

UNCERTAINTY AND ENTREPRENEURSHIP

The Causes Of Uncertainty For Which Entrepreneurs Call Upon Derived Judgment.



UNCERTAINTY: A state of mind caused by an absence of knowledge.		ENTREPRENEURSHIP: Action in the face of uncertainty.	
Ignorance	Absence of knowledge about the present and past - knowable, but you don't have the information.	Data	Delegate others to gather more data to replace absence of knowledge with presence of knowledge. You can never know everything, even though it is theoretically knowable. Make judgments about how much more to gather before making a decision.
Indeterminacy	Absence of knowledge about the future - you don't know what will happen, and especially what others will do, and it is not knowable.	Meaning	Interpret the future via a business model that defines how you will act and how you expect others to respond. Make sure everyone in your firm understands and can articulate the business model before delegating judgment.
Incommensurability	Absence of knowledge about action - you don't know what obstacles or difficulties will arise when you act.	Practice	Act - only by taking action and implementing your business model can you advance. Give managers and employees leeway to act to implement the business model - ensure feedback data is gathered to define what works and what doesn't. Adjust accordingly.