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## Identifying the Consequences of Strategic Entrepreneurship in Sports Business

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### ABSTRACT

**Background.** This research aimed at identifying the consequences of strategic entrepreneurship in sports business. **Objectives.** The objective of the research is to identify the consequences of deployment of strategic entrepreneurship in sports business. **Method.** A qualitative research approach was employed. Data collection was done through interview as well as research background. The population included the entrepreneurship experts and instructors, business managers, and sport entrepreneurs. Sampling method utilized was snowball and the theoretical framework was defined following 21 interviews. Data analysis was conducted through three coding levels of open, axial, and selective in ATLAS.ti 5.2. **Results.** The indexes are as follows : value creation, wealth creation, development of life quality, sustainable job creation, uncertainty reduction, infrastructure improvement, positive individual consequences, entrepreneurship institutionalization, increasing tendency to sport, innovation development, achievement continuum, occupational process development, enjoy the opportunity, improvement of occupational spirit, customer centric, and leverage of management skills. **Conclusion.** Strategic management and entrepreneurship make changes through opportunity discovery in uncertain environments of business. Therefore, strategic entrepreneurship creates positive consequences for business especially those in sports.

**KEY WORDS:** *Consequences, Strategic Entrepreneurship, Sports Business, Grounded Theory.*

### INTRODUCTION

The twenty-first century business space can be described by new competitive sights, increased risk, reduced predictive ability, and new structural forms (1). In this regard, entrepreneurship is considered a vital mechanism that leads to the strengthening of the competitive position of businesses (2). However, researchers believe that entrepreneurship goals cannot be realized without entrepreneurial strategy, because the strategy determines the

arrangement pattern of the resources, processes, products and systems that adopt businesses to deal with mistrust in their environment (3). However, according to Chen (2007), businesses that are interested in developing a stable wealth creation plan cannot act solely on the basis of entrepreneurial or strategy related activities. Since applying limited activities in one area costs the business owners, they can exploit the values and benefits related to the same field and

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as a result, these types of performances will only lead to short-term wealth creation (4). Therefore, the link between strategy and entrepreneurship, which is called strategic entrepreneurship, is the basis of entrepreneurial success, and improving performance of root is achieved by adopting these strategies. Strategic entrepreneurship is an emerging concept and a combination of entrepreneurship and the science of strategic management (5). Strategic entrepreneurship by combining entrepreneurship and strategy in order to design and implement entrepreneurial strategies of creating wealth includes entrepreneurial actions with the orientation of strategic management. Hence, strategic entrepreneurship refers to the process of searching for opportunities and advantage that leads to the creation of value for individuals, organizations and society (6). Numerous studies have examined the relationship between strategic management and entrepreneurship.

Covin and Slevin (1989) defined the concept of entrepreneurial companies and Miller (1983) defined the strategic position as the competitive tendency of company. Lumpkin and Dess (1996) subsequently created the structure of entrepreneurial tendencies. Barringer and Bluedorn (1999) examined the relationship between entrepreneurship intensity and five areas of strategic management. Meyer and Heppard (2000) expanded the theory of entrepreneurial strategy (7). In this regard, one of the most important industries in the world that have a high potential for development is the sports industry, which will be the basis of many entrepreneurial activities. While most sports field researchers know that the industry is inherently entrepreneurial, they have found that entrepreneurship in the field of sport is vital and sensitive, such that it has the possibility of meeting changing demands of consumers, with an emphasized increase in innovation (8), because in a changing global business environment, innovation and change have always been effective in the field of sports. As global competition in this area increases, sports businesses also reveal their nature in order to gain more competitive advantages through innovation. Hence, one of the reasons sports managers and marketers remain in competitive area is to be entrepreneurs. Entrepreneurship

presents a platform for business owners who want to increase their overall performance (9). Therefore, the sports entrepreneur should use existing or possible opportunities in the productive, service, distribution fields, or other sub-sport related aspects in order to create start-up entrepreneurial activity (10). Given what has been stated, the basic need for applying a proper strategy that simultaneously includes seeking opportunities and benefits in today's competitive and dynamic environment, and ultimately leads to superior performance, is perceived to be in fact the same concept as the strategic emerging entrepreneurial concept. In this regard, the researcher is going to identify the implications of strategic entrepreneurship in sports businesses in this paper.

## MATERIALS AND METHODS

**Study Design.** The general approach in this research is a qualitative approach, which was conducted using one of the strategies for implementing qualitative research, i.e. means grounded theory. Grounded theory in the simplest possible form is the process of constructing a codified theory through structured data collection and deductive data analysis is used to respond to the emerging questions of qualitative research that lacks sufficient theoretical basis in the subject field under study. Semi-structured interview method was used to provide grounded theory in order to collect data. The work process was such that the interview questions were finalized after extensive studying and investigating and consideration of consultants' opinion.

**Participants.** It should be noted that the statistical population of the research consists of all instructors and experts in the field of entrepreneurship and business management and selected sports entrepreneurs. Snowball sampling method was used for selecting the research population and finally interviews were conducted in order to saturate data, a total of 21 interviews were conducted that included 12 instructors and specialists in entrepreneurship and business management field and 9 sports entrepreneurs were selected.

**Data Collection.** During the interviews, interviewees were allowed to comment on the details related to the main subject as much as their knowledge and experiences. The duration of the interview was 20 to 60 minutes depending on the participants' willingness to respond. All interviews were recorded and then each interview was individually typed word for word to increase the accuracy and correctness of data analysis, and was written after a careful study of the concepts that came to mind. This is the first step in analyzing data in the grounded theory, which is called open coding. The codes were merged and reduced due to the semantic similarity and repetitive nature of the information in the open coding. In the next step, which is called axial coding, the process of assigning code to concepts in the collated data is go out of the state of completely open and takes selected form. At this stage, codes and analytical notes was addressed to the coupling which made them equivalent and, codes that were conceptually similar to each other were placed in one class by examining the relationship between concepts. Finally, the last coding step is called selective coding, and at this stage, because the main component of the theory shows itself gradually, researchers act in more selective ways on the basis of these emerging components in the coding work. It is worth noting that the method of acceptability of the researcher, the review of the handwritten notes with the participants, and the use of the opinions of instructors and experts in the field of entrepreneurship and business management and selected sports entrepreneurs were

considered in order to verify the data (similar to the validity and reliability in quantitative researches).

**Statistical Analysis.** Finally, a list of codes with certain sub-classes was obtained that showed the relationship between the different classes. It should be noted that three stages of coding were performed using the Atlas.Ti software version 5.2.

## RESULTS

The description and expansion of identification of strategic entrepreneurship consequences in sporting businesses were conducted based on data from 21 semi-structured interviews. In this regard, first, the extraction of concepts was carried out and its capacity (obtained class) to have more codes, as well as other subsidiary aspects have been more clearly identified. The obtained results of the interview analysis showed that 16 categories include (value creation, wealth creation, improvement of quality of life, sustainable employment, uncertainty reduction, improvement of infrastructures, positive individual outcomes, entrepreneurial institutionalization, increasing tendency to exercise , development of innovation, continuity of success, improvement of work processes, opportunities utilization, strengthening of working spirit, customer orientation and improvement of management skills) are considered the implications and outcomes of the establishment of strategic entrepreneurship in sports businesses. It should be noted that information related to categories, subclasses and codes (concepts) have been presented in detail in Table 1.

**Table 1. The Consequences of Strategic Entrepreneurship Establishment in Sports Businesses (Axial classification and Subclasses)**

Axial category	Subclasses (secondary classes)	Codes (concepts)
Individual	Positive individual consequences	Gaining inner pleasure (internal satisfaction of the entrepreneur)
		Reducing the psychological stress of the entrepreneur
		Gaining proper social position for an entrepreneur
		Sense of being useful to the society in the entrepreneur
	Improving management skills	Increasing proficiency in business management
		The ability to predict possible problems
		The ability to equip with a variety of solutions going out of possible problems

Table 1. continue...

Axial category	Subclasses (secondary classes)	Codes (concepts)
organizational	Reducing uncertainty	Reducing uncertainty and business risks
		Reducing possible losses
		Increasing durability and stability in business
	Innovation development	Increasing innovation
		Applying innovative and creative ideas in services and products, and creating distinctions with other competitors
		Increasing the number of patents and innovations in the field of sports products and services
		Creating new markets
		Destroying routine form of activities
	Continuity of success	Reducing the likelihood of failure and exit from the market (increasing the likelihood of success)
		Increasing speed in success path
		Brand-related business success
		Better and more access to hidden goals in business
		Increasing productivity and efficiency
	Improving work processes	Optimal and maximum use of available resources
		Become specialized in sports related businesses
		Become the axial point in activities and strategy
		Coming with the world knowledge
		Reducing current business costs
	Customer orientation	Increasing customer satisfaction
		Increasing customer loyalty
		Maintaining old customers and attracting new customers
	Taking advantage of opportunities	Detecting and Finding New Business Opportunities
		Optimal use of existing opportunities
	Strengthening the spirit of work	Creating more business motivation
		Increasing the spirit of courage and persistence in business
		Increasing spirit and competitiveness power

## DISCUSSION

Entrepreneurial business owners in the four social dimensions; by increasing employment in economic dimension, with a more equal distribution of income in society, political dimension; by the appropriate distribution of opportunities among the people and, in personal dimension; by providing a more suitable space for creativity, which leads to evolution in society. (11). In this context, strategic entrepreneurship can help develop and achieve superior performance and perform activities designed in order to create wealth through performing entrepreneurial activities with strategic perspectives (12). Ireland and Webb (2007) also believe that strategic entrepreneurship, as an emerging concept, is

effective in influencing the success of today's businesses in competitive exchanges with other competitors, and it has the propriety that empowers business owners to respond appropriately to environmental continuous changes as well as the development of sustainable competitive advantages (13). On the other hand, creativity and innovation in products, services, or processes are used to exploit entrepreneurial opportunities and are derived from strategic resource management. Chen (2007) believes that creativity is used to search for hidden opportunities and to create and implement new and suitable ideas (14), and innovation is another vital criterion both in economic development and in promoting long-term competitive advantage (15).

Table 1. continue...

Axial category	Subclasses (secondary classes)	Codes (concepts)
social	Value creation	Creating more value for customers
		Increasing the quality in services and products
		Creating more variety in services and products
		Creating more competitive advantages in services and products
		Creating services and products at a more affordable price
	Improving the quality of life	Increasing the quality of life of society members
		Reducing medical expenses
		More and better responses to a larger portion of customer's not realized needs and demands
	Sustainable employment	Increasing job creation (unemployment reduction)
		Increasing job security
		The activation of private sector businesses
		The boom of specialized sports related businesses
	Entrepreneurial institutionalization	The rooting of entrepreneurship culture
		Become systematic and documenting the process entrepreneurship system (Business Code)
		Developing the concept of strategic entrepreneurship and its indexes among entrepreneurs
	Increasing the tendency to exercise	Promote the current status of sports
		Increasing people's willingness to exercise
		The trust of society members in sports, services and products related to it
		Increasing the share of sports in the budget of Iranian families
	Improvement of infrastructures	Improving sports infrastructures in the country
		Improving infrastructures, hardware and software resources related to business
		Entering and benefiting from technologies of the world in the country
	Wealth creation	Earning more profits in businesses
Increasing economic prosperity		
Encouraging investors to consider sports-related business plans		

On the other hand, according to Hitt *et al.* (2011), strategic entrepreneurship leads to three major outputs of creating benefits for the society, organization and individuals. Creating value and creating wealth for landlords and owners, entrepreneurs and the organization ultimately leads to economic growth and prosperity. They believe that increasing wealth leads to more economic activities, such as job creation (reducing unemployment), technological advances, economic growth and stability (6). According to Aghili *et al.* (2012), entrepreneurship in addition to the above-mentioned implications can lead to the creation of new business opportunities, increase

employment, reduce unemployment, increase patents and innovations in goods and services, strengthen competitiveness, improve life quality and welfare (16). Thus, from Ireland and Webb's view (2007), strategic entrepreneurship formed by the integration of entrepreneurial activities with opportunity detection processes and also strategic activities related to gaining competitive advantage, which ultimately has led to all the positive mentioned outcomes to reduce competitive threats and enable companies to respond appropriately to environmental changes (13). It should be noted that the results of this research are consistent with the results of the establishment of strategic entrepreneurship in

sports businesses with other researches mentioned in this paper.

## CONCLUSION

The wrong conveying of the concept of strategic entrepreneurship has influenced the meaning of the word. Strategic entrepreneurship has a broader concept and functions more than job creation. In this regard, some of the positive and important consequences of strategic entrepreneurship can be mentioned, including: fostering creativities, encouraging innovation and its development, increasing self-confidence, creating and developing technology, creating wealth in society, and enhancing public welfare etc. but if it is identified in the aspect of job creation, other consequences will be missed. Therefore, entrepreneurs, and especially sports entrepreneurs as the main drivers of development, should be able to take advantage of the concept of strategic entrepreneurship in order to succeed in their businesses, because they play a key role in the continuation of business success and economic prosperity of countries. Society has gained its economic health and will work to improve it as much as possible with the active presence of entrepreneurs.

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## APPLICABLE REMARKS

- Establishment of strategic entrepreneurship in sports businesses results in positive consequences on the individual, organizational and social levels.
- Establishment of strategic entrepreneurship in sports businesses - at the individual level – produces achievements such as, positive individual consequences and improving managerial skills.
- Establishment of strategic entrepreneurship in sports businesses - at the organizational level – results in achievements such as, reducing uncertainty, developing innovation, sustaining success, improving work processes, customer orientation, taking advantage of opportunities and strengthening working spirit.
- Establishment of strategic entrepreneurship in sports businesses at social levels – results in achievements such as value creation, quality of life, sustainable employment, entrepreneurial institutionalization, increasing attitude towards sport, improvement of infrastructures, wealth creation.

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