

Abstract

Entrepreneurs conceptualize and communicate venture ideas with different social actors during their opportunity pursuit. However, academic research exploring the process of how entrepreneurs develop their venture ideas and build businesses in the nascent stages is limited. This research makes venture idea as the focal unit of analysis and understands how entrepreneurs develop venture ideas in a social context over time. This research also examines how entrepreneurs refine the venture idea through social interactions with different social actors such as mentors, knowledgeable peers, customers, vendors, and investors.

This study adopts process research to understand the transitions and development of the venture idea during the nascent phases of the entrepreneurial journey. It uses a novel fixed-interval micro-snapshot design, to study idea transitions and the micro-processes involving both agentic activities of the entrepreneur and interactions with other social actors. This research also stands out from prior process research studies in that most process studies focus on established organizations, while this study looks at the very nascent phases of venture creation from a venture idea.

The study finds entrepreneurs to be working on multiple ideas – one primary and multiple secondary ones, at a single instance. Further, a venture idea could be in any of the different phases – initiation, evaluation, suspension, re-initiation, and exploitation; when entrepreneurs develop it. The demands imposed by the primary idea on the entrepreneurs' attention and resources influence the progress made on the secondary idea, through the different phases.

Further, the study identified two broad paths by which entrepreneurs evaluate their idea through interaction with social actors. The first path begins with developing the offering and then shifts attention to the market aspects to find a potential customer for the offering. The second path begins with scoping the venture idea – cutting down or expanding the offering,

making choices of the business model to adopt before engaging in the offering development, and market access aspects simultaneously. While the first path delays interactions with mentors and knowledgeable peers and seeks inputs that could optimise their conversion of customers or investors, the second path engages with mentors and knowledgeable peers early, to validate their venture ideas.

In focusing on venture idea as the unit of analysis for this research, the research contributes to entrepreneurship research by shifting the level of analysis from the opportunity-level to idea-level. The dynamics of the venture idea identified in this study contribute to an improved understanding of the entrepreneurial process in the nascent phases.

The findings of this study highlight the influence of various social actors and thus contribute to entrepreneurial ecosystems literature, specifically on incubators and accelerators. The findings from the study help improve the mentoring support offered through incubators and accelerators by highlighting the importance of suitable entrepreneur-mentor matching criteria in their resource support activities.

From a policy perspective, the findings of the study have an important contribution in light of the growing emphasis on entrepreneurship and incubator support. Specifically, this research highlights the vital role of mentors in the development of venture ideas during the nascent phases. It indicates that the appropriate entrepreneur-mentor matching makes the intermediation role of incubators more effective and value-creating.