

Entrepreneurship As Design.

An encapsulation of the paper

Opportunities As Artifacts And Entrepreneurship As Design

By Henrik Berglund, Marouane Bousftha, and Yashar Mansoori



Visit Econ4Business.com to learn more.

Entrepreneurship As Design

Summary

What constitutes a business opportunity and how do entrepreneurial businesses bring opportunities to life as successful projects, brands, and launches in the marketplace?

Usually, researchers and writers arrive at their descriptions and conclusions after the fact, telling us what they think are the reasons why some businesses succeed, and others fail. But that's not helpful. It doesn't help guide the entrepreneurial action that leads up to successful outcomes.

There's a better way to think about seizing and capitalizing on opportunity: think of it as a design artifact. The word artifact means something made by a person or a team, resulting from deliberate procedure. Design is a form of development that takes place between the person or team and their environment (i.e., customers, markets, channels, etc.) to create the best possible fit. So, a design artifact is something owners, managers and teams create to advance along the pathway to what is often called product-market fit.

In fact, there are many design artifacts that entrepreneurs can create at different stages along the pathway, for different purposes and different interactions with their environment and their audiences. A business model sketch on a restaurant napkin is an early-stage design artifact. A pitch deck to a VC is another. A stand-up presentation to a supporter group is another. A product mockup and a preliminary landing page would qualify as artifacts. A business plan and a capacity map are a different type of artifact. They all have roles at appropriate stages on the pathway to market. Entrepreneurship is artifact-centered design. Think of entrepreneurship like architecture and engineering: concerned not primarily with the world as it is but as it ought to be in terms of better buildings or cars, and using design to develop that better future.

Goals and purposes are not always clear from the outset of a design process, so quite abstract notions of "interestingness" can apply, and they are clarified over time with the aid of intermediate artifacts. These can be abstract (like brainstorming) or concrete (a sketch or drawing). The artifacts are essential drivers of the process.

Entrepreneurship As Design

There are two ideal types of entrepreneurial design: experimentation and transformation. Entrepreneurs use design artifacts and design principles in different ways in pursuing these two paths.

Experimentation: Discovery, Following A Vision, Specific Design Artifacts, Value Adaptation

Experimentation is premised on the existence of technologies, institutions, consumer sentiments and market demand. Discovery is the process of finding a fit within this existing environment.

There is a role for vision and visionary leadership in experimentation, whether played by a “boss” or management team or someone else or some other group. There is a central vision, and the experimentation process is to find the best way to attain it. The vision is the driver.

The artifacts used in the process are distinct representations of the vision in some form in order to enable information gathering that’s directly related to the vision.

The design principle is adaptation: the development and testing of theories and models of value creation, with continuous adaptation to new information that’s gathered that reduces uncertainty and confirms assumptions.

Transformation: Creation, Networked Collaboration, Changeable Design Artifacts, Value Negotiation

Transformation is premised on the idea that existing aspects of the environment – such as industry standards or product categories or market segments – are contingent and can be changed. The goal is not to collect correct information about the environment but to interact with it and change it.

Transformation follows a different development principle than experimentation. The result is emergent and control over the process is distributed among many different actors with many different competencies both within the firm and outside it, including customers and other partners. Dynamism and creativity come from the interaction between these different individuals and groups, guided by a shared sense of direction but not a specific vision.

The artifacts for this process are ambiguous and changeable, accompanied by constant framing and reframing, and asking new questions and exploring new suggestions. “What if” narratives, asking new people to get involved, under-specified plans or prototypes, mood boards, software development kits for programmers to explore, open platform architectures are all types of mutable artifacts.

The design principle is creative negotiation: multiple individuals and groups with different ideas who are not testing their way to a vision but keeping multiple evaluations in progress and benefiting from the friction between their interplay. There is less demand for rapid validation and more tolerance for zones of indeterminacy where ideas cross-fertilize.

The design perspective is the conceptual anchor for the practice of entrepreneurship.

Design is the bridge between theory and practice, and between imagination and the market. It’s the way entrepreneurs overcome uncertainty. Resolving uncertainty is achieved through concrete design principles and material design artifacts.

Entrepreneurs will explore and continuously improve the application of various artifacts (including the tools on the Economics for Business platform) to drive their design process,