baron's theory

posited that opportunity recognition depends on three determinants: (1) active searching, (2) alertness, and (3) prior knowledge of markets or industries. Then, Eckhardt and Shane (2010) introduced An Update of Individual-Opportunity Nexus which mentioned that some factors needed to care in opportunity identification, such as (1) information asymmetry, (2) prior knowledge, (3) searching, (4) social networks, (5) alertness to opportunity. In addition, we find that one more factor that could influence entrepreneurial opportunity recognition is creativity (Ardichvili, Cardozo, & Ray, 2003).

According to Baron (2006), *alertness* is the capacity of identifying available opportunities which appeared from changes in technology, markets, government policies, or competition. Alertness is also considered one of several significant factors in recognizing entrepreneurial opportunities (Gaglio & Katz, 2001). Besides, Denrell et al. (2003) confirmed that recognizing opportunity successfully needs effort and luck accompanied by alertness and flexibility. This evidence supports the following proposition.

Proposition 8.*Entrepreneurial alertness is positively related to entrepreneurial opportunity recognition*

According to Shane (2000), an entrepreneur will explore the opportunities related to their *prior knowledge*. Furthermore, Kirzner (1997) claimed that the information owned by each individual is not the same and even at different times. Therefore, although entrepreneurial opportunities are available, not all people can recognize them. Thus, the following proposition is given as follows.

Proposition 9. ***Prior knowledge is positively related to entrepreneurial opportunity recognition***

On the contrary to passive searching, *active searching* refers to a systematic process of finding opportunities actively and purposely. According to a large proportion of prior research, active searching for existing opportunities was ahead of opportunity recognition. Baron (2006) additionally mentioned that entrepreneurs are more active in seeking opportunities, including potential profit. An active finding can be done by reading magazines, newspapers, trade publications, or personal relationships. Thus, we propose that:

Proposition 10. ***Active discovery is positively related to entrepreneurial opportunity***

Social network includes bridging and bonding social capital. Putnam (2000) differentiates that bridging social capital refers to open networks in which different people come from different classes, work different jobs, and even live in different countries can get acquainted and support each other. While bonding social capital includes close networks in which people with tightly knit, trust-based, emotionally close relationships could support each other easily. Social networks indicate that close and open relationships can provide important information for an individual to recognize an entrepreneurial opportunity. Consequently, the following proposition is suggested.

Proposition 11. ***A social network is positively related to entrepreneurial opportunity recognition***

Creativity is a special attribute that can help successful entrepreneurs discover opportunities others cannot see (Schumpeter, 1934). Additionally, Hills et al. (1997) also showed that 90 percent of the respondents find creativity essential for the opportunity recognition process.

This matches the definition provided by Ray and Cardozo (1996). They stated that entrepreneurial creativity describes the individual's ability to quickly recognize the integration between problems and solutions by identifying and adjusting available entrepreneurial resources in a non-obvious method. We propose the following proposition.

Proposition 12. ***Creativity is positively related to entrepreneurial opportunity recognition.***

Entrepreneurial competence

Most of them agreed that competence is typically driven by the desire to reach high performance, economic gain and business success. Especially, Hunt (1998) noted that factors such as an individual's motivation, personality traits, self-concept, knowledge or skill lead to competent behavior. Entrepreneurial competence has been viewed as a particular group relevant to the practice of successful entrepreneurship in small and new businesses (Nuthall, 2006). For this reason, entrepreneurs need to own entrepreneurial competence to start the business successfully.

The theory of entrepreneurial competence (Misha & Zachary, 2014) stated that EI and EO are two significant inputs in Stage 1-Formulation. This theory states that EI is distinct and separate from EO and that intention determines the individuals' adaptability. The prerequisites of entrepreneurial competence will be presented in the following sections.

Entrepreneurial Intention

The intention is one of the critical factors in Stage 1; without it, entrepreneurial competence cannot be developed. Individuals arise intention from thinking and action to transfer to adaptability, respectively. Hence, the intention determines the adaptability of individuals (Mishra & Zachary, 2014). It is a necessary but not sufficient condition within the overall entrepreneurial process. Intention cannot determine an entrepreneur's survival in Stage 1 since some obstacles may prevent her from achieving sufficient conditions for exploiting opportunity and building entrepreneurial competence.

On the occasion of intention built, the entrepreneur will bring it through a feasibility modulator and effectuation multiplier, which allows her to readjust intention toward developing competence. In this process, if the individuals lack adaptability, flexibility, resources, cognition, knowledge, and experience, they will fail to build competence.

Proposition 13. ***Entrepreneurial intention is positively related to entrepreneurial competency***

<u>Entrepreneurial Opportunity (EO)</u>

According to the theory of entrepreneurial competence (Mishra & Zachary, 2014), EO is exogenous to the entrepreneur, and opportunity regconition depends on the cognition of the individuals involved. The opportunity is stimulated by resources resulting in created competence through a feasibility modulator and effectuation multiplier. Competence cannot be built without opportunity, intention, or resources, and a business venture cannot be formulated. In other words, the opportunity is one of three critical conditions for processing entrepreneurial competence. For this reason, we suggest the following proposition.

Proposition 14 ***Entrepreneurial opportunity is positively related to entrepreneurial competency***

Business model

In addition to intention, opportunity recognition, and competence, entrepreneurs ought to have an efficient business model that can meet the customer's needs and provide good profit for the long term. Amit and Zott's (2001) business model describes the model of transaction content, structure, and management to create values by exploiting entrepreneurial opportunities. Entrepreneurial Value Creation Theory is based on the business model construct developed by Amit and Zott (2001) to suggest that business model design includes four elements: efficiency, lock-in, novelty, and complementaries.

Efficiency

Entrepreneurial value creation theory describes business model efficiency as the productivity of transaction, capital, system, distribution, organization, and supply chain—efficiency results from a venture's asset leverage and operating leverage. Namely, asset leverage equals operating expenses over total assets. In turn, operating leverage is measured by operating income over operating expenses. Thus, the higher the asset leverage or operating leverage, the greater the efficiency of the venture. However, to perform the venture efficiently, the business may need more supports, especially financial investment, to launch the product to market.

Proposition 15. ***The more efficiency-centred an entrepreneurial firm's business model design, the higher is the firm's performance.***

Lock-in

Lock-in is defined as a business model's repeatability and sustainability, which can create various cash flows because the customers, strategic partners, management, employees, and suppliers are locked in and committed in the transaction with the business. Moreover thus, to hedge the business from competitive threats and product market uncertainties, the business lock-in must be high to get sustainable cash flow. Besides, Entrepreneurial Value Creation Theory states that the stronger the business model lock-in, the sooner the business can launch the product and receive positive cash flow.

Proposition 16. ***The more lock-in-centred an entrepreneurial firm's business model design, the higher is the firm's performance.***

Complementaries

Complementaries refer to the potential of creating value for business by-product complementaries, resource complementaries, product-market complementaries, and strategic flexibilities embedded in the business model construct. To get value creation potential, the business must consider the number of complementary products within the same market or near, the number of distribution channels, or the strategic flexibilities. Furthermore, according to the entrepreneurial value creation theory, when the complementaries are enhanced, the business will have more potential for increasing returns.

Proposition 17. ***The more complementary-centred an entrepreneurial firm's business model design, the higher is the firm's performance***

Novelty

Novelty is embedded in the entrepreneurial competence founded in Stage 1. It involves innovation in product, process, technology, finance, or business model. These innovations create differential advantages for business vis-à-vis competitors. Moreover thus, the more novelty the business can achieve, the more potential for value creation. According to the entrepreneurial value theory, the value will be created and adjusted when the business's novelty is developed.

Proposition 18. The more novelty-centred an entrepreneurial firm's business model design, the higher is the firm's performance

Empirical research review

Theory of Entrepreneurial Value Creation (Mishra & Zachary) was born in 2014, and up to now, it has not been applied popularly. Most of the propositions of the theory have not been tested empirically. We found only eight studies that specifically explored entrepreneurship based on this theory.

Firstly, Ludvig Blomqvist (2018) studied blockchain and Entrepreneurial Value Creation in the textile industry. We examined the innovation process within a case company that started up at an early stage to explore the supply chain as one of the resources of intention to create entrepreneurial values. The study is based on dynamic capabilities, entrepreneurial value creation, and supply chain management theory. By the qualitative and explorative method, we discovered several potential ways to create entrepreneurial values through blockchain in one Sweden case company. The critical contribution of this research is confirming blockchain to be one valuable resource for start-up companies. However, the author only investigated one company, which is insufficient to compare and contrast to find more valuable new resources from start-up companies. Secondly, the author did not provide evidence to show that EVC theory is suitable for the study and did not review prior studies relevant to the study.

Stevenson (2018) increased the sample size to eleven in his phenomenological research about the antecedents to long-term sustainability for entrepreneurial ventures. The author also based on EVC & Factors for Entrepreneurial Success Theory. The participants are entrepreneurs who have launched and managed businesses with continued operations for ten years or more. The study identified 18 competencies as critical factors for entrepreneurial success, including five skill competencies, four knowledge competencies, four ability competencies, and five attitudinal competencies. In general, the author provided the theoretical underpinnings persuadable. However, a research model has not been presented during the study. Furthermore, the study identified specific competencies for EVC theory. Still, it did not state the relations between competencies with other factors in the model of EVC theory, such as intention, opportunity, or resources.

Thenera Bailey (2017) applied a single embedded case study approach to analyze the entrepreneurial behaviors of the founder of a design consultancy social venture and the strategies to enhance financial stability and profitability while maintaining social missions. The data came from three sources: (1) documentation and archival records of the company such as business plans, financial records, media articles, administrative documents, and proposals; (2)

interviews with founders, key stakeholders and staff for first-person accounts of the organization mission, strategy and organization model; and (3) direct observation of the social entrepreneur provided the ultimate source of information to the case study on the social entrepreneurial experience. The study concluded that the social mission offered a unique opportunity for a social venture to generate goodwill.

Isaak et al. (2019) examined the narratives of urban adults experiencing homelessness and living with mental illness to explore strategies for day-to-day survival. By semi-structured interviews with 45 participants living in a mid-sized Canadian city and basing on entrepreneurship theory (Mishra and Zachary, 2014) and social network theory, the author discovered that to manage life on the street, it was necessary to recognize the opportunities, to mobilize own or acquired resources and to use social connections and communication skills and strategies for entrepreneurial processes. In general, the study mentioned homelessness in Canada in detail. Still, a sample description was not presented concisely to clarify why the entrepreneurship theory was compatible with them instead of the others.

Ajide and Kameel (2018) provided an overview of entrepreneurial development in developing countries with a comparative analysis. The data of developing countries from 2005 to 2015 are extracted from World Bank development indicators, Entrepreneurship Snapshot and Global Entrepreneurship Monitoring (GEM). In this study, the author mentioned the EVC theory as the latest theory, which provided sufficient detail on the interiors of the entrepreneurial process. The important contribution of this study is examining the pattern and manner of entrepreneurial development by comparing what is obtainable in developing and emerging economy regions with that of developed areas. This type of study is necessary for policy formulation. One of the important findings is that most adults believe that entrepreneurs are given regard and get a high position in developing countries' societies.

FakhrEldin, H. (2017) investigated the effect of entrepreneurs' emotional intelligence in creating new businesses. 378 Egyptian entrepreneurs took part in the survey, and the rate of responding was 65% higher than the acceptable rate (50%) estimated by Nutly (2008). The findings indicated that three constructs of emotional intelligence (interpersonal skills, internal motivation and self-awareness) support new venture creation. The support varies depending on the motivation of entrepreneurship (necessity-driven or opportunity-driven). The EVC theory helped to press the significance of emotional capital in creating a new business venture, but it is not the main theoretical background of the study.

Stovall, B. (2018) explored strategies small business owners used to maintain financial capital to survive for longer than five years. The study investigated three successful service-related small business owners in the southeastern United States by qualitative research method and multiple case study design. The conceptual framework included systems theory (Bertalanffy, 1972) and entrepreneurship (Mishra & Zachary, 2015). The conclusion of three themes was drawn: (1) personal preparation, customer service, and sustaining strategies. The study implied that to survive more than five years, the business needs to prepare skills, maintain internal and external customer service relations, and support accessible financial capital.

Orwaru et al. (2019) presented a review of craft entrepreneurship practices in value creation among rural small and micro enterprises (SMEs) in North Mugirago Constituency, Nyamira County. Craft entrepreneurship is a process of creating values in an unsafe environment or making amazing outcomes by using available resources (Mishra & Zachary, 2015). The study applied a cross-sectional concurrent triangulation mixed research design to describe trends, attitudes, and options of craft entrepreneurship practices. In-depth questionnaires, interviews, and direct observation were also involved. The findings finally indicated that SMEs play an important role in social-economic development, but most lack entrepreneurial competency, which enabled proper management on value creation.

Table 1 summarizes the eight studies that specifically explored entrepreneurship based on the EVC theory.

Table 1. The studies applying EVC as theoretical background

No	Authors	Journal	Theoretical background	Place	Sample size	Research methodology	Dependent variable	Independent variable
1	Ludvig Blomqvist (2018)	Master of science thesis	EVC & Dynamic Capabilities	Sweden	1	Qualitative research data (interviews, literature and case study)	Entrepreneurial value	Entrepreneurial opportunity recognition, Entrepreneurial intention, Entrepreneurial competence
2	Randall Trent Stevenson (2018)	Doctoral Dissertation	EVC & Factors for Entrepreneurial Success	Northeast Texas	11	Qualitative, phenomenological approach	long-term sustainability of entrepreneurial ventures	intention, opportunity, development, and reward, internal and external factors of success
3	Thenera Bailey (2017)	Doctoral Dissertation	EVC	Australia	1	Qualitative methods (semi-structured and open-ended in-depth individual interviews and participant observation)	Financial stability	Social impact, entrepreneur's behavior (motivation, self-described behaviors, information)
4	Isaak et al. (2019)	Journal of commun	EVC, Social role valorizatio	Canada	45	Semi-structured	entrepreneurship among individuals	Opportunity recognition, Resource

No	Authors	Journal	Theoretical background	Place	Sample size	Research methodology	Dependent variable	Independent variable
		ity psychology	n theory, Social network theory			qualitative interviews	experiencing homelessness	acquisition and mobilization, Social connections and skills, The entrepreneurial process.
5	Ajide and Kameel (2018)	Annual International Academic Conference on Accounting and Finance	EVC and Entrepreneurial development theory	Developing countries	-	Secondary data from World Bank and Entrepreneurship Snapshot and Global Entrepreneurship Monitoring (GEM)	business entry	Perception and societal value of entrepreneurship, Environmental factors, government policies and reforms
6	FakhrEldin, H. (2017)	Arab Economic and Business Journal	EVC	Egypt	378	Quantitative research (self-administered questionnaires and primary data)	new venture creation	Emotional intelligence of entrepreneurs
7	Stovall, B. (2018)	Doctoral study	EVC and Systems theory	Southeastern United States	3	Qualitative method (face-to-face, semi-structured interviews and a review of company websites and organizational documents)	Financial capital sustainability	Personal Preparation and knowledge, Customer Services, relationship, ongoing operating cash flow.
8	Orwaru, M. J., Willies, O., & Christopher, N. (2019).	Africa Journal of Technical & Vocational	EVC	North Mugirango Constituency, Nyamira	207	Quantitative research (questionnaires and interview)	Value creation	Creativity, entrepreneurial competence

No	Authors	Journal	Theoretical background	Place	Sample size	Research methodology	Dependent variable	Independent variable
		Education & Training						

In general, scholars have applied EVC theory and other theories such as Social network theory, Systems theory, or Entrepreneurial development theory to explore the factors influencing creating a business venture or creating entrepreneurial values. They principally used qualitative methods to gather information from interviews. Incredibly, much of the work investigated the impact of independent variables on dependent variables regardless of entrepreneurial education as a control variable. This gap is critical to research a model of entrepreneurial value creation.

In conclusion, we identify some gaps between the theory and the empirical studies. First, the theory of Entrepreneurial Value Creation generalizes most of the important elements and stages of the entrepreneurship process; however, it is relatively new and has not been tested empirically in a large amount of research. In seven years, there have been only eight empirical studies that apply the EVC as theoretical background. Furthermore, the research results of these studies have not been valid enough for the authors to develop their theory. Second, the EVC model is not specific or detailed enough to make sense of a complicated process of a business venture. It demonstrates only two stages: (1) formulation and (2) Monetization. However, many factors influencing every element of the process are not shown in the model, which causes some difficulties and inconsistency in applying the theory in empirical research. Third, many studies of the entrepreneurial value creation model focus on business venture creation; very few researchers attempted to measure the impact of entrepreneurial intention, entrepreneurial opportunity recognition, entrepreneurial competency on business creation. Hence, there may be cross relationships in the model which have not been studied comprehensively. Forth, all of the empirical studies were conducted in foreign countries, not in Vietnam, while Vietnam owns many potentials for entrepreneurship development. Therefore, research a model of entrepreneurial value creation to propose valuable solutions for education institutions, governmental agencies, and organizations in developing local entrepreneurship.

RESEARCH MODEL

Five factors are affecting entrepreneurial opportunity recognition. The fundamental model is presented that provides a theoretical framework for the entrepreneurial value creation model, which includes two-stage. In stage 1, seven factors are influencing on entrepreneurial intention. Then, entrepreneurial intention and entrepreneurial opportunity recognition impact an individual's entrepreneurial competency. In Stage 2, the entrepreneur has to carry out a series of activities to maintain and increase the business model's value, including four components.

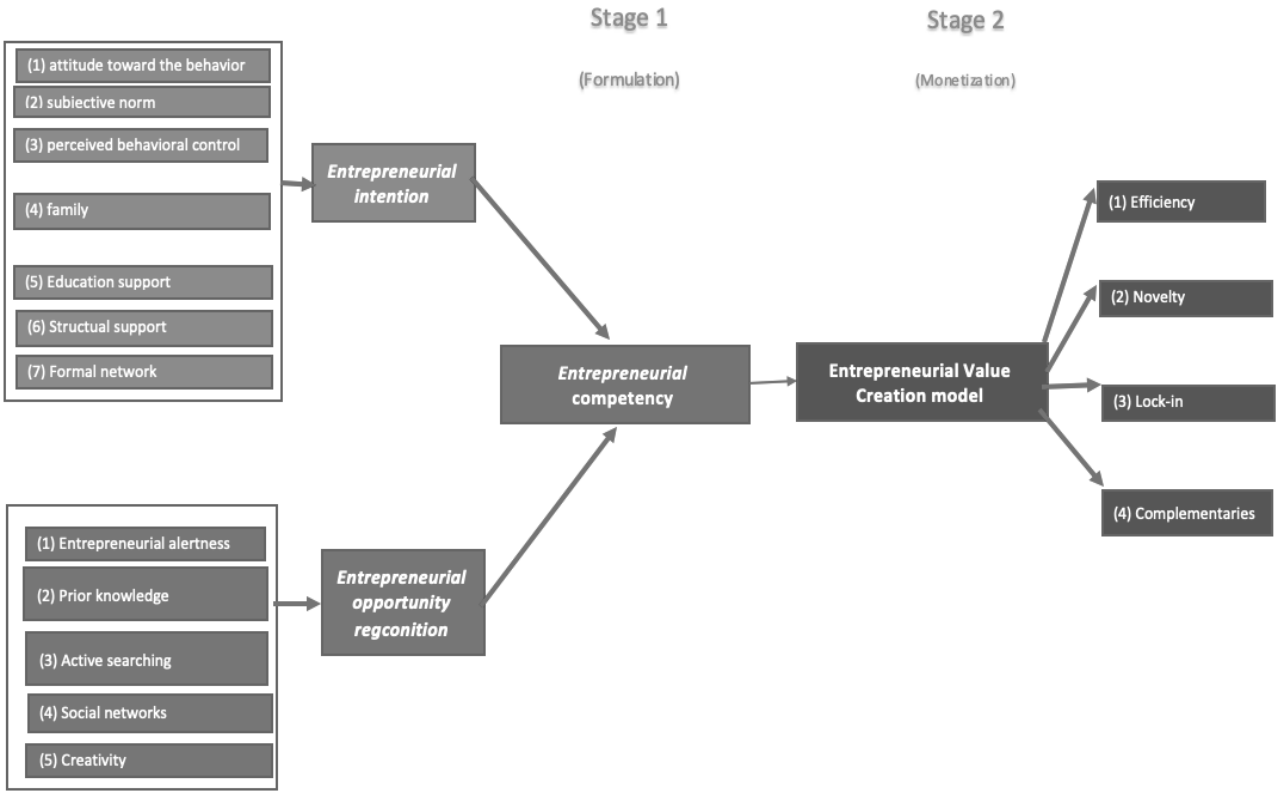


Figure 2. Research model

CONCLUSION

The entrepreneurial value creation model is a novel theory. Still, it is created on valid and reliable foundations such as the Theory of Planned Behavior (Ajzen, 1991), Entrepreneurial Cognition Theory (Baron, 2006), or the Individual-Opportunity Nexus (Shane, 2003). Although the number of empirical studies applying the EVC as the theoretical background is limited (only eight studies within seven years), there is a developing trend in exploring many factors in the entrepreneurship process. Therefore, by reviewing previous studies, we provide the measurements for each entrepreneurial value creation model factor. After review, we found a developing trend in the number of articles in entrepreneurship and the previous studies on entrepreneurship provided a variety of significant theoretical and empirical achievements.

Besides that, the paper pointed out some gaps when applying this theory in researching entrepreneurship in Vietnam, especially in the Mekong River Delta. Numerous studies of the entrepreneurial value creation model focus on business venture creation; very few researchers attempted to see the impact of entrepreneurship education on each element of the model. Furthermore, entrepreneurial value creation theory focuses on business reward in finance, regardless of the other values such as social values. Most studies attach special importance to theory and have not proposed practical recommendations for education institutions, governmental agencies, and organizations in developing local entrepreneurship.

Finally, we conclude that entrepreneurial value creation theory needs to be studied empirically in more countries globally, and Vietnam is a typical example. The Mekong River Delta of

Vietnam has competitive advantages in entrepreneurship such as a young workforce, a high rate of population, diversified nature and culture, and several local specialties. Therefore, more entrepreneurship research in the MRD will be the first stage for entrepreneurship development and social and economic development.

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