Entrepreneurship In Theory And Practice

How entrepreneurial theory becomes practical application.

Pure Theory

Human Action

Entrepreneurial Theory

- ✓ What ends do customers seek?
- How do they choose means?
- How will they value my value proposition?

Entrepreneurial History

- ∀ How have entrepreneurs developed and applied relevant theories in the past?
- What are the special circumstances?
- How does this validate / reinforce my theory?

Pure Practice

Data Analytics

Theory	Application	Example
Means-Ends Ladder	Identify what customers truly need/want.	Ferrari buyers seek social approbation. Pickup truck buyers seek practical efficacy.
Law of Diminishing Returns	How to provide incentives for additional purchases beyond first / most recent.	Designing loyalty programs or discount programs.
Network Theory	Optimum connectedness can increase business productivity.	Look for network voids to fill.
Uncertainty Theory	Decision-making under uncertainty.	Design an explore and expand program to identify and exploit winning options.



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Economics For Business is a project of the Mises Institute, to demonstrate how the application of economic principles helps entrepreneurs succeed.

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