

Skillful Dreaming: Testing a General Model of Entrepreneurial Process with a Specific Narrative of Venture Creation

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Abstract

This study develops and tests a comprehensive model of entrepreneurial process (MEP) that harmonizes key elements of models now competing for researchers' attention as contending theoretical frameworks. After consideration of potential methodological problems involved in utilizing specific narrative as evidence for generic process, the text of *The Republic of Tea* is employed, using content analysis, as an evidential base for a critical examination of the harmonized MEP. The narrative provides substantial support for the emphases that the MEP places on *evaluation* (the investigation of opportunity resulting in a viable business model) and *commitment* as key components of entrepreneurial process.

Like you, I love to dream, but when it gets time to do, I recognize the wisdom of doing in such a way as gets the dream done. The operative word here is to proceed skillfully.

—Mel Ziegler (Ziegler, et al. 1994, p. 108)

Nobody invents the business for the entrepreneur that's his job.

—Mel Ziegler (Ziegler, et al. 1994, p. 175)

Introduction

In this paper I introduce, test and discuss the utility of what I claim to be a harmonized general model of entrepreneurial process (MEP).

The paper is organised in four main sections. Sections one and two are devoted to genesis and description, respectively. In the third section, the efficacy of the model is tested using as evidence the detailed data of the entrepreneurial process—a startup of a new venture in this case—recorded in the book, *The Republic of Tea* (Ziegler et al. 1994). Finally, since the evidence turns out to support the model, I discuss

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both the methodological utility of using specific narratives of unique processes as tests of general processual models, and the potential utility of this MEP to researchers and entrepreneurs. Due to the space constraints of a journal article as a vehicle of communication, I am required to be much briefer than I would like to be about the genesis of the model: its evolution, the evidence for it and its rationale. Much of the the predicate work is presented in Moroz and Hindle (2010 forthcoming), a paper originally presented at the Academy of Management Conference, Montreal 2010. That paper examines and critiques the 32 entrepreneurial process models now resident in the literature and calls for their harmonization. This paper is, in a very large sense, the response to that call. Brevity in treating antecedents allows adequate description of the model's components and relationships, a comprehensive test of the model via the evidence of the founding of The Republic of Tea, and a brief discussion of its utility.

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

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

1. my interest in a core philosophical question;
2. a failed attempt to answer the question through modeling “entrepreneurial capacity”;
3. conditional subscription to the Shanian perspective on entrepreneurship as a process;
4. intrigue at the disappearance of evaluation from most discussions of entrepreneurial process;
5. long empirical involvement in the field;
6. 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 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 in their circumstantial particularities, what *always* happens in every set of activities classifiable as 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 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, p.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:

...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 (Shane 2003, p. 18).

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 subtitled 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—not only an individual—can discover, evaluate and exploit an opportunity. 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 paper (Hindle 2010) 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.

The double emphasis on the adjective 'new' is highly deliberate. Entrepreneurship is fundamentally about novelty. Based on active evaluation of whether something new is potentially valuable, an entrepreneurial process progresses to wealth and welfare *creation*—not redistribution. To take pre-existing value from one place or person and merely transfer it is not entrepreneurial. Entrepreneurship demands the creation of *additional* value, something that was nonexistent before the process began, not simply substitution of ownership or control of existing value. So, despite my demurrers, and my commitment to build a model capable of embracing effectuation and bricolage, the model of entrepreneurial process developed and tested in this paper is quite "Shanian" in many respects. Based on the preceding definition, it can be summarized, in advance of more detailed exposition, as follows. The true caliber of a discovered opportunity can be assessed by creating (through a process of evaluation) a new means-end framework (Shane's term). This can also be called—and I do so—"a business model," which Downing (2005, p. 186) has succinctly defined as a "set of expectations about how the business will be successful in its environment." For a fuller

account of the sense in which “business model” is used by both Downing and myself, see Bettis and Prahalad’s (1995) concept of what they call the “dominant logic.” As an alternative to “business model”, I would accept any number of terms as a description of this output of the evaluating sub-process. (“Business design” might be a good term because it would be less redolent of purely causal logic in the nostrils of scholars who favored effectuation or bricolage approaches to explaining the phenomenon of entrepreneurship.)

The next more or less distinct phase of entrepreneurial process involves psychological commitment to exploiting the business model. This is required before the final sub-process/phase of exploitation can be conducted using sound management principles. Shane himself (Shane 2003, p. 11, Figure 1.1) diagrams what he labels his “model of entrepreneurial process”, but the model does not directly mention evaluation and is really more a graphic depiction of the contents of his book than a formally constructed theoretical framework destined for operationalization as a research device.

Intrigue at the disappearance of evaluation

Shane and Venkataraman’s (2000) extensive analysis of a large body of 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 this paper. However, I must at least give brief mention to one contentious philosophical debate centered on the association between the existence and the discovery of opportunity: 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 views on this issue. There is only space to state them in stark, summary form.

EXISTENCE. As I have previously indicated, whether an entrepreneurial opportunity is considered by general theorists to exist objectively (like some nugget in the ground awaiting discovery by a purposive miner) or whether it is “socially constructed” is moot from the perspectives of both the practical strategy of any given entrepreneur in a real-world situation, and the theory building endeavors of the theorist seeking to understand and model the essence of an ability “to do entrepreneurship.” For modeling purposes, the *existence* dimension of opportunity can be treated as an exogenously determined variable. It is in a different category from discovery, evaluation and exploitation. These three are endogenously controllable within the organizational setting containing the entrepreneurial protagonists (for example, a newly formed firm or the team acting to license new technology from an institutional setting).

DISCOVERY OR EVALUATION? Notwithstanding the work of Fiet (1996, 2002, 2007), discovery of opportunity (in the Shane and Venkataraman perspective), while an essential predicate to an entrepreneurship or innovation process, is a managerial rather than an entrepreneurial skill and can often be done by someone other than the entrepreneur. Effectively, even if the entrepreneur herself does the discovery, this act is not the true essence of entrepreneurship. Evaluation is the core entrepreneurial skill.

EXPLOITATION. 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 bicolled recombination schema, an effectual blend of existing resources, an improvisational riff, or any number of other terms) 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 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 one's point of view. They do this by consciously or unconsciously eliminating *evaluation* from any detailed consideration.¹ 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, p. 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

¹Another 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.

I know intimately. Reflection on the common elements distinguishing success from failure in those cases points to a trinity of factors:

1. the quality of the evaluation of the initial opportunity, embodied as a distinctive business model;
2. the depth of psychological (and often physical) commitment of the new venturer (or venturers);
3. 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

Four landmarks in the entrepreneurial process literature. The literature of entrepreneurial process is a diverse and jagged terrain but it contains four landmark works: Gartner (1985), Steyaert (2007), Sarasvathy (2001), and Shane (2003). Gartner's (1985) paper, "A Conceptual Framework for Describing the Phenomenon of New Venture Creation" and Steyaert's (2007) paper, "Entrepreneurship as a Conceptual Attractor? A Review of Process Theories in 20 years of Entrepreneurship Studies," may be regarded as the bookends that contain the earliest and (nearly) the latest, historically arranged works devoted to or strongly featuring entrepreneurial process and spanning more than 20 years of scholarship. Gartner's piece, establishing process as one of four possible and desirable perspectives from which to study entrepreneurship, is widely acclaimed as seminal work. Steyaert's piece provides a critical review of the entrepreneurial process literature for the next 21 years. Shane's 2003 book, "A General Theory of Entrepreneurship: The Individual-Opportunity Nexus" epitomizes what Sarasvathy (2001, 2008) would regard as the causal logic approaches to entrepreneurial process and Sarasvathy's 2008 book, "Effectuation: Elements of Entrepreneurial Expertise", epitomizes what Shane (2003, p. 39) regards as "non-optimizing decision making". Archer, Baker and Mauer (2009) recently presented a very interesting conference paper entitled "Towards an Alternative Theory of Entrepreneurial Success: Integrating Bricolage, Effectuation and Improvisation", which deserves to be published for the insights it gives into the distinctions and similarities of the three major strands of "non-optimizing" approaches to understanding entrepreneurial behaviour and process.

Extant models of entrepreneurial process. The data in Table 1, below, are distilled from Moroz and Hindle (2010 forthcoming). They performed a systematic literature review that catalogued and categorized models of entrepreneurial process (MEP) that could be found in relevant literature published up until June 2009. That work should be regarded as the prequel to this paper: it results in the call for the production of a harmonized model of entrepreneurial process and this study is the response. To qualify as a full scale MEP, (and thus, potentially, find a place in Table 1) a model had to embrace the totality of a process, conceived by the author as extending from some kind of nascent idea to some kind of postulate or regime about how to implement

a more fully developed idea in practice. Thus, highly influential and well-structured models of just part of the full process—for instance Gaglio’s (1996) excellent model of the opportunity recognition phase of entrepreneurial process—were not included. This process resulted in the classification of the MEP models contained in the 32 works listed in the Appendix to this paper. Some models include diagrams as well as words; some exist only as words. All models came from refereed research journals or scholarly books based on research. Thus, what might be labelled “educational” or “textbook” alleged models of entrepreneurial process that did not cite either a conceptual or empirical foundation did not qualify for inclusion. Works were classified using the four categories offered in Phan (2002) as: stage models, quantification sequences, static frameworks or process dynamic models. These categories form the rows in Table 1. The table’s other column headings comprise:

- key model components (conceptually, the key ingredients of process according to the author);
- variables (both dependent and independent—items that offer the possibility of operationalization and measurement if the model were to be used as the theoretical basis of empirical research);
- nature of the study (empirical or conceptual or both);
- level of generality;
- level of analysis (who is/can be the progenitor of the entrepreneurial process).

Table 1. Existing Models of Entrepreneurial Process - Key Findings

Model Category from Plan (2002)	Key Model Components	Variables	Nature of Study	Level of Generality	Actor Focus		
Stage Model*	12	Numerous and diverse with some notable overlap and patterns of convergence	Conceptual	21	Specific to context	Individual	25
Qualification Sequence	1		Empirical	10	Broadly specific	Group/team	3
Static Frameworks***	11		Both	3		11	Organization
Process Dynamic****	8		Qualitative	10	General but mixed	Meso environment	7
Total	32		Quantitative	3	General	Macro environment	2
					General and distinct	Multiple (more than 2)	16

* 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).

Space limitations here dictate that consideration of a high degree of detail on each of the models, comparisons between them and ratings of their relative quality and utility as theoretical artifacts must be reserved to another paper (Moroz and Hindle 2010). Table 1 represents the tip of the MEP literature review and model classification iceberg.

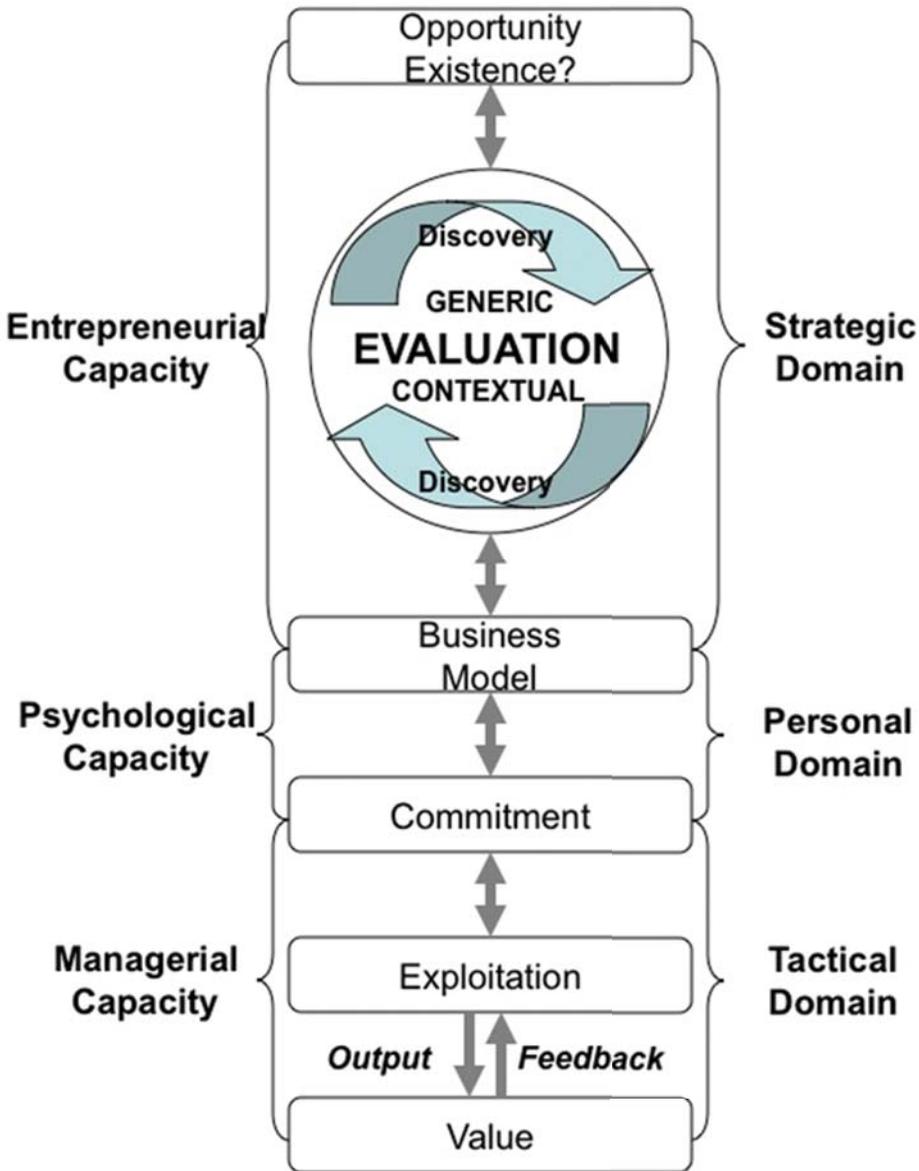
The table shows the high frequency of stage model and static framework designs. Key model components (consisting of themes, actions, or events) showed little uniformity within and across categories. This is partially explained by the different focuses, philosophical predispositions, methods of model 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 proscribed by their relevance to only 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 widely applicable and potentially useful 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, 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 and the Sarasvathy MEP (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 form the subject of a subsequent focused study (Hindle and Senderovitz 2010). However, the truly crucial problem with the state of the MEP art, as far as it is represented reductively by the two models, is more philosophical than technical and can be stated very simply. It is that there are at least 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 implications for philosophical and practical definition and understanding of entrepreneurial process, are not reconciled in either model. 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.

FIGURE 1. The harmonized conceptual model of entrepreneurial process



Description: 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 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 Davidsson (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 conceptualizes 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 behaviors involve a 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 they employ 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 approach 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 exclusively with causist logic.

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, and whether they use heuristics or formal systems (Mitchell et al. 2007). Further, these evaluation procedures 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 (2002) 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. Many of these will not be 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”, only that the entrepreneurial protagonists, for the time being, are satisfied that they have designed a recipe for new value creation that is sufficiently well-articulated 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, p. 275). However, the conception of “business model” in the current MEP argument can be broader and more flexible, comporting with Downing’s (2005, p.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, p. 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 the entrepreneurial protagonists conducting the entrepreneurial process are satisfied that it answers 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 proceed 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, p. 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 acts 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-centered 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. 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 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 regarding how 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 pursue 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 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 “jerkiness”

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 I am 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*. 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.

Testing: scrutiny using the Republic of Tea narrative

Why the TRoT narrative provides a good test of the harmonized MEP

The design of the harmonized general MEP enables it to be easily submitted to the scrutiny of Karl Popper’s famous mandate that any theory (and in this paper I use the words *theory* and *model* interchangeably) worthy of the name ought to be fabricated

in such a way that it is capable of falsification. Any test of the model/theory derived from any data set can be based on two words: “did they?” For instance, did they (the instigator or instigators of the entrepreneurial process) evaluate, did they produce a business model, did they commit to it, etc.? The study presented in this paper is, fundamentally, a test of the first MEP claim—that the MEP presented here is an accurate conceptual representation of the key activities and relationships involved in any actual or conceivable real-world entrepreneurial process—based on the evidence contained in *The Republic of Tea* (Zeigler et al. 1994).

While no amount of confirmatory evidence ever proves any theory, just one clear-cut case of an entrepreneurial process (say, the story of the formation of a new enterprise such as the well-documented birth of the Republic of Tea venture) that could not be logically reconciled with the MEP would be sufficient to puncture its claims for general applicability. If the particular entrepreneurial process described in *The Republic of Tea* is not factually and logically compatible with the harmonized MEP, it will fall to the ground as a general model of entrepreneurial process or stand in need of substantial modification. The TRoT narrative is a very good candidate for being an ideal case with which, potentially, to falsify and destroy the theory/model. First, the model was developed in complete ignorance of the existence of TRoT narrative. Bill Gartner handed the TRoT case to me, out of the blue, after the MEP had been fabricated. So, there can be no charge of specially selecting evidence that may have been particularly favourable to the model to be tested. To the contrary, an initial, superficial reading of some of the textual evidence in the epilogue section of the TRoT narrative seems to be inimicable to the very idea that *any* general model of entrepreneurial process could ever be relevant because the protagonists in that case believed that all entrepreneurial processes are *sui generis* phenomena and are thus opposed to the very essence of what I, in developing the MEP, am trying to achieve: a harmonizing approach to understanding entrepreneurial process. *Prima facie*, the principal author of the TRoT narrative, Mel Ziegler, seems to be saying that every entrepreneurial process is a unique sequence of events. Furthermore, *prima facie*, it might seem to a scholar of entrepreneurship that he is not very “harmonized” in his views. He seems to be saying that effectuation (Sarasvathy 2001; 2006) is far more important than causality (Shane 2003) in the entrepreneurial process when he writes (Ziegler et al. 1994, p. 291):

There is no formula for starting a business. It is as unique as the individuals who undertake it. Starting TRoT was an exercise in allowing things to happen.

For my proposed harmonized model of entrepreneurial process—or that of anyone who believes in the strong importance of causal logic as part of the entrepreneurial process—this superficially sounds awfully like a death knell.

The knell seems to ring louder when one considers the very nature of the evidence about to be used to test the theory. The fact that the testing evidence comes from *a narrative* constitutes a particularly potent and hostile form of acid to use in an

“acid test” of a *process* theory (any process theory). Chris Steyaert is a scholar who has written about entrepreneurial process (Steyaert 2007) as well as linguistic and narrative techniques as tools of entrepreneurship research (Steyaert 2004, p. 17). He has this to say:

The little narrative as well as the genealogical approach² can be related to prosaics³, as they oppose systems as much as they are opposed to being systems themselves.

So, here am I faced with an author of a narrative who seems to be saying that there is no such thing as generic entrepreneurial process and a scholarly authority on both entrepreneurial process and narrative techniques in entrepreneurial research who seems to be saying that narrative techniques are about undermining systems approaches to entrepreneurship, not supporting them. And I am going to use that author’s narrative as a test of my process model of entrepreneurship (surely, it might be thought, a “systems approach” if ever there was one) in the hope of being taken seriously by that scholarly authority (among many others, I hope) and the world of practitioners.

So, on two grounds, the TRoT narrative certainly qualifies as a hard testing ground of the generic MEP I have developed.

Technical structure and categorical content of the narrative

Exclusive of acknowledgements and introductory remarks, *The Republic of Tea* is structured in three sections and employs (not counting the illustrations—I call them “drawing tableaux”—of proposed package designs and marketing materials illustrated by Patricia Ziegler⁴) three distinct categories of writing.

The first category of written material comprising the narrative is the fax. I make the assumption that the faxes presented in the book are honest in the sense that they are unedited reproductions of the actual texts of real-time faxes that were transmitted

² Genealogy, in the context of the philosophy of knowledge, is one of several theories associated with Michel Foucault. It is the deconstructivist argument that truth is, more often than not, discovered by chance and supported not by the force of disinterested research and pure logic but by the force of power controlled by vested interests. The discussion section of the paper will return to the genealogical argument in the context of the importance for entrepreneurship scholarship of the ability to span the boundaries between contending research paradigms.

³ Steyaert’s article, *The Prosaics of Entrepreneurship*, (Steyaert 2004) will be discussed more than once in this study. It argues the virtues of research that gets down to the mundanity, the everydayness, of entrepreneurial events as they unsystematically occur.

⁴ I do not ignore the important textual contributions of Patricia Ziegler’s drawings. To the contrary, I merely state that since, they are the most obvious examples of the importance of evaluation to entrepreneurial process, I set myself a harder test of the MEP by downplaying rather than up-grading their importance. Every drawing is an evaluation of a product or product development opportunity and an input to an emerging business model.

between the principles—Mel Ziegler (The Minister of Leaves), Patricia Ziegler (The Minister of Enchantment) and Bill Rosenzweig (The Minister of Progress)—on the dates indicated on the faxes. We are not told whether the faxes in the book are a complete set for the time span indicated or a selection from a larger set of electronically transmitted communications. They range in length from several pages to one word (Ziegler et al. 1994, p. 200).

The second category of written material I have labelled “commentaries” and subdivided into those written by Mel and those by Bill. These are *post-facto* additions to the narrative and include amplifications of the situation on a given date; explanations of events between dates; and reconstructions of the state-of-mind of a protagonist in a given situation on a given date (usually in reaction to one or more faxes offered by one of the other protagonists).

The third category of written material I have labelled “Zen offerings”. They are short attempts by Mel to provide what might be described by the old mawkish cliché as attempts at “pearls of wisdom.” Here is an example, chosen by the random process of riffling thorough the book pages from the back at high speed until one of these Zen offerings struck my eye.

All things have their own inner truth, no matter how “imperfect” they may seem. If a sip of tea causes me, no matter how briefly, to be transported outside myself, I arrive into perfection itself. And I have known a cup of tea to do just the thing. The best of many good praises that can be sung for tea is that it inspires Tea Mind. (Ziegler et al. 1994, p.79)

The fourth category of written material involves two appendices (a business plan and excerpts from the company’s first catalogue).

For purposes of the analysis I am conducting, I adopt the conventions of documentary evidence classification employed by the professional historian. Accordingly, I regard the faxes that passed between the principals, as well as the two appendices, as primary historical documents; I regard the commentaries interspersed between the faxes as secondary historical documents. Finally, I regard the Zen offerings as irrelevant to the principal purpose of this article (using the text as evidence to test the tenets of a process model). Yet, since the motives and stance of authors with regard to the texts they create is always an important issue, I believe that the Zen offerings obtain any importance they may possess for my stated purposes in this article because of the cumulative evidence they provide of Mel Ziegler’s possibly mixed motives in writing *The Republic of Tea*. The Zen offerings are ostensibly designed to reflect Mel’s deeply-felt commitment to the fundamental product that is at the heart of the business opportunity. They are all, in an obvious sense, homilies to both the fundamental virtues of tea and the philosophical awareness that can come in association with the acts of preparing and drinking it. They therefore clearly do not constitute a body of textual material that focuses on “the story of the creation of a business, as told through

the personal letters of its founders” (this, by the way, is the second half of the full title of the book—published on its cover and frontispiece).

However, as I read the book, even with my overt commitment to focus most intensely on the material that does form “the story of the creation of a business,” the Zen offerings emerge as something more than decreative irrelevancies. They indicate to me that in writing this book, Mel’s agenda may not have accorded first priority to “the story of the creation of a business.” At the time of offering his manuscript to a publisher, Mel Ziegler was known and respected as a business creator (he founded the enormously successful *Banana Republic* venture) and it was in this capacity that he would, objectively, have been more interesting to a publisher wanting to create a saleable book aimed at a definable and substantial audience, than in his capacity as an amateur philosopher. It is overtly clear that writing the book was conceived from the beginning as a task at least as important as the founding of a business (Ziegler et al. 1994, p. 33). It is also abundantly clear throughout the text that Ziegler is at least as interested in disseminating his general philosophy of life as he is in developing a particular potential business or mentoring a particular business partner, Bill Rosenzweig. So, I am never unaware, throughout my reading of this book, of the uneasy possibility that Mel may have been writing this book first to make money from a book (rather than from the business that is its alleged subject) and second to purvey his philosophies of life, and was only interested in the chronicle of “the story of the creation of a business” as a third-order issue. Fortunately, my personal misgivings concerning Mel Ziegler’s motives in co-authoring the book are as irrelevant as his Zen offerings to the book’s value as “the story of the creation of a business.” So, except to list their number, I won’t mention the Zen offerings again.

Section one of the book, “The First Sip,” (Ziegler et al. 1994, pp. 7-220) covers April 7, 1990 to July 16, 1990. It includes:

- 111 faxes
- 9 commentaries by Mel Ziegler
- 15 commentaries by Bill Rosenzweig
- 7 Zen offerings
- 18 drawing tableaux

Section two of the book, “One Year Later,” (Ziegler et al. 1994, pp. 223-288) spans the period of July 16, 1991 to December 17, 1991. It includes:

- 30 faxes
- 1 commentary by Mel Ziegler
- 6 commentaries by Bill Rosenzweig
- 7 Zen offerings
- 12 drawing tableaux

Section three of the book, “Epilogue: The Birth of a Business,” (Ziegler et al. 1994, pp. 289-294) is a dateless anticipation of the possible future direction of the start-up venture. It includes:

- one commentary by Mel Ziegler
- one Zen offering.

Appendix One (Ziegler et al. 1994, pp. 295-308) is the text of the business plan and proforma projections dated December 19, 1991. Appendix Two (Ziegler et al. 2007, pp. 309-314) contains excerpts from the company’s first catalogue. The book concludes with a final Zen offering and a “charter”.

The core message of part one’s faxes: the art of skillful dreaming

The vast majority (98) of the 111 primary documents—the faxes—in part one of the book are focused principally on evaluation of the opportunity. For instance, in fax 9 (Ziegler et al. 1994, pp. 29-30) Bill writes, *inter alia*:

In the middle of the night last night I woke up with ideas about the structure of our organization. I roughed them out on the attached sheet ... I realized that we need to write a “product charter” that guides our product development process ... I look forward to brainstorming with you.

In fax 10, (Ziegler et al. 1994, pp. 32-33) Mel is totally absorbed in evaluation as evidenced by phrases such as:

DOES ANYBODY MAKE ANY MONEY IN THE TEA BUSINESS?!?! [Author’s use of upper case and punctuated emphases]... we should have a publishing venture ... a retail venture ... and other merchandise ...

Fax 13 (from Bill) is nothing but a list of items that need dispassionate evaluation by a skilled third party (Ziegler et al. 1994, pp. 38-40). Fax 19 is a detailed set of evaluations on big picture and small picture issues. It overtly contains a set of THOUGHTS ON BUSINESS MODELS [Bill Rosenzweig’s capitalization and emphases]. Fax 21 (Ziegler et al. 1994, pp. 53-54) is a particularly telling communication. It is from Mel to Bill. Despite all Mel’s calm, soothsaying, Zen-or-whatever philosophising about tea, life and all things bright and beautiful, fax 21 reveals the core, calculating businessman hard at work on the act of evaluating an opportunity and evolving a viable business model.

Confidentiality agreements don’t stand up too well in this situation—particularly when you’re dealing with a market leader. I want to

compete and take them on ... I think we have the smarts to put together something that will beg to be put on the shelf.

In fax 49 (Ziegler et al. 1994, pp. 105-107) begins:

Been thinking a great deal the past two days about plans [original author's emphasis] and I've roughed out this thinking.

The rest of the fax is a prototype business model/business plan. I could continue at great length demonstrating that the dominant theme and content of the vast majority of the faxes in part one of the book is evaluation. I will break off now with just one further but very poignant demonstration of the fact. In fax 50 (Ziegler et al. 1994, pp. 107-108), from Mel to Bill, Mel is at his most extreme level of philosophical wistfulness, *viz*:

I was in the living room, watching the sunrise, savouring the Keemum-Oolong's magic as its calm energy began to flow through my creaking morning body ... When you come up here I want you to sit outside in a rocking chair alongside me and watch the freighters come and go on San Francisco Bay. There is something about the way they move that tells everything there is to know about the movement of life ... Watching these freighters, you can see the movement of time in space.

Well, ahem. I've seen a few smoke-stacked freighters in my time and the one thing they did *not* do was cause me to reflect philosophically on life, the cosmos, existence and the meaning and purpose of it all. So, I guess, we need a cliché here: something like "when it comes to philosophical meanderings—to each his own." What I find fascinating about this fax, and emblematic of the vast majority of all part one's faxes, is the stunning transition it contains. It would be hard to conceive of anything less businesslike than the misty mumblings contained in the previous passage. This is Mel at his most wistful (or some might say mawkishly tedious) as a philosophical Rambler. Yet within a sentence, he is "on message" concerning the business and the message is all about evaluation-centred entrepreneurial process, almost exactly as posited in the MEP (see figure 1, above). Without pause from his philosophical reverie, he goes on to write:

I had an almost simultaneous dual response to the ten-product intro idea. On the one hand, disappointment ("Can ten items be enough to make the point?"), and on the other delight ("what a great selection; what a smart, pragmatic, do-able plan"). Like you, I love to dream, but when it gets time to do, I recognize the wisdom of doing in such a way as gets the dream done. The operative word here is to proceed

skillfully. [Ziegler's emphasis—he goes on to detail an evaluation of a 'Plan A' and a 'Plan B']. (Ziegler et al. 1994, pp. 107-108).

This is a no-nonsense, succinct statement of exactly what is argued about the primacy of evaluation in my articulation of the entrepreneurial process model. I refer the reader back to figure 1 (page 8, above) and repeat the words summarising the nexus between evaluation, business model and the rest of the entrepreneurial process (page 9, above).

Prosaically, the 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 exploitation (implementation) occurs.

I contend that Ziegler and I are effectively saying the same thing. As a scholar, seeking as clinical and precise and 'neutral' a statement as is possible, I have said it prosaically. As a practitioner who is also a man given to pondering the grand scheme of the world, Ziegler has said it more poetically. The overwhelming evidence of the Republic of Tea narrative, as contained in the primary documents—the faxes of part one—is that the first and foremost skill required to get from vaguely conceived opportunity (here the possibility of creating some sort of business from some sort of new approach to marketing one of the world's oldest commodities) is evaluation. That is why I think of the skill and task of evaluation as “the first among equals” in the multi-faceted array of skills and tasks that, in some combination, come to comprise any given entrepreneurial process. Though all the elements/tasks/skills posited in the MEP are important to a fully wrought entrepreneurial process, evaluation is of primary conceptual importance because it is the ability to evaluate what needs to be done to create new value in the form of a business model (Shane would say 'new means-ends framework') that is the uniquely entrepreneurial capacity. The psychological skills and processes needed for commitment to an entrepreneurial venture are, in general conceptual terms, the same as those needed to form commitment to any other activity. Beyond commitment, once the business model (what needs to be done) is established and given appropriate contextual positioning (particular industry, geography, technology setting etc) the managerial skills required for opportunity exploitation in a new venture are, in general conceptual terms, the same as those in an established venture. Certainly, the full entrepreneurial process cannot happen without these conceptually non-unique components: commitment and management.

In this practical sense, they are of equal importance to the skills involved in evaluation. However, the evaluation of an opportunity to the stage of its articulation as a business model is, I argue, unique to entrepreneurial process. It is the thing that answers my big philosophical question: in entrepreneurial process what is both generic (always happens in every case) and distinct (only happens in an entrepreneurial as distinct from a managerial process)? That is the question.

And the answer is: evaluation.

This is what gives evaluation its special status as “first among equals.” As summarized in the first section of this paper and illustrated in figure 1, it is the core activity of the strategic domain of entrepreneurial process. The evidence in the case of the foundation of the Republic of Tea is overwhelmingly supportive of this perspective. The majority, by volume, emphasis and impact, of *The Republic of Tea* is a demonstration of the quintessential importance of evaluation as the primary skill in the entrepreneurial process.

The ability to perform this skill, which results in the production of a business model that shows how “to get the dream done” (Ziegler et al. 1994, p. 108) I have classified in the model as “entrepreneurial capacity.” The evidence contained in *The Republic of Tea* narrative has provided a delightfully improved definition of the concept of entrepreneurial capacity than the one (Hindle 2007, p. 9) that Saras Sarasvathy regards as “circular.” The allegedly circular definition was: “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.” The alternatively expressed definition, derived from Ziegler in *The Republic of Tea*, is: “Entrepreneurial capacity is the art of skillful dreaming.”

The commentaries of part one: evaluation, commitment and mentoring

While evaluation is the dominant theme of the faxes of part one of the book, it is not the only theme. Early in the entrepreneurial process, Bill recognized the importance of a key component of the entrepreneurial process: commitment. In fax 31 (Ziegler et al. 1994, pp. 76-78) he wrote:

Commitment is the underlying component to all of this. Commitment implies mutual trust and attention—from person to person, or person to company, and vice versa. It is clear to me that I am ready to commit to a major venture in my business life. The past two years have been spent doing some very worthwhile (and educational) *projects*, but they have lacked the longer-term potential and rewards of a *business* [Bill’s emphases]. Each day I am feeling more confident about the business potential of our idea.

However, it is in the commentaries of part one that commitment as an issue receives fuller and more overt treatment than it does in the faxes. This happens in conjunction

Themic overview.

Table 2. Themes of the commentaries in part one, *The Republic of Tea*

Commentary	Page(s)	Principal Theme(s)
Mel 1	7 to 12	Introduction and overview
Bill 1	14	Evaluation
Mel 2	51	Evaluation
Bill 2	54 to 55	Mentoring
Bill 3	87	The relationship between evaluation and commitment
Bill 4	103 to 104	Evaluation, importance of spouse
Bill 5	114 to 115	Evaluation, mentoring
Mel 3	121 to 122	The relationship between evaluation and value
Bill 6	126	Evaluation
Bill 7	127	The relationship between evaluation and commitment
Bill 8	144	Evaluation
Mel 4	165 to 167	Commitment, action/exploitation, mentoring
Mel 5	168	Commitment, risk
Mel 6	170	Commitment
Bill 9	171	Evaluation, mentoring
Mel 7	173 to 175	Evaluation, commitment, mentoring
Bill 10	175 to 176	Evaluation
Bill 11	179 to 180	Commitment
Mel 8	187	Commitment, exploitation
Mel 9	202	Commitment
Bill 12	203	Evaluation, commitment, exploitation
Bill 13	206 to 207	Commitment, mentoring
Bill 14	216 to 217	Commitment

with and in relation to the two other themes that dominate part one’s commentaries: evaluation (again) and mentoring. I now summarize the principal themes contained in those commentaries. Establishing a couple of citation conventions will make this section of the paper flow more smoothly. First, all references in this section are to the book under investigation: (Ziegler et al. 1994). Second, the commentaries are referred to by author (Mel or Bill) and by number. Third, the page number or range is expressed in brackets. So, for example, Mel 3 (121-122) means ‘Mel Ziegler’s third commentary found in the book on pages 121 and 122’.

As table 2 demonstrates, the commentaries of part one of *The Republic of Tea* are fundamentally a tale that demonstrates the ongoing importance accorded to the evaluation process but contextualised now with respect to the issue of commitment on the part of Bill Rosenzweig. A uniting theme of the commentaries is the fact that Mel Ziegler *did* understand the difference between a coach and a mentor and Bill Rosenzweig did not. In educational theory a coach is directive: your coach shows you how to do something and drills you in efficacious practices. In contrast, a mentor’s role is not to show you how something is done but to get you to discover this for yourself. Bill is frustrated: he wants Mel to “show him how,” or “give a lead” or “point the way”—to be a coach. Mel resists the temptation. He is adamant that unless Bill can find his own path to personal commitment to the venture, there can be no venture.

For my purposes the evidence contained in these commentaries is powerfully supportive of the model of entrepreneurial process (figure 1 and part one of this paper, above). The MEP argues that the pivotal concept, decisive in determining whether a business model (representing an evaluated opportunity) may go forward to exploitation/implementation (and thus the achievement of new value for defined stakeholders) is the commitment of the entrepreneurial protagonist, individual or team. The evidence from TRoT's entrepreneurial process, as a new venture, entirely supports that proposition and fully comports with the tenets of the model as posited in both the personal domain and the tactical domain. The next subsection provides selected amplifications of this general conclusion.

Selected amplifications of part one's commentaries.

Bill 3 (57) is a commentary that illustrates a nexus: the importance of the quality of the business model for the production of commitment.

I kept analyzing the business (just as I did as a consultant) instead of doing anything about it. The analysis had an unexpected result: I started questioning my commitment to this project. I began to sense the potential for failure. My inability to move forward confidently probably had to do with fear of discovering my own limitations. I still didn't have a clear enough sense about the business to know if it would succeed or fail (in sharp contrast to Mel and Patricia's confident assertions that it would be a success). I was starting to feel uneasy about changing my life in order to go into the tea business—the great unknown.

Bill 4 (104) shows yet again that evaluation is the key strategic activity:

I had become an obsessed researchaholic; spending hours and hours a day and my passionate energy to figure out how to do this tea business.

Mel 3 (121) provides what I think of as a “pocket battleship” commentary: it packs a lot of armament into a small space:

I am a man who himself once started a business on \$1,500 in three weeks and got lucky. Therefore, I tend to place a greater value on ideas in the form of action than action in the form of idea. That experience of founding my own undercapitalized, highly impractical business taught me an indelible lesson, not the sort one might hear in the hallowed halls of business schools. Life is not an idea. Starting a business is not an idea. It is getting things done. This was the most valuable thing I had to say. But Bill was not ready to hear it yet. And I decided a better messenger to tell him was the business itself, not me.

He goes on to say, in Mel 4 (165-167 *passim*), some things that superficially seem to diminish the importance of evaluation and elevate the importance of raw action.

I found myself yearning for Bill to stop typing faxes and start starting the company. While starting a company is a different exercise for every company, and there is no prescribed way to do it, writing about starting a company does not get a company started. Taking action, not talk about taking action, is the one absolute requirement to start a business. You check your instincts, you check your information, you check the known risks against the anticipated rewards as best you can in an uncertain world, and you plunge. You take action.

The first thing to note is that in this “action-oriented” passage, one could legitimately substitute the word *evaluate* for the word *check*. Note that its importance is evident in a threefold repetition. The second point to note is that the excerpt comes from a commentary that is, in many ways, a compact précis of the *whole* model of entrepreneurial process, which is all about the full trajectory from unevaluated idea, via evaluation, and then commitment, to the creation of value through physical exploitation: i.e., action. The commentaries here (Mel 3 and Mel 4) also illustrate how a truncated entrepreneurial process sometimes works; that luck is a variable deserving of great respect; and that the tactical dimension—the place where exploitation of the evaluated opportunity comes to fruition through (managerial) action—is vital. The very word “tactical” is related to “tactile” and has the sense of “hands on”, the sense of action. You can design what needs to be done strategically; you can make a commitment in principle, but, until you act to manage the exploitation of the opportunity, the entrepreneurial process is incomplete. It would be a totally wrong reading of Mel’s approach to entrepreneurial process to infer that he glorifies thoughtless action over carefully performed evaluation. Mel is not saying here that a scanty evaluation process (such as applied in his previous business) is *better* than a detailed one or that action alone is sufficient to entrepreneurial process. What he is saying is that, no matter how good (or bad) the evaluation and the explicit or implicit business model that results, only the *addition* of committed exploitation—the meaning of the “action” he argues for—adds up to a full entrepreneurial process. In Mel 4 (167), Mel classifies Bill as:

...suffering a self-inflicted case of analysis paralysis...All he had to do to get started was to come up with a deal proposal, negotiate it with me and Patricia, propose how he wanted to finance it, put the lawyers to work drafting documents, and find a few investors willing to throw a little money at him and the idea⁵. I could have spelled all this out, but then, if I had to spell it out...

⁵By this stage “the idea” was a reasonably well-articulated business model.

And so we get back to Bill's not yet understanding the difference between a mentor and a coach: Mel 7 (175).

He needed to figure out for himself "what" to do. To succeed he would have to stake his all on The Republic of Tea. He had to get over the compulsion of turning to someone outside himself to tell him "what" that business should be. Nobody invents the business for the entrepreneur that's his job.

With this phrase, "inventing the business," Mel, returns to the primary importance of evaluation. "Inventing the business" is a great summary of what I called (above, in distinguishing the practical from the analytical articulation of the MEP) the "jerky" process of refining a raw opportunity into a viable business model through a process of evaluation. At the same time he stresses the central importance of evaluation, Mel also emphasizes the vital necessity of both commitment and action. An "invented" business remains a mere idea (albeit an implementable idea) until commitment to implementation is made and action to exploit the evaluated and committed-to opportunity is taken.

At the end of part one of the book, Bill had not yet fully "invented" (evaluated) the business, nor committed to it, nor instituted any managerial action beyond a few half-hearted initiatives squeezed into the free time permitted by his "day job" as a consultant. Consequently, entirely consistent with the arguments of the proposed model of entrepreneurial process, the evolution of the venture was in limbo.

Summary analysis of part two, part three and the appendices. The unavoidable spatial limitations imposed on a journal article have led me to choose to give, above, a far more detailed account of part one of *The Republic of Tea* than will be accorded to the other components of the narrative in this section of the study. In summary, the faxes and commentaries of part two of the book basically tell the story of how Bill, having accepted that he would have to make the necessary commitment as a deeply personally-derived decision (he could not lean on Mel or anyone else to make the decision for him) refined the business model to the point where commitment to it was possible for him. He writes (237-238):

I'd finally gained the confidence I needed to jump into the tea business. The difference now was that I was willing to jump in without counting on others to help me swim. I realized that it was completely up to me to create a plan and implement it—and it would have to be a plan that satisfied me first, then the others. I had arrived at the point where I was willing to trust myself completely with the idea for the Republic of Tea. This meant I was also ready to invest in myself, which included putting my own money squarely behind my efforts. I was now ready to go forward without the assurances of others. My confidence level had reached a critical point, I was now convinced,

that my own knowledge, expertise and confidence would attract the confidence and capital of others... I finally became committed.

The book effectively ends at the point of Bill's commitment. The epilogue (part three) is a wave in the direction of the future. The narrative does not proceed to what the MEP (see figure 1, above) classifies as the tactical domain. There is no telling of the exploitation/implementation story. But as far as the narrative does go, it provides an evidence base that is strongly and directly supportive of the model of entrepreneurial process presented in this paper. From the initial hazy awareness of an opportunity to the formation of commitment, what the model posits is what the founders of TRoT actually did. This is a substantial claim, not least because, in a throwaway line in the epilogue, Mel Ziegler superficially seems to deny the possibility of there being anything generic about entrepreneurial process. He writes (Ziegler et al. 1994, p. 291):

There is no formula for starting a business. It is unique as the individuals who undertake it. Starting TRoT was an exercise in allowing things to happen.

Well, here I beg to differ somewhat from Mel Ziegler's rather casual summation of the process that he and his co-venturers have just chronicled in a narrative of nearly 300 pages. First, there is a vast difference between a restrictive, narrowly conceived conception of a "formula"—some kind of naïve, restrictive panacea—and a research-based conceptual model of a process whose scope allows for the flexible embrace of a wide range of different circumstances, activities, human actors, human values, and resources of all kinds. Second, it is disingenuous of Mel to call all of the conscious and deliberate actions chronicled in the book right up to the point of his throwaway line "an exercise in allowing things to happen." That is just too cavalier a phrase to withstand serious scrutiny. Mel ought not to confuse his specific and pedagogically correct behavior as a mentor (allowing Bill to come to his own decisions rather than coaching him to emulate things that Mel might have taught him) with the misclassification of a very purposive process as some kind of amorphous "happening." It turns out, in the very next line of text, that what Mel is really saying is that he didn't want to force the pace of the entrepreneurial process unduly. That is a very different thing than seeming to say that there are no generically classifiable aspects of entrepreneurial process. The quotation continues:

Yes, the business could have started sooner; yes; I could have taken a more active role; yes I could have saved Bill a lot of 'wasted' effort by helping to straighten out some of his loopier ideas; yes, yes, yes, to every possibility that was floated. But the underlying truth, the ultimate reality, is that had we *forced* anything, that very forcing would be part of the business itself, and latent though it might be, it would surely one day be the beginning of the undoing of the business.

So, I contend, the narrative of TRoT *does* comport—and with great precision—with the arguments of the generic model of entrepreneurial process presented in this paper. The model itself posits that each example of entrepreneurial process will be different from every other, both by virtue of the contextual differences (Hindle 2010) that distinguish them (every process is a mixture of generic and specific ingredients) and the fact that the generic components of entrepreneurial process (including the methods by which evaluation is performed and the paths by which individuals come to commitment) are *not* restricted to precise, invariable, oversimplified ‘formulae’ but are broad, flexible concepts. So, insofar as the entrepreneurial process model posits some universal features of the process—most pointedly the primacy and strategic importance of evaluation and the pivotally personal nature of commitment—the evidence of *The Republic of Tea* lends powerful support to the model.

Discussion

Methodological issues and choices

Some people may see either philosophical problems or methodological problems or both with using language-based techniques—including narrative—as evidence for theories involving “systems.” I see neither. I have argued that *The Republic of Tea* provides evidential support for the model of entrepreneurial process. However, I am aware that others may consider that my approach to “testing” the model involves some problematic issues. They all hinge on the potential incompatibility of what might be called “language-based” approaches to research (of which narrative is one) and what might be called “system-positing or model-building” approaches to research.

As indicated earlier in this paper, it is intriguing and efficient to focus these issues with reference to the work of Chris Steyaert who is simultaneously a scholar deeply interested in language-based methodology in entrepreneurship and one who seeks to shift the focus of entrepreneurship research toward a stronger commitment to the study of entrepreneurial process. A quotation from Steyaert—the methodologist—(2004, p. 19) seems to indicate that he sees a fundamental incompatibility between what might be called “established paradigm” and “new paradigm” methods for investigating entrepreneurial process:

Life has to be lived. With that simple “saying,” we undermine any idea that would pretend that events could be captured in plain predictions, complete deterministic schemes or pre-existing patterns. There is an openness that resists all forms of system building and embraces a world becoming. If entrepreneurship is, according to a prosaic premise, to surrender itself to floating around in the flux of becoming, it will have to turn to the so-called philosophers of becoming...that can allow us to conceive of entrepreneurship as a becoming, never again enclosing it in a reductionist scheme or system.

This seeming reluctance to contemplate the kind of methodological eclecticism in entrepreneurship process research recommended by Hindle (2004b) sits somewhat awkwardly with Steyaert—the analyst of entrepreneurial process theories—(Steyaert 2007, p. 272) who writes:

...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).

Hindle (2004b) has argued for a “canonical development approach” (CDA) to the choice of methods in entrepreneurship research. The CDA involves three core tenets:

1. the *question* (not an *a priori* philosophical choice) should be the central focus and primary driver of both philosophical and methodological choice in any empirical inquiry;
2. therefore, an eclectic philosophical approach to epistemology, ontology, axiology and logic of enquiry is permissible;
3. with respect to any question, methods should be chosen for their presumed efficacy, not their paradigm purity.

Paul Feyerabend (1975/1979, pp. 307-308) has a similar view:

Let us free society from the strangling hold of an ideologically petrified science just as our ancestors freed us from the strangling hold of the One True Religion! The way towards this aim is clear. A science that insists on possessing the only correct method and the only acceptable results is ideology.

In my view, the narratives of the everyday, prosaic living of entrepreneurs trying to practice entrepreneurship are both an excellent (though not the only) source for deriving a good generic understanding of what constitutes the process of entrepreneurship and an excellent (though not the only) source of evidence for testing any models or arguments about the nature of process that scholars may present. Accordingly, the rationale for the methodology chosen for this study can be simply stated. The question at issue was to find a test of a conceptual model using the evidence of lived experience. Philosophically, I am unfazed by any alleged incompatibility between process modeling and narrative techniques as investigative and evidentiary tools. Accordingly, I performed a content analysis on the entire book—*The Republic of Tea*—and each of its textual subcomponents according to the methodological prescriptions set out in Krippendorff (2004), Kimberly (2002), and Colorado State University (2008). The quest for validity in developing and applying coding regimes and classifications involved independent triangulation via the help of two post-graduate students.

Do we need a harmonized general model of entrepreneurial process?

Steyaert (2007, pp.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, pp. 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. 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, p. 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, p. 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).

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, that absolutely everything is unique). At the broadest level of research philosophy and methodology in our field, entrepreneurship, I hope that this study indicates the high degree of compatibility and complementarity that can be achieved between language-based methods—usually associated with interpretivist and post-modernist research paradigms—and approaches to model building—usually associated with more positivist-oriented research paradigms. A quantitative test of the MEP, involving the operationalization of the components of the model via relatively shallow questions suitable for delivery to a random sample of entrepreneurs could scarcely hope to plumb the depths of insight contained in the rich data base that is contained in the text of *The Republic of Tea*. Moreover, a large-survey approach would almost certainly be condemned to *ex-post* application, with all of the well-known problems that route entails for validity and reliability. As long ago as 1995, Palich and Bagby stressed the need for contemporaneous rather than *post facto* measurement of entrepreneurial processes. The virtue of a narrative, conceived and written about a process by actors in the process independently of the modeling activities employed by a scholar modeling the process, is that it captures contemporaneity in a kind of aspic, just as the fossil record “lives” for the trained paleontologist. For those who come to it for the first time, *The Republic of Tea* is a contemporary account of a living business (even though the action is well in the past). A questionnaire, inevitably involving correspondents in the *reconstruction* of rationality, can never claim this contemporary color, depth, urgency and authenticity. On the other side of the coin, a reading *The Republic of Tea* informed by a research-based view of the patterns informing many other entrepreneurial processes is potentially valuable as an informed perspective on the text.

I hope the study reported here will stimulate entrepreneurship scholars to think along the lines that maybe the testing of many of the theories current in the field could be performed by detailed examination of one or a few really rich, really deep, contemporary narratives and that this approach might be as likely to be as productive of insight as a more traditional, survey-based assessment. Hopefully too, the example may also work in the other direction: helping scholars (Steyaert 2004) who are deeply aware of the value of the deep insights provided by unique narratives to reflect that uniqueness in the individual case and attempts at systematic classification are not scientific enemies but scientific friends. No single rainbow trout loses its individual status and position in the stream—or its instantaneous, irrepeatable flash of radiance in an instant of sun glazed ruffle or its claim to being difficult to catch—because it is classified, in the Linnaean system, as *Oncorhynchus mykiss*, in common with all other fish of that species. Individual entrepreneurs—albeit “floating around in the flux of

becoming” (Steyaert 2004, p.19)—do not live and operate in vacuums and do share many facets of behavior in common with many other entrepreneurs. They *are* part of complex systems. Starting with von Bertalanfy (1930) systems theory has developed as a discipline emphasizing the importance of mutual relationships in all natural and human affairs. A relatively recent statement of the state of the art of the systems theory view of the world is Hanson, B.G. (1995) *General Systems Theory: Beginning with Wholes*. In a very influential heavily-cited paper in our field, William Bygrave (1989) took “a philosophical look at entrepreneurship research methodologies.” It started with the statement that “entrepreneurship begins with a disjointed, discontinuous, non-linear (and usually unique event) that cannot be studied successfully with methods developed for examining smooth, continuous, linear (and often repeatable) processes.” He identified as an important aspect of scientific research that “physicists examine nature by remorselessly isolating the parts from the whole”; it was reductionist in nature. Entrepreneurship research on the other hand, he argued, requires a non-reductionist approach.

And I am certain that we cannot separate entrepreneurs from their actions. After all in a start-up company, the entrepreneur and the company are one and the same...We should avoid reductionism in entrepreneurship research. Instead we should look at the whole. (Bygrave, 1989)

In this passage Bygrave is urging the virtues of close attention to the richness of lived experience that Steyaert (2004) so rightly values and *The Republic of Tea* so brilliantly evidences. But the context is holism: there is a whole not just a part. The Republic of Tea narrative, taken as a whole, is unique. But a good many parts of it are demonstrative of a good many parts of other stories of lived entrepreneurial experience and the virtue of a good generic model of entrepreneurial process is that it does not shrink understanding through brutal reductionism but liberates understanding through meaningful recognition of genuinely existent patterns.

Some scholars and theorists will never accept this view. For instance, genealogy, one of several theories associated with Michel Foucault, was mentioned in the introduction to this paper. Genealogy, as a philosophy of knowledge, is the deconstructivist argument that truth is, more often than not, discovered by chance and supported not by the force of disinterested research and pure logic but by the force of power controlled by vested interests. Accordingly, all general claims about truth are alleged to be unreliable and highly suspect. Foucaultian genealogy accordingly rejects the notions of uniformity and regularity in grand phenomena such as all human history and, by extension, lesser phenomena such as the history of entrepreneurial behavior. Foucaultian genealogy emphasizes the irregularity and inconstancy of truth and rejects the proposition that history or any other human process progresses in a linear order.

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. I contend that the study of *The Republic of Tea* as the test of a model of entrepreneurial process refutes the genealogical argument as much as it demonstrates the weaknesses of naive positivism and demonstrates instead that entrepreneurship scholarship can benefit significantly from the open-minded use of unique narrative as evidence of generic pattern.

The model of entrepreneurial process offered here has withstood its first hard test. 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 causation and effectuation as generic models of entrepreneurial process. As a predicate to this paper, in a critical review of the literature, Moroz and Hindle (2010) 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 aspects of entrepreneurial process. The model developed and tested in this study answers that call.

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Appendix

Works Containing Purportedly Comprehensive Models of Entrepreneurial Process

F1: Works evaluated as potentially convergent upon what is “generic and distinct” to the entrepreneurial process

Bruyat, C., & Julien, P. A. (2000). Defining the field of research in entrepreneurship. *Journal of Business Venturing*, 16, 165-180.

Gartner, W. B. (1985). A Conceptual Framework for Describing the Phenomenon of New Venture Creation. *Academy of Management Review*, 10(4), 696-706.

Sarasvathy, S. (2006). *Effectuation: elements of entrepreneurial expertise*. Cheltenham: Edward Elgar.

Shane, S. (2003). *A general theory of entrepreneurship: the individual-opportunity nexus*. Cheltenham: Edward Elgar.

F2: Works considered but not found to be convergent upon what is generic and distinct to the entrepreneurial process

Ardichvili, A., Cardozo, R., & Ray, S. (2003). A theory of entrepreneurial opportunity identification and development. *Journal of Business Venturing*, 18(1), 105-123.

Badguerahanian, L., & Abetti, P. A. (1995). The rise and fall of the Merlin-Gerin Foundry Business: A case study in French corporate entrepreneurship. *Journal of Business Venturing*, 10(6), 477-493.

Baker, T., & Nelson, R. (2005). Creating something from nothing: resource construction through entrepreneurial bricolage. *Administrative Science Quarterly*, 50(September), 329-366.

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