THE HARMONIZED MODEL OF ENTREPRENEURIAL PROCESS: 32 INTO ONE WILL GO

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ABSTRACT


The study offers the field a parsimonious but comprehensive model of entrepreneurial process that incorporates the best features while eliminating the worst elements of the 32 extant entrepreneurial process models now competing for research scholars’ attention. The harmonized MEP emphasises evaluation (the investigation of opportunity resulting in a viable business model), commitment (to implementation) and management (of implementation) as the three key components of entrepreneurial process. The harmonized model embraces the arguments embodied in all 32 extant entrepreneurial models in the literature, as examined by Moroz and Hindle (forthcoming). In particular a ‘harmonizing’ model has the capacity to recognize and reconcile the claims of the causal (Shane and Venkataraman 2000), effectual (Sarasvathy 2001) and bricolage (Baker and Nelson 2005) approaches to understanding entrepreneurial process not as contending logics, but as contingent, contextually defined logics of venture creation.

INTRODUCTION

In this paper I describe, and discuss the utility of what I claim to be a harmonized general model of entrepreneurial process (MEP). Large sections of this paper are identical in every word with equivalent sections in the more detailed and now published paper: Hindle, K. (2010a). Skillful dreaming: testing a general model of entrepreneurial process with a specific narrative of venture creation. Entrepreneurial Narrative: Theory, Ethnomethodology and Reflexivity. Vol. 1, 97-136. This study appears in the first issue of ENTER, a new journal edited by William Gartner that is fully accessible on the internet. ENTER offers an alternative to the mainstream of academic publishing both through its focus on entrepreneurial narrative as a research technique and through its formatting framework, where every paper in the issue, despite wide-ranging subject matter, uses the same narrative as its data set. In the first issue the focal narrative was: Ziegler, Mel, Zeigler, Patricia and Rosenzweig, Bill 1994. The Republic of Tea The Story of the Creation of a Business, as Told Through the Personal Letters of Its Founders. New York: Currency Doubleday. I used the narrative as a first test of the efficacy of the model of entrepreneurial process (MEP) that I have developed over years of practical examination of the phenomenon of entrepreneurial process and detailed scrutiny of the many process models that various researchers have offered in the literature (Moroz and Hindle, forthcoming).

This paper, the short version, leaves out the empirical component (the use of the narrative as a test of the model) altogether because the conference organizers offered me the opportunity of presenting and discussing the new model in the AGSE scholarly forum but article size restrictions have mandated a reduction in size rather than full reproduction of the complete article as it appears in ENTER. This conference paper thus appears in reverse order – normally the journal version follows the conference presentation. Here, brevity rules. Hopefully, some readers may find it useful to have a short version of my MEP. Any citation of any aspect of the work should utilise the long, published version: Hindle
(2010a) not this version. I am grateful to the conference organisers for giving me an opportunity to present this work for live discussion and critique at the 2011 AGSE conference.

Much of the predicate work for the MEP is presented in: Moroz, Peter and Hindle, Kevin (forthcoming). Entrepreneurship as a Process: Toward Harmonizing Multiple Perspectives. *Entrepreneurship Theory and Practice.* (A prototype was presented at the Academy of Management Conference, Montreal 2010). That paper examines and critiques the 32 entrepreneurial process models now resident in the extant literature and calls for their ‘harmonization’. This paper (in both its long and short formats) is the response to that call. In true Starwars fashion, not unusual in the weird world of academic publishing, the sequel (presentation of my new generic model of entrepreneurial process) has been published before the prequel (examination of the need for such a model) is due to appear.

**Genesis: evolution and justification of the harmonized model of entrepreneurial process**

The genesis of this generic model of entrepreneurial process can be summarized under six headings:

- My interest in a core philosophical question;
- A failed attempt to answer the question through modeling ‘entrepreneurial capacity’;
- Conditional subscription to the Shanian perspective on entrepreneurship as a process;
- Intrigue at the disappearance of ‘evaluation’ from most discussions of entrepreneurial process;
- Long empirical involvement in the field;
- Detailed examination of the literature and extant models of entrepreneurial process.

**A core philosophical question**

To determine whether entrepreneurship as a practical phenomenon and academic discipline is genuinely different from any other extant and well studied phenomenon/discipline (I am thinking particularly of management) the key question is this: What is both generic and distinct about entrepreneurship as a process? In other words, no matter how diverse they may seem be in their circumstantial particularities, what *always* happens in every set of activities classifiable as constituting an ‘entrepreneurial’ process that *never* happens in any other type of process? Unless what we call ‘entrepreneurship’ involves a process that has at its core something simultaneously generic and distinct, we are either talking about an eclectic set of processes that have no mutual coherence or a coherently connected set of activities that could just as well be classified with another label.

**A failed attempt to answer the question**

After many years of wrestling with this question, I thought I had come up with a good answer in a paper entitled, *Formalizing the concept of entrepreneurial capacity* (Hindle 2007). That study developed a definition of the concept of *entrepreneurial capacity* and formalized it in two models explaining how value is created in the innovation process. I argued (Hindle 2007, 9) that:

> Entrepreneurial capacity is the ability of individual or grouped human actors (entrepreneurial protagonists) to evaluate the economic potential latent in a selected item of new knowledge, and to design ways to transform that potential into realizable economic value for intended stakeholders.

Fortunately for me, Professor Saras Sarasvathy (in personal discourse in 2009) took the trouble to criticize that paper in great detail and convince me that my arguments in it verged on being circular, in the same way she believes most ‘Austrian’ approaches to describing the phenomenon of entrepreneurship are circular because their premises contain their conclusions. She was willing to accept that I was ‘on to something’ in placing the task of evaluation at the heart of a view of entrepreneurship that held hope of reconciling the distinctions between between the potentially conflicting perceptions of entrepreneurial process of *causation* (Shane and Venkataraman 2000; Shane 2003), *effectuation* (Sarasvathy 2001; 2008) and *bricolage* (Baker and Nelson 2005). I later mapped out a study (which eventually became this paper) and gave it the working title ‘First among equals: the central role of evaluation in entrepreneurial process’. Professor Sarasvathy liked the title and what it implied: that evaluation of opportunity – however it was done, causally, effectually through bricolage or through some combination of these ‘competing’ logical approaches – was a universal task required of entrepreneurs but that the capacity to evaluate was not the only capacity required to fully embrace the complexity involved in entrepreneurial process.
Conditional subscription aspects of the Shanian perspective
Shane (2003:4) defines entrepreneurship as follows – attaching two references to his and Venkataraman’s work to show the pedigree of the definition:

"Entrepreneurship is an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw materials through organizing efforts that previously had not existed (Venkataraman 1997; Shane and Venkataraman 2000)."

I retain faith in the utility of this definition’s emphasis on four dimensions of opportunity (Shane and Venkataraman 2000) - existence, discovery, evaluation and exploitation - and many of the arguments developed in Shane’s (2003) attempt to set out a general theory of entrepreneurship. In particular, I subscribe to his definition of an entrepreneurial opportunity as (Shane 2003: 18):

... a situation in which a person can create a new means-end framework for recombining resources that the entrepreneur believes [Shane’s emphasis] will yield a profit.

I have three principal points of demurral with Shane’s depiction of entrepreneurial process. First, I do think that cognition can be a plural activity. Accordingly, I do not need to insist as Shane does (even subtitling his 2003 book ‘the individual-opportunity nexus’) that only a single individual can be at the heart of an entrepreneurial process. In my view, a team can discover, evaluate and exploit an opportunity – not just an individual. Second, I do not feel the need to insist, as Shane does, that all opportunities have an objective existence. I do go as far as to say that whether opportunities exist independently of the observer or are socially constructed by the observer, their existence can be treated as an exogenous precondition to the trinity of remaining activities that constitute the entrepreneurial process as classified by Shane and Venkataraman (2000): discovery, evaluation and exploitation. Third, I insist on making an overt statement (rather than relying on an implicit one) that entrepreneurial process is significantly dependent upon contextual circumstances. In another recently published paper (Hindle 2010b) I have developed a diagnostic regime for assessing the influence of community factors on entrepreneurial process. Here I simply state the definition that informs my approach to developing a harmonized model of entrepreneurial process:

"Entrepreneurship is the process of evaluating, committing to and achieving, under contextual constraints, the creation of new value from new knowledge for the benefit of defined stakeholders."

Intrigue at the disappearance of evaluation
Shane and Venkataraman’s (2000) extensive analysis of a large literature led them to classify four principal, essential sub-components of the phenomenon of entrepreneurial opportunity: existence; discovery; evaluation and exploitation. A full discussion of all the ramifications of the theoretical, investigative and pedagogical issues entailed by consideration of the ‘opportunity perspective’ (including the heated epistemological, ontological and philosophical controversies it stimulates) is clearly beyond the scope of the present paper. However, there is one contentious philosophical debate centred on the association between the existence and the discovery of opportunity to which I must at least give brief mention. Is the existence of opportunity an objective reality or are all opportunities socially constructed? If the latter is the case, then the distinction between the existence of opportunity and its discovery melts into a continuum (which in extreme social constructionist theories also includes removal of the discrete status of evaluation). Given the constraints of this of this paper, there is presently no space to argue the reasons for my key view on this issue: just to state it. Evaluation is the core entrepreneurial skill.

The act of exploitation could feasibly be performed by people other than members of the entrepreneurial team. A really good evaluation (call it a new means-end framework, a business model, a business design, a bicollaged recombination schema, an effectual blend of existing resources, an improvisational riff, or whatever else you like) demonstrates its merit because it articulates exactly what needs to be done to achieve specified results. The evaluator/planner/effectuator/bricollager/improviser could die, yet the business model they had articulated after their evaluation of an opportunity could live and be carried into effect by heirs and
successors to the original entrepreneur. The specific skill of evaluation is the most distinctive, the primary, entrepreneurial skill. Because it can be applied in a wide range of cases, it can be thought of as a specific skill to do general things. However, many scholars, epitomized by Davidsson (2004), start with Shane and Venkataraman’s definition of entrepreneurship research and then promptly modify it or flout it, depending on your point of view. They do this by consciously or unconsciously eliminating ‘evaluation’ from any detailed consideration. They concentrate on discussion and appraisal of ‘discovery’ and ‘implementation’. Shane himself does it. The word ‘evaluation’ does not appear in his diagrammed model of entrepreneurial process (Shane 2003: 11) and in his book he moves from discovery (chapter three) to exploitation (chapters four and five). ‘Evaluation’ mysteriously disappears. It might be argued that discovery subsumes evaluation or the distinction involves a mere semantic quibble. In contrast, I would argue that in determining the essence of what entrepreneurs do, in their capacity as entrepreneurs, evaluation is both fundamental and distinctive and is, therefore, the most important of the four components of entrepreneurial opportunity. So, at the heart of what might now be called entrepreneurial capacity is the ability to evaluate an opportunity: not the ability to discover it or exploit it.

**Long empirical involvement in the field**

My focus on the crucial importance of evaluation to each and every entrepreneurial process stems from 25 years of involvement in entrepreneurial processes as a protagonist, a consultant, an investor and a researcher. In particular I reflect on the trajectory, between 1983 and 2009 of 48 new ventures for which I wrote all or most of the business plan and worked in close association with the founding entrepreneur or entrepreneurs during the early stages of the venture and whose subsequent histories I know intimately. Reflection on the common elements distinguishing success from failure in those cases points to a trinity of factors:

- the quality of the evaluation of the initial opportunity, embodied as a distinctive business model;
- the depth of psychological (and often physical) commitment of the new venturer (or venturers);
- the quality of the management applied to realize the potential inherent in the business model.

**Detailed examination of the literature and extant models of entrepreneurial process**

**The Moroz and Hindle study**

Moroz and Hindle (forthcoming) evaluated published models of entrepreneurial process to discover what scholars have argued about what entrepreneurs do and how they do it (the processes they use) and to seek out any key commonalities that scholars claim are associated with the phenomenon. Unfortunately for the field, the investigation demonstrates that, as at late 2009, the 32 extant models of entrepreneurial process are highly fragmented in their claims and emphases and are insufficient for establishing an infrastructure upon which to synthesize an understanding of entrepreneurial process that is both generic and distinct. Insights gained in the study led to suggestions for future research and theory development of which the most urgent was the need to develop a single harmonized model of entrepreneurial process capable of embracing the best of what is on offer and adding new theoretical arguments in areas where practice shows that they are lacking.
Table 1. Existing Models of Entrepreneurial Process - Key Findings

<table>
<thead>
<tr>
<th>Model Category</th>
<th>Model Component</th>
<th>Variables</th>
<th>Nature of Study</th>
<th>Level of Generality</th>
<th>Actor Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage</td>
<td>1</td>
<td>Numerous and diverse. Little uniformity</td>
<td>Conceptual</td>
<td>Specific to context</td>
<td>Individual</td>
</tr>
<tr>
<td>Quantification</td>
<td>2</td>
<td>Numerous and diverse with some notable overlap and patterns of convergence</td>
<td>Empirical</td>
<td>Broadly specific</td>
<td>Group/team</td>
</tr>
<tr>
<td>Sequence**</td>
<td>1</td>
<td></td>
<td>Both</td>
<td>1</td>
<td>Organization</td>
</tr>
<tr>
<td>Static Framework</td>
<td>1</td>
<td></td>
<td>Qualitative</td>
<td>3</td>
<td>Meso environmen t</td>
</tr>
<tr>
<td>Process Dynamic**</td>
<td>8</td>
<td></td>
<td>Quantitative</td>
<td>3</td>
<td>Macro environmen t</td>
</tr>
<tr>
<td>Total</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>

* These models divide process into a priori, often overlapping, major tasks or phases that are focused on representing temporal linearity.

** These models offer an historical sequence based approach to the new venture creation process.

*** These models consist of a limited set of variables connected by speculative causal links that generalize the overall process of venture creation without examining the precise relationship of a sequence of activities.

**** These models can be used to examine how and why variations in context and process shape outcomes; often interpretive, temporal and change oriented. (Phan, 2002).

Source: Moroz and Hindle (forthcoming)

The table shows the high frequency of stage model and static framework designs. Key model components, (consisting of themes, actions, or events) showed little uniformity within and across categories. This is partially explained by the different focuses, philosophical predispositions, methods of model development, scope of evidence cited, and levels of generality employed by authors in producing their work. Input – output variables and associated constructs were numerous and diverse. As far as generalizability is concerned, some entrepreneurial process models are clearly prescribed by their relevance only to tightly defined contexts. Others are, in effect, overly general: they are so broad-brush and sketchy that they could never have feasible relevance in terms of research measurement or practical application. Thus only 9 of the 25 models qualify as both applicable to a very wide range of contexts and potentially useable as frameworks capable of guiding both research and practice. Of these nine, four MEP models - by Gartner (1985), Shane (2003), Sarasvathy (2001, 2008), and Bruyat and Juliene (2000) were found by Moroz and Hindle (2010 forthcoming) to be, potentially at least, both feasibly adaptable from their general formulation to specific cases and operationalizable for research purposes and therefore of potentially highest value to both theory and practice. For the purposes of this paper, in terms of breadth of acceptance and volume of citation, two models of P, Shane (2003) and Sarasvathy (2006) may be said, between them, to embrace and represent many of the elements variously found in other models. Together, they can be argued to represent the state of the art.

What is wrong with the state of the MEP art?

In addition to many substantial virtues, several technical faults can be identified with both the Shane’s and Sarasvathy’s models of entrepreneurial process (in terms both of operationalizability for research purposes and representation of clear reality for purposes of acting as guidelines for practitioners). This paper has no scope to discuss these technical issues, which is the subject of a subsequent focussed study (Hindle and Senderovitz, 2010: a paper presented at the 2010 Babson Entrepreneurship Research Conference in Lausanne, Switzerland). However, the truly crucial problem with the state of the MEP art, as far as it is represented by the two models is more philosophical than technical and can be stated very simply. It is that there are two conflicting models, not one harmonized MEP. Their authors pay
fairly thin-lipped service to the school of thought represented by the opposite point of view - the
distinction between what Sarasvathy (2001) calls ‘causal and effectual’ logics (a point expanded in the
discussion section of the paper). However the two world-views, and their entailed implications for
philosophical and practical definition and understanding of entrepreneurial process, are not reconciled
in either model. Moroz and Hindle’s study argues that the state of the MEP art would be significantly
enhanced by the development of a single, comprehensive model of entrepreneurial process capable of
embracing both world views and approaches to entrepreneurship without dismissing either or giving
primacy to either. I now proceed to that development.

Description: the harmonized conceptual model of entrepreneurial process

Figure 1. The harmonized conceptual model of entrepreneurial process
Predicate assumptions and positioning

The model provides a detailed conceptualization of the ramifications of defining entrepreneurship as the process of evaluating, committing to and achieving, under contextual constraints, the creation of new value from new knowledge for the benefit of defined stakeholders.

For purposes of simplification, the assumed initial context for this model of entrepreneurial process is a for-profit environment populated by profit seekers. In fact, I believe that the developed process model is as applicable to social entrepreneurship as to the for-profit case (one need only redefine the measurement of the concept of ‘value’ away from net present value expressed in dollars to some assessable measure of social benefit). However, for simplicity’s sake, I confine the argument to the for-profit environment, in the first instance. This MEP is conceived, as it were, ‘through the eyes’ of a single entrepreneurial protagonist – by which I mean ‘a purposive human actor, willingly engaged in the entrepreneurial process, in search of a way to create new value (make an eventual profit) from a potential opportunity – or a team of entrepreneurial protagonists’. I do not use the term ‘firm’ or the term ‘new venture’ or the term ‘organization’ because, following Shane and Venkataraman (2000), Eckhardt and Shane (2003) and Shane (2003), I do not presume that organizational formation is the only way to achieve value in an entrepreneurial process. I am quite happy to defer to those who, following Davidson (2004), prefer to talk of a ‘business idea’ rather than an ‘opportunity’, the words are acceptable synonyms. In summary, what is about to be presented is a generic, micro model of entrepreneurial process viewed from the perspective of human actors whose horizons are focused on new value creation beneficial to their personal agendas i.e. they are ‘the defined stakeholders’ of the definition.

Overview: from the questioning of opportunity existence to the achievement of value

In summary, the model conceptualises the entrepreneurial process as a set of activities that takes purposive actors (entrepreneurial protagonists) from a starting (or ‘initial input’) point of questioning whether an opportunity (from which defined stakeholders can create value for themselves or other defined stakeholders) exists, to an end (or ‘interim output’) point where measurable value is actually achieved. Of course, there is no assumption that this process will inevitably result in positive value. Protagonists will attempt to create new value for defined stakeholders. The process as observed a posteriori may actually fail to achieve its aspirations. To get from input to output, the process embraces three distinctive but inter-related categories, or domains of activity: the strategic, the personal and the tactical. Each domain demands that the entrepreneurial protagonist or protagonists utilize a distinctive capacity, that they focus and apply to an associated key activity in order to produce a focal outcome. In the strategic domain, the distinctive core is entrepreneurial capacity, the key activity is evaluation and the focal outcome is the development of an opportunity into a business model. In the personal domain, the distinctive core is psychological capacity, the key activities involve a range of psychologically driven behaviors and the focal outcome is commitment. In the tactical domain, the distinctive core is managerial capacity, the key activities involve range of circumstantially appropriate managerial exploitation activities and the focal outcome is the achievement of value (whether it be the desired and positive new value or undesired, negative value will only be demonstrable a posteriori: after the proposed entrepreneurial process has run its course).

The strategic domain: where, via entrepreneurial capacity, evaluation produces a business model

In the strategic domain the most important activity (sub-process) is evaluation, which is traditionally defined as the systematic determination of merit, worth, and significance of something or someone using criteria against a set of standards. The issue of what criteria and standards are appropriate is expanded upon elsewhere (Hindle 2007). Here suffice it to say that the model stresses that one ought not to associate the generic concept of ‘evaluation’ – which includes any regime whatsoever for assessment of merit, worth and significance using any criteria whatsoever via any set of standards whatsoever – with some specific concept or philosophy of evaluation. Mitchell et al. (2007), for instance, associate the term ‘evaluation’ with a particular kind of formal evaluation that assumes a given endpoint and uses very particular kinds of economic assumptions and techniques to assess the viability of achieving that end. They distinguish this entirely from certain kinds of heuristic assessment regimes made by certain entrepreneurs. In the conception embodied in this paper, both assessment regimes are simply different forms of evaluation. From the generic perspective of evaluation, I also view the application of either causist or effectual logic (Sarasvathy 2001, 2008) or bricolage logic
(Baker and Nelson 2005) or any other system for farrago for getting from opportunity to a business model as different evaluation techniques. In contrast, sarasvathy herself might be more prone to associate the term ‘evaluation’ with causist logic exclusively.

In my model of entrepreneurial process, (figure 1), the graphic presentation of arrows rotating within a circle containing the words ‘generic’, contextual and ‘discovery’ (twice) is designed to indicate that the evaluation process (however performed, in conformance with whatever logical system may be employed by the protagonists), is iterative. In every iteration or ‘turn of the wheel’, ‘evaluation’ is the sub-process and ‘discovery’ is the provisional outcome. Some evaluation procedures are generic. They occur in every entrepreneurial process whether the logic being implied is causal or effectual (Sarasvathy 2001, 2008), whether the actors are consciously aware of their evaluating activities and thinking processes or not, whether they use heuristics or formal systems (Mitchell et al. 2007). Further, they occur whether the scope of the opportunity under scrutiny is large or small, involves new venture creation or takes place within existing settings (Shane and Venkataraman 2000) and whether it is Kirznerian or Schumpeterian (Shane 2003). Some evaluation procedures are contextual and occur only in particular cases: they are entirely dependent on unique circumstances. Dana (1995) demonstrated that opportunity identification is culturally influenced. Julien (2007) and Hindle (2010) have produced diagnostic regimes for assessing the impact of community factors upon entrepreneurial process. By way of simple illustration of the importance of context to the evaluation process one need only consider the obvious fact that an opportunity based on the viability of a particular invention in the field of nano-technology will involve many contextually necessary evaluative activities that are not required when considering whether or not to open a third sandwich bar to service a large office block.

The result of the combined generic and contextual evaluation activities, after any given iterative cycle, will produce an interim business model. The result after all cycles that the protagonists wish to perform is a final business model. By ‘final’ I do not mean to imply ‘immutable for all time’; simply that the entrepreneurial protagonists, for the time being, have satisfied themselves that they have designed a recipe for new value creation that is sufficiently well-articulated as to be potentially exploitable. Elsewhere, I have defined business model as ‘a well-articulated plan for turning effort into profit using identified resources and stakeholders’ (Hindle 2004a: 275). and this is in the vein of However, the conception of ‘business model’ in the current MEP argument can be broader and more flexible, comporting with Downing’s (2005, 186) previously stated definition of a business model as a ‘set of expectations about how the business will be successful in its environment’ or the wide-ranging articulation of Shane’s (2003) concept of a new means-ends framework or Chesborough’s (2006: xiii) view that a business model is ‘… the way that you create value and capture a portion of that value for yourself ...

Ideally, after several iterations of the evaluation process in the strategic domain, it might be hoped that the business model thus produced might deserve the adjective ‘well-articulated’. However, for the sake of generality, the process model being postulated requires only that the result of the evaluation process, however hazy or illogical or implausible it may seem to outsiders, qualifies as a ‘business model’ if it satisfies the entrepreneurial protagonists conducting the entrepreneurial process that it provides them with an answer to the fundamental question: does an opportunity exist that we can potentially exploit? In other words, at this level of generality, ‘business model’ can be defined as an answer to the opportunity existence question wherein the protagonists have satisfied themselves that they have created a design for how to precede to implementation of the opportunity. The prosaics of the situation are: there is an opportunity because, if we did this, new value could be created. In other words, the protagonists will have reached the point of believing they have created:

... a new means-end framework for recombining resources that the entrepreneur believes
[Shane’s emphasis] will yield a profit (Shane 2003: 18).

Prosaically, this business model, resulting from evaluation, is the portrait of how ‘we’ (the entrepreneurial protagonists) or some other defined set of stakeholders, could create value from an evaluated opportunity. Once that portrait, that business model, exists in any format – from a formal ‘well-articulated’ statement on crisp, white paper, to a loosely-conceived set of notions in the head(s) of the protagonist(s) – acceptable to the protagonist(s), the entrepreneurial process model being posited here argues that, conceptually, it is time to move from the strategic domain to the personal domain where commitment occurs and beyond it to the managerial domain where implementation (exploitation) occurs. It is one thing to develop a (strategic) view of how a thing (in this case, the creation of new value) might be done. Two other things are required before the thing is actually done.
First, the protagonists must commit to doing it. Second, they must act on that commitment: they (or someone else) must manage the sub-process of implementation.

The personal domain: where, through psychological capacity, the entrepreneur achieves commitment

This is a person centred process model. The pivotal concept, decisive in determining whether a business model (representing an evaluated opportunity) may go forward to the implementation stage is the commitment of the entrepreneurial protagonist, individual or team. A short definition of commitment for the purposes at hand is ‘the pledged willingness of defined actors to undertake obligations and their consequences’. Personal commitment is the act or quality of voluntarily taking on or fulfilling obligations. What makes personal commitment ‘personal’ is the voluntary aspect.

Foote (1951) introduced the concept of commitment to examine how active individuals initiate and sustain lines of activity. The psychologists, Burke and Reitzes (1991) developed an identity theory approach to commitment emphasizing that commitment is one of the ways in which individuals infuse roles and social structure with self-motivated behaviors, thereby linking the self to social structure. Among other things, Burke and Reitzes evaluated the work of Becker (1960), Stryker (1968), and Kanter (1968; 1972), who tended to focus on commitment as a tie between an individual and either (1) a line of activity - which can of course include pursuing an opportunity via an entrepreneurial process – (2) particular role partners, or (3) an organization. They argued that an approach based on identity theory or affect control theory (each of which uses a cybernetic model of identity processes) suggests that commitment connects an individual to an identity. In this view, commitment does not link a person to consistent lines of activity, other role partners, or organizations, but to a stable set of self-meanings. There are many other extant theories of commitment, most derived from the parent field of psychology. The most important and very recent work specifically devoted to entrepreneurial commitment is Fayolle, Basso and Tornikoski (2010). In developing my harmonized model of entrepreneurial process I use previous scholarship to argue two key things about the importance of commitment to entrepreneurial process. First, it is not necessary to rely on the intuitively obvious proposition that without commitment by the entrepreneurial protagonists, an entrepreneurial process will not proceed. There is a deep body of scholarship providing theoretical and empirical evidence on the way in which commitment is enacted with respect to activities and this can be applied to the case of pursuit of an entrepreneurial opportunity and so provide support for the veracity of the model of entrepreneurial process being developed here. Second, though the act of commitment is essential to the entrepreneurial process, it is not unique to it.

The tactical domain: where, through managerial capacity, skillful exploitation determines the achievement of value

It is not sufficient to commit to pursuit of an opportunity via the evaluation embodied in a business model: one has to proceed to exploitation, the fourth of Shane and Venkataraman’s (2000) four dimensions of opportunity, which involves the managerial skills necessary to actually implement the business model. To provide guidance and wisdom in this tactical domain the practitioner and the researcher have available the entire pantheon of the vast literature of management – quite apart from a substantial body of entrepreneurship literature that has focused upon a wide range of issues devoted to opportunity exploitation.

So, the model of entrepreneurial process illustrated in figure 1 argues that exploitation of an opportunity involves moving from commitment to pursuit the opportunity (as embodied in the evaluated business model) to the actual achievement of value. The dual direction arrows between exploitation and value (and thence to all other components of the model) indicate that the process will encompass feedback, via monitoring. Once actual value, (positive or negative, adequate or inadequate), which may differ from the new value postulated in the business model, is achieved, the entrepreneurial protagonists can consider the efficacy of the exploitation regime they have chosen and implemented and begin a process of re-assessment (working back through the model). The entrepreneurial process can thus either replicate itself or transform into a process of managing a now established system (whether that be as a newly developed venture or through some other system of value creation postulated in the business model).

The conceptualisation of the generic model of entrepreneurial process is thus complete.
Removing a potential conceptual misunderstanding: one process involves three capacities

Just as the full process of practising as medical doctor or a lawyer involves more than the skills that uniquely define medical capacity or legal capacity, so the full process of entrepreneurship involves more than the skills that uniquely define entrepreneurial capacity. I have argued that the area that uniquely warrants the title ‘entrepreneurial capacity’, is the strategic domain of the process. I maintain that entrepreneurial capacity is the ability to design an efficacious transformation, via evaluation, from querying the efficacy of an opportunity to answering that question in the form of a business model. This set of activities is unique to the entrepreneurial process. Entrepreneurs turn opportunities into business models. However, just as doctors and lawyers must perform a range of non-unique activities in order to practice medicine or law (for instance, communicate with people, manage their time and their business enterprises) so the protagonist of an entrepreneurial process must perform a range of activities and have or acquire relevant skills that are classifiable under the headings of personal capacity (the ability to make the necessary commitment) and managerial capacity (the ability to implement the business model once commitment has been made). I argue that, just as the process of practicing medicine involves both capacity specific to medicine in combination with other capacities not specific to medicine, the process of practicing entrepreneurship involves both entrepreneurial capacity (the novelty-assessment and future-oriented skill of opportunity evaluation resulting in design of a business model) and other capacities (here, the psychological capacity to make a personal commitment and the managerial capacity to implement a business model).

Distinguishing conceptual linearity from practical ‘jerkyness’

A key word in understanding the distinction between the reality and theory of entrepreneurial process is not ‘iterative’ but ‘jerky’.

I am at pains to point out that I am not naively positing that entrepreneurship, in practice, is a simplistic, linear sequential process. I hope the reader of the argument will keep clearly in mind (and realize the author is also aware of) the distinction between the intellectually delineated argument of the sub-components of the depicted process model – which looks very ‘linear’ in a diagram such as figure 1, above – and my acute awareness of the very un-linear – messy and jerky - unfolding of each and every entrepreneurial process in practice. In real time and in the hands of real people, the components abstracted and depicted in the model occur in very jerky trajectories and interactions. There may be, for instance, early on in the evaluation process, an attempt to test market a prototype offering (a bit of exploitation) before committing to further evaluation let alone further exploitation. In practice an actual entrepreneur ‘jerks around’ the evaluation-commitment-exploitation trinity. However, I argue that an analyst and theoretician of the entrepreneurial process, while recognizing the reality of jerkiness, is forced to seek clarity in conceptual depiction.

With this caveat the model stands. It is this model of entrepreneurial process, illustrated in figure 1, that I wish to test and challenge via the evidence of entrepreneurial process contained in the Republic of Tea narrative. Before proceeding to the challenge it is necessary to consider some methodological issues that arise when one employs narrative as evidence for a process model. This task is performed in the next section.

DISCUSSION

Do we need a harmonized general model of entrepreneurial process?

Steyaert (2007:470-471) summarizes much of his critical review of entrepreneurial process theory with a dichotomy between the ‘creative process view’ (elsewhere epitomized by Shane and causal logic) and the ‘allocation or discovery’ view (elsewhere epitomized by Sarasvathy and effectual logic).

The creative process view ... engenders a fundamental rupture with mainstream approaches that conceive of entrepreneurship as being located in a stable world, that work with a logic of causation and that, consequently, emphasize entrepreneurial activities as a kind of allocation or discovery. Following Sarasvathy (2001: 261–262), ‘researchers have thus far explained entrepreneurship not as the creation of artifacts by imaginative actors fashioning purpose and meaning out of contingent
endowments and endeavors but as the inevitable outcome of mindless ‘forces’, stochastic processes, or environmental selection’. Contrasting the creative process view with the allocative and discovery view, which coincide in large part with the developmental and the evolutionary model in my overview, Sarasvathy (2003) grounds the creative process view in pragmatism. While that anchorage is legitimate, this paper has documented that a creative process view can be related to and enriched by many more perspectives.

My view, is that a truly enriched perspective will not be satisfied with an unresolved processual dichotomy between ‘creative process’ or ‘effectual logic’ views on the one hand and so-called ‘allocative and discovery’ and ‘causist logic’ views on the other. The dichotomy needs resolution. A truly embracing theory of entrepreneurial process should be able to encompass both perspectives, not simply contrast them. That is what I have tried to do in developing the harmonized MEP and testing it (Hindle 2010a). In the work that introduced her theory of effectuation to the world, Sarasvathy (2001 passim) several times concedes that causist and effectual logic may often co-exist in an entrepreneurial process. Shane (2003:39) concedes the value of effectuation as articulated by Sarasvathy although he regards it as just a particular label for a more general phenomenon: ‘making non-optimizing decisions’. So, even Shane and Sarasvathy, the prime representatives of causal and effectual logics as ‘contenders’ for superior status in understanding the entrepreneurial process pay lip service to the fact that actual entrepreneurs will always use some mixture of both approaches when evaluating, committing to, and exploiting entrepreneurial opportunities in any given entrepreneurial process. Thin-lipped service it may be: but the concession is there. Citing Fletcher (2006) and Zahra (2007), Steyaert (2007: 272) hints at a need for the most wide-ranging possible approach to both conceiving and researching entrepreneurial process:

... we must emphasize that great imaginative effort is needed as processual theories are not in a dominant position in current research, even if they are often called vital (Fletcher 2006, Zahra, 2007).

Well, I believe that scholars simply cannot have ‘processual theories’ without some concession to the need for generalisation. If you want ‘processual theories’ you cannot get them if you insist, like the Rumanian playwright, Eugene Ionesco, that there is no physics but only ‘pataphysics’: the science of the particular; the argument that every example of everything has no commonality; absolutely everything is unique.

I am just as much opposed to the teleological fiction of ‘linear order’ in human affairs as is Foucault or anyone else, post-modernist or otherwise, who espouses the virtue of seeking deep knowledge from individually lived experience, but I refuse to discount the value of genuine, dispassionate attempts to discover patterns of behavior where they might exist and to model them if possible. True scholars can afford neither a naïve positivism nor a naïve post-modernism. An eclectic approach to understanding entrepreneurial process is needed. Entrepreneurship scholarship can benefit significantly from the open-minded use of unique narrative (Hindle 2010a) as evidence of generic pattern.

The model of entrepreneurial process offered here has withstood its first hard test (Hindle 2010a). It can now claim to be a framework of understanding that embraces many seemingly contending views of entrepreneurial process – most notably the hitherto seemingly irreconcilable claims of caustation and effectuation as generic models of entrepreneurial process. As a predicate to this paper, in a critical review of the literature, Moroz and Hindle (forthcoming) called for the development of a comprehensive, ‘harmonized’ model of entrepreneurial process capable of embracing the best, removing the worst and supplying what is missing among the plethora of models that now constitute seemingly irreconcilably fragmented arguments about the generic nature of entrepreneurial process. The model developed and tested in this study answers that call.

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NOTES

1. Another leading scholar to do exactly this was Zoltan Acs in a keynote address to the AGSE 4th International Entrepreneurship and Research Exchange, in Brisbane, February 2007.
KEY REFERENCES

The essential predicate to this study – a critical examination of the 32 extant models of entrepreneurial process is provided in: Moroz, Peter and Hindle, Kevin (forthcoming). Entrepreneurship as a Process: Toward Harmonizing Multiple Perspectives. *Entrepreneurship Theory and Practice*. Accepted for publication.

The key reference for this paper is: Hindle, Kevin (2010a). Skillful dreaming: Testing a general model of entrepreneurial process with a specific narrative of venture creation. *Entrepreneurial Narrative: Theory, Ethnomethodology and Reflexivity*. Vol. 1, 97-136. This paper may be regarded as a ‘short version’ a précis of Hindle (2010a), where a full set of references is provided.