

This paper analyzes to what extent opportunity identification in small and medium sized firms (SMEs) is influenced by financial and other resource constraints that these firms experience. We approach the debate on the positive or negative role of constraints by distinguishing between different types of financial (liquid) and non-financial (sticky) constraints on the one hand, and different sources of opportunities on the other hand. Our results indicate that these refinements represent complementary perspectives since different constraints could have both positive and negative effect on the same type of opportunity. Similarly, constraints of the same type could have drastically different effects on different type of opportunities identified.