Well, that makes sense!
Investigating opportunity development in a technology start-up

Hanna von Schantz

Academic dissertation for the Degree of Doctor of Philosophy in Business Administration at Stockholm University to be publicly defended on Thursday 23 November 2017 at 10.00 in Gröjersalen, hus 3, Kräftket, Roslagsvägen 101.

Abstract
Digital technologies have profoundly reshaped many industries in the past years and we are continuously witnessing the creation of new ventures designing and serving entirely new markets. At the heart of these initiatives lies decisions to act, take risk and pursue ideas in the form of entrepreneurial opportunities. Much of the research on the journey from ideas to market has advanced from the idea that entrepreneurial agency emerges at the nexus of individuals and opportunities. In most academic work, opportunities are either assumed to be exogenous to the individual or socially constructed. Despite many valuable contributions in the field, the construct as it has traditionally been used only accounts for and explains opportunities once they have been realized. Hence, the established perspectives fall short in informing our understanding of how individuals actually act and make decisions that lead up to the identification and exploitation of opportunities that lack tangible premises. The question is therefore, how do we define and understand entrepreneurial opportunities before they have been realized and how do we make the construct empirically operable? The present study challenges and extends the conventional views of entrepreneurial opportunities by investigating what they are and how they emerge and evolve over time. By drawing upon in-depth qualitative data from a longitudinal study of the new venture creation process of a digital TV and film production firm, the thesis provides a reconceptualization of the opportunity construct. External enablers, a new venture idea, a business model and opportunity confidence are suggested as components that clarify what aspiring entrepreneurs actually mean when they talk about opportunities. Departing from these components, the thesis provides a framework describing opportunity development as an iterative process evolving through modes of sensemaking, sensegiving and sensebreaking. This framework adds to entrepreneurial process studies by extending the individual-opportunity nexus to include the actions and interactions between the entrepreneurs and the external environment in which they operate. The results lay a foundation for future theorizing and empirical inquiry into the early stages of new venture creation.

Keywords: entrepreneurship, entrepreneurial processes, opportunity development, business models, effectuation, sensemaking, digital entertainment industry.

Stockholm 2017
http://urn.kb.se/resolve?urn=urn:nbn:se:diva-147574


Stockholm Business School
Stockholm University, 106 91 Stockholm
WELL, THAT MAKES SENSE!

Hanna von Schantz
Well, that makes sense!
Investigating opportunity development in a technology start-up

Hanna von Schantz
To my family
A journey is coming to its end. A journey on which I embarked with very few expectations. Pursuing PhD research is a true voyage into knowledge in which you constantly have to battle with the fact that the more you know, the more you realize that you do not know. This is also what makes it so difficult and so bitter sweet to end. Despite the desire to finish, you still cannot stop thinking of all improvements you could make. Consequently, this journey and this thesis would maybe not have been finished at all, but for all the remarkable people that have helped me.

First, I want to thank my dream team Professor Jan Löwstedt and Professor Robin Teigland for being my supervisors during the entire process. Jan, it has been such a pleasure and joyful experience to work with you! You have let me walk my own way, but have carefully guided me by posing the right questions at the right time. You are a great listener and sensemaker, and have induced confidence in me from the very start. I know no one with a more constructive outlook on challenging situations than you! Robin, getting to know and work with you has been very stimulating. You are an astonishing networker, door-opener and inspirer. Not only have you contributed to my thesis, but you have also given me opportunities to test my thoughts and wings in other research related situations.

I would like to express my gratitude to all scholars who, in one way or another, have contributed to and impacted the outcome of my thesis. Thank you, Professor Karin Berglund for keeping an eye on me and my work since the early stages! I am immensely grateful for your very hands-on and pragmatic advice and I especially appreciate your extraordinary honesty and thoughtfulness. Thank you Robert Demir, Karl Wennberg, Ali Yakhlef and Svante Schreiber for comments on the earlier versions of my manuscript and much valuable feedback. Professor Malin Brännback, you have been a ‘defining’ person on my PhD journey, entering at a time where I truly doubted that I even had a purpose to fulfil within academia. Since then, you have provided me with great support. You invited me to a workshop in Nagu, Finland where I met with professors Howard Aldrich and Alan Carsrud who have been equally interested and cheerful throughout the process. At Stockholm Business School, I am especially grateful to have had Jessica, Birgitta, Anna and Karin in my close vicinity. A more loyal, caring and joyful crowd is hard to find. Lastly,
this thesis would not have existed if it was not for Ulrika Sjödin who opened the door to research by convincing me to apply for the PhD program.

Part of my academic environment has also taken place at the MIT (Management, IT and Technology) Research School, which has provided me with an arena for developing my research. Especially thanks to Professors Lars Engwall, Birger Rapp, Alf Westelius, Lars Bengtsson, Fredrik Nilsson and Jonny Holmström for showing interest and support for my investigation. I would also like to thank MIT PhD students Gabriel Linton and Joakim Netz for your comments and advice.

I am fortunate to have been surrounded with such a big group of supportive fellow PhD students. Thank you, Anna, Sanna, Carl and Robert for being there when I started, introducing me into PhD routines and making research look so (too) easy. Thanks also to Sabina, Caihong, Micke, Ignacio and Goran who started the same year as me and with whom I have shared a lot of joy and agony, and to Janet, Sara and Emma for your great friendship. In addition, thank you Steffi, Elia, Andrea, Danilo, Dong and Amir for being there.

I want to give a special word of gratitude to Linnéa for being solid as a rock in terms of caring, supporting and facilitating my life as a PhD student. Your confidence and compassion is contagious! Furthermore, I am lucky to have had Stefan, Alf, Helene and Fidan to care for important matters of administration, IT and other formalities. Thanks also to Julie Martyn, my ever reliable proofreader, available for the final touches even when travelling.

This has truly been a family affair. Even though my research was not collaborative as such, the way I have been allowed to focus on my thesis has only been possible through the support from my nearest and dearest. My parents-in-law, Eva-Maria and Gösta have untiringly helped with daily matters. My parents, Rauni and Leif have made countless trips to Stockholm to help me juggle life as a PhD student with four kids and a hard-working husband. I am particularly thankful for your belief in me and for always having encouraged me to be curious and interested in the world around me. I am forever grateful to my children, Ebba, Felix, Sophia and Alex for keeping me grounded and reminding me of what really is important in life. Guess what? Mammans avhandling är äntligen klar!! Above all, my travelling companion on this journey, my dear husband Carl, I thank you for your loving support and your immense patience. You have listened, you have counselled, you have cheered… and most of all, as in all other situations, you see life from the brightest side.
1 Introduction

New technologies have profoundly reshaped many industries in the past years and we are continuously witnessing the creation of new ventures designing and serving entirely new markets. Digital entertainment is one such market where technological innovations have paved the way for the creation of both a demand for being digitally entertained and consequently a supply of products and services catering for those needs. Behind the various forms of streamed video and TV services, mobile video games and unlimited music experiences, are often firms that did not even exist a few years ago. Interestingly enough, the demand for many of these new entrepreneurial artifacts is commonly not even articulated or defined at the start. Virtual gaming worlds, mobile video games, new formats of digital TV/film and music experiences can be seen to fill our basic human needs of entertainment. However, they are as much the results of the imaginations and creative actions of enterprising individuals as they are fillers of existing market gaps.

At the heart of these nascent markets and new ventures lie decisions to act, take risks and pursue ideas as business opportunities. Entrepreneurs are individuals who, in the face of uncertainty, actively identify and exploit opportunities in the quest of economic and/or social wealth. Evidently, this is not an easy task (which legitimizes research in the topic). The lack of information and high levels of uncertainty pose challenges to entrepreneurs taking their ideas from conception to reality. How do consumers behave in these contexts? What do they value? How do you reach them in times of information overload and a variety of available distribution devices? How do you monetize on digital content? And how do you exploit technologies that are constantly developing? These are some of the uncertainties and ambiguities that eventually influence how entrepreneurs perceive opportunities and, more specifically, how they identify and exploit them.

The nature of entrepreneurial opportunities is a well-debated topic among entrepreneurship researchers (e.g. Davidsson & Tonelli, 2013; Garud & Giuliani, 2013; Shane, 2012). The main divide has traditionally been between the views of opportunities as objective or subjective to the entrepreneur. Much of this research has advanced from the idea that entrepreneurship and entrepreneurial agency emerge at the nexus of individuals and opportunities (Shane
The underlying notion, which stems from neoclassical economics, is that environmental change (e.g., changes to technology, demographics or human needs) creates situations of disequilibrium with imperfect competition. In such circumstances, certain individuals may be able to generate economic wealth through the exploitation of these imperfections (Alvarez, Barney, & Anderson, 2013). The notion of opportunity hence stems from the assumption that these imperfections exist objectively and outside the individual actor. However, this way of explaining entrepreneurial opportunities as situations or chances to introduce new goods and services that can be sold for greater than their production cost (Casson, 1982; Shane & Venkataraman, 2000) can only be used after an opportunity has reached market acceptance and does not, therefore, inform our understanding of how individuals act and make decisions that lead up to the identification and creation of an opportunity that does not objectively exist. As stressed by, e.g., Shepherd (2015) and Dimov (2011), since opportunities are uncertain ex ante they can only be determined ex post.

Thus, despite being such a fundamental ingredient of the entrepreneurial process, the notion of entrepreneurial opportunity still remains unclear. One of the main reasons for the elusiveness of the concept is that it is empirically challenging to explore and/or study in emerging settings and use in forward-looking research (Davidsson, 2015). When and how can one empirically detect if an opportunity exists before it is identified or exploited? If the opportunity is not something existing ‘out there’ waiting to be found by a creative and risk-taking individual, how are we to decide if and what constitutes a valid opportunity? The challenge ultimately becomes how to understand opportunities that are not to be observed empirically. From this point of view and in order to make the construct empirically applicable, we are better off if we both ontologically and epistemologically understand opportunities from the points of view of the individual actors and their actions.

Several attempts have been made to advance the scholarly understanding of opportunities as subjective endeavors stemming from the cognitions and actions of individuals. Sarason, Dean, and Dillard (2006) argue that the individual and the opportunity are inseparable and that one cannot detect the subjective idea without the actor. Along the same lines, Dimov (2011) develops a prospective notion of opportunity by placing it within the reality of what entrepreneurial individuals actually do. Since entrepreneurs cannot predict the future, they act on what they believe that the future might be. Similarly, Davidsson and Tonelli (2013) refer to entrepreneurial opportunities as ‘new venture ideas’, through which entrepreneurs direct their actions towards creating new economic entities. New venture ideas are only vaguely articulated in the early stages of the entrepreneurial process and are mostly subject to considerable change (Davidsson, 2015).
Against this background, a pilot study was conducted in order to investigate and explore the notion of entrepreneurial opportunities among start-up entrepreneurs and managers of established firms entering into developing new technological innovations.

1.1 Developing the problem

There is a massive disruption happening right now and nobody really knows the winning formula.

*Stefan Lampinen, CEO, Speltjänst, Business Development Agency, 2011-10-05*

The research journey started with the simple question; how do entrepreneurs take their ideas to market? In particular, I sought to understand the connection between new technologies and business opportunities related to these. The last wave of what we generally refer to as ‘digitalization’ has brought along multiple ways for firms to generate value. Yet, these environments are equally associated with many uncertainties, such as how to monetize digital products, how to predict customer behavior that does not yet exist, how to utilize technologies that are untested and under fast development and how to create markets for which the need is undefined? So how do ideas in such ambiguous market contexts emerge and how are they developed into opportunities for value creation?

To inform the understanding of these issues, I turned to an industry currently in transition through the disruption of new technologies. The video game sector is a recent example where the digitalization of the market with increased broadband and storage capacity, new ways to connect players by tapping into their social networks and new ways to digitally distribute products have caused changes for both incumbents and newly entering firms. The introduction of mobile technological devices, i.e. gaming platforms such as smartphones and tablets, has furthered this disruption by creating opportunities for video game developers to design entirely new gaming formats for segments of customers who did not even previously play video games (e.g. casual and social games played on mobile phones and Facebook1). For incumbent firms, these changes have opened up new avenues for distributing and monetizing products. The same technological advancements have further provided a fertile soil for so-called indie developers and other start-ups creating and

---

1 Social, casual and mobile games, played on devices such as smartphones, tablets, or PCs and accessed through online social networks, have become extremely popular, and are changing the ways in which games are designed, understood, and played. (Source: https://www.bloomsbury.com/us/social-casual-and-mobile-games-9781501310584/)
claiming space in the market for mobile and online video games. Dymek (2010) refers to this change as the ‘video industry paradigm’, which has additionally attracted external investors hoping to grasp hold of windows for new market opportunities (p 77-78).

In other words, the video game market was a suitable context for studying how both start-up entrepreneurs and managers of established firms were dealing with technological change in this uncertain and rapidly changing context. The pilot study was conducted with three aims in mind: 1) to investigate the gap between technological innovation and nascent markets associated with these innovations, 2) to understand how managers of established and entering firms were identifying opportunities associated with emerging digital technologies, and 3) to specify the research questions and establish key concepts for the further study.

The pilot study was conducted in 2011 and is based on secondary data and interviews with 16 new venture founders and managers of video game development firms on the effects the past years’ technological changes were having on the industry and their entrepreneurial and innovation processes (see Appendix). The underlying theme guiding the inquiry was how opportunities related to digitalization were identified and exploited and if there were any particular differences between the approaches of the established and recently entering firms in this process.

1.1.1 Entrepreneurial opportunities

As mentioned above, entrepreneurial opportunities have long since been a central theme within entrepreneurship research. They are intensively studied and debated as a way to advance our understanding of firm formation and the creation of markets. There are evidently a variety of definitions of opportunities, based on different philosophical conceptions. Opportunities have been described as projects worth exploiting (Casson & Wadeson, 2007), sets of environmental conditions leading to the introduction of new products and services in the marketplace (Dutta & Crossan, 2005), situations where new goods and services can be introduced and sold for greater than their production cost (Shane & Venkataraman, 2000) or sets of ideas in the form of early cognitive outlines of a future venture (Davidsson & Tonelli, 2013; Sarasvathy, Dew, Velamuri, & Venkataraman, 2003). They have also been described as existing independent of the entrepreneur (Shane, 2000) or dependent upon the entrepreneur’s creative capacity to enact them (Sarason et al., 2006). This ontological divide goes under the overall banner of the discovery and creation debate (Alvarez & Barney, 2007).
From a critical realist position, opportunities are considered to emerge due to competitive imperfections generated by certain disequilibria in factor or product markets (Shane & Venkataraman, 2000). This way of understanding entrepreneurial opportunities, representative of the neoclassical definition, suggests that only when competition is imperfect do opportunities exist. These imperfections often stem from exogenous shocks, e.g. a technological change or shift in consumer preferences in preexisting industries causing for new opportunities to arise and wait to be discovered. Kirzner (1979) argued that some particularly alert members of society possessed certain capacities to recognize these opportunities, convert them into economic value and thereby fill the gaps in the market. Since the exogenous opportunities are assumed to be objective by nature, it boils down to the information asymmetries in society to determine who will discover and exploit these untapped resources. Evidently, not all market actors are considered to be in the possession of sufficiently accurate knowledge and the skills to become entrepreneurs (Shane & Venkataraman, 2000).

The social constructionist position, on the other hand, offers a contrasting perspective to the debate. Rather than existing ‘out there’ waiting to be discovered, opportunities are seen as emerging endogenously in and through creative processes (Alvarez et al., 2013; Garud & Giuliani, 2013; Venkataraman, Sarasvathy, Dew, & Forster, 2012). This way of understanding the nature of entrepreneurial opportunities as socially constructed and materially entangled belongs to the creation perspective, which assumes that opportunities are formed by the actions of entrepreneurs themselves. This also evokes a shift in agency focus, by proposing that the entrepreneur and the social system co-evolve. Several researchers argue that the creative view offers greater capacities for understanding and explaining the development of emerging or nonexistent industries than the discovery perspective (Sarasvathy et al., 2003).

The pilot study explored whether these perspectives could be used to shed light on any differences in how managers of established and entering firms have approached and acted upon external conditions related to digitalization. In this investigation, the respondents’ perceptions of opportunities were captured by seeking to understand the environmental conditions they perceived as particularly favorable and the visions and ideas they were developing related to these. In the subsequent section, a brief overview of my findings is provided, with the purpose of approaching my theoretical problem.
1.1.2 Opportunity identification and development

The distribution chain is dying since the physical products are becoming less popular to sell. Digital distribution is actually plain retail.
Fredrik Wester, CEO, Paradox Interactive, 2011-01-05

The entrepreneurs and managers in the interviews pointed to digital distribution as the main driver of change within the industry. For both established and new firms, it meant a big difference in how they were now able to reach and/or create their markets. An outcome of this technological development was the disruption of the industry by dramatically lowering the entry barriers for new entrants:

The new gaming platforms have meant the world for us indie developers since we can jump on new technologies really quickly. It took a long while before Electronic Arts even released a game for iPhone. It takes time for them to investigate the platform, to see if there is eventually a market and to basically just dare to spend money without really knowing if there is anything to gain in that new market niche.
Daniel Kaplan, Business Developer, Mojang, 2011-01-18

Many of the established firms on the other hand, felt challenged by this new business logic associated with digital distribution:

The game developers that are employed here [Electronic Arts] are used to making “boxed” products, which means an entirely different way of thinking. So, it has been quite some journey for us to learn how to charge in ways that feels okay for all parties.
Oskar Burman, CTO, Easy, 2011-01-21

The respondents explained how the new distribution channels that were opening up were based upon the ubiquitous internet, global distribution platforms, and increased broadband capacity, allowing for streaming and downloading of content. By being able to sidestep the traditional (physical) distribution chain, with one or several middlemen, the new situation offered many possibilities for entrepreneurial actors to directly distribute their products to their customers. One such example was through App Store serving as a platform connecting makers and buyers of digital content:

App Store is a revolution! It’s one portal with global distribution.
Björn Jeffrey, CEO TocaBoca, 2011-11-20

The distribution was only what initially changed the digital environment. The informants also pointed to a shift in customer behavior as a critical external condition triggering their actions:
And then came the iPad and App Store, which meant an enormous boost. Not just the infrastructure with App Store, but behaviorally it meant a big deal since people suddenly realized that they no longer needed to go to the [physical] store to buy a game, instead they could simply download it. And we have to remember that only five years ago people were reluctant to purchase stuff online with their credit cards... I mean... for some industries the development has been slow, neither books nor films have really taken off yet... but for videogames, it’s just been a blooming development. So, the behavioral aspect is really, really interesting.

Linus Feldt, CEO/founder, Filimundus, 2011-11-20

In the interviews, a consistent picture emerged around the perceived disruptive changes in the market that had triggered early insights and ideas and eventually motivated the entrepreneurial individuals to take action. There were notably the environmental conditions of digital distribution and a shift in consumer behavior. Similar accounts were also given around social media capabilities (interacting, sharing and co-creating content) and physical mobile devices (smartphones and tablets) providing additional capabilities to explore and exploit. The informants stressed these conditions as particularly favorable and they hence provided them with opportunities that could be transformed into ventures, products and/or even commercial values. Both founders and representatives of the established firms emphasized the same environmental conditions as triggering the processes in which they had begun identifying and testing their ideas. The conditions that prompted entrepreneurial action can thus be described as cues stimulating cognitive activities among the entrepreneurial actors (similar to the process of opportunity identification as described by Gaglio and Katz (2001) and Ardichvili, Cardozo, and Ray (2003)).

Thus, these environmental conditions triggered action and resulted in the development of ideas related to the realization of future projects, products or ventures. As opposed to the notion of opportunities as simply existing ‘out there’, the outcomes of entrepreneurs’ beliefs and actions were hence the formulation of subjective endeavors in the form of new ideas:

I started to think about what type of games you can do that has the potential to reach a mass market... a game that really reaches out to as many gamers as possible. That’s when I came up with the idea of a quiz.

Martin Walfitz, CEO/founder Planeto, 2011-11-18

In simple terms, this quotation sheds light on the process whereby the founder of the social video game firm, Planeto, was influenced and inspired by the external conditions of social media and global distribution, from which he developed a vision and idea for a product. He evidently acknowledged and stressed his prior knowledge and professional experience in enabling him to see and act upon this information and these circumstances. Thus, from the point of view of the individual actor, the entrepreneurial opportunity was
something perceived of as both found and created at the same time. The enter-
prise founder had intuited certain environmental conditions that were then
interpreted, evaluated and subsequently developed into an embryonic idea that
was now being implemented (through resource allocation) by creating a busi-
ness venture.

A suitable description of the entrepreneurial opportunity construct understood
as such, would rather be the notion of ideas and beliefs associated with the
creation of a new venture and the decision to take action to do something about
it. This way of understanding opportunities supports definitions proposed by,
e.g., Sarasvathy et al. (2003), Dimov (2007) and Davidsson and Tonelli
(2013). The managers and founders in my pilot study had all taken actions or
were in the process of implementing and developing ideas and beliefs into new
ventures and products. Consequently, the environmental conditions provided
the information and favorable circumstances necessary for the initiation of
their start-up activities.

These empirical findings supported prior research indicating how technologi-
cal change gives rise to features and information that allow for new products
and ventures to be created by entrepreneurial individuals. But more im-
portantly, the data revealed that this was all happening in a process where dif-
ferent elements, acting together, eventually shaped the outcome of what could
be understood as an entrepreneurial opportunity.

1.1.3 Business models emerging

Business models soon emerged as a critical concept for the respondents when
dealing with the new technology environment. The established firms ex-
pressed a need to change their existing business models, whereas the start-ups
were concerned with developing new ones. The interviews indicated that the
business model notion became a way of visualizing and relating the environ-
mental features to the market and the financial structure of the prospective
firm. The business model was used to explain and test how the actors could
turn their resources into profit and which external partners to enter into col-
laborations with. One of the respondents (the founder of Filimundus, cited
above) set out to develop an idea related to the digital distribution of video
games for children. When describing the development and change of their ini-
tial idea since inception, it became obvious that the business model had
played an instrumental role:
First of all, Apple contributed to an extremely aggressive pricing strategy. Our initial idea of working with local content would simply not work. When you sell games for 7 SEK and it costs us around 150 000 SEK to produce them… they might not even break even in a country of Sweden’s size.

Linus Feldt, CEO/founder, Filimundus, 2011-11-20

Simply put, a business model explains how an organization is linked to external stakeholders and how it engages in economic exchanges with them in a way that creates value for all exchange partners (Zott & Amit, 2007 p 181). Hence, the idea to digitally produce and distribute a video game eventually became shaped as it was introduced into the market. The business model thus allowed the actors to test and operationalize their ideas against the reality of the market. The value creation capabilities of the focal firm (or the product) and its potential to capture value in the form of revenues became negotiated among the prospective stakeholders, which, in turn, shaped this initial idea. These insights indicated that the development of an entrepreneurial opportunity could be understood as a process in which the business model was used to test the commercial viability of the idea, establish resource structures and form exchange relationships with a network of partners.

Along the same lines, the pilot study revealed how business models that had already been operationalized (i.e., in the case of the established firms) served as instigators to the (re)creation of new opportunities. Since the uncertainty of monetizing video games was a critical issue in the industry many entrepreneurs and managers expressed worry about the ability to generate and sustain profit. One of the informants, the COO of a new business unit within Electronic Arts, explained how their specific assignment was to experiment and test new gaming formats and platforms. He explained how they were currently testing and learning about the willingness to pay for games among their customers:

… most of our games are actually free. But if you ask people, they all admit they are willing to pay as long as there are perceived values in them. So now we must crack the nut and figure out what makes them want to shovel money into our games… and it’s actually just a matter of paying a tiny amount of money, it does not have to be hundreds of (Swedish) crowns, ten crowns could be enough.

Kristoffer Benjamninsson, CTO, Easy, 2011-01-12

This was another example illustrating how an already established business model was used as a cognitive device to develop what the respondent perceived as new opportunities. A significant insight from the investigation was evidently how experimentation and co-creation were emphasized as crucial approaches when dealing with the new technologies and the increasingly uncertain market context. The video game development studios were hesitant
about the value propositions for their customers in the near future. There was also a prevailing sense of uncertainty with regard to the technical capabilities of the hardware platforms, which caused challenges when deciding on what types of games to invest in and develop. Many firms, therefore, adopted strategies where they engaged in co-creation activities with partners and stakeholders in order to collectively identify and develop new ideas. An example of this was that several of the firms (both new and established) launched beta versions of their games as a way to get customer feedback and input to refine the end products.

For the established firms in my study, the focus of the opportunity development processes was evidently on changing existing business models or adding new ones (as in the case of Electronic Arts) in order to adapt to and survive in the digital market space. Their main challenge was evidently to manage these innovation strategies within their existing organizations (routines, competencies, culture, etc.). For firms in their early formation days on the other hand - beginning with a blank slate - it became apparent that opportunities were developed through the creation of viable business models. These fundamental changes between already having and not having a business model in place evidently impacted the outcome of the opportunities. (Elaborate research on business model change in established firms is to be found in, e.g., Christensen (2006) and Markides and Oyon (2010)).

Finally, a content analysis of the transcribed interview data was performed in NVivo, in order to see how my respondents described their business models. This was done in order to assess the relevance of the concept and to guide me in my definition of the construct. The most common themes and topics addressed by the respondents were descriptions about their revenue streams, market offering (i.e. value of the product/service), market factors (positioning, competitors etc.), business opportunity (technological capabilities, consumer demand and “gap” in existing market), and resources (organization, employees, competencies, investors, partners). These results support several of the established conceptualizations of business models by, e.g., Amit and Zott (2001); (George & Bock, 2011; Hedman & Kalling, 2003).

1.2 Conclusions and implications of pilot study

The pilot study revealed a few interesting observations of which some find their support in the extant literature, but some of which raise further questions and hence pave the way to formulate the research questions of this inquiry.

The first observation involves the theoretical dichotomy between opportunities as objective or subjective to the entrepreneur, which proved not to have
any empirical bearings in the study. Based on the perceptions and actions of the managers and founders, the ideas that were developed were results the entanglement of both external conditions and subjective cognitions. As illustrated above, managers of both established and entering firms were influenced by the same external factors, but they perceived and developed different ideas, based on their personal and/or organizational capabilities. Along the same lines, their perceptions or beliefs of any eventual commercial viability for their ideas had to be tested against other actors and stakeholders in order to be approved. Thus, this observation supports, e.g., Sarasvathy et al. (2003) who argue that entrepreneurial opportunities surpass both objective and subjective notions since they assume actors for whom they are perceived as opportunities and a real world in which they have to be enacted and accepted (p 143). Consequently, these insights indicated that it was the transition from external conditions to subjective cognitions, or vice versa, that proved to be empirically relevant for the understanding of how ideas related to technological change are created and developed. Something that from this way of seeing, could be referred to as an ongoing process of opportunity development.

The second outcome of the pilot study relates to what happened when these “opportunities” were developed. The study revealed that not only the founders and managers but an assemblage of distributed actors, activities and technological capabilities were influential in shaping the unfolding opportunity. This observation reinforces existing empirical findings indicating that entrepreneurs operate together with other actors in order to shape their social constructions of opportunities so that they eventually become part of their own reality (Alvarez & Barney, 2013; Garud & Karnøe, 2003). Moreover, the business model played a significant role and served to bridge the gap from vision to reality by testing and negotiating the prospective value propositions with involved stakeholders. The business model hence allowed for different interests to make sense of and unite around the new ventures and their products. As such, the business model served a cognitive purpose by translating the environmental conditions into economic rationales or profit opportunities. Thus, by looking more closely into the process in which opportunities and business models emerge and interact, the results indicate that we can inform our current understanding of the creation of new firms.

With these empirical insights taken into account, the pilot study guided my attention towards the process in which opportunities related to new technologies are identified and exploited. I saw a possibility to inform the current understanding of entrepreneurial opportunities research by investigating the interconnectedness between ideas and business models and the process in which they emerge.
1.3 Purpose and research questions

The purpose of the present study is to challenge the much taken for granted conceptualization of entrepreneurial opportunities by seeking to understand the process in which opportunities are identified and exploited. By investigating the transition from an idea involving a single individual to engaging a broader social audience (i.e. the market), the notion of opportunity will be reconceptualized to better suit entrepreneurial processes in prospective empirical settings. How we understand the development of entrepreneurial opportunities has implications for how we research, teach and foster entrepreneurship. Especially when it comes to understanding the creation of new markets based on technological innovations (or any innovation), we need to advance our knowledge of how potential opportunities are identified, developed and exploited, not only by the individual entrepreneur but through the collective actions and interactions of multiple actors.

Thus, this thesis empirically explores the entrepreneurial journey of an idea’s development to its launch in the market. By investigating the process of a gradually materializing technology venture, I seek to advance current scholarly understanding of the opportunity construct as well as its subjective and evolving nature. It should consequently be seen as an attempt to shed light on what entrepreneurial actors do when operating on the edge of uncertainty and how ideas are developed and brought to market in these settings. The overall research question guiding this thesis investigation is:

*How is an entrepreneurial opportunity developed?*

This question can be specified and nuanced by the following sub-questions:

- What is an entrepreneurial opportunity comprised of?
- How is opportunity development pursued?

These research questions are investigated by looking at the firm formation process of a technology start-up in a nascent market. The empirical context is chosen because of the explosion of technological capabilities and the inherent uncertainties associated with the development of viable opportunities and the creation of new markets. Furthermore, this inquiry would not be achievable in a more mature market or for a venture with longer product cycles. By using the initial empirical and theoretical understandings from the pilot study, I proceed from the literature on entrepreneurial opportunities and business models in order to elucidate my research problem.
1.4 The structure of the thesis

The thesis is structured as follows:

Chapter 1: Introduction – The starting point of my research journey was an empirical pilot study taking place from January 2011 to November 2011. The focus was to better understand the perception of entrepreneurial opportunities among managers in recently entering and established firms in relation to technological change. A brief summary of the study is described, highlighting the problem and resulting in the formulation of research questions.

Chapter 2: Theoretical framework – Based on the empirical insights and the problem area defined in the previous chapter, a more thorough theoretical discussion follows. The entrepreneurial opportunity, effectuation and business model literatures are reviewed, indicating that they are incomplete in providing an explanation for the problem.

Chapter 3: Research design and methodology – An account is provided for the methodological choices made and the research approach used for undertaking the empirical study and subsequently the analysis and contributions generated from it.

Chapter 4: The PlayTV Story – In the form of a narrative, the empirical material is presented through a chronological account of the opportunity development process of a start-up within digital TV and film. The study took place from November 2011 to May 2014 and portrays how an idea is identified, developed and launched in the market. It illustrates the elusiveness of the opportunity construct, at the same time that it brings other significant opportunity characteristics to the fore.

Chapter 5: The four opportunity components – I begin to seek answers to the research questions by drawing theoretical conclusions from the data and answering the ‘what’ question. This second order analysis introduces an alternative way of understanding what is discussed under the opportunity umbrella in entrepreneurship by clarifying what an entrepreneurial opportunity is comprised of. Consequently, it results in a conceptual framework that can be used for understanding similar early entrepreneurial processes.

Chapter 6: Opportunity development as sensemaking – Support is lent from organizational sensemaking which is a perspective particularly useful for elaborating on and understanding opportunity development from the perspective of the involved actors. After briefly introducing the sensemaking approach, I move on to the third order analysis by seeking to answer the ‘how’ question, focusing on how opportunity development is pursued by connecting the four
opportunity components. The chapter discusses the iterative process of going from idea to market, by shining a spotlight on both the cognitive and the contextual aspects of opportunity development. It results in a framework for opportunity development involving the three phases of sensemaking, sensegiving and sensebreaking, and thus provides a different perspective on entrepreneurial processes.

Chapter 7: Concluding discussion – Finally, I provide a discussion regarding the theoretical and managerial contributions of the study. Moreover, I point to some limitations with my thesis and provide ideas for further research.
2 Theoretical framework

Two components are essential for any entrepreneurial activity or behavior to occur. One is the actor component, which is referred to as the individual. The other is the non-actor component, which is commonly described as the opportunity. Thus, in order to establish any type of viable economic activity or organization, there needs to be the enterprising actor(s) acting upon something s/he perceives to be promising for the realization of economic wealth. This is also described as the individual-opportunity (IO) nexus within entrepreneurship theory (Shane & Venkataraman, 2000), indicating some sort of ‘fit’ between the actor and the entity acted upon.

Why certain individuals become entrepreneurs and how they act to pursue their visions is still a subject of great interest to numerous scholars. Likewise, entrepreneurial opportunities research has generated considerable knowledge about such opportunities’ origins, function in the economic system and the activities associated with their exploitation (Kirzner, 1973; Schumpeter, 1952; Shane, 2003). The main focus has been to explain their nature and existence, essentially achieved through retrospective studies where opportunities are assumed to exist even before the realization of the firm or organization. Thus, at the individual level, with a focus on how entrepreneurial agents perceive and enact opportunities in real time, the construct is to a large extent unclear and inoperable, largely due to the lack of empirical work (e.g. Davidsson, 2015; Gartner, Carter, & Hills, 2003; Klein, 2008; Ramoglou & Tsang, 2016; Wennberg & Berglund, 2014).

Gartner et al. (2003) suggest an inherent danger that when scholars talk about opportunity in certain ways, their language can constrain the ability to consider other possible meanings, particularly the meanings of those individuals who engage in the phenomenon of opportunity: entrepreneurs. Thus, the fundamental question becomes: “What do they talk about when they talk about opportunity?” (p 104). This construct ambiguity becomes an issue especially when looking at entrepreneurial action in nascent markets. It also muddies the waters for prospective theories of entrepreneurial processes, where opportunities cannot be assumed as concrete realities existing beforehand, but rather emerge through the enactment and imagination of enterprising actors.
The overall focus of this thesis is hence to challenge the taken for granted assumptions of the opportunity construct and to investigate what entrepreneurial opportunities are, how they come into being and transform from vague ideas into new ventures.

This chapter discusses and develops these arguments in more detail. Its starting point is an overview of entrepreneurial opportunities research, illustrating how various streams of thought theoretically conceptualize and empirically approach the construct. Thereafter follows a discussion on the process in which opportunities are developed from an individual level. Finally, an overview of current business model research is provided, zooming in on the cognitive role of business models in understanding the journey from non-existence to the existence of new economic activities.

2.1 Perspectives on entrepreneurial opportunities

In the seminal article “The Promise Of Entrepreneurship As a Field of Research,” Shane and Venkataraman (2000) develop a framework for the theory of entrepreneurship. They argue there is a lack of integration and focus on not only the enterprising individual but, equally importantly, the presence of opportunities to be exploited. Entrepreneurial opportunity has since then been a central theme within entrepreneurship research and is intensively studied and debated as a way to advance our understanding of firm formation and the creation of markets. Consequently, much research focus has involved searching for the ‘holy grail’ by either exploring entrepreneurial traits that can lead to the recognition and creation of successful organizations or seeking to understand the nature of opportunities.

One of the essences of entrepreneurship is the assembly of resources under uncertainty (Klein, 2008). In the context of technological change and digitalization, there is consequently the prevailing sense among entrepreneurs of not having sufficient information about what is happening and about how to transform new technologies into ventures and markets. In 1921, Frank Knight (2012) formulated a thesis on the distinction between ‘risk’ and ‘uncertainty’ and their implications for economic organizations. In short, a problem appears to be risky when its outcome is unknown, but we can still measure and calculate the odds. In uncertain situations on the other hand, we do not have any information about the situation and we, therefore, have to rely on our estimation to set the odds (Sarasvathy, 2001). These conceptual distinctions have implications for how we interpret innovation and entrepreneurial activity. A review follows of three diverging philosophical perspectives on the nature of opportunities and their consequences and/or limitations for the study of early entrepreneurial processes.
2.1.1 Opportunities as discovered

As mentioned above, much of the entrepreneurial opportunities research stream, particularly within the individual-opportunity nexus has taken a structural approach where opportunities are assumed to exist even before entrepreneurs are aware of them. This is particularly illustrated by Shane’s (2003) definition: “Entrepreneurship is an activity that involves the discovery, evaluation, and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, process, and raw materials through organizing efforts that previously had not existed” (Venkataraman, 1997; Shane and Venkataraman, 2000, p 4). This way of understanding entrepreneurial opportunities implies that they are objective phenomena in the sense that they are available for any actor if they possess the right knowledge or information. Shane’s (2000) argument, therefore, implies that technological change leads to competitive imperfections in preexisting markets which give rise to entrepreneurial opportunities discoverable, with or without searching, by any agent who has prior knowledge related to that opportunity. Hence, an important condition for entrepreneurial activity to occur is the distribution of information in society.

This discovery view of entrepreneurial opportunities has consequently placed much emphasis on understanding and explaining entrepreneurial decision making and the cognitive properties behind successful discovery (Eckhardt & Shane, 2003; Gaglio & Katz, 2001). This research stream is built upon the assumption that entrepreneurs operate in risky information contexts where they can plan rationally and develop strategies to form new firms. In the scenario of risk, analytical techniques are thus applicable, the focus lying on environmental elements that are predictable. Much research taught in business schools today is still based on these understandings. Kotler’s famous 4P framework (the marketing mix) is an example of rational behavior where a set of controllable variables is used to create strategies that can calculate markets, future demand, pricing etc. (Kotler & Armstrong, 2010).

2.1.2 Opportunities as created

If discovery opportunity is based upon a realist perspective, the other, or complementary, side of the research debate is driven from a constructivist point of view. Scholars in the latter tradition argue that opportunities are only relevant once they become part of a socially constructed reality in which the entrepreneur exists (Alvarez & Barney, 2007). Weick (1979) refers to this as enactment, a process in which the entrepreneur creates the environment in which s/he behaves and acts. The enactment process does not occur in isolation. Entrepreneurs namely ‘coenact’ with others to influence their social constructions in order to make the opportunity part of their realities (Garud & Karnøe,
Moreover, since entrepreneurs rarely have enough information to know the outcome of their decisions, future behavior is understood through prior explanations and actions (Knight (1921) in Alvarez et al., 2013).

The constructivist research stream is hence built upon the assumption that entrepreneurs operate in information contexts that are uncertain. Consequently, opportunities only become apparent as entrepreneurs make sense of their experiences (Gartner et al., 2003). This way of understanding entrepreneurial opportunity is referred to as the creation view since it assumes that entrepreneurial opportunities do not exist in advance but are endogenously developed through inductive processes. Nevertheless, Alvarez and Barney (2007) who have largely influenced this debate, stress that this view does not neglect the ‘objective’ reality but rather treats it as something against which the created opportunities are tested. Their epistemological assumptions notably build on evolutionary realism by acknowledging that markets have objective properties that impact the ability of entrepreneurs to generate profits from their actions (Alvarez & Barney, 2013 p 155). The creation view focuses on understanding how opportunities come into being through the creative acts of entrepreneurs.

2.1.3 Limitations of the established perspectives

The individual-opportunity nexus has come to dominate scholarly investigations as a way to advance our understanding on how to foster entrepreneurship and create fertile conditions for new venture creation. Entrepreneurship and innovation are after all considered as recipes for the wealth, growth, and renewal of the economic wellbeing of nations. The outcomes of entrepreneurship research are often translated into practical advice for aspiring entrepreneurs and students and are likely to influence national policy regulations. This intention is, however, not unproblematic. Our desire to capture and teach entrepreneurial behavior and phenomena often tends to reduce the observed into causal explanations and recommendations on ‘how to’.

Dimov (2011) specifically addresses the elusiveness of the opportunity construct in academic research. He argues that scholars publishing in top journals often use empirical observations from large-scale studies based on retrospective accounts producing linear narratives of entrepreneurs where opportunities are assumed to exist in advance. Hence, he encourages researchers not to shy away from the lived experiences and real time actions of entrepreneurs and the unprecedented series of events and actions in dealing with uncertainty: “Looking at the opportunity backward… the words discovery, recognition, or identification readily come to mind; looking at it forward, into the opaqueness of the future, only groping comes to mind” (Dimov, 2011 p 58). On a similar note, Alvarez and Barney (2013) critique the critical realists’ ways of making
propositions about the existence of opportunities that have yet to be observed, as not being empirically meaningful.

Another explanation for the mishandling of the opportunity construct in empirical contexts can be found when scrutinizing its introduction into academic research. Görling and Rehn (2008) stress that it is often problematic to use macro level concepts to provide explanations at the micro level. The notion of opportunity originally represents the idea that the economic system never reaches its full potential (i.e. it is always in a natural state of disequilibrium) and therefore there is room for entrepreneurial action to move it closer to that potential (i.e. towards equilibrium) (Dimov, 2011). Consequently, at the macro level, one can safely claim that opportunities exist without having to understand or explain their characteristics (Davidsson, 2015; Dimov, 2011). However, at the level of the individual deciding to take action, we need a more precise and elaborate definition if we are to advance theorizing of early entrepreneurial processes.

The contents and characteristics of opportunities are, to a large extent, lacking in current theorizations. Most research is based upon the assumption of the opportunity construct as something favorable. Dimov (2011) also questions the taken for granted assumptions of something “…that prospectively can only be discussed as a speculative idea and that can be fully articulated and explained only retrospectively” (p 60). Subsequently, despite the vastness of opportunity-oriented research, both theoretical and empirical progress is limited, particularly in understanding and explaining the journey from non-existence to the existence of new organizations.

The discovery view not only demonstrates limitations when investigating entrepreneurial behavior in uncertain environments. It also falls short in accounting for the mundane, micro level activities that actors undertake when entering into early entrepreneurial processes. This evokes several questions: How can an agent know whether what s/he perceives as an opportunity at certain a moment in time is worth pursuing? What if an agent starts acting upon something without even realizing it is or will develop into an opportunity? How do we explain the abandonment of an opportunity if it objectively exists? This makes the discovery approach inadequate both for the aspiring entrepreneur and for the researcher seeking to inform her/his knowledge about the characteristics of the non-actor component of the nexus. On a similar note, in a review of Israel Kirzner’s work, Korsgaard, Berglund, Thrane, and Blenker (2015) particularly stress how the later Kirzner, referred to as Mark II, sees entrepreneurial activity as working toward the creation of future opportunities by notably bringing them into existence. This also indicates they do not exist beforehand, but result from coordinating between present and future markets – something Kirzner (1982) referred to as “intertemporal coordination”
(Korsgaard et al., 2015 p 5). Similar arguments have been raised by Dimov (2011), pointing to the notion of opportunity becoming much more complex when studying it as a substantive feature rooted in the empirical reality of people, as opposed to an objective feature existing in advance.

Likewise, despite adapting the opportunity debate to the realm of the individual, the creation view still defines it as an external phenomenon, i.e. as a market imperfection. This has been critiqued as neglecting the external conditions necessary for entrepreneurial activity to happen (Garud & Giuliani, 2013). Since the opportunity construct is empirically black boxed there is not much elaboration on the characteristics of opportunities or the difference between external conditions and subjective perceptions. Consequently, this perspective does not inform us about why an actor takes action in the first place (Davidsson, 2015; Klein, 2008). Davidsson (2015) points to yet another limitation of both the discovery and the creation views, in that they equate opportunities with success. When an opportunity is assumed to exist before the formation of the firm, it is by nature considered as something favorable. Dimov (2011) expressed this in terms of the benefits of hindsight: “Once this opportunity has been made obvious to us, it is impossible to look at the past and not see it there” (p 57). Problematic to this logic is the proposition that since an opportunity can only be defined after it has been realized, this does not account for any negative outcomes, unless the actor can be blamed for the failure.

2.1.4 Towards an interactive view of opportunities

The debate whether opportunities exist objectively or are created endogenously continues to engage entrepreneurship researchers and new perspectives are being added as improvements or alternatives to those prior. Continuous interest in the nature of opportunities and how this is theorized is additionally fueled by scholars having addressed numerous problems with the opportunity construct and therefore suggesting different ways to deal with the confusion over its nature (Davidsson, 2015; Davidsson & Tonelli, 2013; Görling & Rehn, 2008; Klein, 2008; McMullen & Dimov, 2013; Venkataraman et al., 2012; Wennberg & Berglund, 2014). Consequently, we witness a slightly new turn in the debate, tapping into the world view of the individual entrepreneur and the emergent, ongoing and open-ended development this implies to transform subjective aspirations of the future into self-sustaining sets of market exchange activities.

Klein (2008) stresses that we still treat opportunities as a black box and suggests that without knowing what they are, we may study them for what they do. Hence, if we see them as latent constructs we could focus our investigations on the actions entrepreneurs undertake when they test or realize their beliefs. Likewise, Wennberg and Berglund (2014) stress the unit of analysis
for understanding opportunities, by promoting an “unfolding ontology” where they can be materialized (e.g. written down in documents) at the same time as they are defined by their potentiality or incompleteness of being (p 6). Gartner et al. (2003) raise concern over the way scholars approach the nature of opportunity has little bearing on the facts. They suggest researchers should pay more attention to the language used by entrepreneurs involved in the phenomena of opportunity.

As mentioned above, there is an evident challenge in how we empirically study entrepreneurial opportunities. If we do not take them for granted, but instead see them as outcomes of intended or unintended processes, how do we study and understand them as we try to stay true to the essential character of the observed phenomena (Wennberg & Berglund, 2014)? Along the same lines, Görling and Rehn (2008) raise a concern over how and if the unexpected (comprising much of early entrepreneurial start-up activity) can be theorized at all. They specifically question and critique what they refer to as the “unreflected metaphysical idealism” within entrepreneurship studies in how abstract constructs such as ‘opportunity’, ‘potential’ and ‘discovery’ are used and often taken for granted (p 94). Instead, they suggest a materialist reading of what leads up to the development of an entrepreneurial venture, discussing, for instance, the roles of accidents and arbitrariness as more realistic concepts in the everyday life of the entrepreneur.

Rather than leaning towards the different ontologies discussed above, Dimov (2011) speaks of formal vs. substantive conceptions of entrepreneurial behavior. With the empirical (subjective) reality of the entrepreneur as his starting point, he conceptualizes the opportunities of aspiring entrepreneurs as venture ideas, “propped by perceptions and beliefs formed from the interpretations of tangible evidence” (p 64). Consequently, the elaboration of the opportunity construct involves studying the cycle in which the venture idea comes into being, evolves and eventually becomes (or does not become) instituted in the marketplace. The notion of a raw venture idea instead of the elusive opportunity construct also implies overcoming the favorability aspect, since an idea may or may not be considered viable as it is developed.

Dimov suggests three substantive premises for advancing the empirical study of entrepreneurial opportunities. First, that we investigate opportunities as happenings where they are considered as open-ended processes dependent on the actions that entrepreneurs take and their momentary consequences (p 65). Second, opportunities are expressed in actions, which imply that an idea cannot be labeled ‘an opportunity’ unless it is acted upon (p 66). Finally, opportunities are instituted in market structures where they can be studied as visions of occupying a future market niche or engaging in a set of market relationships.
Dimov’s actor-contingent conceptualization of opportunity is further developed by Davidsson (2015). He particularly points to the limitations of the opportunity construct when applied in the context of a prospective, micro level view of entrepreneurial processes and introduces the *evolving idiosyncrasy view* to the debate. Davidsson indeed suggests an entire reconceptualization of the concept, by proposing three elaborated constructs to be used instead of the elusive ‘opportunity’ label. *External enablers, new venture ideas, and opportunity confidence* are brought forward as more precise and accurate descriptions of the necessary elements of the opportunity construct. As a result, studying opportunities as such implies that we see them as dependent on the point of view of the actor and that we should, therefore, study them with reference to the relevant actors.

In a similar vein, inspired by the philosopher Donald Davidson, Venkataraman et al. (2012) suggest we understand opportunities as contingent phenomena by seeing them in a process of “interactions among the objective, subjective, and intersubjective” (p 25). Thus, in order for an opportunity to be considered as one, it ought to make sense objectively, subjectively and intersubjectively at the same time. The intersubjective lies in the shared understandings and taken for granted core between the people who are interacting. Since the intersubjective perspective entails both action and interaction between the entrepreneurial actors and their future market, it particularly helps us to advance our understanding of what entrepreneurs do to create opportunities and how they perceive of them. As suggested by Venkataraman et al. (2012) the intersubjective involves the actions and “actual shared experiences of those involved” (p 26).

Consequently, in order to better understand entrepreneurial processes in the broader economic environment, several scholars propose shifting the focus from individuals alone to the interaction between individuals and the situation in which they operate (Eckhardt & Shane, 2013; Shepherd, 2015; Venkataraman et al., 2012). This can, in a way, be seen as an extension of the individual-opportunity nexus, by expanding the focus from the individual and the nature of entrepreneurial opportunities to the action and interaction between the entrepreneur and her/his context. Correspondingly, Shepherd (2015) touches upon this issue by specifically encouraging researchers to explore entrepreneurial processes where opportunities change over time through interactions between the entrepreneur and a “community of inquiry”. He advocates an *interactive perspective* that could offer additional insights specifically into how opportunities are refined and transformed from the early beliefs of their initial creators over time as the result of interaction with stakeholders and other important actors. Not only does this view expand the focus from the cognitive process of the individual entrepreneur, but it also adds the element
of action as indicated above. This would allow us to understand entrepreneurial opportunities as formed through the processes of social interaction and as the outcomes of interactions between the entrepreneurs and their communities. In the new technology setting stressed at the beginning of this thesis, one notable strategy for several of the new venture entrepreneurs was to seek advice and collaborate with external partners and stakeholders in order to jointly interpret and enact viable opportunities. Despite recognizing the importance of intersubjectivity and interaction, little empirical evidence exists to demonstrate how this is achieved among entrepreneurial agents. Subsequently, effectuation will be introduced as an entrepreneurial method incorporating both cognition and action while highlighting the individual entrepreneur in interaction with her/his context.

2.1.5 Effectuation theory

The entrepreneurial cognition literature has acknowledged different methods, strategies or heuristics related to decision making in uncertain contexts. Mitchell et al. (2007) recognize that in highly complex situations, entrepreneurs use a heuristic based logic rather than systematic approaches to decision making. Some of such mechanisms, applied when forming new ventures, are bricolage, improvisation, and effectuation (Venkataraman et al., 2012). The relevance and core notions of these methods focus on how the internal environment interacts with the external one. In other words, of interest is how the entrepreneur’s intentions, cognitions, and prior experiences interact with market structures, institutions, and stakeholders. (Venkataraman et al., 2012). The role of cognition is therefore not overlooked, but rather intertwined and regarded as one element in the overall process.

Bricolage is a resource oriented perspective which centers on the combination of resources and is defined as “making do by applying combinations of the resources at hand to new problems and opportunities” (Baker & Nelson, 2005). Similarly to effectuation, bricolage departs from the notion of starting with your means and letting goals and effects be designed as a result of actions. Whereas bricolage has a resource focus, improvisation is defined as “the deliberate and substantive fusion of the design and execution of a novel production” (Miner, Bassof, & Moorman, 2001 p 314). Both bricolage and improvisation are often treated as intertwined in organization theory since improvisation often leads to situations where the agents must use the resources at hand. However, I argue that effectuation theory is composed of acts of both bricolage and improvisation, hence this offers a broader perspective for understanding early entrepreneurial processes. Moreover, effectuation stresses that thinking and action proceed together in an attempt to create one of several possible outcomes (Mitchell et al., 2007). Thus, effectuation, in particular, has
the potential to contribute to the inquiry into how opportunities emerge and are developed in prospective entrepreneurial settings.

The concept of effectuation was initiated by Sarasvathy (2001) as an alternative way of explaining the creation of firms, organizations, and markets. She opposed the above mentioned traditional and causal logic of prediction and goal finding behavior, by introducing a new way of thinking and acting that was more capable of dealing with economic environments and artifacts that did not yet exist. Effectuation is based upon the assumption that the market is unknown and needs to be created by bringing together stakeholders supporting the idea of the new venture. Thus, the structure of the future enterprise is dependent upon the commitments made by stakeholders. This process involves intense interaction and negotiation between stakeholders in order to operationalize their aspirations into concrete products, i.e. entrepreneurial artifacts. In a similar fashion, uncertainty and the need for prediction are collectively reduced. Consequently, this assumes that opportunities do not preexist, they rather become created in this interactive process. Effectuation focuses on what can be done given existing means, rather than focusing on the goals. It is hence suitable for contexts where the future is unpredictable, the goals are unspecified and the environment is dependent on our actions (Sarasvathy, 2004).

A central feature in effectual processes is the method by which entrepreneurs construct new organizations by pulling together and coordinating a network of stakeholders. In order to do so, the entrepreneurial action needs to have sufficient appeal for all prospective stakeholders. Sarasvathy, Dew, and Ventresca (2009) refer to this as ‘multivocality’, meaning that it appeals to multiple stakeholders. The interactions between entrepreneur and stakeholders hence lead to intersubjective outcomes such as entrepreneurial artifacts.

The effectual process is means driven and starts with an agent or a decision maker. Of particular importance are three sets of means: the identity (including value system, beliefs, intentions, and aspirations), knowledge base, and social network of the individual agent. Sarasvathy (2003) exemplifies this by pointing to some general questions entrepreneurs ask themselves at the start of a venture: “Given who I am, what I know, and whom I know, what can I do? What types of effects can I create?” (p 208). This puts emphasis on future events that the entrepreneur can control, rather than on events than can be predicted (Wiltbank, Dew, Read, & Sarasvathy, 2006). The next step in the process is reaching out to other people who have the potential to contribute with input that is needed to proceed. These people might be friends, family or prospective stakeholders in the future organization. The entrepreneur initially talks to these people to see if they want to participate and eventually commit themselves to the construction process. Each person who joins in the process at this stage actually contributes to shaping the vision and the opportunity but
also enables the execution of strategies (Wiltbank et al., 2006). As stakeholders become more engaged and commit resources in the process, negotiation and persuasion between various actors intensify. This leads to two different cycles in the formation of the new firm. One is that the means available increases and the other is a converging set of constraints on the goals of the stakeholder network. Eventually, the converging cycle ends when there is no more room for negotiation and path dependency takes over (Wiltbank et al., 2006).

To advance the understanding of the opportunity phenomenon within entrepreneurship, effectuation theory can be used to deepen our understanding of how vague ideas are transformed into meaningful entrepreneurial artifacts. The multi-actor perspective central to effectuation informs how subjective ideas evolve and, through actions and interactions, develop into new ventures. A limitation of effectuation theory is still the lack of empirical evidence and detailed descriptions of effectual processes in practice. In a review of the effectuation literature, Perry, Chandler, and Markova (2012) conclude with two reasons for this empirical “neglect”: empirically modeling and testing effectuation have been hampered by both the challenging nature of effectuation (to conventional knowledge) and challenges associated with developing behavioral variables. Furthermore, as this literature review has emphasized, if opportunities are seen as outcomes of effectual processes, we need to examine how (i.e. through what means) the various agents reach a collective understanding about these.

A way to empirically strengthen both the opportunity construct and effectuation theory could potentially be by introducing the business model. At the core of the business model concept lies the notion of value creation and value capture for the focal firm and its transaction partners. The business model can provide us the opportunity to understand the entanglement of context, agents, and ideas. Likewise, and as stressed above, opportunities must have meaning to a broader audience in order to be worth pursuing. Thus, the business model can potentially provide the link between opportunities and the creation of new economic activities. In the following section, I look more closely into the business model literature, particularly in relation to entrepreneurial opportunities.
2.2 Business models

Parallel to the opportunity debate, business models have entered the entrepreneurship discourse (Doganova & Eyquem-Renault, 2009; Eckhardt, 2013; George & Bock, 2011; Wallnöfer & Hacklin, 2013). Alvarez et al. (2013) specifically stress that “the firm formation decision is based on the enactment of an opportunity through an explicit or implicit business model” (p 307). In relation to entrepreneurial processes, however still in a relatively undeveloped fashion, the business model is described as a facilitative intermediary in opportunity creation by acting as a link between innovation and value creation. It is similarly portrayed as a cognitive connection between the entrepreneurial appraisal of an opportunity and its exploitation (Chesbrough & Rosenbloom, 2002; Fiet & Patel, 2008).

One of the early definitions of business models was made by Timmers (1998) who described them as: “An architecture for the product, service and information flows, including a description of the various business actors and their roles; and a description of the potential benefits for the various business actors; and a description of the sources of revenues” (p 2). Since then, various scholars have produced numerous definitions. Tapping into the above problem of understanding the journey from non-existence to the existence of new economic activities, the business model can be used to empirically elucidate this process. In the following section, an overview of the scholarly debate on business models is provided and subsequently, the interplay between business models and opportunities is discussed.

2.2.1 Business models in management research

Business models are multifaceted phenomena. They can be understood as statements, descriptions, architectures, conceptual tools (models), structural templates, methods, frameworks or patterns, which makes the concept vague to both study and use empirically (Zott, Amit, & Massa, 2011). Zott and colleagues’ (2011) extensive review of business models in academic publications reveals that surprisingly often they are even studied without a precise definition. Perhaps, therefore, several scholars have been critical of its use and question the relatively weak theoretical underpinnings of the concept (e.g. Arend, 2013; Porter, 2001). There is also an ongoing debate within the field as to what the business model concept can offer that other concepts cannot (Coff, Felin, Langley, & Rowley, 2013).

Needless to say, the business model construct is being widely used among managers, entrepreneurs, consultants, business analysts, investors, journalists and other practitioners. Accordingly, in the past years, we have witnessed an increased scholarly interest in business models. The most dominant research
stream to date has been the one associated with the advent of the internet and the so-called ‘e-business models’ (see e.g. Amit & Zott, 2001; Hedman & Kalling, 2003; Timmers, 1998; Wirtz, Schilke, & Ullrich, 2010). Scholars in this stream have particularly been driven by a desire to understand new ways of doing business associated with information technologies such as electronic commerce and internet based business in general. Research has also been driven by a quest to explain strategic phenomena such as value creation and firm performance. Furthermore, business model investigations have been prevalent in issues related to technology and innovation management (Amit & Zott, 2001). In the present overview, the research field is divided into four comprehensive schools of thought. Despite many overlaps, there are differences in how scholars have approached and therefore conceptualized the notion of business models.

Several scholars have stressed the fact that an agreement upon a common definition and framework for business models is needed. This quest for creating a solid understanding of what business models are and what purpose they serve has occupied many researchers and resulted in definitions ranging from broad conceptualizations to more detailed descriptions. One stream of research taking an essentialist outlook on business models has addressed the basic question of what they are. The most cited definition comes from Amit and Zott (2001) work on value-creation in e-businesses. Here, business models consist of “the content, structure, and governance of transactions designed so as to create value through the exploitation of business opportunities” (p 494-495). In other words, the business model explains how the organization is linked to external stakeholders and how it engages in economic exchanges with them in a way that creates value for all exchange partners (Zott & Amit, 2007 p 181). Their analysis of e-business firms reveals four sources of value creation: novelty, lock-in, complementarity, and efficiency. They also conclude that the locus of value creation spans firm and industry boundaries, hence proposing an integration of theories such as Porter’s value chain framework, Schumpeter’s theory of creative destruction, the resource based view of the firm, strategic network theory, and transaction costs economics in what they saw as a new unit of analysis: the business model.

Teece (2010) stresses that the business model is a conceptual, rather than a financial model of a business. He claims that it “demonstrates how a business creates and delivers value to customers. It also outlines the architecture of revenues, costs, and profits associated with the business enterprise delivering that value” (p 173). Magretta (2002), who comes from an organizational narrative background, has strongly influenced the debate by arguing that business models can be understood as “stories that explain how enterprises work” (p 4). According to Magretta, the story answers established managerial questions like: “Who is the customer? What does the customer value? How do we make
money in this business? and What is the underlying logic that explains how we can deliver value to customers at an appropriate cost?” (p 4). From this viewpoint, business model development resembles story writing, where new stories are seen as “variations on the generic value chain underlying all businesses” (p 4).

Another stream of research has focused on understanding the functions of business models, i.e., what they do. This can be understood as a functionalist view and is more pragmatic and valuable when dealing with opportunity development. Chesbrough and Rosenbloom (2002) differ from Amit and Zott in the sense that they seek to understand how innovation is managed, which implies a more instrumental outlook on business models. As such, they are considered useful tools to understand the process and relationship between technology development and economic value creation. In other words, the business model is a cognitive framework that takes technological input and transforms it into economic output. Drawing upon the ideas of dominant logic, they stress the cognitive role of business models in that they require managers to link the “physical domain to an economic domain in the face of great market uncertainty” (p 536). By doing this, the business model emerges from an interactive process involving “the entrepreneurs’ robust vision of latent opportunity” (p 550). The authors hence highlight both the cognitive aspects and the functional capacities of the business model in mediating and steering the value creation process of entrepreneurs.

There is also an extensive body of work seeking to explain how business models are implemented, renewed and innovated. This perspective can be described as dynamic and has resulted in recommendations for business model change and improvement, which evidently becomes an issue for any organization wanting to adapt to and survive when changes in the external environment occur. Thus business models are repeatedly adapted, a prevailing belief in business model research. Different explanations are used to deal with and theorize this approach and the literature applies various terms to describe this activity: business model development (Andries, Debackere, & van Looy, 2013; Downing, 2005), business model evolution (Demil & Lecocq, 2010; Morris, Schindehutte, & Allen, 2005), business model innovation (Berglund & Sandström, 2013; Bock, Opsahl, George, & Gann, 2012; Casadesus-Masanell & Zhu, 2013; De Man, Wolterbeek, Otten, & Zwetsloot-Schonk, 2013; Sosna, Trevinyo-Rodriguez, & Velamuri, 2010), business model design (De Reuver, Bouwman, & Haaker, 2013) and business model change (Achtenhagen, Melin, & Naldi, 2013). At the core of business model development and/or innovation lies, as described above, the search for new ways to create and capture value around an identified business opportunity. Independent of what strategies for business model change one adopts, the challenges of
overcoming organizational inertia, cognitive barriers and clashes with existing business models remain.

2.2.2 Limitations to the established perspectives

Similar to entrepreneurial opportunity-oriented research, despite the progress that has been made, with few exceptions (e.g. Doganova & Eyquem-Renault, 2009; Perkmann & Spicer, 2010), the bulk of the empirical business model studies and conceptualizations have been constructed about established firms, hence implying a worldview of reality as something that exists objectively to the firm. The problem with this is that current literature does not fully help us explain how business models emerge in the first place, nor does it inform us about how and if they are used in the creation of ideas and the subsequent development of new economic activities. Zott and Amit (2013) suggest future research to specifically address new organizational forms by using the business model literature to ask questions such as: “Why and how do business models come into being? Do they emerge as part of an evolutionary dynamic, or are they purposefully designed by entrepreneurial actors? Which parts of the design process are planned, and which parts are emergent? … What is the role of the environment and social processes in shaping business models?” (p 407).

Many of the above mentioned scholars have consequently based their assumptions on the business model representing an objective reality in the form of the (established) firm and its operations. Hence, when it comes to describing ‘opportunity’ or business model development, the focus has mainly been on the cognitive challenges associated with reconfiguring already existing business models. Experimentation, effectuation and trial and error are recommended strategies when overcoming cognitive barriers such as the dominant logic of how the firm already creates and captures value (Chesbrough, 2010; Sosna et al., 2010). However, for new firms, nascent markets and ideas waiting to become realized, this way of relating to an objective reality is inadequate.

Consequently, there are reasons to believe that for new firms in nascent markets contextual factors exist that hinder the conceptualization of business models as descriptions of reality. Entrepreneurs in new industries operate within contexts of multiple uncertainties. They face numerous challenges since there are no predecessors in whose footsteps to follow and they therefore need to draw upon whatever resources they possess to organize their firms (Aldrich & Fiol, 1994 p 650). Furthermore, customer demand and behavior are unclear, product attributes likewise and there are no established industry value chains to tap into (Santos & Eisenhardt, 2009 p 644). Entrepreneurs hence put a lot of effort into imagining and defining both their ventures and their markets.
Moreover, these entrepreneurs often lack legitimacy, which, in turn, makes it difficult for them when approaching important stakeholders. Investors and potential founding partners lack the codified knowledge and experience that is needed when valuing new firms (Santos & Eisenhardt, 2009). Rather than descriptions of reality, business models in emergent settings can be viewed as demonstrations of future (desired) realities. Or as described by Downing (2005) “a set of expectations about how the business will be successful in its environment” (p 186). In line with the previous discussion on ‘opportunities’, business models can be used to understand how venture ideas evolve and transform in interaction with others, i.e. potential stakeholders.

2.2.3 Towards an entrepreneurial view of business models

Scholars have recently challenged the underlying assumption of the business model as a representation of reality, focusing on their role and ability in creating, explaining and predicting future realities (Doganova & Eyquem-Renault, 2009; Perkmann & Spicer, 2010). This line of research, which can also be referred to as a *pragmatist perspective*, notably focuses on the role of business models in the creation of new ventures or innovation networks. The business models are perceived of as devices (Doganova & Eyquem-Renault, 2009; Wallnöfer & Hacklin, 2013), strategy tools (Hacklin & Wallnöfer, 2012) or strategy as practices (Mason & Spring, 2011). This implies that understanding evolves around what they do. It is, therefore, not a question of representing the world so much as on coping with the world (Watson, 2013). With a pragmatist outlook, the business model, materialized in documents such as business plans, PowerPoint presentations, idea sketches etc., can be argued to play a role in the journey from non-existence to the existence of new economic activities.

This has empirically been explored by Doganova and Eyquem-Renault (2009) in a study of the business model as a market device in the communication activities between a firm and its (prospective) stakeholders. The authors examine the evolution of the business model in the exploration of a market and in the creation of a partner network. The study indicates that the narratives and calculations that were embedded in PowerPoint slides and business plans were adjusted to fit the needs of their targeted actors and the business model consequently acted as a boundary object by adopting different modes of existence depending on the audience. The strength of the business model in this early phase of the entrepreneurial process was notably its capacity and flexibility to adjust and make sense to various audiences. Doganova and Eyquem-Renault’s study hence demonstrates how the business model was used in the practice of entrepreneurship and notably its function in enacting the new venture and its network. Hence, they ascribed a ‘performative’ role to the business model that lay in the actual performance in which the narratives and calculations were
variously presented to the public. The authors have since paved the way for an alternative method of treating business models by demonstrating their role in the innovation networks for early entrepreneurial ventures.

In a conceptual elaboration, Perkmann and Spicer (2010) find the notion of business models particularly suitable for analyzing the relationship between technology and organizational structure: “Here the notion of business models provides a tool for understanding the dynamic process through which actors seek to articulate how value might be extracted from highly uncertain and often ambiguous technologies” (p 267). Similarly to Doganova and Eyquem-Renault, they argue that the business model has both visionary and creative capacities in configuring new technologies into future values and economic outcomes. It is notably in this process of redescribing and reconstructing reality that the business model is performative. Perkmann and Spicer suggest that business models work in three different ways: “as narratives that persuade, as typifications that legitimate, and as recipes that instruct” (p 270).

Along the same lines, Wallnöfer and Hacklin (2013) explore how early stage ventures use business models as narrative devices in their communication with business angels (potential investors). The business model is viewed from a narrative perspective since language is primarily used when creating meaning around the potential of a business opportunity, hence reducing the inherent uncertainty of entrepreneurial endeavors. Their study’s results reveal that initially there were no operative business models, but instead descriptive accounts of future expectations, by which investor decisions were influenced. The content of the business model was subordinate to the interactions it stimulated. Wallnöfer and Hacklin refer to this capacity of the business model as creating “a playground for communicative interactions” (p 759). Since the business angels were aware of the assumption-driven character of business models they did not anticipate accurate accounts but rather used them for discussions with the entrepreneurial team members and for collective sensemaking around business opportunities.

As indicated in the above review, research has touched upon the interconnectedness between business models and opportunities by empirically demonstrating how they are used to enact future realities, i.e. by being performative. George and Bock (2011), in particular, call for research on the relationship between the business model and opportunity creation. They have studied 151 managers’ perspectives on business models and came to the conclusion that: “a business model is an organization-level phenomenon, an architecture or design that incorporates subsystems and processes to accomplish a specific purpose” (p 97). Their empirical investigation paves the way for further enquiries into the notion of opportunity creation. The authors argue that the
business model enacts an opportunity by establishing goals, driving entrepreneurial action, and implementing organizational activities. This acknowledgement of the business model as serving a role in fitting available and potential resources for a perceived opportunity calls for a deeper understanding into the process of how this takes place. On a similar note, Eckhardt (2013) conceptually ties business models to the individual-opportunity nexus by introducing the notion of ‘theory testing’ as managers and entrepreneurs test and verify business models. It hence serves as a framework to record and make adjustments according to the reality that the firm is facing.

2.3 Summary of the theoretical discussion

This chapter has reviewed and discussed research related to entrepreneurial opportunities indicating that the opportunity concept is not entirely uncomplicated, especially if we depart from the empirical reality of the aspiring entrepreneur(s). Several scholars have raised critical voices and have scrutinized the application of the opportunity construct in entrepreneurship research. One of the main concerns has been the empirical truthfulness and robustness of the concept (Gartner et al., 2003). This inquiry addresses this construct ambiguity put forth by, e.g., Davidsson (2015), Klein (2008), Dimov (2011) and Wennberg and Berglund (2014) by exploring what an entrepreneurial opportunity is comprised of and what entrepreneurs do when they engage in opportunity development. Furthermore, effectuation theory and its attention on the actions and interactions between multiple actors will be used to shed further light on the development from the beliefs held by an individual actor to involve a broader audience consisting of stakeholders and eventually a market.

Additionally, the review of business model research has indicated a development in parallel with the opportunity debate and several conceptual overlaps were brought to the fore. In particular, the discussion has revealed how the entrepreneurial take on business models conceptualizes them as cognitive devices in the enactment of future realities (Doganova & Eyquem-Renault, 2009; Perkmann & Spicer, 2010; Wallnöfer & Hacklin, 2013). Consequently, this inquiry also shines a light on the use of business models in relation to entrepreneurial opportunities and their development.
3 Research design and methodology

What do they talk about when they talk about opportunity?
Gartner et al. (2003 p 104)

The following chapter discusses the methodological framework used for the study of this thesis. Studying how new organizations emerge is a challenging task since one has to uncover vague ideas in the making and phenomena that are still to happen. It has been my firm conviction throughout the research journey that, if we are to seek empirical evidence on how ideas are created, developed and launched in the market, we need to study the process in which they unfold. Therefore, the guiding light for the empirical investigation has been to understand what entrepreneurs actually do in these early phases of organizing. This chapter starts with my reflections on researching entrepreneurial processes, followed by the methodological choices made and the type of empirical material generated. The empirical case, PlayTV, is then introduced. The chapter concludes with an explanation of further details on how the empirical data was generated and how I proceeded with the analysis in order to answer my research questions.

3.1 Studying early entrepreneurial processes

The process of firm formation can be seen as going through several transitions. The first shift happens when an idea is born and someone starts thinking about setting up a business and takes action to further that objective (Brush, Manolova, & Edelman, 2008 p 547). This initial phase is described as “nascent entrepreneurship” or gestation (Reynolds & White, 1997) and involves entrepreneurial activities such as looking for facilities and equipment, writing a business plan, investing money, or organizing a start-up team (Aldrich & Martinez, 2001 p 43). The second transition can be seen as moving from nascent entrepreneur to “fledging firm”, a stage which not all entrepreneurial initiatives reach. The succeeding phase is the “established new firm”, which can be seen as an adolescent one. A final stage of firm evolution which has become a part of the entrepreneurial process is the so-called firm exit, researched by e.g., DeTienne (2010) and Wennberg (2009). Since the focus of this present study has been to explore the beliefs formed and the actions undertaken to
create and exploit ideas related to new technological innovation, the empirical investigation centers only on the first phases of firm formation.

For entrepreneurs, especially in the context of technological change, the process of organizational formation is highly equivocal and often characterized by the founders being uncertain about how the organization might be structured, the nature of the products and/or services that are to be offered and which customers should be targeted (Gartner, Bird, & Starr, 1992). To acknowledge these ambiguities, I consequently sought to understand both the formalization of the firm (i.e. actors, activities and events associated with this process) and the context in which it was embedded. The pilot study conducted in 2011 gave me insights into the research context, (i.e., the digital entertainment industry) and informed me about the empirical problems and challenges encountered by entrepreneurial actors. One learning outcome from the pilot study was how opportunity development was influenced and cocreated by actors outside of the firms of interest. This awareness led me to focus on multiple actors, i.e., distributed entrepreneurial activity, in my empirical inquiry. Consequently, the founder and other entrepreneurial actors such as early employees, partners and investors are included in my investigation in order get a holistic understanding of the process. Another significant insight from the interviews undertaken during the pilot study, was the challenge to generate information and capture experiences of things that had already happened. The entrepreneurs I met all had tendencies to be future-oriented and optimistic, which impacted the responses they gave. I thus concluded, that if I was to study the journey from idea to market, I needed to come as close as possible to the very beginning of that process. This consequently guided me in the search for a suitable study object, i.e. an organization in the first phase of firm formation.

3.2 Research approach

The empirical study is based upon the generation of qualitative data from a single case study of the opportunity development process of a technology start-up. When investigating evolving phenomena such as venture emergence and opportunity development from the point of view of the entrepreneur, I argue qualitative inquiries have better capacities to do so than quantitative. Particularly if present scholarly work in the field of study is marked by construct ambiguity, lacks empirical details and is incomplete in providing explanations for the problem that departs from the involved actors (see previous chapter).

The journey from idea to market, that has been the focus of this inquiry, is something I refer to as a process. Support for this way of framing is lent from
Langley, Smallman, Tsoukas, and Van de Ven (2013) arguing that process studies focus attention and address questions about “how and why things emerge, develop, grow, or terminate over time” (p 1). In this specific study, it was a question of understanding the emergence of an idea and its development over time, something referred to the opportunity development process.

By following and investigating this process in real time I was able to form an understanding about how opportunities were perceived and how ideas were developed by the actors who identified and implemented them. It also allowed me to observe the emergence of a business model and the role it played in the development of the venture. Real time case analyses are particularly fruitful when seeking to understand events as they unfold, rather than leaning on retrospective accounts of the happenings (Eisenhardt & Graebner, 2007). With the journey from idea to market being a non-linear process, it was of even further importance to get close to the data and observe the events as they played out. It also provided me with the possibility to observe and capture the sequence of events as both path-dependent on prior processes and contingent on contemporaneous processes, something Selden and Fletcher (2015) refer to as the “unique pathway” of the entrepreneurial journey (p 604). In other words, this approach gave me flexibility to account for unexpected events, mistakes and disappointments that are otherwise difficult to observe.

It was additionally, the real time focus that guided me to choose a single case study in order to gain insights that were rich and relevant for the aim of the thesis. Siggelkow (2007) discusses the value of small versus large sample research and argues that single case studies might be highly persuasive, but that they also demand more from the cases themselves. I chose my specific case because it offered a contextual richness and uniqueness that could increase the understanding about why certain events happen, for whom and who makes them happen. Had I chosen a multiple case study approach, I would not have been able to gain the rich amount of data that I did. Furthermore, the longitudinal character of my study allowed me to compare intentions and actions with the real outcomes of the process (see research on processual approaches in strategy and entrepreneurship by e.g. Pettigrew, 1990; Van De Ven & Poole, 1995).

Venture ideas and business models can be understood as constantly interacting, reproducing and relating to the outer world in terms of their technological, economic, social, political and competitive aspects. The broader industrial context influenced what cues the actors choose to interpret and evaluate as basis for their entrepreneurial endeavors. At a firm level, one can understand the venture idea and the business model as incorporated, interrelated and translated into the structure of the firm. However, the focus of this empirical in-
quiry was on the individual actors and their roles in the creation and implementation of the venture idea. Thus, I paid close attention to the meanings and actions associated with the venture idea and the business model and how these were shaped by various actors, activities and events over time. Moreover, I tried to reach an in depth understanding of what the actors actually did in the process of identifying, developing and exploiting an opportunity. I was attentive to how the actors described and related the idea they were pursuing and the accounts they made while talking about their venture. Through observing their actions and interactions over time, I was able to uncover how the venture idea and business model evolved as a result of social interaction and exchange (see Wennberg & Berglund, 2014).

With the empirical elusiveness related to the notion of entrepreneurial opportunities and the limited amount of knowledge on the role of business models in early entrepreneurial settings, my approach was to let theoretical insights emerge from the data. I hence proceeded inductively and attempted to stay open to the data I generated. Nevertheless, my own sensemaking capacity was evidently impacted by my previous theoretical understandings and my practical experience of having founded a digital start-up myself.

3.3 The case and the material

The research setting I chose was the newly established firm PlayTV Entertainment AB, a start-up within the digital entertainment industry. PlayTV develops, produces and distributes web series and branded content for different channels, platforms and digital devices. Their content is also distributed and can be streamed through news websites (e.g. Expressen and Nyheter24), web TV channels (e.g. TV4 Play), entertainment websites (e.g. MSN), YouTube and established broadcast networks’ digital streaming services (see examples in Fig.1).
PlayTV Entertainment AB was founded in late 2010 (as a legal entity) by Hans Lind, who has a background as a film director and screenwriter. He raised financing and venture capital ranging from private investors (many of them high profile TV and film personalities) to the venture capital firm Zone Invest and institutional investors. In October of 2012 they launched their product – a media player containing drama content. In August of 2013 the production company Maestro Productions based in Malmö, Sweden acquired PlayTV. The company name is now MaestroPlayTV.

When choosing the empirical context for my study I pursued the logic of theoretical sampling (as opposed to random or stratified sampling, see Eisenhardt & Graebner, 2007). This implies that a particular setting (persons or events) is chosen for the rich information it can provide for theory building purposes. As emphasized in the introduction, I place my research project into the general debate of technology and organizations. In this context, my research zooms in on the development of entrepreneurial opportunities in relation to new technologies. Thus, it was relevant for my study to find a context characterized by technological innovation, i.e. digitalization, and the creation of new firms and markets. The insights from my pilot study further guided me in the direction of choosing a nascent industry where there were inherent uncertainties related to technology, consumer behavior, financing the venture etc. Similar to video games, and as part of the growing digital entertainment industry, digital TV and film constitute such a market that is currently under construction.

One of the most obvious and relevant critiques associated with the choice of single case studies involves whether the findings are idiosyncratic to the particular case or representative of a larger population (Eisenhardt & Graebner, 2007). As argued above, I particularly chose PlayTV because of the chance it gave me to study a firm creation process close up. The benefit with single case

---

2 Photos of screenshots of PlayTV productions taken from expressen.se and YouTube
studies notably lies in their capacities to illustrate and shed light on complex phenomena through rich data. If the aim of the study had been to draw conclusions representative for a larger population, I would have chosen another method. Nonetheless, I stress that my case shares important features with similar start-ups in the digital entertainment industry and a number of reasons guided me in my theoretical sampling.

Firstly, one such influencing factor was PlayTV’s choice to employ a free (freemium) pricing model, which led me to assume that issues related to revenues and the revenue model were going to be challenging. Secondly, PlayTV was simultaneously both joining and constructing the emerging ecology of social media, Web 3.0 and mobile digital devices. The constructive and performative elements of new ventures in new industries were a fundamental aspect of my underlying concern to understand how ideas are enacted into markets. Thirdly, on a pragmatic note, PlayTV offered me the opportunity to generate data in an environment that represented several of the aspects highlighted in my theoretical framework and pilot study: it was a newly formed firm, it was creating new boundary spanning dependencies with several entities (investors, media brokers, advertisers, filmmakers, customers etc.), the entrepreneurial activities were currently occurring (ongoing) and I gained the access to follow their development from gestation to the launch of their product. Consequently, my study involved both forming an understanding about how my case company came into being and, specifically, how new ideas related to the technological changes were created and enacted.

I followed PlayTV from gestation to infancy by attending meetings, making ethnographic observations, conducting interviews and taking part in internal and external documentation. I first met with the founder of the company in November 2011 at a stage when they were about to secure their first round of financing and had established their corporation as a legal entity. I made my research exit in May of 2014.

When I first came in contact with the start-up, their organizing activities mainly concerned planning, raising funds and meeting with various prospective partners in their future network and market. They were also starting to make pilots - short TV productions - that were to be used as ‘promotion material’ for their prospective partners to obtain an insight into their future product. Against this background, I followed the development of the firm in many different aspects such as developing ideas, recruiting employees, raising funds, planning and formulating strategies, launching their product and many other mundane activities which actors within and around new ventures cope with.
3.4 Data generation

My data generation occurred over a period of two and a half years and consisted of fieldwork such as interviews, observations and documentation.

- **Interviews:**
  … with the founder and other influential entrepreneurial actors regarding meanings ascribed to “opportunities”, the venture idea and the business model
  … with partners and stakeholders such as employees, investors and representatives of the media, advertising firms and filmmakers regarding their meanings and impact on the development of the venture idea and the business model
- **Observations:**
  … ethnographic observations in PlayTV’s office
  … attending internal meetings
- **Documents and archival material:**
  … internal corporate documents
  … data on the firm
  … press releases and media coverage

I started my fieldwork by interviewing the founder of PlayTV. In our first meeting, I used a semi-structured interview guide and was concerned with understanding how he explained the reasons behind starting the firm and the visions he had for the future. The interview also came to involve the current ongoing activities he and his early team were undertaking to realize their ideas. I formally interviewed the founder of the firm five times during my investigation. In the beginning, our discussions were relatively broad since I wanted to gain as much information as possible, but over time our meetings became increasingly focused. As I became more informed about what PlayTV’s current activities, challenges and events were, I was able to pose repeat questions related to certain themes and to what had been discussed in our last interviews. Examples are: *What has happened since the last time we met? What are your current challenges? Who are your most crucial stakeholders right now? How will you generate profits/are you generating any profits?* From the initial meeting with the founder, I proceeded to interviews with the other key actors of the venture.

The interviews were open-ended and lasted from 45 minutes to two hours. The main questions revolved around the formation of the firm, perceived opportunities, the perception of the environment (market), the venture idea, financing plans, visions, the motivation(s) behind starting or working for the company, previous experiences and interpretations of the technology landscape. Since I wanted to investigate the relationship between opportunities and the business
model, I also met with representatives of PlayTV’s different stakeholder
groups such as creative people, advertising and sponsoring firms and inves-
tors. It was fundamental for my investigation to understand their perspectives,
roles and impact on the formation of the venture idea that was being imple-
mented. Furthermore, as mentioned above, business models span across firm
boundaries. Therefore, it was relevant to include the functions and perspec-
tives of the external stakeholders in value creation activities of the company.

The same semi-structured interview guide was used in all these interviews
which centered on the same themes: the general development process of the
firm, the ongoing operations (critical tasks and activities), the present oppor-
tunities and threats, vision, revenue streams and potentials and the network of
partners. When interpreting their notions of opportunity and the business
model, I strived to pay close to attention to how the respondents framed and
explained their business in terms of activities, value, revenues and partners.
However, I also explicitly asked questions about their business model, or what
they sometimes referred to as their “concept”. By interviewing actors both
inside and outside of the firm I could compare their understandings and views
of value, which was central in order for the opportunities to be meaningful.
Since the focus of my study was to understand how the business model was
used to implement entrepreneurial opportunities and what factors impacted its
development, my task was to capture the business model in the informants’
narratives. The interviews were recorded and transcribed (by myself). I also
wrote field notes in connection to the interviews where I sought to write my
immediate impressions.

During my empirical study, I participated in several meetings which PlayTV
staff had with internal and external actors. I spent time at the company head-
quartes where I could observe, follow and take part in the firm’s daily activ-
ities. The observations allowed me to understand points that were (or were
not) mentioned during the interviews and, importantly, to discover unprece-
dented events or actions. The observations made it possible to form a clearer
picture about the context in which PlayTV was embedded and the concrete
actions the informants performed as part of their daily work to develop the
firm. In entrepreneurship, things do not necessarily turn out as planned or en-
visioned by the entrepreneurial actors. Without the ethnographic data, I would
not have gained such a thorough understanding of the “true” development of
the firm since entrepreneurial narratives are often optimistic and temporally
disconnected. These observations and meetings were captured in the form of
field notes and a research diary.

I also had access to internal corporate documents such as business plans,
Power Point presentations, sales material, strategy documents and press re-
leases. These three sources of data (see Fig. 2) consequently allowed me to
triangulate the data and go back and forth in time when seeking to understand the opportunity development process.

| Interviews | 27 semi-structured interviews  
| 45-120 minutes  
| Recorded and transcribed |
| Informants at PlayTV:  
| Founder/initial CEO  
| Project coordinator/partner  
| Head of production/final CEO  
| Chairman of the board/assistant CEO  
| Sales manager 1  
| Sales manager 2  
| Marketing manager  
| PR/communications manager  
| Project managers (e.g. social media and production)  
| Interns |
| Informants outside PlayTV:  
| Investor  
| Representatives of sponsor collaborators  
| Representatives of media agencies  
| Representative of production firm  
| Representative of filmmakers  
| Representative of “creative community” |
| Observations | 12 mars 2012- 23 mars 2012  
| (10 days)  
| March 2012 to May 2014  
| (8 days in total)  
| Daily visits in connection to interviews |
| Internal meetings, everyday operations, informal conversations, corporate culture, people frequenting their office etc. |
| Internal documents, communications materials and media coverage | Business plan, strategy documents, press releases, media coverage |

Figure 2 Empirical material
3.5 Data analysis

After having conducted a qualitative study of a process, one ends up with a large amount of data. I analyzed my data in three stages, mainly in an inductive fashion.

In the first round of coding no theoretical framework was used and I created what, e.g., Corbin and Strauss (2008) refer to as open coding. This was structured in Excel spreadsheets, which allowed me to sort, rearrange, merge and experiment with the concepts. I tried to stay true to the language of the interviewees and ended up with 341 concepts that were detailed accounts, descriptions or quotations that in some way or another informed me about the actors’ perception of opportunities, opportunity triggers, the business idea, the business model and also issues related to the general development of the venture. After reaching saturation, these concepts were ordered into categories which I refer to as “informants’ concepts” which were framed according to the emerging themes. My first order analysis is consequently based around these themes and told as a story – the PlayTV story. This empirical story is divided into temporal phases that are chronologically linked. The phases are products of my construction, based on the respondents’ accounts of the development of and/or changes in the business activities and organization of the firm. Consequently, with the intention to stay true to my case by revealing its richness and intricacies, I applied a narrative approach for the first order analysis. This strategy helped me to portray the actors involved in telling the stories as well as understanding the patterns and progressions of the events that characterized PlayTV’s opportunity development process. It also allowed me to examine the informants’ accounts and understand how different actors perceived and interpreted their context and how meanings evolved and/or were used in order to convince others. Furthermore, through the use of narratives it was possible to see the role and influence of the different actors in the unfolding story (Downing, 2005).

The second round of coding was driven by one of the research questions: what is an entrepreneurial opportunity comprised of? Thus, I went from the informants’ concepts to seeking support from the literature in order to provide an explanatory framework for the most important components of opportunity development. For this particular task, I proceeded abductively by iterating between my empirical categories and established theoretical explanations. I found Davidsson’s (2015) and Dimov’s (2011) reconceptualizations of the opportunity construct particularly appropriate for my interpretation since both scholars have based their assumptions on the ex ante and prospective elements of the opportunity phenomena. By expanding and nuancing their prior scholarly work with empirical data, this analysis results in a conceptual framework including the four most critical components. Consequently, the findings of the
second order analysis contribute on both a theoretical and an empirical level to the entrepreneurial opportunity literature.

Lastly, in a third round of coding, I sought to answer the second research question: how is opportunity development pursued? In order to address this question, I sought support from organizational sensemaking which is particularly useful for understanding the actor-contingent nature of organizing processes. The concept of sensemaking involves how agents “structure the unknown” by examining how they construct what they construct, why, and with what effects (Weick, 1995 p 4). It is also a perspective well suited for increasing our knowledge about new venture formation, since these organizations are by nature loosely coupled and hence open and dependent upon input from their environment. In my practical analytical work, sensemaking implied that the components of opportunity development were seen to arise from the way in which the informants saw the world around them and negotiated it with others (see Gartner et al., 2003; Weick, 1995). Consequently, organizational sensemaking is introduced in the beginning of the third order analysis (chapter 6) whereby its implication for this study is discussed in more detail.

Hence, guided by sensemaking for the final analytical round, I arrive at a number of “aggregated dimensions” contributing to an emerging theoretical model with the capacity to illuminate the iterative character of the process as well as how the components developed and interrelated over time (see Langley & Abdallah, 2011). The opportunity development process revealed three different sensemaking modes or phases that illustrate how and why the components of opportunity development changed over time. Through episodes of sensemaking, sensegiving and sensebreaking taking place in a sequential and reciprocal fashion, the idea guiding the actions went from embryo to a refined new venture idea to an operating business venture. The sensemaking lens also brought the “doings” of opportunity development to the fore by shedding light on the mundane activities involved in the process. Thus, the third order analysis results in a framework for opportunity development that integrates the second and third order analyses. The way of describing opportunity development “as” or “through” sensemaking provides an alternative way of understanding early entrepreneurial processes and consequently has implications for process theory development within entrepreneurship studies.
This chapter introduces the empirical case that will be used to illustrate the journey of an idea’s development to its launch in the market. It starts with a brief background of the context (the nascent market of digital film and television), followed by a chronological account of the development of the firm. As argued in previous chapters, it is empirically challenging to study an entrepreneurial opportunity in the making since the tangible premises of the construct are not observable (Dimov, 2011). The intention has therefore been to portray the emergence and development of an idea based on the accounts of the individual actors. Consequently, the empirical narrative illustrates how the entrepreneurial actors talk about opportunity and how various insights are shaped and enacted until they end up being implemented, i.e. perceived as an opportunity which is pursued (Dimov, 2007, 2011).

The evolution of the firm is divided into four temporal phases marking visible shifts in both strategies and operations (see timeline below, Fig. 3). In the first phase, the founder and subsequent entrepreneurial actors take their initial steps to form an understanding about the environmental changes and stimuli they are observing. An idea emerges and an embryonic business model starts to materialize from the encounters and information generated. The leading actor in this phase is the founder. In the following phase, PlayTV launches its product. In this stage, the entrepreneurial actors test their previous assumptions and focus on creating nascent organizational routines. The founder is still one of the main actors driving the story, nevertheless, several employees and stakeholders are influencing the development of the venture. The third phase overlaps with the launch and is characterized by actions being taken to deal with the new operational reality which PlayTV is facing. This results in a re orientation of the business and a new business model. Also in this phase, two new actors (the chairman of the board and one of the investors) enter the scene and become influential in the shaping of the business. In the final phase, an established production firm acquires PlayTV, which leads to organizational changes and results in the founder having a diminished role.

I have chosen to include a mix of narrative styles, by both letting the founder and other informants speak (these are direct transcripts from my interviews) and by including my own understanding based on the overview of data.
<table>
<thead>
<tr>
<th>An emerging idea</th>
<th>Launching the idea</th>
<th>Reorientation and new business model</th>
<th>Acquisition and new business model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall of 2011 - spring of 2012</td>
<td>Fall of 2012</td>
<td>Spring of 2013</td>
<td>Fall of 2013 - spring of 2014</td>
</tr>
</tbody>
</table>

Figure 3 Establishment phases of PlayTV

4.1 The rise of the digital TV and film industry

"Let them binge... The device and the length are irrelevant... it’s all content. It’s just story. The audience has spoken. They want stories. They’re dying for them." Kevin Spacey...gives us a rousing speech on the convergence of platforms and forms of entertainment. iPad versus the big screen — who cares, he says. Audiences care about stories. And it’s all content. As we see various mediums mesh, merge, and blur, we are left wondering what business models look like for multi-channel networks, online video companies, and traditional television networks.3

For many people, the television experience of today has completely changed compared to how this medium was consumed a few years ago. Increased broadband and storage capacity, new opportunities to connect viewers by tapping into their social networks, and new ways to digitally distribute content are causing major changes for both incumbent and entering firms. The introduction of mobile technological devices such as smartphones, iPads and tablets in recent years have even extended the disruption by creating opportunities for producers of content to create innovative entertaining formats and thereby new ways of watching and consuming.

The digital entertainment industry is undergoing a transformation from a "physical" to a "digital" business logic. In this new business logic, many argue that the consumers are in control, by now being able to choose when, where and at what cost (mostly free) to be entertained. With an array of mobile devices at increasingly lower prices, we are able to watch, listen to or play a massive selection of entertainment products at a time and place of our choosing.

Not only has this digital business logic created new ways of producing and distributing content, equally important (and stressful) for the makers of such content are the new ways of extracting value for their products. Many entertainment companies are experimenting with different types of revenue models. These can either be supported by advertisements (e.g. YouTube), subscription based (e.g. Netflix), built around a pay-per-use fee (e.g. C More) or

3 Forbes, 2014-03-12
even other still unexplored forms of revenues. The future is yet to show which revenue models will be the most common and sustainable. Moreover, what we are currently experiencing is a transformation of the media value chain where all actors, from consumers to creators of content to Internet providers and newcomers in the digital ecology, are impacted by and are themselves impacting the changes in this media value chain. All these developments in the market of digital entertainment products boil down to one issue that most industrial actors (managers of established firms, entrepreneurs, investors and academic scholars etc.) are now grappling with: finding the right business model. This is illustrated by the above quotation: “...we are left wondering what business models look like for multi-channel networks, online video companies, and traditional television networks”.

It is hence in this relatively uncertain and ambiguous environment of digital film and television that the case company, PlayTV, has been navigating. The firm has been seeking ways to exploit an opportunity it has identified, to form an organization and to construct a business logic that creates value for its prospective network of partners and, most importantly, generates revenues so it can survive and eventually flourish.

4.2 An emerging idea

_First visit to the office in November of 2011:_ I enter the PlayTV office in the basement of an apartment building in Kungsholmen in downtown Stockholm. The office feels cozy with dimmed lightning and is decorated with Danish midcentury teak furniture. There are six large desks with leather chairs in two of the rooms. In the third room, the ambiance is relaxed with two low black leather sofas, a sofa table and a big flat screen TV on a shelf. On one wall, there is a large whiteboard with production ideas and names scribbled in various colors.

The founder, Hans, greets me and shows me around. He tells me there are currently four people working full time on PlayTV. Beside himself, there is James, a friend and former colleague (producer) with whom he has discussed his idea for some time. James has decided to invest in PlayTV and is now engaged in the organization on an operational level, working with production ideas and approaching potential investors. There is also Hans’s wife Tess - scriptwriter and actor - who has decided to work for the firm. Their first employee, Line, with a background as producer and project manager within music and performing arts, is notably employed as head of production.

Hans is extremely enthusiastic when presenting his idea and his colleagues and tells me that they are going to revolutionize the film and television industry. The other three persons are equally excited. When we sit down on the sofas, I ask him to tell me a bit about his background. He says he wants me to see their
company presentation and he goes out to get it and uploads it on the television screen in front of us.4

The story of PlayTV starts with the vision of a single person, the founder, Hans. For a couple of years, he had spent time cultivating an idea based on the digitalization of film and television content. His idea essentially drew upon his professional experiences from working in the industry for a long time. For some years he had worked as a film director at Sveriges Television (SVT - the Swedish public service broadcaster5). The decision to pursue his idea had gradually matured as result of several actions that had been undertaken. Hans initially gathered information and bounced his idea around with family members, friends and former colleagues:

I began sketching out this idea about 2 ½ years ago in a Moleskin® notebook. And then I started talking to a couple of friends about it, but it was way too early. The iPad wasn’t even there yet, so we just said to ourselves that the timing wasn’t right and I put it on hold. But then the iPad came and I thought “holy shit!” …and that was in September last year [2010]. So, I started thinking about setting up a company.

Consequently, the founder registered the business as a corporation6 in December of 2010 and moved from the kitchen table into an office about a year later. At the time of my entrance as a researcher, the PlayTV organization consisted of four people and was now in the process of raising the first round of financing, planning and taking action on what was to become a new venture.

Hans had a bold vision. He wanted to revolutionize the film and television industry. After having worked with stories in the form of theater, opera, film and television from the age of 18, after having just turned 40 he believed time was ripe to do something entrepreneurial. His motivation partly stemmed from his experience of having been part of the industry for a long time:

…the film industry is a lot of fun, very dynamic and exciting in many ways and there are plenty of good people in it. But there’s something wrong with the system. There are huge amounts of energy and good ideas that never get taken care of. What happened was that I had been making five to six major productions in a row and I had turned 40 and I came to realize that I was exactly where I’d always wanted to be in my career, I just didn’t think it was fun anymore. So I asked myself: “why wasn’t the passion there any longer?”

4 Field notes from my first meeting with the founder and his team at the PlayTV office, 2011-11-25.
5 See the web page of SVT for more information http://www.svt.se/aboutsvt/ retrieved: 2015-11-04
6 Aktiebolag
On a personal level, the founder’s aspirations for setting up the business had to do with getting back to a more entrepreneurial way of working with film and a quest for working more independently:

I started with theater when I was 18 or 19. Back then, I created an independent theater group and did everything… wrote, directed, built scenery… I was driven by passion… and I realized that I had gradually lost myself on the way.

The founder had contemplated what he enjoyed about making film and television and what he wanted to shy away from. He came to the conclusion that he still appreciated the craft and creativity of filmmaking, but felt frustrated about the established industry’s inertia and lack of initiatives. He was particularly annoyed with the bureaucracy surrounding the process of developing a film idea to financing, production and final distribution. This was especially critical at his former employer, SVT:

In order to work with SVT, you need to be backed by a production company, or you will have to work with their tired organization consisting of men in leather vests. There are so many good ideas and people out there, but there aren’t any outlets. And without an arena, there will be no chance to commercialize these ideas.7

Fueled by frustration with the established industry, Hans became aware of other new possibilities for drama production and the kind of consumption brought about by digital technologies. He also noted how his son and that generation of kids were neglecting what they referred to as “TV-TV”8. Instead, they watched series or other types of drama content on their computers or on their mobile devices. The fact that he recognized the established industry entirely disregarding this new viewing behavior was something that eventually triggered his motivation to act. He decided to pursue his dream and fulfill his vision of “creating a new type of film industry”9. The business idea the founder and his team set out to realize was formulated in their business plan as:

PlayTV is a new way of financing, producing, distributing and experiencing film – for mobile devices10.

The founder’s initial idea was to position PlayTV as a channel or a platform for distributing high quality drama content. The corresponding concept was embodied in their business plan and in the company presentation. It was also

---
7 Interview with founder, 2011-11-25
8 Ibid
9 Ibid
10 Translated from Swedish; “PlayTV är ett helt nytt sätt att finansiera, producera, distribuera och uppleva film - för bärbara mediaspelare”; business plan 2011-08-05
expressed orally in both informal talks and formal presentations. Besides the founder’s personal motives, personality traits and prior experiences, the overall reason for setting off and pursuing this idea was that he felt there was something "entirely wrong" with the film and TV industry, in that it did not really respond to the needs of the new generation of viewers. This perception was equally shared by several of the actors in the founder’s network. Hence, the vision that came to guide the activities of the firm was that of creating a new type of service that would capitalize on and use digital technologies in order to create a novel TV and film experience.

Changes in the technological landscape were an important condition the founder drew upon and on which he formed his early beliefs in the commercial potential of “producing, distributing and consuming TV and film”. He was of the strong opinion that most established actors (i.e. production firms and broadcasting networks) were neglecting technological development and therefore lost out on potential business opportunities. The founder further argued that the way the traditional film and television companies overlooked the digital channels had resulted in users, amateur filmmakers and other (ordinary) people taking advantage of the new ways to produce and distribute content, mainly through YouTube. The founder’s ambition and vision were hence to "professionalize" this emerging industry.

The founder pointed to a gap in the market that could be filled by a new actor taking advantage of the technological possibilities that were currently being neglected. Moreover, he stressed that the timing was just right to do this:

Now there’s the technology, there’s faster broadband, there’re smartphones and there’re iPads, which make it possible to get a proper viewing experience - a high quality experience for things in this format [Hans points at his IPhone]. But the things that are being produced professionally today are not made for these devices. And that’s where there’s a discrepancy. I’ve been thinking… that there has been film, there has been television and now there is something new, and if I don’t take this chance now, someone else will. And most importantly, I figured that now there’s really a chance to build a new type of film industry – an industry based on the conditions of the filmmakers, screenwriters and producers. That’s how it started!!

Technological features related to social media were something Hans wanted to exploit through the company’s new product. In particular, he mentioned viral mechanisms and interactivity in the marketing and consumption of content that could benefit its production and distribution. Hans admitted to being

11 Ibid
12 Business plan, 2011-08-05
13 Ibid
14 Interview with founder, 2011-11-25
a novice in the realms of social media and was not particularly active on any of the popular platforms such as Facebook and Twitter, thus he sought advice in order to inform his decisions on how to capitalize on and approach social media networks. One of the founding team members developed similar thoughts about social media:

Today we’re on Facebook and Twitter. We have plenty of “behind-the-scenes” clips from our productions that we might post there. These are really fun clips, but we really don’t know what we can do with them. Social media is tricky. You can’t just post anything. So, we approached Jonas. He’s top-notch when it comes to everything that has to do with social media and transmedia. He told us we must have a strategy behind everything we do.15

Developing their idea around social media was considered challenging since the founder and his team claimed to have very few benchmarks and competitors to learn from. Consequently, they sought inspiration from neighboring creative industries that had come farther in the digital realms. In the market for mobile video games, they recognized the consumer behavior they hoped to create and endorse with their own digital drama content. By producing short clips of drama, Hans imagined PlayTV’s end product to be a hybrid between “Facebook and television drama”16 by adapting the content to be watched on the bus, while standing in a queue etc. This was further emphasized and picked up by the media when reporting about PlayTV’s initiative:

…It is about entertainment on the bus, in the waiting room or during a break at work. TV episodes that are between 5 to 7 minutes long. Nevertheless, high quality is something that today is lacking for small screens [tablets and smartphones]. – It’s obvious that the industry has been waiting for something like this because the response we get is overwhelming, says director and scriptwriter Hans Lind.17

The founders describe the channel as a hybrid between television drama and Facebook. The viewers form relations with the characters and they stay in touch with them through Facebook and Twitter.18

Another technological driving force the founder stressed was related to the equipment needed to produce and edit the material. Cameras, computers and editing software programs were acknowledged to have become both better and less expensive. This relatively new situation, therefore, allowed for more cost-efficient ways to produce drama content:

15 Interview with production coordinator and partner, 2012-01-12
16 Ibid
17 “TV i mobilen ska nå ny publik”, article published in Dagens Nyheter, 2011-06-26
18 “PlayTV startar tv-kanal”, article published in Resumé 2011-06-30
The cameras and equipment needed to produce stuff have become extremely cheap. Now you can basically make a feature film with an SLR camera for 10000 SEK and cut and edit it. And it gets just as good as something you did ten years ago and that would have cost 2 million SEK to buy.\footnote{Ibid}

Accordingly, mobile devices (tablets, smartphones), social media capabilities (sharing, cocreating and interacting) and modern production equipment were technological artifacts and features that were recognized, elaborated and put forward as one of the cornerstones of PlayTV’s business idea.

A critical issue in the early development of the venture was grappling with how and through what platform PlayTV’s content was going to be distributed, i.e. defining how their viewers were going to be reached. After having searched for information and talked to an extensive network of people, Hans developed an idea for how this should be organized in a cost-efficient way. PlayTV was to find a partner with whom to collaborate. Hence, by developing the idea of a mutual exchange of content and distribution, their business consequently came to include a prospective distribution partner. The strong orientation and optimism which the founding team felt for the innovative technological conditions were challenged by the fact that they lacked sufficient knowledge on exactly how to exploit and work with these. One founding team member stressed that they, therefore, needed to strengthen their competence by bringing in expertise from the digital technology area. Initially, they did this by talking to people in their network whom they perceived to have the relevant knowledge. She expressed the view that their early organizing activities resembled laying out a jigsaw puzzle in that they constantly needed different competencies in order to “get all the pieces together”.\footnote{Interview with production coordinator and partner, 2012-01-12}

As revealed in the transcript above, with a background as screenwriter and director, initiating change and improving the conditions for filmmakers strongly motivated Hans to pursue his idea:

…”above all, I figured that now there’s a chance to build a new type of film industry that is tailored to the needs of the filmmakers.”\footnote{Interview with founder, 2011-11-25}

During the years the founder had nurtured his idea, he had been interacting with various people in the creative industries and had come to the conclusion that there was indeed a gap to be filled by someone with whom they could work in a new and different way. As an appendix in PlayTV’s business plan\footnote{Business plan, 2011-08-05} there appeared a list of production firms the founder had approached in order
to generate information and inquire about their perceptions of value. This list was presented when meeting with prospective investors and partners, in order to show the actions the firm had taken and the contacts they had already established. Consequently, there was a strong focus on the improvements that could be made for filmmakers and creative people within the industry (actors, screen writers, casting agents, directors, producers etc.) (See Fig. 4). Hans declared that he wished to create a “win – win – win situation”\textsuperscript{23} between the three essential parties of filmmakers, viewers and advertisers (more on the latter two parties later in the text).

\begin{figure}[h]
\centering
\includegraphics[width=0.5\textwidth]{filmmakers_in_action.jpg}
\caption{Filmmakers in action\textsuperscript{24}}
\end{figure}

The main activity in the early stage of PlayTV’s foundation had therefore been to talk to as many creative people as possible, in order to investigate the perceived need and value of creating a new type of production and distribution company. Many filmmakers declared they were equally frustrated with the bureaucracy of the industry and hence welcomed new initiatives. Accordingly, the founder defined the value sought as a “creative freedom”\textsuperscript{25} - something that was perceived to currently be lacking in the film and TV industry. Based on these assumptions, the founder and his network of both close and casual acquaintances came to develop and define the value that could be delivered to the creative community. Hans imagined that working with PlayTV as a digital and “flexible partner”\textsuperscript{26} would allow filmmakers to impact their own revenues, for example by actively using social media for marketing and for virally spreading their productions. The digital platform with its inherent capacity to connect people would furthermore offer the filmmakers a chance to interact with and receive feedback from their audience. Finally, the founder and his

\textsuperscript{23} Ibid
\textsuperscript{24} Photos from Play TV’s company presentation
\textsuperscript{25} Interview with founder, 2011-11-25
\textsuperscript{26} Ibid
colleagues highlighted that something differentiating their offer from those of the established industry actors was the shortening of lead times from idea to production. Long lead times were held by the founder and representatives from the film industry to be problematic and hampering. This was also stressed in the meetings and presentations held by the PlayTV team with prospective partners within the creative industries. After one meeting with the founder, a prospective partner and filmmaker mentioned:

They (PlayTV) made a company presentation about themselves and what they do. And when they showed me how fast they could move from start to finish I started thinking of all my projects and all the things that I could eventually do with them.27

The media also picked up PlayTV’s vision about the shortening of lead times:

… Celebrity actor/producer X was contacted by founder Hans Lind and decided to jump on the bandwagon… It felt like a fun way to create content with high speed from idea to get something out there, celebrity actor/producer X says to Dagens Industri.28

Hence, based upon the personal experiences of the founder, his team and the information generated in their encounters with creative industry representatives, three explicit value propositions were formulated in their business plan:

For the creator:
- A creative freedom seldom offered by the established film and TV industry
- A possibility to impact one’s own earning potential
- Short lead times from idea to production
- Direct communication with the audience29

Around the same time, one of PlayTV’s investors published a press release about their investment decision in PlayTV on their corporate website where the prospective value for creative communities was equally stressed:

PlayTV will be a meeting point for professional filmmakers, new talents, established creators, production firms and film and TV artists, who get the chance to produce TV with great creative freedom and short lead times.30

Hans and his employees expressed the culture of the firm as “created by creators for creators”31, which they strongly identified with. This identification

---

27 Interview with filmmaker and prospective partner, 2012-02-21
28 “XX startar tv-kanal”, article published in Resumé 2011-06-30
29 Business plan, 2011-08-05
30 From Almi Invest web-page
31 Interview with head of production, 2012-01-12
was further emphasized as celebrity actor/producer X and celebrity TV presenter Y entered as investors. They both became vivid symbols and were used in several of the communication activities. Their names were mentioned in the business plan and presentation material. They were also spokespersons at several media events. The strategic decision behind using these celebrities was based on the notion that they would transmit trust and legitimacy and therefore resolve much of the uncertainty surrounding the new venture. Some of the news headlines related to these celebrities at the time went along the lines of:

*Celebrity actor/producer X and filmmakers are to produce and distribute mobile mini-films*  
*Celebrity actor/producer X starts new TV channel*  
*TV presenter Y makes a new TV show*

Several employees admitted that it was easier to book meetings with prospective partners having these high-profile persons on board. Their names were used as ‘*door openers*’ when approaching the media and other important audiences. Consequently, an external identity was being created and emphasized by the founder as one of PlayTV’s core strengths:

> One thing that I really believe has been key to why it is taking off right now, which I hear when we talk to creative workers… and mind you, we have been around talking to many production companies… is that we all have creative backgrounds. James is a film producer, celebrity actor/producer X is on board, and then it’s Tess and me. When we come from this side, they feel safe about us providing a new opportunity for them.

The artistic and creative identity of the firm was consequently manifested in the informants’ confidence in capitalizing on their own experiences as creative professionals in the TV and film industry. Furthermore, they had a large network of filmmakers and actors that often spend time in their offices with whom they could informally and continuously bounce ideas. These people were equally strong supporters of the founder’s vision:

> My understanding is that there is an outlet for programs and film ideas that have not yet been realized elsewhere. There is such a small chance to get into SVT and PlayTV feels like a good place to take a program to. PlayTV allows so many different formats.

---

32 Dagens Industri 2011-06-30  
33 Resumé 2011-06-30  
34 Resumé 2012-03-22  
35 Interview with founder, 2011-11-25  
36 Interview with actor, field notes from 2012-03-14
As touched upon earlier, Hans stressed how he had noted changes in his son’s viewing behavior, just a mere indication of the fact that he perceived viewing behavior, in general, to be changing. Furthermore, signals related to different ways of watching and consuming film and television were reinforced when the founder talked to prospective stakeholders. The media agencies, for example, stressed the fact that watching linear37 (traditional) television was on the decline, being replaced by watching content streamed or downloaded over the internet. In their corporate presentation material (i.e., a Power Point presentation) the founder put his observations into a historical perspective by illustrating how “film had always been adapted to the situations of windows they have been distributed through”38. By this way of reasoning, Hans argued for the raison d’être of PlayTV’s business idea.

During my first visit to the office in November of 2011: Hans wants me to see their company presentation, so he turns on the computer and talks me through it39 (see Fig. 5).

![Figure 5 First slide of company presentation (2011)](image)

You see... cinematic storytelling has always adapted according to how we watch movies. In the beginning, there were short and comic (slapstick) films that were shown in tents. People were drunk and noisy, so the films had to be very explicit and clear so that people could follow them (see Fig. 6 from the presentation).

37 “Umbrella term for real time television services that transmit programme schedules. Almost all broadcast TV services count as linear TV”. Source: https://definedterm.com
38 Business plan, 2011-08-05
39 Play TV’s company presentation, 2011-08-05
40 Photo from Play TV’s company presentation
With the cinema theater came the motion picture. This was simply due to the fact that you could comfortably sit and could, therefore, concentrate for two hours without being disturbed (see Fig. 7 from the presentation).

And then, with television, a new type of storytelling emerged. There were cliff-hangers at the end of each episode and an increasing intensity in the shape of more close-ups and a dramaturgy that was quicker and begging us not to switch channels ... (see Fig. 8 from the presentation).

---

1 Photo from Play TV’s company presentation
2 Ibid
Figure 8 Television era\textsuperscript{43}

So, dramaturgically speaking, you have always changed the storytelling depending on the window. And now we are at the midst of the next revolution. With a new technology comes new ways of watching and this puts entirely new demands on us who make television and film. So, what we are doing is that we have created a completely new concept. A concept that in all its parts is suited for these mobile devices - when it comes to financing, when it comes to production (meaning how it works dramaturgically), and when it comes to distribution and customer experience. (see Fig. 9 from the presentation).

Figure 9 Mobile device era\textsuperscript{44}

The founder rhetorically carves out a gap between the new consumer demands and the established industry’s inadequacy in catering for their needs: a gap that is consequently to be filled by PlayTV’s solution. Based on his own experience and informed by people in his network, Hans believes he has identified the values that can potentially satisfy the needs of prospective viewers. Similar to the value defined for the creative industry, the win-win-win model was complemented with the viewers, by proposing their value sought in PlayTV:

\textsuperscript{43} Ibid
\textsuperscript{44} Ibid

57
For the viewer:
- Free quality entertainment
- When, where and however
- Opportunity to communicate and interact with the characters

These values were subsequently translated into elaborate plans and strategies for, e.g., how interactivity was going to be achieved. Again, social media (i.e. Twitter and Facebook) was anticipated as a medium through which the characters would live their lives and communicate with their viewers/followers. (see Fig. 10).

Figure 10 Vision of TV and film characters integrated into social media

As seen so far, chunks of information and environmental conditions surrounding the aspiring entrepreneurial actors had been intuited, interpreted and formalized into what was to become the economic rationale for the new venture. After all, the founder stressed the importance of finding the profit opportunity in his idea. Returning to the jigsaw puzzle metaphor (used by the interviewees), pieces were put in place and linked to each other. Almost like a mystery or a riddle, the organizing of Pla/TV’s business idea contained a plot that needed to be resolved by demonstrating how to convert the various cues into revenue generation mechanisms.

One of the main challenges for any company attempting to produce and sell digital content is how to monetize on its products, whether they are video games, music, news content or film services. Hans and his team did however not show any signs of worry regarding their future earning potentials. Instead, the revenue streams were emphasized as yet another positive and promising condition for the venture. However, despite their optimism, this essential part of their business was one of the last things to be elaborately defined. As a result of many discussions between Hans and a close friend, a financial model

\[ \text{\cite{ibid}} \]
\[ \text{\cite{ibid}} \]
was finally outlined for how PlayTV was going to capitalize on advertising and sponsoring revenues. His friend was recognized for holding “extensive experience”\(^\text{47}\) from the sponsoring industry and was therefore trusted to provide knowledge and input for this aspect of their business.

Through numerous meetings with representatives from media agencies, the founder had noticed that traditional print media advertising and television commercials were being abandoned for investments in new formats better suited for the contemporary digital media landscape. Content marketing\(^\text{48}\), branded content\(^\text{49}\) and online advertising were mentioned by the media agencies as new and desirable ways of reaching consumers. Hence, in order to incorporate these possibilities and attract advertisers, sponsors and media agencies, a value proposition needed to be formulated. Hans informed himself about the wants and needs of this prospective stakeholder group by conversing with people involved in those areas and presenting his ideas. He also approached the founder/CEO of a media agency who eventually invested in the firm. As for their value propositions towards their other key stakeholders (filmmakers and viewers), this was equally going to be enabled by digital technology. The third group included in the win-win-win model hence became the advertisers (sponsors). Their value proposition was subsequently defined as:

For the advertiser:
- Opportunity to target specific customer groups with high precision
- Only paying for the number of viewers and ‘clicks’
- Opportunity for direct communication with the target group
- Opportunity, in close collaboration with the creators, to pick out certain characters/narratives to be used in other types of communication activities\(^\text{50}\)

The advertisers that PlayTV aimed for were essentially to be reached through media agencies. Since the core business of media agencies involves media planning and buying, they were considered as gatekeepers and consequently quite influential when consulting advertisers. The founder perceived a great opportunity in directly addressing the media agency industry that, according

\(^{47}\) Interview with founder, 2011-11-25

\(^{48}\) “Content marketing is a marketing technique of creating and distributing valuable, relevant and consistent content to attract and acquire a clearly defined audience – with the objective of driving profitable customer action”. Source: http://contentmarketinginstitute.com

\(^{49}\) “Branded content is a form of advertising medium that blurs conventional distinctions between what constitutes advertising and what constitutes editorial content. Branded content is essentially a fusion of the two into one product intended to be distributed as editorial content, albeit with a highly branded quality and often labeled as “sponsored.””. Source: https://www.wikipedia.org

\(^{50}\) Business plan, 2011-08-05
to his information was in a state of "crisis," due to falling consumption rates of traditional media, such as television and print magazines.

The founder and his team expected their profits to be generated from a combination of advertisement (pre-rolls), sponsoring, and sales of customer behavior analysis (data). The specific sponsoring concept they intended to achieve was called AFP (advertiser funded programming) which involves a way of integrating marketing messages with fictional content. Unlike other providers of branded or sponsored content, the founder stressed they were not going to work with banners or pop-up windows with commercial messages. Instead, they planned on working more "sophisticatedly" by creating various proper drama series. Another idea was to use the PlayTV logo to indicate if there was a sponsored/branded item in the picture. The viewer would then simply swipe the screen in order to find out details about the branded merchandise and its advertiser (see Fig. 11). By working closely with the advertisers and by using digital technology, the founder envisioned creating "a digital ecosystem" where the characters and series would appear in social media channels, blogs etc. The concept of "affiliate marketing" was used to describe how revenues would be generated from viewers clicking and moving between characters, shows and advertisers’ websites. These ideas were further elaborated in the business plan.

![Figure 11 Vision of affiliate marketing program between PlayTV and advertiser](image)

---

51 Interview with founder, 2012-03-13
52 "The name of an online video commercial that appears prior to an online video, it is typically: 10-15 seconds in length. Once you click on certain online video links, you will be forced to watch a short commercial before the video content". Source: http://www.netlingo.com
53 Interview with founder, 2011-11-25
54 Interview with founder, 2012-03-13
55 Photo from Play TV’s company presentation
Since the media player was going to be free of charge for the viewers, 50% of the revenues generated from the advertisers would go to financing the production costs (i.e. as payments and salaries for the filmmakers) and the other 50% would go to PlayTV. The financial calculations and budget in the business plan were based on the number of viewers needed in order for each episode to break even. Other costs envisaged at this point were operating costs such as office rent, salaries and equipment (computers, film cameras and other production material). Several times, Hans returned to and described PlayTV’s revenue model as:

We have a simple business model based on the sharing of revenues from advertising/sponsor fees.56

PlayTV’s initial idea was additionally shaped by how the actors perceived their competitive situation. The founder argued that the competitive landscape was relatively weak. The competitive analysis in their business plan further supported this view. At the same time, the respondents admitted it was complicated to define their competitors and hence equally problematic to position themselves against these. Nevertheless, Hans framed the current market context in terms of a “discrepancy”57 where there was indeed a void to be filled by a new actor that would produce “high quality digital content”58. A positioning map in the business plan emphasized PlayTV’s future market niche and the founder clearly stressed that there was “no one like us out there”:59

You have to customize the formats for these new digital devices. Watching clips, a little clip here and a little clip there, is a viewing behavior that has totally exploded. And this is something that we will act upon. What makes us different from what’s already out there is that… if you take YouTube for instance… it’s content made by amateurs and it’s very difficult to navigate. You never find anything unless it’s on top of the list. And there are enormous amounts of content, but only a small percentage of it gets viewed.60

Besides the prospective viewers, advertisers and filmmakers, the investment community obviously played an important part in the founding of the firm, both in terms of securing the financial resources and in providing access to a network of contacts, knowledge and ideas:

We started working with financing in April [2011]. And instead of raising 10 million SEK sequentially in tranches, like you might have done ten years ago, we are taking it in bit by bit. We also decided to take in partners who would actually contribute something. So in the first round, there was James Watts and

56 Interview with founder, 2012-03-13
57 Interview with founder, 2011-11-25
58 Ibid
59 Interview with founder, 2012-03-13
60 Interview with founder, 2011-11-25
celebrity actor/producer X …. or actually, the first funding we received was a loan from an institutional investor, then came Peter, who owns a media agency. And now we’re about to secure the bigger funding so, in about a couple of weeks’ time, we will have raised 5 million SEK that will take us to the next phase. ... Today our company is valued at 12.5 million SEK. 61

The investors consisted of a mix of private actors, business angels, a venture capital firm and a large institutional investment company. A handful of the private investors were high profile TV professionals considered to provide the start-up with credibility, trust and important networks (contacts). This group of actors was also influential in shaping the business by providing knowledge and insights, as demonstrated in the above sections. The investment decisions were grounded in the narratives and calculations (budget) made in the business plan and also on emotional ties based upon trust for the founder and his team. One of the investors related the motivation for their investment:

We usually pay attention to a positive macro trend. And as far as we could judge, even though we’re no experts in the TV industry, the timing for PlayTV is totally right. The challenge, however, is to create a concept that will work, because timing is not enough to guarantee a success. The second factor we look at is the people. For PlayTV, we really put a lot of trust in Hans. The rest of the organization also seems to be really competent people. 62

A press release announcement on the website of the institutional investor at the time read:

The new investors see large potential in the business concept. “The company’s position is totally timely and has all the qualifications to become a successful distribution channel and a strong brand”, says Tina Lowe, Investment Manager at Institutional Investor, Stockholm. 63

The founder was clearly very enthusiastic during this phase. He was convinced he was onto something big and he used his charisma and conviction in business encounters. One of the founding team members described Hans’s attitude when meeting important others:

Hans is very visionary and at the same time he always has something concrete to show. He’s really good at being both articulate and visionary. When he meets with creators he just states that “we work like this and we’re doing things in this fashion” even though we’re not there yet. He never shows any signs of hesitation. 64

61 Ibid  
62 Interview with representative of venture capital firm, 2012-04-14  
63 Institutional investor web-page  
64 Interview with production coordinator and partner, 2011-11-25
Hans’s leadership and communication style resulted in, among other things, his attracting people who share similar visions and ideals. The focus, was to a large extent, on the creative aspects of the vision, which was a natural outcome of the founder’s professional experience with the creative industries.

During our initial meetings, the founder and his team had set out a timeline with a date to launch a beta version of their media player with content comprised of around 100 episodes of drama series. In the business plan from this time, there was an “action list” articulating specific activities that would be performed in each period of that timeline (i.e. Q1, Q2, Q3 and Q4).

4.3 Launching the idea

*Visit to the office in March of 2012:* I ring the doorbell at the office and a person I hadn’t met during my previous visits opens the door. He introduces himself as Mick and tells me he is a film photographer. He is involved in the pilot productions PlayTV is currently filming. These are to be used when marketing PlayTV to different partners. The office also looks slightly different with new desks and wide screened computers. Two additional people look busy in front of their screens and just look up to say “hi”. Mick tells me this basement office is now used for the production, which involves the process of film editing. He furthers explains that “the administration”\(^{65}\), i.e. Hans and the rest of the organization, have relocated to the fifth floor. So I take the elevator.

Entering the new office feels like walking into someone’s private home. I enter a big hallway with dark red wallpaper and large oriental rugs on the floor. Tess, the production coordinator, welcomes me and excuses herself for not having informed me about the relocation. She shows me around and introduces me to more new staff.

This is far from the typical office. The layout is like an apartment with a long corridor connecting six fairly big rooms. These are furnished with desks (same midcentury style as before), chairs, laptop computers and walls decorated with old-fashioned wallpapers in various colors. In one of the rooms are two large leather sofas, two leather armchairs and a fireplace. In the corner stands a bar cart and crystal carafes with, what at least looks like, various liquors. There is a kitchen at the center of the apartment and a small balcony facing the street. The style of the furniture is a combination of classic English country mixed with the previous Danish mid-century teak. The walls are similarly decorated in dark green with red nuances (see Fig. 12). All the rooms are bustling with activity and there is an ambiance of work at a high pace. I ask Tess what they staff are working on. She explains that some are trainees and some are hired on a freelance basis, adding that there are in total eleven people working full time at PlayTV now, admitting that she is not sure about the exact number. However, she knows their functions are in sales, production and social media activities.

\(^{65}\) Interview with Mick, freelancing film photographer at PlayTV, field notes from 2012-03-13
The envisioning and planning phase evolved into a period where the main organizational focus was on execution by working towards the launch of the PlayTV channel. The company had closed their first round of financing and now had their plans to execute. This shift was marked notably by not only a change in the staff’s activities but also in the way they acted and spoke about their prospective business. By using words like “prove ourselves” and “launch” it became clear that they had abandoned the previous planning mode. Since financing had been secured for at least “a while ahead” the informants were focusing their energy on delivering their plans.

66 Photos from PlayTV’s Facebook page
67 Interview with founder, 2012-03-13
Last fall, the focus was on making strategies and securing the financing. But just before Christmas the last investor stepped in to finalize this round. So now we can relax and breathe for a while. Now it’s more about pushing the button… by the way, I’ve always wondered where that button is…?! Anyway, now it’s full speed ahead. And we finally get to work on the actual product.

This was a hectic time at the PlayTV office. Hans was mostly involved in negotiating the deal with the technology provider they had identified through one of their investors. He was also meeting other firm critical partners such as prospective advertisers and investors. PlayTV’s first employee, Line, the head of production, was assigned by the founder to take responsibility for issues concerning the personnel. Her role eventually evolved into becoming a “the spider in the web”69 with an overview of everything from production, invoice processing, HR, office management etc.

One of the critical tasks in order for PlayTV to realize their plans had been to find a technical solution for the media player. They eventually found a technology provider who was interested in entering a partnership. (This was mainly due to the fact that one of the investors happened to be engaged in a technology firm distributing commercials to websites). The company, PlayAhead Media Group (PMG), was an online advertising network specialized in video and mobile advertising. The company was depicted as an ideal partner in terms of its complementing capabilities. Since PMG’s core business was distributing online advertisement, they had the distribution network PlayTV wanted. In turn, PMG, which had previously only been working with advertisements, now claimed to be interested in getting access to drama and TV content.

The revenue model guiding PlayTV’s organizational activities was built upon a relatively low cost structure where reliance on a third party technology provider was key. The value proposition for PMG was to offer them access to entertainment content. In turn, what the founder was particularly excited about was gaining access to their broad distribution network and competence in target group marketing. The two firms negotiated a deal and a contract on which to base their partnership. This took longer than expected. The founder explained the technology firm as holding a stronger negotiation position due to their established market position. In March of 2012, the deal was finally reached between the two firms which in brief involved PMG providing the distribution of PlayTV’s content through:

1) the technology platform at PlayTV’s own website (PlayTV.com),
2) applications for various mobile devices and
3) through PMG’s already established network of affiliate websites.

68 Interview with production coordinator and partner, 2012-01-12
69 Interview with head of production, 2012-01-12
These technological solutions were to be owned by PMG, but in the future possibly developed and transformed into a part-ownership between the firms. The division was hence fairly clear-cut in that PlayTV retained total ownership over its intellectual properties (their productions) and PMG kept ownership of the technological platform and solutions. However, in the agreement, PlayTV undertook to exclusively use the PMG distribution network for streaming their content. The economic transaction in this deal was to be a sharing of revenues between the two firms generated from the views and clicks on the episodes.

After closing the deal, the news magazine Resumé announced the story under the headline “A match made in heaven” – which was a quotation from the founder of PlayTV (see cutting Fig. 13). The article described that the two companies were now collaborating by creating an online channel for drama and entertainment. The article also stated a possible reach of 2 million viewers “already from the start”. When the optimistic and excited founder was interviewed, he emphasized how he had just returned from the international TV fair MIPTV® in Cannes where he argued he had not seen “any similar concepts anywhere else in the world”. The PMG chairman of the board was also interviewed and expressed the value he perceived with the collaboration:

- “I’m convinced that the launch of PlayTV will lead to a massive increase of content marketing online, says chairman of the board Sven Post in a comment.”

Figure 13 The PlayTV and PlayAhead collaboration in Resumé

Several productions of pilot episodes were now in the making. One was a talk show hosted by celebrity TV presenter Y. Similar to the original intentions of producing material adapted to the format of small screens, Y, also one of the investors, stressed that his show was in line with this initial idea:

---

10 MIPTV is the world’s most-established TV and digital content market and the biggest gathering of entertainment industry professionals each April (Source: http://www.miptv.com)
11 Resumé, 2012-04-20
The idea (behind the TV show) is entirely adapted to the format (mobile). You basically see two talking heads, so it’s not exactly like watching an ice hockey game with a small puck… I love to interview people. But currently, there’s this famous Norwegian guy doing it on SVT. So in a sense, with PlayTV I’m now realizing my idea by actually paying to do it (laughs). 72

The production team made five episodes of the talk show and mostly relied on external freelance workers. In total, about eight people were engaged in making the show, each episode of which took 2 hours to record. Hans, the founder, constantly stressed that the employees and production team needed to stay true to the original idea about cost efficient and speedy productions. Once made, the talk show became part of PlayTV’s sales material and was shown to prospective customers. One of these prospective customers was the digital manager of a large multinational software company. He eventually decided to become a sponsor after having watched the show in a meeting with PlayTV’s sales manager:

PlayTV’s sales manager presented their first project to us – “Y’s talk show”. She told us about Hans and that celebrity TV presenter Y was engaged in the company. We really liked the idea and the people behind it. … So, we actually decided to finance the pilot so that they could produce several more episodes of it. 73

Several of the employees and external freelance workers were engaged in making the pilot productions for marketing purposes and in order to build a content base for launch (see Fig. 14). Consequently, these productions were made before signing any advertisers or sponsors and were financed with the initial funding PlayTV had received. This was a risky strategy, however with the prior indications Hans and his team had received during their networking encounters, they felt confident that they would easily be able to find sponsors who could cover these production costs. Consequently, the creativity flourished in the office as ideas for new drama formats and scripts were being developed. It was obvious that the creative juices from the film industry influenced the corporate culture of the firm.

72 Celebrity TV presenter Y interviewed by James, film producer and investor in PlayTV. Source: YouTube
73 Interview with digital manager at Invo, 2013-04-10
Besides working on bringing their product to market, an important task during this phase was getting some basic organizational routines in place. This, however, seemed easier said than done with employees, temporary workers (hired under contractual arrangements), trainees and freelancers running about at a hectic pace. Every Friday, PlayTV sought to gather all their employees for “brainstorming sessions” around various issues. At one of these, the theme was branding, with the production coordinator stressing that everyone had to communicate and transmit a consistent message. This need had become especially apparent since the media had started to show an increased interest in covering and writing about the start-up:

"Culture News [Kulturmytt] from national broadcaster SVT was going to come and make a story about us. But we said no because we didn’t know what signals we would send and if the messages would be too scattered."

A firm critical event during this period was securing the first customer – a sponsor for a drama production in the spring of 2012. Hans had been negotiating with an international hair stylist firm who had shown interest in sponsoring a production. The idea and script behind the film were already developed by one of PlayTV’s employees and had previously been rejected by SVT. Now, however, it was found suitable for the PlayTV format and accordingly a prospective sponsor was identified to finance the production. The hair company had the same target group as the film, with a story line based on the life of a hairdresser. PlayTV already had two (well-known) lead actors appointed and several people in the organization were actively working on finalizing the sales material for the concept. The production of five episodes was in full swing, achieved over some very intense three days during which the marketing manager and several other executives from the sponsoring firm were pre-

\[\text{Figure 14 Post-production editing work}\]
sent (see Fig. 15). They were not involved in the production and storyline itself, but interested in taking part in what was going on behind the scenes. A newspaper article announced the collaboration between PlayTV and the hair company:

- We’re so happy to be part of the launch of Hair Stories. It’s a wonderful series that lifts hairdressers as a professional category by showing the joy they spread in people’s everyday lives and what impact different hairstyles can have, says Mia Weiss, marketing manager at Studio Hair.

Figure 15 Behind the scenes at the shooting of Hair Stories

This first proper collaboration resulted in several learning experiences, which the founder interpreted as a sign that their business model was obviously working. First of all, the potential tension that was anticipated to arise between the sponsors and the creative people never occurred. This was considered to be very promising for similar future collaborations. On the contrary, several of the creative people claimed to have had a very positive experience with the collaboration:

To work with a sponsor and have them finance a production is not at all a problem. There’s always someone backing you up anyway and even players like SFI²⁸ have to be pleased. Besides, Studio Hair never interfered in our job. They were simply pleased with everything we did and they really enjoyed being invited to see the shooting of the film.

---

²⁶ Dagens Media, 2012-10-12
²⁷ Photo from PlayTV’s Facebook page
²⁸ Svenska Filminstitutet (Swedish Film Institute)
²⁹ Interview with casting agent, 2013-04-05
Secondly, as a result of working with this project, several new business opportunities were identified and discussed. The sponsor saw a chance to integrate sales and e-commerce functions into the show. By being able to click on products, they envisioned how their web shop could be integrated with the show. Similarly, PlayTV recognized the possibility of profiting through the sponsor’s customers and distribution network when promoting their content. This collaboration hence became critical as a way of both testing and developing their business model.

Around the same time, another production was made for the multinational software company Invo. The action comedy “Never Stop” was a collaboration where PlayTV’s creative team wrote the script together with the sponsor:

PlayTV needed a partner for one of their series and we thought it sounded interesting so we decided to collaborate [sponsor]. From my point of view, you just have to dare to try new things. First, we try, then we evaluate… The entire concept of the series felt good. They have the same target group as we – early adopters. We have this new operations system that is slightly complicated that we need to explain… and since they intended to make a series with a computer as part of the storyline anyway, we thought “why not do it with our computer?”… We had a large marketing budget for communicating this worldwide and some of that budget we then allocated for the PlayTV production”80

Just as the founder had envisioned, they managed to integrate the marketing message and Invo products into the series in a way that did not disturb the storyline. Both Invo and PlayTV were satisfied with the result of the series and PlayTV was in particular satisfied with the revenues generated from the sponsor fee.

If forming visions and creating plans had been central organizational activities at the previous stage, the main focus was now on concrete actions. One such important action was sales, namely convincing important others of PlayTV’s commercial potential. In these activities, the founder and his colleagues used the win-win-win business model to gain the support from customers, distribution partners and other potential stakeholders. Several of the employees expressed positive attitudes about their sales encounters:

Our sales meetings are going really well and I’m usually asked to get back to them with a quote. … I show a presentation for my customers how the sponsorship can work and I highlight the win-win-win for all parties. … I also show examples of how our shows could look.81

80 Interview with digital manager at Invo, 2013-04-10
81 Interview with sales manager, 2013-05-05
Intensive work was invested into establishing a visibility for PlayTV in social media channels. A social media team was producing editorial content based on its shows and characters containing behind-the-scenes gossip and other information. Blogs were created which the leading characters of the shows were supposed to write. The idea was to stimulate further advertising opportunities from blogs and social media. However, the heavy reliance in social media as a marketing channel was an issue that was questioned by some employees:

I believe that if we are to do this, we’ll actually need a huge marketing budget. Look at Netflix. They have invested millions and millions of dollars in advertising. Plus… they have so much content. We’ve discussed this I’ve told them that we need a marketing budget… but they just say that everything is going to be built virally.82

Being a start-up in a new market working with creative (artistic) products, much organizational effort was also put into the legal aspects of developing and negotiating property rights. PlayTV did not have any internal legal expertise but consulted a law firm from time to time. However, the head of production expressed the view that the firm’s aspirations and organizational reality were often ahead of the legal practices and that they, therefore, had to make their own interpretations and adjustments. When negotiating with institutional actors, this became very apparent and sometimes even bothersome:

When we met with ‘The Swedish Union for Performing Arts and Film’83 they hadn’t a clue about how to deal with us when it comes to property rights. The property rights they are used to working with today only involve TV and film that are distributed through traditional media channels [television and cinema]…. the last meeting we had with them actually turned into an educational one where we went through our business model just to explain who we were. It’s so funny, this guy is supposed to represent actors and makers of theater, and when we said “padda” [Swedish jargon for iPad] he did not know what we were talking about. They have so much homework ahead of them before they will be able to form policies and guidelines on how to deal with their rights on the digital channels.84

4.4 Reorientation and new business model

Visit to the office in January of 2013: I enter the office to meet with the chairman of the board. In the last conversation I had with Hans, he recommended me to speak with Magnus, their chairman, who had now become more involved

---

82 Interview with marketing manager, 2013-09-13
83 Teaterförbundet in Swedish. See the webpage of the organization at http://www.teaterforbundet.se/web/Hem_19.aspx
84 Interview with project manager, 2013-23-13
in the daily operations of the firm. Hans had seemed to be disappointed with what had happened after the launch and by introducing their chairman, I got the impression that he was slightly stepping back. Now, however, I’m curious to find out what is currently going on and particularly to gain insight into his reflections on what has happened since the launch. There is plenty of activity in all the rooms. Magnus suggests we sit down in the kitchen to talk.

The third phase overlapped with the previous phase in the sense that PlayTV had launched their product – a beta version of the media player – in October of 2012. Their market offering now contained four web series starring well-known Swedish actors. The win-win-win model that had up until this point guided the actions of the organizational members and had, so to speak, been ‘operationalized’. It had evolved from a demonstration of an ideal future state into actually mirroring how the company was organized and how it generated and captured values and revenues for itself and its partners. What marked this third temporal shift was again the change in how the informants were acting and talking about the business in general and their business model in particular:

We’re sort of at this breaking point right now where we must find routines and structures. Up until this point, everything has been about delivery.85

When it became obvious that the initial estimates and intentions were not corresponding with the actual figures, financial uncertainty arose. Fueled by time pressure, the board became concerned and expressed a need to come up with changes and solutions to rapidly improve the revenue model. Due to the bitter reality PlayTV now faced that profits expected from advertisements and sponsoring were too small, two board members (the chairman and an investor representative) started to become more engaged on both a strategic and an operational level. The chairman, Magnus Alvin, former CEO of First Avenue86, had joined the board a year earlier and had also invested in the new venture. He explained that the founder had contacted him to get help with “strengthening their industry competence”87:

I met with the founder and some of the representatives of the board and told them my story. I explained how I had been instrumental in turning First Avenue into one of Scandinavia’s most profitable production companies and even established it in the USA until Liz Murdoch acquired it and became my boss for almost three years. Then PlayTV’s board just nodded and said “we need your help!”88

---

85 Interview with production coordinator and partner, 2012-03-14
86 Scandinavian media company specializing in film and television production
87 Interview with chairman of the board, 2013-01-08
88 Ibid
Magnus took on an operative leadership role and started spending more time at the office. He worked closely with the founder, but also with Line, the head of production, and with one of the investors. One of the main tasks Magnus took on was the revenue stream. Consequently, he also addressed the business model. He argued that the main flaw with the current idea was that PlayTV had not fully accomplished becoming a channel for content distribution. Instead, he argued that it had become more like a production company providing other websites with content (through the PMG network):

… and now we have launched and today we have a new struggle with finally nailing the business model. At the thought stage it was decent, but in reality it’s really poor. We’re slowly moving from a business-to-business model to a business-to-consumer model, which I personally believe in…

One of the investors equally reinforced this remark by arguing:

When I was at the office for observation I noticed that they had a tremendous production focus and tons of trainees coming up with ideas that they were intending to sell. But the sales thinking was completely lacking. It was more like a bubbling creative studio.

Since the launch, the business model had been challenged in numerous ways. There was a sense of frustration with it and several organizational members claimed that it was “not working”. The chairman specifically mentioned three reasons for the business model not functioning as intended: viewer conversion rates were too low, the forecast for consumer behavior had been too optimistic, and finally, technical problems had been hampering the distribution and hence the viewer experience:

The business model has altered from its original intent since the conditions for how we make money have changed. The conversion of viewers is simply so much lower than we expected.

The major disappointment was, however, the distribution of the content. The collaboration with PMG’s distribution network had not achieved its goals to a satisfactory standard. Reaching out to large volumes of people and converting as many of them as possible into viewers was one of the main aspects of the business model. A simple analysis of the current status, therefore, concluded that without large volumes and/or well-defined target groups, PlayTV would not be able to attract any sponsors or advertisers. And without advertisers, there were no revenues to be expected. Consequently, the founder and his team

89 Ibid
90 Interview with investor, 2013-04-15
91 Interview with chairman of the board, 2013-01-08
were mainly concerned with dealing with this Catch 22 situation and stressed the importance of distribution and reach.

One thing the organization’s members discussed was to become more focused by narrowing down the distribution network and finding sites with better matching target audiences. PlayTV’s content was currently being randomly distributed everywhere. Another explanation for the dissatisfaction with its distribution partner was that they had entirely different business logics. PMG was used to working with advertisers and spreading their campaigns in its distribution network. When working with regular customers it could guarantee a certain reach for a specific time period. But when it came to distributing PlayTV’s drama content, the viewer behavior proved to be different and the technology provider’s normally short campaign periods simply did not work:

They [PMG] are used to working with companies like MQ [clothes retailer] on a three week campaign and saying “during these weeks you will get this number of viewers”. But when it comes to drama productions, the viewer behavior slowly increases over time. For us 3, 6 or 12 months would be more relevant. Now, PMG has come back to us after three weeks and complained about the low number of viewers. But that’s just normal. People need time to discover series and they need to be distributed virally to create a buzz.\(^\text{92}\)

Not only was their distribution partner perceived as not contributing as had been anticipated in the envisioned business model. The filmmakers were another key partner on which the business model was anchored:

Our idea was that the filmmakers would be interested in marketing and spreading the content they had created, but that was not the case. So sharing the revenues 50/50 with them is therefore no longer possible. … As soon as the production team had finished a project, they moved on.\(^\text{93}\)

Despite what had been said and understood in early encounters with the creative community, there was no commitment or interest from the filmmakers to engage in marketing the content they had made for PlayTV. No actions were undertaken when it came to the planned social media and viral marketing activities. The organization’s members argued that the social media strategy, in general, had not fulfilled its objectives. First of all, maintaining a high quality and engaging social media experience demanded a lot of work and resources. Secondly, the demand and interest for the drama series were still so scant there was no real activity worth supporting. Thirdly, the organization acknowledged that their expectations about the “viral spreading” of the shows and characters in social media had been inadequate. Their viewers were not engaging in spreading and sharing the PlayTV content with their friends. Hence, the role

\(^{92}\) Ibid
\(^{93}\) Ibid
of social media was strongly downplayed in the coming decisions and strategies.

The initial focus to serve and cater for the needs of filmmakers and creative professionals (screenwriters, scenographers, actors etc.) naturally stemmed from the background and vision of the founder. One of his dreams had been to create a new type of film industry that was going to be fun, flexible, free and profitable for the makers of content. However, this focus on delivering value for the filmmakers became questioned when, in turn, they were perceived as not contributing according to the plans. The filmmakers claimed to be positive about PlayTV’s concept but lived in a reality where they were pressured to juggle and manage their time and projects wisely. They were not used to marketing their end products, nor did they consider themselves to have the time to engage in such activities. The creative partners furthermore stressed the fact that the distribution and reach needed to be improved in order for more revenues to be generated for them:

PlayTV had expected a greater success for their drama productions. “Hair Stories” for example is aimed at an older target audience. And they’re not exactly online or active in social media to the same extent. 94

The win-win-win metaphor hence became questioned and the founder and management team concluded that the revenue-share model with the filmmakers was not going to be sustainable. When I met with the chairman of the board, this was stressed as a major weakness in the current business model:

The dilemma with PlayTV is that it is too creator driven. The business acumen [affärsmannaskapet] is entirely lacking. This is why we don’t get our business model to work. The firm has turned into an in-house production studio for filmmakers and it has really succeeded in that. People are standing in line to join. But to take it from there to a business… that hasn’t been successful. 95

Another reorientation from the anticipated plans was that the media agencies were not encouraging their customers (i.e. advertisers) to spend their marketing budgets with PlayTV. In the early phase of the firm’s formation, media agencies had been identified as important partners, mainly for being able to provide the productions with advertising and sponsoring revenues. However, as it turned out, the media agencies did not fully comprehend the market offering of PlayTV, at least not to the extent that they were willing to recommend PlayTV as a destination for their customers’ advertisement budgets. This was highlighted as problematic by an investor:

94 Interview with film producer, 2013-04-05
95 Interview with chairman of the board, 2013-01-08
When we entered as investors the interest from sponsors was very big: “Oh how fun, this sounds so exciting”, they said. “Why don’t you come back and tell us more?” Because everyone realizes that this is the future of TV, in a sense. But then, to take the step and be the early adopter and pay for all this before it’s even a proven concept… well, that’s an entirely different thing. And to be honest, many companies have already tried. I mean mobile TV isn’t exactly new. Telenor⁹⁶, for example, paid 3 M SEK for a production that became a total flop. People remember those bad experiences and now they’re like “No this isn’t working, we already tried it”. So some of the really, really early adopters have actually already tried this.⁹⁷

Similar conclusions were drawn by both media agencies and internally within the PlayTV organization. Consequently, there was a mutual understanding of the apparent problem of introducing a new business model and the reluctance among certain actors to engage in collaborations and economic exchanges that were untested:

Both we (media agencies) and our customers… we all talk about content marketing now. But almost nothing happens and it’s all very slow.⁹⁸

The problem with the media agencies is that they aren’t fully there yet. They don’t understand our way of doing things and they are stuck in an old-fashioned way of thinking.⁹⁹

Both the chairman of the board and this investor attributed a leadership problem to the situation the organization was in. They showed great respect for Hans and admired his experience and visions. However, they argued that his talent was less developed when it came to building and managing an organization. In an attempt to “strengthen the business model”¹⁰⁰ and based on the core idea of PlayTV as a “channel”, the investor initiated a business model workshop. Besides addressing the business model, the motive behind the event was to make the entire organization “walk at the same pace”¹⁰¹ – something that was currently considered as highly problematic. The workshop was based on the “Business Model Canvas” (see Fig. 16) (Osterwalder, Pigneur, & Clark, 2010). The investor had prior experience of using that particular management tool as the foundation for strategic discussions and found it particularly helpful for the situation the organization was in. The investor described this initiative:

The atmosphere of the company has always been very optimistic. And at the core there are competent people who know how to make good TV. But now it’s more about making this work in the market. Initially, you can live on and you

---

⁹⁶ Norwegian telephone operator https://www.telenor.se
⁹⁷ Interview with investor, 2013-04-15
⁹⁸ Interview with representative from media agency, 2013-04-05
⁹⁹ Interview with chairman of the board, 2013-01-08
¹⁰⁰ Ibid
¹⁰¹ Interview with investor, 2013-04-15
can value the company based on the expectations of a possible success when launching. But... eh... well, there are three scenarios according to us. Either the venture will become a total disaster or the second scenario is that it will become a huge success and the firm will generate massive revenues. But the most likely scenario is that it goes okay, it takes time to become profitable, the business model needs to be tweaked etc. And that is just how it turned out to be in this case too. So when we look at the business plan and documentation from our first investment decision there were these Excel-sheets with hockey sticks pointing upwards and promises to generate 200 million SEK in three years... which would make all of us super rich [laugh] but that’s not the reality and we [as investors] are willing to challenge and question all taken for granted truths. And that is exactly why we did this workshop. You throw everything up in the air and try to come up with the most plausible new plan to work with and keep that as your hypothesis, and to work from there and to follow up that plan. In companies like these, there are countless opportunities. Therefore, you need to scale off 90% of those opportunities and put them in a drawer. So now we have a new plan and we’re following it up at the board meetings.\textsuperscript{102}

They gathered the management group for a full-day workshop, which resulted in the generation of new thoughts and insights that were going to be used for the new strategies and the new business plan.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{business_model_canvas.png}
\caption{Business model canvas\textsuperscript{103}}
\end{figure}

\textsuperscript{102} Interview with investor, 2013-04-15
\textsuperscript{103} Strategyzer.com
During and after the workshop, the discourse of the organization changed and became more infiltrated with management words. One illustrative example was how the employees now spoke about PlayTV as a ‘business-to-consumer’ company instead of a ‘channel’. They also made it clear that the alternative to business-to-consumer was business-to-business. something the chairman of the board even articulated as a possible “Plan B”:

We must find ways to reach out to and work with our end customers. And essentially, we need more viewers. We want to find these opportunities of being a business-to-consumer company, but our fallback strategy is to become a production company… business-to-business that is… but it’s all very confusing.

This change in strategic direction and increased focus on certain components of the business model (such as distribution and value proposition for the end customer) challenged the existing interpretive schemes of the founder and several of the employees. The workshop hence constituted a cognitive re-orientation of the vision that had up to that point been dominating the actions of the founder and the employees. Immediately after the workshop, a new business plan was produced and changes were made in the organization due to the business model modification. The founder was no longer perceived to represent and execute the changes that had been taken and hence declared an interest in working with the more creative aspects of business development. The chairman of the board, therefore, became appointed as assistant CEO and became a vivid symbol of the new strategy and culture that came to dictate the future actions of PlayTV’s organization. Employees were recruited to match the new core competencies of sales and marketing. Moreover, some of the employees (temporary workers and trainees) belonging to the previous production paradigm were made redundant.

Visit to the office in March of 2013:
Entering the office, I note a slight change from last time. One of the largest rooms is occupied by the production team. The head of production tells me they recently got rid of the basement office where they used to sit. “We did it to cut costs”, she explains. She points to the room where they’re sitting. “It’s a bit tight but it works”, she laughs. I meet the founder who looks visibly tired. He tells me that so many things have happened since we last spoke. He talks about Magnus and how he’s getting everyone to walk at the same pace. He tells me about the new recruits - a marketing manager, an additional sales person and a person responsible for IT. He seems relieved about the fact that Magnus has taken a larger role and has eased some of his leadership burden, particularly when it comes to the “boring CEO” bits. Yet he feels slightly unfulfilled and when he speaks about the new strategic direction the organization is taking, he doesn’t sound really convincing. He’s clearly lacking energy. Or maybe it’s just one of those days.

---

104 Interview with chairman of the board, 2013-01-08
105 Ibid
Despite the business model workshop and the intention of getting everyone to walk at the same pace, there was still a sense of confusion in the organization. Several of the employees were actively trying to understand the new direction and some of them raised doubts:

Our strength and value are obviously that we are creative and fast. But our weakness is that we’re a bit too early. Our potential customers [i.e. advertisers] don’t know where to place us budget-wise. They don’t know if we’re digital, advertising, PR or something else.\textsuperscript{106}

As mentioned above, immediately after the business model workshop a new business plan was written. Again, the founder, the assistant CEO, the head of production and the sales manager – now organized as the ‘management group’ – returned to the drawing board to make new plans for the business ahead. They needed to seek more funding but they also saw it as an exercise in articulating and explaining both to themselves and to their external audiences what they were doing:

For the sake of PlayTV we seriously need to find new revenue opportunities now. Whatever happens, if we partner up with somebody or if we stand on our own feet we’re in a critical state right now. We took in funding in March and we’re soon going to need more money. We’re also investigating how we can become less dependent on PMG. And for that, we need to have all our owners with us. Therefore, it’s critical we get it all down on paper.\textsuperscript{107}

In the business plan dating from April 2013 their business idea was formulated as:

PlayTV is a mobile TV channel with high quality content exclusively created for smartphones, tablets and the web.

This new business idea marked a shift from the initial one where both production and distribution were stressed. The shift was consequently a result of the strategic decision to emphasize the business-to-consumer identity by being a channel and therefore moving away from the production aspects they had previously been occupied with. The investor, the chairman of the board and the founder argued that yet another reason for switching towards distribution was to lower or even avoid the costs of the productions.

Consequently, the business model was altered in such a way that their market was now clearly articulated. In order to generate advertising and sponsoring revenues PlayTV’s target groups eventually had to be defined. Another

\textsuperscript{106} Interview with sales manager, 2013-04-05
\textsuperscript{107} Interview with head of production, 2013-04-23
change from the previous business model was that instead of stating the value proposition for each of their exchange partners, the plan now included detailed activities in order to achieve and improve those exchange relationships. It was highlighted that the value of PlayTV was based upon its capability to attract and keep viewers. Hence, it was defined as critical to recruit a marketing manager with experience from the digital sector.

Another implication of the business model workshop was the reorganization of the firm into distinct functions. According to the chairman of the board and the founder one of the main organizational challenges during the start had been to work towards a common goal. The employees had been running in different directions, acting upon what they had perceived to be the core business of PlayTV. Therefore, the company became structured according to four distinct functions: Marketing & PR, Sales, Creativity and Production. The investor believed one of the benefits of the business model workshop had been to identify their core competencies. A clear shift was the general move from a focus on productions (content) to sales. Furthermore, an important event was that the founder stepped down from his former role as CEO and became the head of the creativity ‘unit’ as creative director:

I’m still the CEO on paper, but since we’re in a start-up phase I’ve got no time to focus on developing our creative opportunities. I didn’t realize this but Magnus helped me to articulate what I was good at and that is actually business development. So now he takes the boring CEO bits and I can focus on developing our business and finding new opportunities. Or being the evangelist – as they say. 108

The organizational changes after the business model workshop challenged the identity of some organizational members, one of whom was the founder. Some employees and even some stakeholders perceived uncertainty and doubt in the new sales and distribution focus that was instigated. Other members of the organization, however, expressed relief about getting a new (clear) strategic direction to work towards:

When I started working here people were doing the wrong things. Now, however, it seems like the penny has dropped (poletten har trillat ner)! 109

I definitely believe that we have built an organization that is distinct, that you can easily communicate to others. It’s when you talk to people you realize when it’s not fitting, when we can’t explain what we really do. But now it actually feels like we can do that110.

108 Interview with founder, 2013-09-23
109 Interview with marketing manager, 2013-09-13
110 Interview with head of production, 2013-04-23
The time that had passed since the launch had mainly been concerned with striving for a higher and better reach. As mentioned above, this meant that finding fruitful collaborations outside the PMG network became critical. Due to the disappointment of the scattered distribution and low conversion rates provided by the technology partner, PlayTV initiated a renegotiation of the exclusivity deal they had agreed upon in the contract. After serious negotiations, PlayTV eventually managed to break free from the agreement and could hence begin the hunt for other distribution and affiliate partners. The informants now saw plenty of openings in striking deals with other actors such as news websites and media partners. Even SAS (airlines) was approached with the idea of offering them on board entertainment. This further implied that the altered identity to that of a channel became strengthened. During spring of 2013, PlayTV managed to close several deals and collaborations with new media partners, which was reported in the media:

PlayTV’s productions maintain exactly the high quality that we want to be associated with. Therefore it feels incredibly exciting to be able to show those series that we believe our visitors will appreciate the most, says John Nielsen business developer at Nyheter 24.111

In line with several other collaborations, PlayTV now announces yet another partnership, this time with the newspaper and web portal Expressen. … Expressen has invested big (satsat stort) in strengthening its web TV portfolio. The interest for watching visual content both on the phone and on our website is increasing rapidly. This is where PlayTV’s products are so timely with their short web-adapted formats, says Marie Lewin, program director at Expressen.se112

Hence, the realized flaws or mistakes in the anticipated business model not only forced but also opened up for the employees the chance to improvise and develop their venture idea. PlayTV’s value network hence became extended with a new group of actors, namely distribution partners, broadly speaking. Bloggers and other interest based community websites were also pictured as potential distribution partners:

Much of what I’m doing involves getting our player out on different websites. Now we aim for larger media partners that already possess a great reach and also appreciate our content.113

The revenues generated from the advertisement funded sponsorships (AFP) (where one sponsor finances an entire show) had proved to be more profitable and less risky than the plain advertisement (pre-rolls) revenues. During its first

---

111 Press release, 2013-05-09
112 Press release, 2013-08-06
113 Interview with PR manager, 2013-09-11
years, PlayTV had produced three such series with three multinational corporations (software, consumer goods and an online casino).

Despite the new strategic direction, the atmosphere in the organization did not feel balanced. There was a clear sense of frustration and irritation over the failed initial idea and particularly a disappointment with the media and advertising industry. Hans explained that he had been invited as a speaker to a large media conference in Stockholm, The Mediadays, and his agenda was set. He intended to pose provocative questions to the people in the audience. His main message was going to be to challenge and accuse the media agencies and the TV networks for sitting in the same boat. In other words, Hans was convinced that the viewer statistics were adjusted so that the advertisers would still want to invest in TV advertising despite the fact that “everyone knows that people don’t watch so much TV anymore”\(^{114}\). This provocativeness was visible in other aspects of the organization’s activities as well. During the same time, PlayTV invested in their first advertisement, a print ad in the newspaper Metro (see Fig. 17). The marketing director saw this as an opportunity to engage in the debate about the future of linear television. The message was equally provocative, in the form of an obituary notice (poem) placed in Metro’s TV listing:

\(^{114}\) Interview with founder, 2013-03-22
Our dear linear
TV listing
has left us:

To miss a program
that has been shown
to constantly be steered by time
We'll, that is now but a faint
memory
Beloved TV listing

Rest in peace

Gifts are respectfully declined
We are free 24 hours a day on
PlayTV.com and as an app.

Mobile TV – on your terms

PlayTV®

Figure 17 Print ad in Metro\textsuperscript{115}

\textsuperscript{115} Metro, 2013-05-20
4.5 Acquisition and new business model

Visit to the office in September of 2013: It’s a late September day in Stockholm. It is still warm outside and as I walk into the office I notice that several of the windows are open to let the air in. The office is quiet and almost empty. It nearly feels like it’s Swedish summer holiday time, with the office being so quiet. I enter the dark cozy room with the fireplace and the large leather sofas. Hans looks extremely relaxed, as he is half-lying on the sofa. He looks very tired and yawns several times during our conversation. But more striking is that he radiates a feeling of relief.

The revenue issue was evidently a burning topic at PlayTV and concerns were raised about the serious need to quickly come up with sustainable revenue opportunities. The production manager had already mentioned the possibility of partnering up or merging with another company if they could not find sufficient revenue streams. Consequently, there was a sense of urgency that permeated through the organization. The financing rounds had become sources of stress and the anxiety about the financial endurance of the firm was taking its toll. Both Hans and the head of production often complained over the fact that they were spending too much time writing documents, calculating budgets and producing material for the business plans and the new share issues (nyemissionen). The constant concerns for securing external funding also distracted focus and energy from what the founder and his team were set out to realize and build.

Later that summer, it was announced that the production company Maestro, based in Malmö, was going to acquire PlayTV. This outcome was not as sudden and dramatic as it could have been, but rather a result of an already established contact. Both PlayTV and Maestro shared the same chairman of the board, who had launched the idea of the acquisition. Together, the chairman and the founder had realized that it was going to be a continuous struggle for PlayTV to survive without as yet sufficient revenue streams. The discussions had been ongoing for quite some time and the two firms had considered different ways to collaborate. However, since none of those ideas really took off, they finally decided that the acquisition would be needed in order to strengthen the bonds. For PlayTV’s part, this meant intense and emotionally heated discussions with their various investors, many of whom did not support the new initiative and rather preferred things to be kept as before:
Several of our small investors didn’t approve of the acquisition at all. They didn’t have the sensibility and feeling for the business and they didn’t realize that without this acquisition it would have gone straight to hell (at fanders). Rather, they were fairly accusing to us, claiming that “you have failed, you have gone too broad, you should have been narrower in your distribution”. But I’ve tried to explain as carefully as I possibly could, that if we go narrow we get fewer viewers, which makes it impossible for us to generate revenues. But it was impossible to talk to them about this.116

Eventually, they reached a solution as Maestro together with PlayTV’s two major investors issued an ultimatum and decided to buy out the “family and friends” investor group.

Timing was a major challenge in the founding of PlayTV. There was an overall understanding between the members of the organization that PlayTV’s business idea was too early. The founder realized that their entire idea was built upon the assumption that the media agencies were going to be their main pillar on which the advertising and sponsoring revenues were to be built. The early indications they had received (the advice given to them from influential representatives from the industry together with the data indicating a decrease in traditional advertising) led them to believe that there was indeed a gap to be filled. Nevertheless, their estimates turned out to be incorrect and with no solid revenue flows the firm was not expected to survive:

We felt that the agencies, or to be honest, the entire industry that we were leaning towards, media agencies, advertising agencies etc., was an industry in crisis. Maybe not directly, but, in a way, they are. I mean the lead times have become so much longer. No one dares to make a decision. Even when it comes to smaller budgets, there’s no decision power whatsoever. And there’re plenty of advertising agencies that have gone bankrupt in the past months. This meant that our business never really took off. The idea that we were to distribute AFP sponsored productions just didn’t work. Let alone generating advertisement revenues, which were our second business. There’s way too little money in that.117

Maestro was founded in 2003 and is a production company with four main business areas: film and TV, live productions, events and entertainment production. It can, therefore, be considered a “traditional” production firm as, up until the acquisition of PlayTV, it had no operations in any of the digital spheres. That was essentially what came to be considered as the major benefit of the acquisition. The established firm was to get access to the new ways of producing and distributing entertainment content. Hence, the value Maestro perceived in PlayTV was getting access to the know-how and distribution of

---

116 Interview with chairman of the board, 2013-12-03
117 Interview with founder, 2013-09-23
digital entertainment formats they had succeeded in building. The media coverage on the acquisition was equally in line with these notions:

… Through the acquisition of PlayTV, Maestro will get access to the digital production of series for mobile phones and an extensive knowledge within social media. … - There are a few challenges associated with the revenue model, which is not yet superb. But we see it as a good investment, says Maestro’s chairman of the board Magnus Alvin.118

This acquisition was not the only one taking place in the TV/film industry during this time. Two other big dealmakers who caught the attention of PlayTV’s employees were SF [Svensk Filmindustri], who acquired the production company Tre Vänner and the established firm MTG, who acquired the production firm Nice Entertainment Group. Similar to the PlayTV one, the main motives behind these acquisitions were that the traditional firms wanted to strengthen their competencies within digital production. Furthermore, Hans viewed the current market situation as “shaky” due to a surplus of small production firms.

The founder was relieved. He considered Maestro as a perfect match and highlighted that he sympathized with their culture and philosophy. More importantly, he expressed happiness over getting a chance to refocus and return to what he believed himself to be best at, namely writing and being creative:

This merger suits me perfectly. I finally get to do what I like and that is writing scripts. Personally, PlayTV has been extremely interesting and I have learnt a lot. But in my DNA, I have this need to write and that is something I haven’t been able to do so much over the past years. So now, I’m actually writing this big thing for SVT… and since summer I’ve left the CEO job and am now only working 50% in order to have the time to write. Line is our new CEO. Today I’m creative director, but I’ll soon even leave that position. Instead, I’ll join Maestro’s board and spend one day a week on business development. That is something I really like and I sort of can’t stop myself from doing that… having crazy visions and stuff. I guess that’s something that Magnus has noticed.

In the time that followed the acquisition, operations went on in two broad areas. First, the focus was to incorporate the PlayTV organization into the larger body of Maestro. There were remarkably few overlaps between the two organizations. The eight employees at PlayTV continued working from Stockholm. Besides PlayTV’s PR manager, who now took on several assignments from the Maestro organization, the other employees went on as before. Secondly, the business went on as usual. There was only a little change in the way the employees worked and felt about their new organization. They were carrying on with their sales efforts and productions and constantly questioning

---

118 Dagens Industri, 2013-08-14
their *raison d’être*. The PR manager, who had been with the company since the launch, described the times:

> We went live in October 2012 and so far, it has been a roller coaster ride, to say the least… We’ve had our ups and downs and Hans’s visions have changed many times. … Today we are contemplating if we still should work as a channel – which was our initial idea, or if we should be more like a production company. I mean we really do make great productions and that could also work really well.119

One of the envisaged advantages with the acquisition from PlayTV’s viewpoint was getting access to more content, i.e. Maestro’s TV and film productions. Content had proven to be both costly and risky to produce. What was more serious was that, without the sufficient volume of high quality content, PlayTV was not going to achieve its goals in terms of reach and viewers, which was yet another Catch 22. Besides, since the time of PlayTV’s launch, the competitive landscape had intensified. Other web TV channels with stronger financial muscle had entered the market and it was no longer evident that high quality content was going to be the unique selling point in order to attract customers. YouTube was one of those platforms whose power PlayTV had underestimated.

A major change at this point eventually became the move away from perceiving themselves as a channel to speaking about themselves as a production company. So after having tried for a year to be a channel, they retreated to what their chairman of the board a year earlier had labeled their fallback strategy:

> We need to be more like a production company if we are to make money. That’s where you can make a profit. Because advertising… well, you have to reach such volumes that it’s impossible to achieve that in Sweden. We’re simply too small. We need to produce, we need to make stuff ourselves… and we’ve talked a lot about this. But we can’t go on and make drama productions. There’re no profits in that on the web. Only Netflix can do drama and then you would have to reach the level of House of Cards… and I don’t even think that show generated a profit. So, then you have to make stuff that attracts viewers, such as personal portraits, events with a well-defined target group etc. The target group has to be there beforehand.120

This change from a distribution channel to a production company or from a business-to-consumer to a business-to-business business model as the chairman of the board stated, actually meant that the company was heading towards

---

119 Interview with PR manager, 2013-09-11
120 Interview with marketing manager, 2013-09-13
a more traditional (analog) way of doing business. Because Maestro had acquired it, the chance arose for PlayTV to produce its own scripted content that could be sold to the linear TV broadcasters’ online (play) channels. Hence, a new source of revenues was envisaged. Members of the organization also perceived opportunities to both work with and extend Maestro’s current productions into web series. The reorientation of the business model was also described by some of the informants as going from a “digital logic to a traditional logic”\textsuperscript{121}. Consequently, in the new corporate presentation, the company was now described as working with both the production and distribution of content. Their subsequent business idea was articulated as:

Pocket is a digital production company with its own distribution producing high quality content for the future of mobile devices.\textsuperscript{122}

The difference was that the main emphasis was on producing content whereas distribution came as a secondary priority since it had turned out to be of larger importance to keep a high content frequency and volume. Therefore, a strategic reorientation was made to “reduce the ambition level”\textsuperscript{123} when it came to producing drama series and instead work with cheaper and shorter formats such as reality shows, events and branded entertainment, however still to a high quality standard. Several of their prior more reality oriented series had been successful in terms of viewers. These consisted of the series about the famous Swedish blogger and fashionista, a documentary about an internationally renowned wrestler and a program following a group of alpine skiers in their preparations for the Olympics. All of these shows received positive viewing figures and were also shared on social media. The reason for their success was claimed to be that they already had defined target groups genuinely interested in taking part in this type of content. Drama, on the other hand, had broader target groups and was therefore more challenging to market and spread. This refocus of PlayTV’s product offering was formulated in their new corporate presentation as “reality content, scripted content and sponsored content”\textsuperscript{124}. These types of shows apparently did not appeal to everyone. As mentioned above, the founder and some of the early investors and influential people had other visions for the content. The high quality drama productions with exciting characters were abandoned, at least for the time being.

As a result of the reprioritization and reorientation of PlayTV into a digital production company, a new organization was put in place. A new management team replaced the old one. The spider in the web and former head of produc-

\textsuperscript{121} Interview with new CEO, 2014-03-07
\textsuperscript{122} Company presentation, 2013-12
\textsuperscript{123} Interview with marketing manager, 2013-09-13
\textsuperscript{124} Company presentation, 2014-12
tion was now formally appointed as CEO of the firm. Furthermore, a new creative director was hired to replace the founder in his position. The pressure to generate more revenues and the legal struggles the firm had experienced led them to recruit a person with international experience in the distribution and acquisition of film property rights:

When we decided to turn the company into a digital production company we realized that we needed to change the organization. And by that time, Hans had already thrown in his towel since PlayTV wasn’t going to be what he had envisioned. His vision from the start was to build drama and when that proved not to be working, in favor of non-scripted content… then we felt that we needed to bring in competence from that world. So, we hired Jennie. She knows everything about non-scripted and all about these types of formats.125

At the acquisition stage, the business model had been changed back into business-to-business with a focus on productions. Consequently, some of the actors that had been recognized as competitors in the initial business plan, such as the established TV network’s digital play channels (e.g. SVT and TV4) hence came to be considered as prospective partners after the business model reorientation. This shift, from at one point identifying an external actor as a competitor and then turning it into a partner, became a striking theme throughout the development of the firm:

It’s been tough for a while and that’s mainly due to the fact that we have mainly been selling to media agencies. And during our journey, we haven’t addressed the digital play channels. That just simply hasn’t been a market for us since we decided to be a channel ourselves. But now when we’re a production firm we’re considering selling to SVT and TV4 and those actors. We’re even thinking about Netflix….but that’s up to the future to decide.126

After a while, PlayTV relocated from its premises at Kungsholmen, to a modern and newly renovated office building in Södermalm. The new management team was seeking a workplace that was “more convenient and adapted to the needs and size of the firm”127. They sought to have the production team working close to the rest of the organization and therefore prioritized a smaller and tighter type of office space. PlayTV also changed its name to Maestro PlayTV.

**Last visit to the office in May of 2014:** PlayTV had now moved office from Kungsholmen to Södermalm in Stockholm. When I ring the intercom, and wait for someone to let me in, I notice familiar names of other established production firms being located in the same building. I enter an office that is entirely different to how the last one looked. The contrast is very significant. There is one big open space, with a high ceiling and large windows facing the street. The walls

---

125 Interview with chairman of the board, 2013-12-03
126 Ibid
127 Interview with new CEO – former head of production, 2014-05-02
are white and the desks and chairs from IKEA. Everything feels modern and minimalist. The only things remaining from the old office are the desk lamps... adding a black contrast to the otherwise so white décor. In one separate room behind large thick glass walls, two people sit in front of large computer screens. The new CEO – Line tells me that’s the production room.

PlayTV’s business has since then developed together with Maestro. PlayTV’s focus has been to function even more as a production company, producing and selling shows to customers ranging from digital television and media networks to traditional broadcast networks and corporations (i.e. in the form of branded content). The distribution and channel ideas have been dropped and consequently, the revenue model has evolved into a traditional one based on sales of productions.

4.6 Summarizing the PlayTV story

The PlayTV story illustrates a process where the idea of an aspiring entrepreneur gradually materialized into a venture. Starting from the aspirations of the founder, action was mobilized, several actors and partners became involved and subsequently a set of market exchange activities more or less successfully materialized. In sum, we witnessed an entrepreneurial journey from an embryonic idea to an operating venture. Thus, this empirical observation supports Dimov’s (2007) statement about the opportunity as the “progress (idea + action) along a continuum ranging from an initial insight to a fully shaped idea about starting and operating a business” (p 720). As such, this early entrepreneurial journey can be understood as an opportunity development process involving the exploration and exploitation of a future opportunity.

More specifically, the case illustrates the inherent difficulties and complexities in interpreting an evolving entrepreneurial opportunity and it also brought the temporal aspect of the opportunity construct to the fore. If an opportunity is to be understood according to the present actions and economic activity of the firm, then how do we understand what drives entrepreneurial action in the first place? This empirically illustrates the weakness of the opportunity construct in the understanding of early entrepreneurial processes.

Thus, the empirical data from PlayTV indicates that the focus should rather be placed on the ongoing process of opportunity development than on the opportunity phenomenon itself. However, in order to makes sense of the process one may start by investigating what it is comprised of. Based on the analysis of the case study, four components emerged that proved to have practical relevance in order to elucidate the development from idea to market. In the next
chapter, the opportunity construct will be elaborated on and analyzed by ab-
ductively placing it against current theoretical understandings. By reintroduc-
ing the ideas of Davidsson (2015) and Dimov (2011), a reconceptualization of
the opportunity construct will be developed that can be used in similar studies
in prospective research settings. Subsequently, the analysis proceeds to inves-
tigating their interrelationship and evolvement over time by asking the ques-
tion; how opportunity development is pursued.
5 The four opportunity components

Up until now, I have reviewed and discussed the notion of entrepreneurial opportunities and sought to question and challenge its taken for grantedness in much of the mainstream entrepreneurship literature. By pointing to the advancements that have been made in order to see the notion of opportunity from an everyday view of the entrepreneur(s) in interaction with his/her external environment, I turned to the empirical case. This was done in order to study the emergent, ongoing and open-ended development implied to transform subjective aspirations into a business venture. With the encouragement from Gartner et al. (2003) as previously stressed, my purpose was to listen to and observe the entrepreneurial actors in order to understand “What do they talk about when they talk about opportunity?” (p 104). This intention consequently guided both the method and the subsequent analysis of the empirical material. In this way, I strived to capture the language and perspectives of the involved actors in the journey of the idea’s development to its launch in the market. It was also helpful in the selection of concepts specifically related to the entrepreneurial opportunity, thereby neglecting other generic start-up activities such as resource allocation, legitimacy creation and learning.

Based on the empirical inquiry on which the narration in Chapter 4 was based, this chapter introduces an alternative way of understanding what is discussed under the opportunity umbrella in entrepreneurship. Four different themes or components emerged from the transcripts and coding of the empirical material. These themes were both central to and interrelated in the journey from initial idea to finally starting and operating a business. This chapter introduces these four constructs and discusses their empirical underpinnings. With support from related conceptualizations found in the entrepreneurial opportunity literature, a framework is developed containing the four components. These components contribute to further both theoretical inquiries as well as entrepreneurship practice by providing a language (concepts) closer to the lived experiences of the involved actors.

The chapter consequently bridges empirical data and theory, by moving from the informants’ concepts to seeking support in the literature, in order to provide an explanation for the most relevant characteristics of opportunities. So
as to maintain focus on the opportunity and not confuse it with other entrepreneurial activities, the analysis zooms in on the informants’ narratives relating to the idea they were taking action on at the time.

The informant categories that emerged from the coding/narratives were ongoing and under development throughout the entrepreneurial journey. From the understanding of the involved actors, the first construct relates to the reflection and awareness of cues in the external environment beneficial for the emergence and development of the idea. By pointing to certain capabilities or circumstances in the environment, the actors argued for what allowed the idea to be developed and come into existence. This was often referred to as a ‘gap’ in the market or as some sort of ‘discrepancy’ within existing systems. The awareness of the external environment not only included positive elements, corresponding negative conditions came to impact the evaluation and change of PlayTV’s idea. Secondly, what emerged was the search and formulation of the overall idea of the emerging venture with regard to the establishment and purpose of the firm. Initially the discussions were prospective in the sense that the actors were anticipating a future idea that eventually evolved into an operating reality. Thirdly, and closely related to the prior two was establishing a business model critical for the achievement of the idea. This consequently turned the attention equally to the internal organization and the external environment, by identifying specific partners with whom to engage in exchange relationships with and negotiating ways of creating and capturing values for each party. Fourthly, there was continuous evaluation of the idea’s commercial viability, for which the entrepreneurial actors assessed their beliefs and confidence. By using the language and expressions of the informants, these four constructs will be elaborated on below.

5.1 Environmental cues

The empirical data indicated that different cues in the external environment triggered the early development of the idea. The notion of opportunity consequently became intertwined with the external conditions perceived to initiate and motivate entrepreneurial action. The environmental cues in PlayTV’s case all had their root causes in technological change, but were manifested and perceived of in various ways (see summary in Fig. 19). The founder initially referred to the industrial environment. Based on his own professional experience, he perceived problems related to the TV and film industry’s bureaucracy and lack of flexibility related to the ideation, creation, financing, production and distribution of films. At several times, he referred to this phenomenon as “something wrong with the system” (see e.g. p 47). Moreover, he pointed to the established industry actors’ incapacity and inertia related to the digital
logic’s use and adaptation. The founder perceived the film industry as “extremely conservative” (see quotation below) and hence saw a chance to initiate change:

We have to remember that for ten years the film industry has been talking about and stressing that they need to do something for mobile phones, but no one has a solution for what to do. The film industry is extremely conservative, as soon as you mention downloading, they think about the Pirate Bay.128

He soon found support from likeminded people and mobilized both belief and action around this perspective of the industry as malfunctioning. Other industries that triggered similar ideas were the advertising and media sectors, also perceived to be in crisis due to the falling consumption rates of traditional media such as television and print magazines (p 60):

We’re starting to establish our thoughts within the media agency industry and they’re extremely positive, but they’re also slightly nervous. You see, the traditional TV channels are going to hell, which is a disaster. Which suggests that it is no longer going to be the best marketing arena. At the same time, web series like Danne & Bleckan129 are receiving huge numbers of viewers… the change in TV viewing behavior has just gone so quickly.130

These early observations and cues consequently came to be the foundation for PlayTV’s revenue model, in which advertising and sponsoring fees were assumed to be the main revenue streams.

Similar types of cues were also related to the market environment in which PlayTV was embedding itself. Since the established industry had failed to address the needs and behavior of digital TV and film consumers, the founder argued for a gap in the market that he intended to fill (p 62). Moreover, this was connected to the competitive environment in which very few actors were perceived to exist. YouTube was mentioned as their main competitor but was described as mainly an arena for amateurs:

The new media landscape is shaped and populated by amateurs. Take YouTube for example, it’s truly an arena for amateurs… There is an opportunity to do exactly the same things, but with high quality TV standards. It’s really about time the established television industry raises its status on the internet. And this is something we’ll contribute to.131

128 Interview with founder, 2011-11-25
129 Web TV series produced for SVT (Sveriges Television)
130 Interview with founder, 2011-11-25
131 Ibid
Cues were also triggered from the changed consumer behavior in the viewing and consumption of entertainment. The founder claimed that he was influenced by his son’s neglect of “TV-TV” (p 48) in favor of watching drama on the computer or the phone. Through a historical exposé, the founder framed how TV and film modes and their consumption had changed over time, depending on the windows of distribution (i.e. technology):

…And now we are in the midst of the next revolution. With a new technology comes new ways of watching and this puts entirely new demands on we who make television and film.\textsuperscript{132}

The technology environment (i.e. digitalization) was highlighted as the main driver behind the emergence and development of PlayTV’s business idea. As stated above, this change took various expressions. Whereas some cues stemmed from behavioral changes caused by the introduction of novel technologies, other cues came from the artifacts that made the realization of the idea possible. The launch of the iPad in 2010 was highlighted by the founder as the final trigger to form the venture (p 47). Not only were mobile digital devices critical for the conceptualization of PlayTV’s product (i.e. drama content in short versions), production equipment such as cameras, computers and editing softwares were equally held as facilitators since they had become both better and less expensive. In other words, the capabilities associated with using digital devices had evolved. Streaming, sharing, cocreating and interacting had become possible through the development of the Web 2.0 and social media. These were behaviors and activities the founder imagined capitalizing on and building PlayTV’s product around.

Thus, digitalization had paved the way for six comprehensive sources of stimuli in the external environment that initiated the emergence and development of PlayTV’s business idea (see Fig. 18).

\textsuperscript{132} Interview with founder, 2011-11-25
<table>
<thead>
<tr>
<th>Environmental cues</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry</strong></td>
<td>Malfunctioning TV and film industry; inertia and incapacity to take advantage of new technologies</td>
</tr>
<tr>
<td><strong>Market</strong></td>
<td>Gap in the market with opportunities to create new exchange relationships and revenue streams</td>
</tr>
<tr>
<td><strong>Competition</strong></td>
<td>Weak competitive situation; few professional actors and many amateurs (e.g., YouTube)</td>
</tr>
<tr>
<td><strong>Consumer behavior</strong></td>
<td>Change in viewing behavior and consumption of entertainment</td>
</tr>
<tr>
<td><strong>Artifacts</strong></td>
<td>Digital devices: smartphones, tablets, PCs, computers for media consumption and digital cameras, editing softwares, computers for TV and film production</td>
</tr>
<tr>
<td><strong>Capabilities</strong></td>
<td>Web 2.0; social media and increased broadband allowing for interaction, co-creation, sharing</td>
</tr>
</tbody>
</table>

Figure 18: Environmental cues perceived by the entrepreneurial actors

As illustrated in the PlayTV case, environmental cues were the strongest influence in the earlier stages of the venture’s development. They can consequently be described as triggering the emergence and development of the embryonic idea. As will be developed in the subsequent chapter, this particular environmental input came to be of less importance after the venture had entered into an operating phase. However, the environment continued to shape the idea over the course of time due to perceived changes in the environmental cues. Elements of the environment that had initially been framed as positive or as gaps were proved otherwise after PlayTV had entered into the market space as an operating business. Moreover, various individuals assessed these external conditions differently. The figure below offers some examples of quotations illustrating both positive and negative evaluations of the environmental cues.
<table>
<thead>
<tr>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;We see huge opportunities in social media&quot;</td>
<td>&quot;Media agencies are reluctant and careful&quot;</td>
</tr>
<tr>
<td>&quot;The established TV and film industries are afraid of working digitally&quot;</td>
<td>&quot;The advertisement market has changed&quot;</td>
</tr>
<tr>
<td>&quot;The film industry is a crappy business with long lead times, lots of Gate323a and insecure financing...&quot;</td>
<td>&quot;The digital marketing budgets are still too small&quot;</td>
</tr>
<tr>
<td>&quot;The idea is timely. We have a new generation of viewers cut there&quot;</td>
<td>&quot;Cinema doesn’t work, unless you do House of Cards...&quot;</td>
</tr>
<tr>
<td>&quot;An international expansion is possible...&quot;</td>
<td>&quot;The media industry is in crisis. The lead times are longer and no one dares to make decisions anymore... Many advertising agencies have gone bankrupt lately...&quot;</td>
</tr>
<tr>
<td>&quot;Sweden is a great test market&quot;</td>
<td>&quot;We have an entirely different business logic&quot;</td>
</tr>
<tr>
<td>&quot;Our idea is consumer driven – they want high quality content&quot;</td>
<td>&quot;Advertisers and established TV networks are in the same boat&quot;</td>
</tr>
<tr>
<td>&quot;The advertisers and sponsors will pay...&quot;</td>
<td>&quot;The timing is really bad – we’re too early&quot;</td>
</tr>
</tbody>
</table>

Figure 19 Quotations illustrating the informants’ perception of environmental cues ranging from positive to negative

5.2 The idea of the emerging venture

PlayTV’s entrepreneurial journey started as an embryonic vision of a future state that, after time, became formulated as an idea that sought to describe the firm level, what the venture was going to do. The case study revealed how several beliefs, insights or ideas stemmed from the environment surrounding the entrepreneurial actors. Their development and merge into one overall idea
of the emerging venture can hence be described as a process of configuration of the two (see Fig. 29).

<table>
<thead>
<tr>
<th>Ideas for the emerging venture</th>
</tr>
</thead>
<tbody>
<tr>
<td>“We’ll be a content company, a channel”</td>
</tr>
<tr>
<td>“We’re going to revolutionize the TV and film industry”</td>
</tr>
<tr>
<td>“We’re creating a new type of film industry”</td>
</tr>
<tr>
<td>“… producing, distributing and consuming TV and film”</td>
</tr>
<tr>
<td>“… possibility to work with production companies”</td>
</tr>
<tr>
<td>“We’re going to professionalize this industry”</td>
</tr>
<tr>
<td>“We’ll be a hybrid between Facebook and television drama”</td>
</tr>
<tr>
<td>“We’ll be a spider in the web – a matchmaking”</td>
</tr>
<tr>
<td>“PlayTV will be a meeting point for professional filmmakers, new talents, established creators, production firms, film and TV artists…”</td>
</tr>
<tr>
<td>“PlayTV will be a consumer brand”</td>
</tr>
<tr>
<td>“Our production lead times will be short”</td>
</tr>
<tr>
<td>“… maybe we’ll launch our own media player on YouTube”</td>
</tr>
<tr>
<td>“We’ll work with sponsor driven TV”</td>
</tr>
</tbody>
</table>

Figure 20 Quotations illustrating examples of ideas for the emerging venture expressed by the entrepreneurial actors

In the interviews and observations, the ideas acted as explanations about what the actors were going to do and/or were actually doing at that point in time. By relating these ideas to the environmental cues, they became the answers fillers – to the gaps the actors had identified. Accordingly, as the venture developed and matured, the idea(s) were refined correspondingly.

The overall idea of the emerging venture was the result of a lengthy process which the founder had contemplated over several years. The concept was the outcome of processing sources of information and situational stimuli. He described how he had started sketching it out more than a year prior to registering the firm. His earliest thoughts centered on a general notion based upon the digitalization of film and television content. The idea behind PlayTV as an imagined future venture was gradually developed from the founder’s prior experience of working in the TV and film industry. His initial interpretation of
digitalization and his perception that no other actors within the industry sought to fully benefit from these innovations led to his decision to explore and pursue the original concept. Through interactions with his external environment and information sought from his network of family, friends and colleagues, the idea developed and was articulated as “creating a new type of service that would capitalize on and use digital technologies in order to create a novel TV and film experience” (p 49). This eventually became implemented as PlayTV moved from exploration and planning phases to the launch. After the launch, this initial notion became shaped to better suit the new reality the venture was facing. Along the same lines, it continued to evolve and change over time due to both unforeseen contingencies and strategic decisions. As illustrated in the case study, the concept of the emerging venture was also negotiated between various interests inside and outside of the organization. This became particularly visible as the new leadership suggested refocusing towards documentary and reality based content, as opposed to drama which had been originally envisioned by the founder. (More of the processual issues and explanations will be elaborated on in Chapter 6).

5.3 Establishment of a business model

Another important activity in the development of PlayTV’s opportunity was establishing a business model. This was illustrated by the way that market interactions were imagined and initiated and how the value critical for the venture’s achievement was defined. This essentially included identifying partners, value propositions and revenue streams to be created and captured, but it also turned the focus to the internal organizing of the firm. As such, the business model emerged in the process of developing the feasibility of the idea from the level of the firm to the level of the market. The business model was used to create a pattern of interactions by mapping the partners with whom the emerging venture needed to collaborate with, to define the value propositions and the potential for partnerships between these groups.

The idea of the emerging venture described what the venture was aiming to do. The business model referred to how it was going to be done. This can be explained as a further development of the idea of the emerging venture, bringing it closer to the market. The business model consequently bridged the venture from the level of the firm to the level of the market. For example, after having developed the idea, the founder began contemplating how and through what platform PlayTV’s content would be distributed by defining how its viewers would be reached:
Everything is already out there, we just have to find the right mix. If we were to build the technical infrastructure from scratch, it would cost us around 3 million SEK. But we believe that we can find partners. There are various, more technically oriented companies having difficulties in reaching out with their stuff and that offers great potential for us. Maybe we can create a partnership with someone who can build what we want and we could take this journey together. We want this to be a concept that can be exported and then we would also be able to provide the technical solution… and we could possibly even own the platform together. But that’s a minor problem! Our starting point and focus is simply to be a content company – a content channel.\footnote{Interview with founder, 2011-11-25}

Consequently, this element concerned establishing relationships in the market and, notably, it illustrates the importance for the entrepreneurial actors to define value at a systemic level, by connecting and creating relationships between various potential partners in the emerging venture. Another example emphasized by the founder was his vision of integrating PlayTV’s TV and film characters with various social media outlets (see p 60). This systematic thinking revealed the idea of creating “a digital ecosystem” (p 60), by connecting their service with other actors in the digital landscape. The characters and content were to be embedded in Facebook, Twitter, blogs and other social media channels, which, in turn, caused the firm to recruit employees with social media skills. Related to this was also the generation and sharing of revenues, based on the interaction and spread of such content. The affiliate marketing program was one such example which the founder envisaged creating.

Thus, turning the focus from the idea of the emerging firm to this opportunity element involved the evolution of the idea towards its feasibility in the market. At the same time, it had to be realizable within the firm’s internal organization. The table below illustrates the different aspects touched upon when the actors talked about and described their business model (see Fig. 21):
Figure 21 Quotations illustrating the definition of PlayTV’s business model expressed by the entrepreneurial actors

The business model was present throughout the entire founding process and it was used extensively in both written documents and verbal descriptions. The founder frequently used the term “concept” to describe how the various ideas were linked together, what resources to deploy and how the future market would be served. This concept was subsequently used as an elevator pitch, communicative device and internal cognitive tool when explaining the imagined future reality of the firm. The actors of PlayTV used it just like Magretta’s (2002) definition of a business model, as “stories that explain how enterprises work” (p 41), as captured at a meeting with one institutional stakeholder:

... so, the meeting we had with the Swedish Union for Performing Arts and Film [Teaterförbundet] actually turned into an educational meeting where we went through our business model just to explain who we were.134

The business model was developed in close interaction with the social network and the prospective stakeholders of PlayTV. From the initial concept, we observed how the business model changed over the course of time and became more elaborate. It started out as a descriptive account of an imagined future state, functioning as an explanation of how the venture was envisaged to do business and make money. Thus, at the center of PlayTV’s business model was the logic of how to create and capture value for and from different stakeholders. Hence, the various actors were described and their roles in the prospective business were articulated.

134 Interview with project manager, 2013-3-13
As illustrated in the narrative, the idea behind PlayTV’s business model was initially developed by connecting three main exchange partners (viewers, filmmakers and advertisers) with each other, which the founder referred to as their win-win-win model. This model was further improved by explicitly articulating the value proposition for each of the respective stakeholder groups. Thus, in the earlier stages of firm formation, a central activity came to be defining value propositions for the various prospective stakeholder groups. This was done through intensive information seeking and meeting with these partners.

Mutual exchange was held as a key factor to succeed in establishing successful market interactions. To illustrate this activity, it became essential to connect different partners such as the focal firm itself – PlayTV – with viewers, distribution providers, producers of content (filmmakers and production firms) and advertisers. It was notably from the idea of mutual exchange that the notion of the win-win-win situation emerged. Thus, PlayTV’s business plan included bullet points related to the value propositions for each and for one of those main partner groups (see Fig. 22). As will be further discussed and elaborated on in Chapter 6, once the entrepreneurial actors believed to have identified the values for each stakeholder group, they felt confident and could hence move on to execution.

<table>
<thead>
<tr>
<th>Viewer</th>
<th>Creator</th>
<th>Advertiser</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free quality entertainment</td>
<td>A creative freedom, seldom offered by the established TV and film industry</td>
<td>Opportunity to target specific customer groups with high precision</td>
</tr>
<tr>
<td>When, where and however</td>
<td>A possibility to increase online earning potential</td>
<td>Only paying for the number of viewers and clicks</td>
</tr>
<tr>
<td>Opportunity to communicate and interact with the characters of the show</td>
<td>Short lead times from idea to production</td>
<td>Opportunity for direct communication with one’s target group</td>
</tr>
<tr>
<td>Direct communication with the audience</td>
<td></td>
<td>In close collaboration with the creators, opportunity to pilot out certain characters/series/characters in the need in other types of communication activities</td>
</tr>
</tbody>
</table>

Figure 22 Value propositions defined for each stakeholder group – i.e. the win-win-win business model

The value propositions were to be coordinated and distributed through a value chain where digital platforms would be used. By utilizing digital technologies and devices, both the production and distribution of entertainment content
would be realized. Hence, the value chain was envisaged with digital technologies as the enablers of PlayTV’s transactions between the focal firm and their future exchange partners. This was articulated in their first business plan:

PlayTV is an entirely new way of financing, producing, distributing and consuming film – for portable digital devices.\textsuperscript{136}

The early version of the business model described in PlayTV’s business plan consequently centered on digital technologies as a way of both reaching their future customers and producing their product. Hence, the value network of the firm was sketched out by identifying a distributor as a potential partner. The founder explained how the distributor was to gain access to content and likewise share the advertising revenues the founder anticipated generating. Moreover, the perceived value for the distributor was articulated.

An essential aspect of the initial business model concerned the revenues, by estimating the cost and revenue flows. The profit potential the founder and his partners perceived in the advertising and sponsoring markets was developed into an elaborate revenue model. The founder explained this model as a simple revenue share model, where the profits were to be split between the three main exchange partners. On their webpage at the time it read:

\begin{quote}
    The financing is based upon the opportunities offered by the new technology. Since PlayTV wants to provide the viewers with the best possible film experience, we offer the chance to take part in the advertisers’ messages and offers, if the viewer decides to. PlayTV will be entirely based on the viewers’ conditions. The concept offers a unique possibility to interaction and communication between advertiser and viewer. We at PlayTV are convinced that advertisers are ready to pay for this and even pay more than, for example, traditional exposure, i.e. push advertising.\textsuperscript{137}
\end{quote}

During the envisioning and planning phase, the entrepreneurial actors formed opinions about the market for digital entertainment in general and film and TV in particular. This resulted in a positioning map and a strategy of where to position themselves against their prospective competitors. The competitive strategy was consequently another aspect of the business model. Likewise, they had discussed and identified the market in which they intended to target their product:

\begin{quote}
The target group for PlayTV is a digitally connected person using a smartphone or a tablet on a daily basis. The two main target groups can be divided into 15-25 and 25-55 year olds. This might also be a mental age. Some shows will be
\end{quote}

\begin{flushright}
\textsuperscript{136} Business plan, 2011-08-05
\textsuperscript{137} Playtv.com information in their homepage under the headline “PlayTV – the TV of the future”
\end{flushright}
targeted towards women and others towards men. However, our target groups consist of both women and men\textsuperscript{138}.

Thus, drawing upon the case study, six core building blocks of PlayTV’s business model is proposed. Despite their content being altered throughout time, these core components remained the same. Building on the informants’ accounts, support is borrowed from Chesbrough and Rosenbloom’s (2002) operational definition of a business model which includes the six attributes of the market, value proposition, value chain, cost and profit, value network and competitive strategy (see Fig. 23).

**BUSINESS MODEL:**
1. Value network/exchange partners
2. Value proposition
3. Value chain
4. Cost and Profit/revenues
5. Competitive strategy
6. Market

Figure 23 Business model drawing upon Chesbrough and Rosenbloom (2002)

5.4 Confidence of the entrepreneur(s)

The final opportunity characteristic that became visible in the empirical material was related to the level of belief and confidence which the individual entrepreneurial actors displayed in the emerging idea and its potential to succeed in the market. Their positive perceptions were likewise related to their perception of the environmental conditions and the functioning of the business model. Consequently, the case illustrated a strong correlation between how the opportunity components were perceived and evaluated by the entrepreneurial actors and their level of confidence.

Confidence was manifested in various ways and obviously altered over the course of time, depending on the new situations, circumstances or insights the actors and emerging venture were exposed to. In simple terms, confidence was displayed as believing that the actor(s) had what it took to achieve the desired state. This was done by stressing their core strengths associated with the realization of the specific idea, emphasizing their ‘key to success’ with the idea at hand and believing that it possessed a competitive first mover advantage by

\textsuperscript{138} PlayTV’s business plan
arguing for the relative lack of similar market actors. The study further revealed how confidence was both perceived on an individual level and shared between the actors:

Founder: “We’ve got a first mover advantage...”
Sales manager: “We have a trustworthy team here at PlayTV...”
Investor: “In 2008 I wrote a blog post about the future of TV...”
Production manager: “Our core strengths are creativity and speed...”
Project coordinator/partner: “We’re establishing trust by knowing what we’re doing...”
Sales manager: “Our presentations are really good and they are very educational...”
Chairman of the board: “With Maestro we’ll work in a more integrated way; they’ll do TV-TV and we’ll do the digital ‘extension’...”

As the PlayTV story illustrates, the founder had been nurturing and developing the idea for more than two years before actually taking the step to quit his job and register the company. Throughout that time, he gained more belief in his idea through seeking information and undertaking various planning efforts. Moreover, he was aware of his own knowledge and capabilities and therefore spent much time discussing with people and prospective partners with complementary skills. His initial confidence stemmed from both his conviction in the idea and the belief that he was the right person (possessing the right capabilities) to succeed with this venture. As such, the empirical data indicated the importance of knowhow and prior knowledge related to the realization of the idea. It was the founder’s deliberate and time consuming buildup of confidence that can explain his final decision to quit his job and “go for it”.

Once the venture was established, similar planning and preparation activities continued to be carried out with the particular aim of strengthening PlayTV organizational members’ beliefs in their own capacity to succeed. This was done by recruiting, partnering up and surrounding themselves with people who complemented their skills or who were supportive of their initial idea. As illustrated on p 50, an early employee stressed how the affiliation with a skilled person with experience from social media and transmedia was crucial in order to develop the ideas related to the digital ecosystem which they wanted to create or be part of. This also sheds light on the fact that the level of confidence was strongly associated with the awareness of specific capabilities required in order to succeed. At several instances in PlayTV’s journey, the members of the organization showed awareness of competencies and knowledge they lacked for certain things. On a similar note, particularly in the beginning, they were stressing that they actually had the competencies they perceived to be required and they often emphasized the strength of being a firm “by creators, for creators” (p 54):
One thing that I really believe has been key to why it is taking off right now, which I hear when we talk to creative workers… and mind you, we have been around talking to many production companies… is that we all have creative backgrounds. James is a film producer, celebrity actor and producer X is on board, and then it’s Tess and me. When we come from this side, they feel safe about us providing a new opportunity for them.139

The above quotation also highlights the belief among these actors that they were creating a match or a fit between the perceived idea of the emerging firm and the perceived competencies necessary to establish the venture. Moreover, the confidence level changed according to how the actors perceived of their business model, i.e. its potential to create and capture value. This became particularly clear after the launch when their initial assumptions about how they intended to create value and make money proved not to work. Some actors more than others were sensitive to this, which in turn affected their confidence levels and was manifested in their reduced commitment to the firm. This consequently demonstrates that confidence was assessed and perceived both at an individual and a collective level. PlayTV’s evolution also displays how different people held varying levels of opportunity confidence with regard to the same new venture idea and/or business model (see quotation below). Before the launch one of the sales managers expressed a concern over the emphasis on social media:

I believe that if we are to do this, we’ll actually need a huge marketing budget. Look at Netflix. They have invested millions and millions of dollars in advertising. Plus… they have so much content. We’ve discussed this I’ve told them that we need a marketing budget… but they just say that everything is going to be built virally.140

After the launch, two of PlayTV’s board members argued that they had lost confidence in the business model. They, therefore, decided to become more operationally involved in the daily activities of the venture. They particularly became engaged in changing the business model:

… and now we have launched and today we have a new struggle with finally nailing the business model. At the thought stage it was decent, but in reality, it’s really poor. We’re slowly moving from a business-to-business model to a business-to-consumer model, which I personally believe in… 141

The above quotation also highlights the fact that actors’ evaluations tend to be only valid for a particular point in time, which causes opportunity confidence to vary. As the venture evolved, the degree of favorability for the different stimuli altered. The founder and some of the initial employees and partners

139 Interview with founder, 2011-11-25
140 Interview with sales manager, 2013-04-05
141 Interview with chairman of the board, 2013-01-08
demonstrably reduced their opportunity confidence over time. Correspondingly, other actors entered the business or took on leadership responsibilities due to their beliefs and assessments of the favorability of the various stimuli. Fig. 24 illustrates quotations related to the actors' perceptions of the potential for success:

<table>
<thead>
<tr>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;The customers are so positive, I finish every meeting with a quotation&quot;</td>
<td>&quot;Things don’t turn out as planned&quot;</td>
</tr>
<tr>
<td>&quot;We have a unique product - high quality digital content&quot;</td>
<td>&quot;There are too many ideas and nothing gets done&quot;</td>
</tr>
<tr>
<td>&quot;We have credibility and trust based on track record and network&quot;</td>
<td>&quot;Unrealistic forecasts&quot;</td>
</tr>
<tr>
<td>&quot;In 2008 I wrote a blog post about the future of TV...&quot;</td>
<td>&quot;Problem with revenue structure&quot;</td>
</tr>
<tr>
<td>&quot;Great ideas for our content have never been an issue&quot;</td>
<td>&quot;Struggle to set the business model&quot;</td>
</tr>
<tr>
<td>&quot;Hans has great credibility within the TV and film sector&quot;</td>
<td>&quot;Everything we do is new, there’s no one to look at&quot;</td>
</tr>
<tr>
<td>&quot;Celebrity X &amp; Y are door openers&quot;</td>
<td>&quot;People don’t know who we are&quot;</td>
</tr>
<tr>
<td>&quot;There’s no one like us&quot;</td>
<td>&quot;It’s too expensive to market a channel&quot;</td>
</tr>
<tr>
<td>&quot;This would never have worked without our credibility from the TV and film industry&quot;</td>
<td>&quot;Sweden is too small for this, there are no money to be made from advertising&quot;</td>
</tr>
<tr>
<td>&quot;We have a first mover advantage&quot;</td>
<td>&quot;The Hans’s dream never came true&quot;</td>
</tr>
<tr>
<td>&quot;Now we’re more sales-oriented&quot;</td>
<td>&quot;We’ve been trying to create a new industry&quot;</td>
</tr>
</tbody>
</table>

Figure 24 Quotations illustrating the awareness of way to succeed ranging from positive to negative expressed by the entrepreneurial actors

Despite acknowledging the importance of the founder, the case study revealed how his confidence altered over time and how this impacted the new venture creation process. His initial evaluation of the stimuli led him to take action and register the firm. Towards the end of the process, when the idea and business model had changed, the founder decided to abandon the firm at an operational level. There may, of course, be reasons for a founder to eventually give up other than a lost belief in the viability of the idea. This particular case also illustrates that the founder no longer identified with the business. (This will be explained in Chapter 6 by elaborating on the impact of both personal and organizational identities). He argued that the new management was better suited to execute the new directions of the firm. Correspondingly, other influential actors (e.g. stakeholders and employees) acquired confidence in the new ideas that were developed and enacted. This was, to a large extent, driven by
their individual motivations, resource endowment and knowledge, together with the organizational demands at the particular time.

5.5 Relating the results of the analysis to previous entrepreneurial opportunity research

Four characteristics central to PlayTV’s opportunity were derived from the empirical case study. These comprised: environmental cues, the idea of the emerging venture, the establishment of a business model and the confidence of the entrepreneur(s). These elements were disclosed in the observational data and they exemplified what the actors talked about when talking about opportunity. Moreover, the business model proved to play a central role, by testing and operationalizing the idea of the emerging venture in the market. Hence, the components all emerged and interrelated in a way that triggered action and thus moved the development of their opportunity forward. The notion of the entrepreneurial opportunity can hence be understood as a latent phenomenon involving the action and activity related to these four elements.

What empirically emerged in the generation of data eventually has bearings on prior scholarly work at a conceptual level. In order to construct a conceptual framework suitable for analyzing similar situations, support is particularly borrowed from Davidsson’s (2015) and Dimov’s (2011) reconceptualizations of the opportunity construct. Both scholars base their assumptions on ex ante and prospective elements of the opportunity phenomena and their cycle. These suggest a more substantive and precise use of the construct in order to make it empirically relevant. As elaborated on in the beginning of the thesis, Davidsson represents the various ideas previously labeled as “entrepreneurial opportunity” by three constructs: external enablers, new venture ideas, and opportunity confidence (p 686). Along the same lines, Dimov proposes entrepreneurial opportunity to comprise the perpetuation of a cycle of venture ideas, entrepreneurial action and how the ideas are instituted in the marketplace (p 64).

The present case study hence allows for empirically applying, testing and expanding the conceptualizations of these scholars. Thus, the four components emerging from the case of PlayTV show similarities and can, therefore, be translated and compared to what Davidsson and Dimov refer to as external enablers, the new venture idea, market interactions (business model) and opportunity confidence. (Action, as stressed by Dimov was an obvious part of the evolving opportunity, it will, however, be treated as one of several process issues in Chapter 6). As mentioned above, besides providing an explanation
PlayTV’s opportunity, these properties constitute a framework suitable for understanding similar early entrepreneurial processes.

Thus, in a simplified and schematic way, drawing upon Davidsson (2015), the PlayTV case confirms how changes in environmental conditions, such as technological change, triggered a new economic activity, namely the business venture of PlayTV. Accordingly, in this particular case, there was a strong relationship between external enablers and the formation of the new venture idea guiding the actions of the entrepreneurial actors. Similarly, the case study demonstrates how the exploitation of the new venture idea was strongly dependent on the engagement of other market actors, e.g. customers, suppliers, investors, employees and advisors. Evidently, some venture ideas are more likely to attract partners than others.

This attractiveness and the inherent appreciation of the venture’s value was elaborated on and operationalized through the business model. Thus, the empirical inquiry’s results suggest the business model as both a firm and a market level construct, in addition to the previous three opportunity constructs suggested by Davisson. The entrepreneurial actors continuously evaluated the quality of the venture idea and the business model they pursued and eventually abandoned. Alternatively, they modified those elements that lacked promise and persisted with those that remained attractive. Notably, opportunity confidence affected this notion of attractiveness, in other words, whether the venture idea and the business model was regarded as commercially viable and/or operable for the particular entrepreneurial actor(s) to realize (see Davidsson). A brief discussion follows around these concepts, as elaborated by previous scholars. This adds to and bridges empirical and theoretical constructs.

5.5.1 External enablers

Environmental influence is present in most scholarly explanations of entrepreneurial opportunities (Alvarez & Barney, 2013; Shane, 2012). Shepherd, McMullen, and Jennings (2007) notably stress that individuals form coherent structures of what they perceive in the environment and hence develop beliefs about what, and what not, represents an opportunity. On the same note, Davidsson (2015) acknowledges the impact of environmental changes as triggers to new venture attempts and specifically uses the label “external enablers” which denotes what has emerged as environmental cues in a case study (p 684). External factors enable new venture development activity in general. Consequently, they can be considered as an aggregate level construct since they trigger entrepreneurial activity among several actors in various industries, as was highlighted by the general introduction to Chapter 4, “The rise of the digital TV and film industry” (p 45-46).
As a consequence, environmental conditions are represented in both the discovery and creation views of entrepreneurship theory since they are perceived as similar for various entrepreneurial individuals and/or across industries. A recent example highlighted in the introduction of the thesis is how digitalization gives rise to innovation and the creation of new markets. Importantly, however, what is perceived as favorable for some actors and/or firms can be considered as the opposite for others. This phenomenon, which emphasizes the subjective interpretation and enactment of objective factors, is explained by Schumpeter (1952) as “creative destruction”.

External enablers thus provide insights into the sources of new venture creation and into their influence at different stages of entrepreneurial processes. As illustrated in the PlayTV story, several factors were instrumental in triggering entrepreneurial action. As explained above, these factors stemmed from different sources and hence possessed different characteristics. Common sources of change, in general, can be, e.g., demographic shifts, technological change and regulatory changes. In PlayTV’s case, technological innovation was at the core of these sources, giving rise to new artifacts and capabilities and causing changes in consumer behavior, industry and market characteristics and the competitive situation. Taken together, these situations, as perceived by the entrepreneurial actors, influenced the beliefs and assumptions that were formed (Fig. 25).

![Diagram](image)

Figure 25 External enablers triggering belief formation and the creation of the new venture idea

Davidsson (2015) further elaborates on the favorability of any particular external enabler and argues they can be subjective, selective, interdependent and uncertain. The subjective dimension is contingent upon the characteristics of the actor, which was brought to the fore by the founder pointing to several
perceived flaws with the established TV and film industry. His point of view stressed inertia, lack of initiatives and bureaucracy:

…there’s something wrong with the system. There are huge amounts of energy and good ideas that never get taken care of.\textsuperscript{142}

…there are so many good ideas and people out there, but there aren’t any outlets.\textsuperscript{143}

Not only was the favorability of external circumstances contingent on the founder, but other entrepreneurial actors and stakeholders were equally instrumental in sharing and reinforcing similar perceptions. This highlights the collective dimension related to how and what external circumstances became noticed. The initial employees and partners who joined PlayTV did so because of self-selecting mechanisms, i.e., because they acknowledged and believed in the same external enablers. There were also interdependent dimensions of the external enablers, illustrated by how the potential of the new technology was infused by and contingent on the change in the advertising market (a switch from linear TV advertisement to digital content). Moreover, changed consumer behavior, highlighted by the comparison with consumption of YouTube clips and causal mobile games, was a critical factor for the development of PlayTV’s new venture idea:

…You see, the traditional TV channels are going to hell, which is a disaster. Which suggests it is no longer going to be the best marketing arena. At the same time, web series like Danne & Bleckan are receiving huge numbers of viewers… the change in TV viewing behavior has just gone so quickly.\textsuperscript{144}

As further stressed by Davidsson (2015), the favorability of an external enabler is for any particular purpose uncertain\textsuperscript{14} ex ante (p 684). One of the important factors determining PlayTV’s idea of the emerging venture was the perceived opportunity to generate revenues from advertisers. However confident the actors were in their decision to pursue this revenue model, they were equally uncertain whether this would be realistically feasible. Eventually, the sum of external enablers led the actors to form beliefs about a gap existing in the market. Likewise, the perceived favorability for the increased consumer demand to watch digitally streamed TV and films was equally uncertain before the launch. Despite facts and figures supporting new ways of watching TV, the actual formats which PlayTV intended to produce and sell had not yet been tested and approved. The selective dimensions of the external enablers are dependent on time, space and application area. The environmental factors

\scriptsize
\textsuperscript{142} Interview with founder, 2011-11-25 \textsuperscript{143} Ibid \textsuperscript{144} Ibid
stressed in this particular case were obviously connected to the opportunities within the realm of digital TV and film. However, as the founder mentioned, he drew inspiration from the video game industry by pointing to examples where new ventures and products were the results of the same aspects of environmental change.

Lastly, the case demonstrated that external enablers are not evidently static over time, but rather are temporary in the sense that they change and vary in favorability. During the execution phase when launching the new venture idea, actions were oriented towards exploiting the already identified ones, which therefore diminished the motivation to pay attention to any new external enablers. On the contrary, some of the indications that had been stressed as particularly favorable prior to the launch suddenly became questioned, as their favorability in practice became questioned. The positive characteristics of social media and viral mechanisms were an example of this. Such technological aspects became downplayed as the venture developed. This indicates how the external circumstances both evolved and were perceived differently over time. Hence, by using external enablers as an aggregate level construct we can trace the sources of new venture ideas.

5.5.2 New venture idea

At the very core of an opportunity lies the progress of an idea that guides the creation of the firm (Dimov, 2007). Davidsson (2015) specifically uses the concept ‘new venture idea’ to describe the “imaginary combinations of product and service offerings, potential markets or users, and the means of bringing these offerings into existence” (p 684). It is hence a cognitive and a non-material concept where an “idea” relates to the above mentioned external enablers in such a way that it reflects the actors’ interpretations of these. “New venture” relates to a distinct economic activity offering goods and services to customers or other beneficiaries (Davidsson 2015).

The notion of venture ideas is not new to entrepreneurship discourse and it has previously been used to describe opportunities by e.g. Sarasvathy et al. (2003) and Cornelissen and Clarke (2010). Dimov (2007) specifically refers to opportunity development as the process of shaping, discussing and interpreting initial ideas and subsequently elaborating, changing or even discarding them. As suggested by Foss, Klein, Kor, and Mahoney (2008), Davidsson and Tonelli (2013) and Dimov (2011), the subjective notion of an idea is a fruitful and applicable alternative when it comes to micro level studies of founding activities and new venture creation processes. The overall notion of an opportunity can consequently be seen to advance from an embryonic venture idea that may, or may not, be considered viable as it is developed (Dimov, 2011). New venture ideas exist in all firm formation processes and can be of any
quality. Despite the subjective nature of new venture ideas, they also possess the capacity to be detached from any actor. Rather, they can represent the venture itself. A new venture idea, which was notably illustrated by its use in the case study, can be shared within a team or be codified and communicated to different individuals (Davidsson 2015).

Nevertheless, the notion of new venture idea is similar to other labels used in the literature such as, e.g., the business idea and business model. Along the same lines as Davisson, Klofsten (2005) has analyzed early venture idea development in firms, making a distinction between various labels based upon the “degree of concretization and its anchorage in the market” (p 116). Klofsten’s classification is hence useful for the understanding and analysis of this present study. On a scale from pre-commercialization to the commercialization stage of a venture, he describes how the idea first develops from a “business opportunity” into a “new venture idea”, to eventually enter commercialization, where it is developed into a more concrete and robust “business idea”. Thus, based upon Davidsson’s and Klofsten’s suggestions, I find the label “new venture idea” applicable for capturing the early activities and attempts to form the abstract idea about the future venture.

The results consequently revealed the new venture idea to be a relevant empirical construct since it was present and discursively expressed at all times. An important insight was that the idea(s) obviously took various shapes and forms throughout the development process. On some occasions, it was precisely defined whereas at other times it was vague and doubtful. Thus, when interrogating entrepreneurial actors about what they do and/or aim to realize, the “opportunity” - as conceptualized in established research - is more likely to be empirically articulated as an idea.

This also puts the study in the broader light of its practical relevance, by encouraging scholars to be careful with the language they use and the risk of imposing theoretically established thoughts on the concrete phenomena of their investigations. The noun “opportunity” was obviously frequently used, pointing to favorable elements, situations, or possibilities in the environment that could be incorporated into PlayTV’s overall new venture idea. This suggests that for empirical research, the notion of new venture ideas guides us closer to the actual phenomena and therefore supports Berglund (2014) and Gartner et al. (2003) in their arguments of seeking the “insider’s perspective” of the entrepreneurial phenomenon.

5.5.3 The business model
The business model was shown to be an integral part of the emergence and development of PlayTV’s new venture idea and the way the firm achieved
creating a position for itself in the market. Consequently, from the very start of the entrepreneurial process, the actors put considerable attention into identifying specific partners with whom to engage in exchange relationships and negotiating ways of creating and capturing value for each party. Hence, by turning the focus from the idea of the emerging firm, this opportunity component involved the evolution of the idea towards its feasibility and integration in the market. This finding supports Selden and Fletcher’s (2015) conceptualization of the business model as an artifact entrepreneurs use in order to connect the underlying business idea with the future organizing of concrete resources.

Leaning towards the sociological conception of markets, which supposes interaction, competition and economic exchange between multiple actors (e.g. Swedberg (1997) in Dimov, 2011) the business model particularly becomes relevant for informing our understanding of opportunity development. As such, an opportunity can be seen as a vision of a future in which the aspiring entrepreneur occupies a market niche, engaging in a set of market relationships that collectively constitute the business the entrepreneur intends to create (Dimov 2010).

As discussed at the beginning of this thesis, recent research has indicated a link between business models and opportunity creation (Doganova & Eyquem-Renault, 2009; George & Bock, 2011; Perkmann & Spicer, 2010). The results of the analysis presented above, in particular, extend what has been discussed within the pragmatist perspective of business models. Along the lines of Doganova and Eyquem-Renault (2009) and Wallnöfer and Hacklin (2013), the study shows how the business model was used as a marketing device in meetings with different (prospective) stakeholder groups. It served a performative role in explaining the future value of the firm and the way it intended to form the respective exchange relationships. Perkmann and Spicer suggest business models provide recipes that instruct the actors involved with the business about what they should do (p 271). This case notably illustrates how the business model served as a recipe in guiding the actions of the entrepreneurial actors. Despite starting out as a descriptive account of future expectations, it proved to possess a strength in being able to guide both the actions and beliefs of the entrepreneurial actors so that they managed to initiate market interactions and organize themselves internally, so as to deliver value to these external partners. Thus, it was in this process of redescribing and reconstructing reality that the business model was performative.

The empirical findings consequently support and empirically strengthen Dimov’s conceptualization of market structures and therefore introduce the business model as both a firm and market level construct in the opportunity development framework. “In the ultimate realization of the new venture idea
the entrepreneur will be actively engaged in market relationships through an operating business” (Dimov, 2011 p 68). As evidenced in the case study, the business model had the capacity to operationalize and test the new venture idea by bringing it to the market through establishing market interactions. The business model was equally an emergent result of the external enablers identified in the early phases of the venture. Hence the business model was connected both to the external enablers and the developing new venture idea. As demonstrated during and after the reorientation phase, it was also strongly coupled with the opportunity confidence of the actors. (These interrelationships will be further elaborated in subsequent chapter).

5.5.4 Opportunity confidence

The fourth construct that emerged from the case study also finds its bearings in previous scholarly discussions and relates to whether the entrepreneurial actors are confident that what they “see” is an opportunity (Davidsson, 2015 p 685). Opportunity confidence was brought into the opportunity development literature through Dimov (2010) and was subsequently conceptually developed by Davidsson (2015) as one of the three opportunity constructs. Opportunity confidence refers to an actor’s evaluation of a stimulus, consequently ranging from negative to positive. Dimov stresses that sustained nascent entrepreneurial effort requires the entrepreneur’s confidence and conviction in the feasibility of the opportunity at hand.

In line with the empirical findings of this study, Dimov (2010) argues that an opportunity is continuously re-evaluated in the light of the nascent entrepreneur’s actions and their outcomes. Hence, its appeal to the entrepreneur represents a continuous and evolving judgment (p 1124). It is notably this continuous judgment that is conceptualized as opportunity confidence. Thus, opportunity confidence is a construct that affects whether a venture idea is regarded as feasible and/or operable for the particular entrepreneurial actor(s) to realize. It relates to the nascent entrepreneur’s evaluation of the external enablers, the new venture idea and/or the business model, ranging from negative to positive (Davidsson, 2015; Dimov, 2010). As such, opportunity confidence is an individual level, perceptual construct as opposed to the other constructs. Lack of confidence in these premises often leads to the abandonment of the entrepreneurial efforts (Dimov).

However, Davidsson and Dimov slightly differ in their operationalizations of the concept. Davidsson brings opportunity confidence to the fore as a central condition in the creation of new economic activity which has to do with the “degree of favorability” (p 685) stemming out of the above mentioned evaluation of the stimulus. Dimov, on the other hand, finds that it reflects both the personal beliefs that an opportunity is feasible and that the person(s) will be
able to establish a venture that exploits it (p 1125). The empirical data lends much support to Dimov by particularly demonstrating a close link between the confidence related to the actors’ knowhow and capacities to establish and/or develop the venture. This phenomenon can be understood as “entrepreneurial self-efficacy” and was originally developed by Bandura (1977) to describe a “belief about what one can do under different sets of conditions with whatever skills one possesses” (in McCann & Vroom, 2015 p 617). According to Bandura (1977), the strength of people's convictions in their own effectiveness is likely to affect whether they will even try to cope with given situations (p 193). Not only in the beginning of the journey, but also throughout its development, the actors were constantly assessing their competence in relation to what actions they needed to take and what the business model required of them. This brings the momentary (Davidsson, 2015) aspect of opportunity confidence to the fore, by illustrating how the evaluation of a particular component was only relevant for that particular point in time.

Thus, opportunity confidence lifts the subjective cognitions of the individual actors to the fore as a salient opportunity characteristic. This is because it positions the perceived opportunity in terms of the eyes of the beholder. It also indicates how external enablers are viewed differently by various individuals, due to their prior experience, knowledge and mindsets. The PlayTV case empirically demonstrates the relevance of opportunity confidence for the formalization and development of the new venture idea.

5.6 A reconceptualization of the opportunity construct

The PlayTV case has served as an empirical illustration of a process in which a new venture idea related to new technologies came into being, evolved and eventually became instituted in the marketplace. This is a process referred to as opportunity development, in which the “opportunity” demonstrated to be a latent phenomenon comprising of four salient characteristics. By reviewing the empirical case, the four fundamental elements of the entrepreneurial opportunity emerged and revealed themselves to be interplaying at different levels. Through proceeding abductively, these components were located in terms of their conceptual bearings in prior literature and thus add to these prior conceptualizations with empirical data and testing. By particularly borrowing from and extending the work of Davidsson (2015) and Dimov (2011), an explanatory framework was introduced in which the empirical constructs were translated and merged with their conceptual counterparts. The framework comprises four components: external enablers, the new venture idea, the business model and opportunity confidence. This analysis consequently contributes on a conceptual level to further the current scholarly understanding of entrepreneurial opportunities through empirical evidence.
Moreover, by empirically extending the work of Davidsson (2015), Fig. 26 illustrates how the opportunity components represent different levels. The data from the PlayTV case adds the business model to the framework, thus taking the notion of market structures into account. By being an inherently firm level construct, the way the business model was used in the development of PlayTV’s opportunity introduces a fourth level – the market – to the framework. Thus, the framework describes how the opportunity develops at different levels and how all levels are interrelated and necessary for the evolution from idea to market. It consequently fills the opportunity aspect of the IO nexus with substance and makes it empirically applicable in future studies of early start-up processes or prospective research.

![Diagram](image_url)

**Figure 26 The four opportunity components**

The conceptual framework that was initially developed by Davidsson has been tested against the empirical data and can thus be explained as follows: Two potential entrepreneurs (individuals) might contemplate the same external enabler, e.g., “digitalization”, but arrive at very different levels of opportunity confidence in relation to it. This can be due to different reasons such as entrepreneurial orientation and prior knowledge. Along the same lines, two other individuals might contemplate the same external enabler and evaluate the same new venture idea, resulting in two different decisions. Whilst one of the
actors discards the new venture idea, the other one chooses to take action on it, or decides to keep it and assess it again at a later point in time.

External enablers and new venture ideas might not always be related since new venture ideas can also be triggered by other aspects or circumstances (Davidsson 2015, p 685). However, in the case of PlayTV, the emergence of the new venture idea had its foundation in external enablers, which initiated the entrepreneurial process. Moreover, derived from the empirical data, the business model was introduced into the framework by demonstrating its role in testing and transforming the new venture idea, taking it from the level of the firm to the level of the market. Thus, two actors might decide to take action on the same new venture idea but develop two different business models that have more, less or even no success in implementing the idea. In line with previous research (see e.g. Doganova & Eyquem-Renault, 2009; Perkmann & Spicer, 2010) the case notably has revealed the capacity of the business model in configuring new technologies into future values, by creating a partner network and economic outcomes. Consequently, it spans over both the level of the venture and the market by illustrating how a new venture idea is instituted in market structures through the establishment of exchange relationships. The business model is hence connected to both the new venture idea (as its operationalization) and the level of opportunity confidence among the involved actors. Thus, the PlayTV case sheds light on and empirically contributes to how we can understand similar early entrepreneurial processes. It also suggests that the four components replace the elusive notion of entrepreneurial opportunity in forward looking research settings and it thereby contributes to advancing both the empirical study and the practice of early entrepreneurial phenomena.

Moreover, through representing different levels – aggregate, market, venture and individual – the framework illustrates and bridges between the external conditions and subjective cognitions associated (and much debated) with entrepreneurial opportunities. It thus demonstrates an interplay between all levels necessary in order to achieve a final realization or market acceptance for a new venture idea. The PlayTV case highlights how both the aggregate and subjective dimensions were involved in the development of the opportunity and hence empirically proves that opportunities possess both dimensions. The aggregated level constitutes environmental factors enabling a variety of venture development attempts by several actors (Davidsson, 2015). The subjective dimension (at the individual level) indicates the perception and evaluation of the opportunity’s favorability and feasibility for the involved actor(s).

In summary, this second order analysis has provided a reconceptualization of the opportunity construct by introducing a framework with four components making the notion of entrepreneurial opportunity empirically accessible and operable in future studies of new venture creation processes. It has touched
upon the processual character of opportunity development, but not explicitly sought to discuss how and why the components develop and interrelate the way they do. The four components on their own do not inform us about how the entrepreneurial actors take action and move from external conditions, e.g. technological change, to the formation of subjective preferences based upon these. Neither does the reconceptualization help us understand the favorability of beliefs associated with certain ideas. The results hence direct our attention and lead to the third order analysis, which scrutinizes the progress of the entrepreneur’s initial idea.

In order to explain this development, support will be taken from organizational sensemaking, to emphasize what influenced the development of the four components. So as to increase the attention to the processual issues, Chapter 6 introduces sensemaking in order to explain how opportunity development is pursued.
6 Opportunity development as sensemaking

This thesis has so far explored and sought to challenge the construct of entrepreneurial opportunity that is so often taken for granted in scholarly work as something that simply exists. The theoretical review discussed and problematized the lack of precision and empirical grounding in the way the construct is used to account for the non-actor component of the IO nexus. As such, it is, to a large extent inoperable, largely due to the lack of empirical work. With insights emerging from the pilot study and the subsequent deep exploration into the opportunity development process of a technology start-up, the focus of this inquiry has been to explore and investigate what entrepreneurial opportunities are and how they come into being and transform from vague ideas into new ventures.

The previous chapter resulted in a reconceptualization of the construct of an entrepreneurial opportunity by empirically demonstrating that it is a process rather than a single phenomenon or a circumstance. As an alternative, four components of opportunity development were proposed (instead of the currently framed somewhat elusive opportunity construct) when studying the journey from idea to market. What follows in this chapter is a discussion on the processual issues related to this development. From an approach of organizational sensemaking, this final analytical chapter explains how opportunity development is pursued and thereby serves to connect the four opportunity enablers by examining their interrelatedness. So before moving to the analytical discussion, the organizational sensemaking perspective will be introduced.
6.1 Organizational sensemaking

In emerging organizations, entrepreneurs offer plausible explanations of current and future equivocal events as non-equivocal interpretations.

*Gartner et al. (1992 p 17)*

Entrepreneurial processes can be conceptualized and studied in various ways (Steyaert, 2007). Environmental disruptions such as technological change signal cues and encourage individuals to make sense of what is going on. As they become exposed to various environmental stimuli, a process of sensemaking is triggered in which they seek to enhance their understandings about ambiguous issues. Some individuals even decide to take entrepreneurial action by engaging in activities that may result in the creation of entrepreneurial artifacts. Other actors might not initially have any entrepreneurial intentions but stumble upon (unintentionally) events that prompt sensemaking that might develop into new venture ideas. Thus, sensemaking as an approach offers the possibility to extend the actor-contingent nature of the opportunity concept. This is achieved by emphasizing how individuals in a founding process see the world and accordingly create meaning in order to develop and enact their ideas. It is a process encompassing both cognition and action and spans over multiple time periods. Below follows an introduction to organizational sensemaking as a foundation for understanding how opportunity development is pursued. It will hence be used as a lens in the final round of analysis.

Sensemaking is not a distinct theory, it should rather be regarded as a perspective, a framework, a lens or a process used to explain organizing and organizational behavior (Maitlis & Christianson, 2014). This thesis mainly draws upon the work of Weick (1995) and Maitlis (2005) by viewing it as a social process in which “organization members interpret their environment in and through interactions with others, constructing accounts that allow them to comprehend the world and act collectively” (Maitlis, 2005 p 21). Sensemaking is a process whereby people seek to understand situations or issues that are new, ambiguous or in one way or another violate their previous expectations (Maitlis & Christianson, 2014). It is a way of understanding how reality is constructed through the efforts of creating order and making sense of what occurs (Weick, 1993). When “making sense” of phenomena, actors develop images that rationalize their actions after the event. Weick explains this as the “sensemaking recipe” or retrospective sensemaking illustrated by the question: “how can I know what I think until I see what I say?” (Weick, Sutcliffe, & Obstfeld, 2005 p 416). Consequently, both beliefs and actions are central aspects of sensemaking, and recursively linked.
As previously mentioned, within the entrepreneurial cognition literature, sensemaking is used to explain how people note disruptions and changes in the environment. Proponents of the alertness theory have for example discussed how the cognitive skills of alert vs. non-alert individuals lead them to proceed differently when noticing and processing signals of change (e.g. Gaglio & Katz, 2001). There is an obvious effect of cognition on action but Weick and Sutcliffe (2001) also demonstrate the opposite, i.e., a reciprocal and recursive relationship between the two - where action precedes cognition. Thus, actions are central to sensemaking since they create more cues, triggers and the information needed to make further sense of a certain situation. You simply need to do things in order to gather the information required in order to further understand the situation or issue at hand.

Moreover, actions shape the environment for sensemaking. The actions used when making sense also impact what they confront. Hence, they can change the initial situation they were making sense about. This reciprocal process is central in sensemaking and is referred to as “enactment”. In enactment, people are actively creating the environment in which they actually find themselves (Maitlis & Christianson, 2014). An important insight for the present study is that actions become particularly “binding” when they take place in contexts of high choice, such as entrepreneurial contexts. This implies that subsequent events may to a large extent be enacted out of justification. The justification of actions, therefore, becomes the trigger to establishing social structures. According to this way of reasoning, Weick (2001) argues “organizations begin to materialize when rationales for commitment become articulated” (p 7).

Sensemaking involves how we interpret and use information about a particular situation. Earlier experiences dictate our view of new circumstances and these are negotiated through language in order to test meaning and bring order. Therefore, sensemaking is not a search for a “right answer” but something that is enacted from the basis of what is known and said (McAdam & Marlow, 2011). Consequently, it is the cognitive frames we as individuals possess that guide our perceptions and actions and hence determine how we construct the world. Social order is the outcome of commitments made by individual actors and the socially acceptable justifications they have developed for these commitments. This is how individual sensemaking evolves into social structures.

With this way of seeing the world, organizing can be understood as starting with “moments of commitment” (Weick, 2001 p 27). Once someone makes a commitment, the subsequent events are interpreted and justified according to the outcome of that commitment. This is also how commitments can be argued to both create and constrain meanings. Maitlis and Sonenshein (2010) refer to
this phenomenon as “the dual roles of commitment” (p 563) in that they manage to enable coordinated activity under pressure, but they can equally blind the organizational members through staying committed to a set of meanings limiting their ability to come up with new solutions. Both commitment and sensemaking are events with relatively small beginnings but have the potential to increase our understanding of organizations.

Closely related to sensemaking are the processes of sensegiving and sensebreaking. Agents are not entirely “free” to act and decide but are constantly put under the pressure of others. Gioia and Chittipeddi (1991) introduced the role of power and hierarchy in the process where sensegiving describes how certain individuals or stakeholders attempt to influence the sensemaking of others and hence affect their decision making “toward a preferred redefinition of organizational reality” (p 442). Sensebreaking happens when an agent’s sensemaking activity is interrupted by the introduction of new information that challenges his/her current assumption (Kaffka, Singaram, Kraaijenbrink, & Groen, 2013). As such it involves the “destruction or breaking down of meaning” (Pratt, 2000, p 464).

6.1.1 Sensemaking in entrepreneurship studies

Several entrepreneurship scholars have used a sensemaking framework to better understand and describe the process of creating new ventures. Identifying and exploiting business opportunities and persuading future partners about the prospects of the new venture are activities largely guided by sensemaking and sensegiving. As mentioned by Weick et al. (2005) the role of the entrepreneur when starting a new venture is similar to the CEO initiating strategic change in an organization. In both situations, managers and staff must handle and operate in an environment that is largely uncertain. Hence, the task for actors in both settings is sensemaking and sensegiving of the situation where a new vision and mental model need to be developed and communicated in order to mobilize critical resources and support (Gioia & Chittipeddi, 1991; Hill & Levenhagen, 1995).

Related to this study’s intentions of furthering our understanding of how ideas evolve into business ventures, Cornelissen and Clarke (2010) argue that the gains of sensemaking notably come from its capacity to integrate the cognitive state of the entrepreneur with the social context. In their case study, they demonstrated how sense was made through language and how individual entrepreneurs hence constructed external circumstances by using speech. Sensemaking as an explanatory framework notably sheds light on the holistic and distributed activities that make up the organizing process of new ventures. Along the same lines, however, with a different perspective in a conceptual article, Selden and Fletcher (2015) elaborate on the entrepreneurial journey as
an emergent hierarchical system. Seeking to advance entrepreneurial process research, the authors conceptualize this journey as a hierarchy of interrelated subsystems associated with different levels of emergence at which new artifacts are created. At the lowest level, entrepreneurial sensemaking is introduced and leads to the outcome of the business idea. Thus, the purpose of entrepreneurial sensemaking is “to contextualize the path of an entrepreneurial journey by creating, contingently evaluating, enacting, practicing and transforming the means–end relationships that constitute entrepreneurial artifacts” (p 609).

In sum, there are particularly four dimensions of sensemaking that are important for the present study and have the capacities to deepen the understanding of how opportunity development is pursued:

**Cognition**
At the core of sensemaking lies the enlargement of small cues in which the actors search for a context by fitting them all together (Weick, 1995 p 133). The decision to act is thus based on the product of beliefs, triggered by environmental signals (cues) that depend on the worldview of the aspiring entrepreneur(s) (Gartner et al., 2003; Shepherd et al., 2007). Particularly in new ventures, there is often a large discrepancy in the transition from idea to viable opportunity. Sensemaking helps us to further these understandings by highlighting the cognitive evaluations taking place among multiple influential individuals (i.e., the founding entrepreneur and prospective stakeholders).

**Action**
Entrepreneurial processes are evidently not only shaped by cognition. The enterprising individual(s) envisages certain actions that will transform the original idea into a venture. Action is also an integral part of sensemaking and Weick (1995) specifically argues that we get to know the world by first taking action and then seeing what happens. As stressed in the beginning of the chapter and particularly highlighted in effectuation theory, entrepreneurship is an open-ended process where ideas often develop due to unforeseen contingencies and chance events. By zooming in on the micro level actions and mundane activities undertaken by entrepreneurial actors, we can inform our understanding of both planned and unplanned activities and their effects on the developing new venture idea.

**Social process**
Intersubjectivity (multivocality) was emphasized in Chapter 2 as part of the transformation of new venture ideas and it was also manifested in the PlayTV case study. Similarly, sensemaking stresses the development of collective understanding in organizations. It hence elucidates important questions such as: Who are involved and how do they impact the development of the new venture
idea? How do new venture ideas become meaningful for a larger audience? How are meanings negotiated? What is their impact on the venture idea guiding the entrepreneurial action?

Identity

Weick (1995) particularly emphasizes that “sensemaking begins with a sensemaker”, manifested by his illustrious claim “How can I know what I think until I see what I say?” (p 18). Thus, depending on who the sensemaker is, his/her definition of what is “out there” will vary (p 12). The notion of identity is to a large extent absent in extant opportunity literature and is assumed as given in effectuation theory. Yet clearly manifested in the empirical findings was the fact that the personal identity of the sensemakers played an important role for the emerging business. If opportunity development is to be understood as actor-contingent and the result of collective meaning making, both individual and organizational identity can be assumed to play a role in this process. Sensemaking recognizes the role of identity as integral to the construction of meaning and as such it will be used to inform our understanding of the origination of new venture ideas and their development.

6.1.2 The implications of organizational sensemaking

As an introduction to this chapter, the perspective of sensemaking was presented by discussing what it is and why it contributes to the investigation. Sensemaking can help us understand how and why the opportunity components change over time. As illustrated in the case study and as put forth conceptually by Dimov (2011) and Sarasvathy (2001), opportunity development is an iterative and inductive process. Sensemaking, sensegiving and sensebreaking are suggested as explanatory mechanisms for the sequential and reciprocal way in which the entrepreneurial actors in the case study developed their new venture idea. Based on the chronological phases of the first order report and building on the reconceptualization of the entrepreneurial opportunity of the second order report, the sensemaking framework allows us to divide the development of the new venture idea into sub-processes characterized by certain dominating activities and behaviors, from the perspective of the actors involved.

As illustrated in the right columns of Fig. 27, the analysis will utilize the modes of sensemaking, sensegiving and sensebreaking with the core dimensions (cognition, action, social process and identity) previously discussed as focus. In the left column are the four opportunity components. These will be examined in order to understand how they were influenced by the various sensemaking dimensions. These components were not equally important during all three sensemaking situations, however, they will be analyzed and discussed in a similar fashion. Thus, this description integrates the second and
third order analyses and results in a framework for opportunity development that can be used in understanding similar early entrepreneurial processes.

<table>
<thead>
<tr>
<th>Sensemaking</th>
<th>Sensegiving</th>
<th>Sensebreaking</th>
</tr>
</thead>
<tbody>
<tr>
<td>External enablers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New venture idea</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business model</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opportunity confidence</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 27 Sensemaking in opportunity development

6.2 Sensemaking

... there’s something wrong with the system (e.g. the film industry)\(^{145}\)

Like most entrepreneurial processes, the PlayTV story begins, with an actor and his/her surrounding environment. The founder’s decision to act was the product of beliefs triggered by environmental factors which depended on his worldview and prior experiences. Thus, the new venture idea only became apparent as the founder and the other influential actors made sense of their own experiences (Gartner et al., 2003; Weick, 1979). Building on Weick’s idea of developing a processual language for organizations, a similar approach is taken by investigating how cognition, action, social process and identity impacted the four opportunity components.

6.2.1 External enablers

Years before starting the new venture, the founder had begun noticing various stimuli in his surrounding environment that caused him to reflect upon their meaning and nature. He consequently accumulated influences, insights and inspiration throughout an extended period of time before actually deciding to act and mobilize resources for what was to become PlayTV. This interpretive work was strongly influenced by the background of the founder. He came from a professional environment, the established TV and film industry, where

\(^{145}\) Interview with the founder, 2011-11-25

126
he had felt a sense of uncertainty associated with technological change and digitalization. He particularly expressed how there was a prevailing feeling of fear of what was going to happen to the industry, especially in terms of property rights and revenue opportunities, which had led to organizational inertia. Many of the established TV and film professionals were resisting the adoption of novel digital capabilities. This early behavior can be described as the “violation of expectations” which is one of the most common explanations to sensemaking (Maitlis & Christianson, 2014). Thus, this was the point of departure for the founder’s sensemaking activities, triggered by the technological change that altered the conventional ways of producing and distributing TV and film content. In comparison to many of his former colleagues, the founder claimed to be more open and positive towards these new trends. He consequently started looking for ways to initiate change and break free from what he felt as the industry’s incapacity to deal with the challenges associated with digitalization. One of the first beliefs he formulated hence related to the current state of the industry and the idea of acting upon it:

There’s this discrepancy in the film industry that I will now devote some time to. There has been film, there has been TV and now there is something new. If I don’t take this chance someone else will…146

The founder particularly expressed a disappointment with his former employer (SVT) by describing how it was “missing out on digital opportunities” and as a consequence had let “…amateurs populate the digital content sphere”. Meaning was consequently assigned to the perceived industry imperfection and an early vision was accordingly formed:

I figured that now there’s really a chance to build a new type of film industry – an industry based on the conditions of the filmmakers, screenwriters and producers. That’s how it started!!147

These early cognitive activities suggest a sensemaking process in action where the founder had begun evaluating different environmental cues based upon his personal interpretive scheme derived from his prior professional experience as producer and scriptwriter.

After the initial violation of expectations that had caused the founder to open up and stay alert to environmental factors, a more intense sensemaking activity began that lasted for a couple of years. The founder had actively been collecting inspiration, information and facts in his head and in his Moleskine® notebook on what was eventually to become the future business of PlayTV. He took notes and discussed his observations with different people (friends,
family and then current and former colleagues) with whom he started constructing meaning around what was happening in the realm of digital TV and film and what commercial possibilities may exist. Thus, sensemaking occurred within the mind of the founder but was primarily located in the spoken language of the involved actors. Wiltbank et al. (2006) suggest that effectual processes often start with a decision maker and successively evolve into a social process where other people provide important input in order to proceed with the venture. On a similar note, the sensemaking activities were largely marked by discussions and conceptualizations of the environmental factors that were perceived. The actors collectively began creating meanings around situations and circumstances they framed as gaps, trends, developments, imperfections, discrepancies and changes in the market space. In particular, framing gaps was a central activity in which the involved actors sought to explain and motivate a need for what was to become the evolving new venture idea.

The external enablers considered as particularly favorable for the emerging idea were described as industry imperfection, technological change, changed consumer behavior, optimistic competitive outlook and changed advertising conditions. This way of ordering and making sense of clusters of information is a sensemaking strategy referred to as “functional deployment” (Weick et al. 2005). Different labels were accordingly imposed on these interdependent phenomena as ways of understanding and coordinating them. This way of inventing meaning to the flux of impressions or cues can also be explained by the activities of “noticing” and “bracketing” (Weick et al., 2005). It consequently explains how the new venture idea emerged from the activity of grasping and connecting clusters of information. By using the functional deployment strategy, meaning was not only created around the implications of the cues but also around how they could be linked and exploited to create the desired means-ends relationship. As discussed in the analysis in Chapter 5, Davidsson (2015) stresses that the favorability of an external enabler may be interdependent with other external conditions. The quotation below illustrates such an instance where the perceived situation of the advertising industry and digital technology capabilities were entangled into something that became part of PlayTV’s new venture idea:

It’s so important that the advertisers like our concept. And this is still very new to them. What I have noticed, through Tom who knows the advertising market, is that the advertisers are about to abandon traditional media such as newspapers and television and instead put larger proportions of their budgets into social media channels. But at the same time, they want to see and measure the effect of their investments. So what we’re doing is very new and uncertain and it’s therefore really, really important that they believe in us.148

148 Interview with production coordinator and partner, 2011-11-25
Uncertainty was a fundamental contextual feature impacting the early sense-making process. The founder and his team worked intensively to form an understanding of and frame this uncertainty (Milliken, 1987). This was particularly done through planning activities, such as considering what social ties to develop with certain prospective stakeholders. One uncertain condition that was emphasized notably related to the intention of connecting advertisers and filmmakers. The founder imagined that the cost of producing or acquiring content would be financed through advertising and sponsoring revenues. Thus, the founder and his team initially spent considerable time trying to understand the wants and needs of both the creative community and the advertising industry:

> It’s really important to find that balance. Right now, we’ve done some evaluation and reflection and I think we’ve found it. The creators don’t like it if it’s too advertising driven and they don’t want to have strong demands on product placement and such stuff... Working with advertisers must not impact the viewing experience negatively.

Sensemaking’s outputs were manifested in spoken language and also in written texts. Especially writing was an action undertaken to formulate and create an understanding of the external environment. Several documents such as business plans, strategy papers and company presentations were produced as means to formalize and organize thoughts. The informants specifically argued that these exercises of putting their ideas down in writing both assisted their internal sensemaking and strengthened their legitimacy in their external encounters (i.e. sensegiving activities).

Weick (2001) stresses how individual sensemaking evolves into social structures starting with “moments of commitments” (p 27). Once someone makes a commitment, the subsequent events are interpreted and justified according to the outcome of that commitment. This is also how commitments can be argued to both create and constrain meanings. As alluded to above, Maitlis and Sonenshein (2010) refer to this as the dual roles of commitment (p 563), in that they manage to enable coordinated activity under pressure, but can equally blind the organizational members through staying committed to a set of meanings limiting their ability to come up with new solutions. This was manifested in the case study by how external enablers’ perception came to impact the subsequent acquisition of resources needed to engage in the entrepreneurial task.

In particular, the early beliefs and underlying assumptions regarding the perceived “crisis” in the advertising industry led to the formation of a revenue model based mainly on advertising revenues. As a consequence, sponsoring
and marketing competencies were identified as core, which, in turn, led to the recruitment of employees possessing those skills. Hence, the findings show many similarities with the contributions made by Garud and Karnøe (2003), indicating that both actors and the external factors perceived as central for the opportunity generate input leading to the emergence of a (technological) path. This path, which in the case of PlayTV came to be strongly connected to the construction of the firm’s identity, proved to both enable and constrain the entrepreneurial activities (Karreman & Alvesson, 2001).

6.2.2 New venture idea

PlayTV’s new venture idea was assembled through different activities driven by the subjective motives (needs, wants, emotions and prior experiences) of the founder and the interactions with his social network where meanings were exchanged and negotiated. Intersubjective meaning was consequently created around the external enablers and plausible accounts were constructed for how they were going to be capitalized on and transformed into economic wealth. Despite the entrepreneurial process starting out as an individual endeavor, collective engagement was eventually what made the venture materialize in the form of a fledging firm.

In this case, sensemaking can be understood as emerging in a social process as the individuals collectively discussed and sought meaning. In the social process of sensemaking, a shared understanding is achieved in cyclical and ongoing ways where actors mutually influence each other (Maitlis & Christianson, 2014). Initially, the founder was influential in the formulation of the new venture idea and through his sensegiving capacity, he induced hope among important others through transmitting his beliefs. Subsequently, the chairman of the board and one of the investors proved to possess similar symbolic qualities as leaders when they became associated with certain interpretive schemes. Despite the obvious impact of these influential individuals, the development of the new venture idea was to the largest extent the outcome of discussions and the establishment of a collective understanding between different actors. As described above, the external factors were interpreted and used to construct the new venture idea in close interaction with their prospective partners. The founder stressed the win-win-win metaphor that guided the development of their emerging idea and the ways of defining value for each of these stakeholder groups was accordingly achieved through cycles of sensemaking and sensegiving. Thus, this present study nuances and illustrates that collective sensemaking was achieved through discussions with many stakeholders and people associated with the field of interest and also influenced by symbolic leaders.
As previously mentioned, in order for a new venture idea to be regarded as viable it has to make sense for and deliver value to a broader audience, i.e., stakeholders. PlayTV’s opportunity development process particularly illustrates how various actors were influential at different times of the process. One such example was how initially, the idea was framed as a chance to provide filmmakers with flexible opportunities to produce and distribute their content. This underlying belief was equally confirmed and expressed as an “opportunity” by the filmmakers themselves.

However, once PlayTV had launched its business, these initial assumptions proved to be flawed as the filmmakers did not perceive or expect any greater value in PlayTV’s offering. Consequently, two important insights can be drawn from the empirical observations. The first is the dependence and intertwinement between actors and new venture ideas. The findings hence connect and strengthen similar arguments held by, e.g., Carter, Gartner Hills (2001) on opportunities as phenomena enacted by individuals, Sarason et al. (2006) who stressed that opportunities are idiosyncratic to the individual and Davidsson (2015) who argued that opportunities cannot be explained without reference to a particular actor. The new venture idea was always present in the development of the firm. However, it changed and evolved dependent upon the actors dominating the process at the particular time.

The second insight connects to views put forth by Shepherd (2015) who argues for the impact of stakeholders in that they contribute to the refinement of a potential opportunity and also stresses the mutual adjustments which take place, where the evolving opportunity, in turn, can impact and transform its “community of inquiry”. The latter conclusion is beyond the empirical scope of this present study, however the former is clearly demonstrated as, e.g., filmmakers and advertisers strongly shaped the initial new venture idea.

As the sensemaking process went from an individual to a collective endeavor, metaphors were increasingly being used when interpreting their observations. For example, when it came to the perceived external factors to do something for production firms and filmmakers who were currently missing important outlets in the established industry, the founder explained his idea as:

When it comes to production firms, we envisage ourselves as an AppStore for culture production firms. So if three friends say that “hey, we have an idea that we really believe in, but SVT won’t buy it because they think it’s too edgy…” (which is often the case), then they should be able to come to us. We can help them with the financing, but they need to do the rest of the job. So instead of taking a detour around a distributor, we can be their direct channel.
Similarly, when envisioning their end-product the founder expressed it in terms of creating “a hybrid between Facebook and television drama”. This metaphor allowed for an understanding of how social media and drama content were to be connected. It was also used in the sensegiving activities when explaining their prospective idea to the media and, as such, it achieved the purpose of rendering the uncertain more certain. This way of thinking in metaphors was acknowledged by Hill and Levenhagen (1995) as a way for entrepreneurs to cope with ambiguity and to create order in unfamiliar situations. Along the same lines, for the founder of PlayTV, the metaphor became a way to interpret and articulate the vague beliefs he had about the business potentials associated with the various external enablers. By thinking and speaking about PlayTV as an AppStore, the founder ordered and modeled many of the cues that he had perceived: filmmakers’ unsatisfied needs, digital opportunities for distribution and production and new financing possibilities. Another benefit of this activity was that he created interpretive schemes that were shared among new organizational members.

Most often sensemaking is used to explain retrospective phenomena, however in the case of prospective contexts, such as new venture creation, sensemaking can be “aimed at creating meaningful opportunities for the future” (Gioia & Mehra, 1996:1229)” (Clarke & Cornelissen, 2011 p 542). The temporal orientation of sensemaking was accentuated in the study. The founding activities undertaken by the actors indicated that they were drawing on all three dimensions of temporality, i.e. the past, the present and the future. As will be further described below, the new venture idea was formulated based on observations of present equivocal cues. The entrepreneurial actors drew upon their past experience as they were making visions and plans for the future. The founder’s historical exposé (p 55) illustrates his way of understanding reality. The idea behind his presentation was to place the viewing behavior in a historical perspective. By stressing the link between technology and viewing behavior, the founder succeeded in carving out a gap that was to be filled by PlayTV’s product offering. Hence, the case study exposed the point that the temporal aspects of sensemaking varied during the process. The “traditional” way of describing sensemaking, in the Weickian meaning, is about retrospectively developing images that rationalize action. Actors are hence constructing stories or meanings when looking back on actions that have already been taken. However, sensemaking can also be future oriented. The findings demonstrate that sensemaking was directed both towards actions that had happened, but also aimed at achieving future impacts.

This shows how the entrepreneurial actors moved back and forth in time while developing their ideas. As touched upon by Garud and Giuliani (2013), entrepreneurial processes are never linear and it takes time to go from idea to market. The authors refer to a view of time where the past, present, and future are
intertwined. When observing the development from a vague idea into a venture, it becomes clear that the organizational actors were dealing with all three temporalities simultaneously. The founder was drawing on his past experiences (even making historical references) while pointing to opportunities in the present and envisioning for the future. Likewise, in the interviews, the informants spoke about the future as if it was already present. Particularly in the early stage of nacancy, the business model was used as a device for prospective thinking by describing how the future was to be organized. This suggests that opportunity development is both a matter of retrospective and prospective sensemaking.

The issue of identity was brought to the fore several times in the empirical study. Identity has a central place in sensemaking as it is triggered by an attempt to create or define one’s individual identity and/or organizational identity. In new ventures, identity construction involves both the personal identity of the founder and the influential entrepreneurial actors (i.e. the sensemakers) and also the organizational identity in terms of the socially shared views and perceptions of the firm (Jo Hatch & Schultz, 1997; Karreman & Alvesson, 2001). Identity particularly proved to be a fundamental construct in PlayTV’s opportunity development process. The founder and the other entrepreneurial actors were constantly battling with questions related to their organizational identity such as: Who are we? What are we doing? Who are our customers? Which highlights that one of the most crucial aspects for an organization in order to be properly recognized is to be properly classified (Albert & Whetten, 1985). This task of coming to terms with their shared identity became even more challenging as the new venture idea evolved and changed.

Entrepreneurial identity construction has gained increasing research attention in the past years (Downing, 2005; Navis & Glynn, 2011; Nielsen & Lassen, 2012), however within the opportunity debate the influence of entrepreneurial identity has not been explicitly addressed. Identity comprises both insider and outsider perceptions of what is core to an organization and hence involves assumptions and beliefs about what the firm represents (Tripsas, 2009). Navis & Glynn (2011) define entrepreneurial identity as “the constellation of claims around the founders, organization, and market opportunity of an entrepreneurial entity that gives meaning to questions of ‘who we are’ and ‘what we do’ (p 480).

The case study not only revealed the influence of the personal and the organizational identity construction but equally important was Play TV’s external identity, referring to how outside audiences, such as customers, stakeholders suppliers etc. would view the organization (Tripsas, 2009). During the formative years, the new venture idea developed around the notion of becoming a channel for distribution of high quality entertainment. In the subsequent plans,
presentations and press releases, being a channel was consequently emphasized as a core characteristic of the firm. Since entrepreneurs in nascent markets are faced with ambiguities they put extra effort into defining a distinct identity for both their firm and their future market so that the firm becomes the cognitive referent for the claimed market (Santos & Eisenhardt, 2009 p 649). This was demonstrated empirically through the intensive networking activities with people in the industry undertaken by the founder and his initial team:

… So we started talking to everyone in the film industry. So if anyone now comes and say ‘hey, we want to do this!’ people will go ‘no, PlayTV is already doing that’149.

6.2.3 Opportunity confidence

As illustrated in Chapter 5, confidence was a central feature in the realization of the new venture idea. The present study provides empirical evidence for how confidence was gained through the sensemaking activities undertaken by the entrepreneurial actors. The founder not only increased his knowledge level through an active information search related to the new venture idea, confidence was also strengthened through gaining the support of important others (which will be explored more in the subsequent sensegiving section). The way the founder spoke about a “discrepancy” and pointed to a “void in the market” (p 61) that needed to be filled indicates that he was gaining in confidence that he was onto something with real future potential:

If I don’t take this chance someone else will…

As mentioned in the previous chapter, this aspect of opportunity confidence can be understood as “opportunity feasibility belief” (Dimov, 2010). The findings suggest that gaining confidence was an outcome of the activities the founder engaged in, in order to better understand the world. While intuiting cues, seeking information and trying to comprehend the environment by packing these experiences into the new venture idea, the founder simultaneously engaged in increasing his confidence level related to the feasibility of the opportunity. Sensemaking is, to a large extent, guided by the mental models the involved actors possess. The way the founder initially noticed and bracketed the external triggers was consequently informed by his professional experience of having been part of the TV and film industry throughout his entire career. This eventually proved to have a tremendous impact on the subsequent founding activities. His interpretive schemes provided him with a framework that allowed him to recognize certain elements of information and envisage

149 Interview with Tess, production coordinator and partner, 2012-01-12
new means-ends relationships based upon his interpretation. Furthermore, the resources that he brought into the firm in terms of, e.g., human capital and financial capital, were also dictated by his beliefs and preferences. Much of what was being done in the organization, ranging from office décor to the formation of exchange relationships with partners, was made with strong influence and inspiration from the world of film and theater. The founder particularly stressed his background as instrumental for this strategy:

"We’re going to have a structure that is similar to how you run a theater, in that that we’ll have a creative director and an administrative director. I’m formally the CEO now but I would much rather be a sort of creative director."

Opportunity confidence is also achieved by relating the nascent entrepreneur’s assessment of his/her ability to establish the venture, something described by Dimov (2010) as “start-up self-efficacy”. Resources the founder and the entrepreneurial team stressed as key to their future success were “the founder’s background” and the fact they had “… credibility and trust based on track record and network”. However, the founder also showed awareness of the resources and skills he lacked. There was a prevailing uncertainty related to what was needed in terms of resources to implement the new venture idea. One way to overcome this was by talking to people and seeking advice on topics such as technology and issues related to future earning potentials. Thus, the founder sought information and support from people in his surroundings whom he believed to possess these appropriate and complementary skills:

"…this is an idea that is really intriguing but also very complicated since it spans over so many diverse competencies. It’s not only about knowing how to make TV and film but also about technology and marketing of course… and by that, I mean social media. So the initial idea was to find a group of people that together could cover all these different competencies."

Consequently, extensive time was initially invested in grappling with these issues, which eventually resulted in many of their beliefs being reinforced, which, in turn, led to strengthening their confidence. As illustrated in a quotation by one of the founding members, the process of arriving at a new venture idea they believed in had consequently been characterized by this notion of building on different competencies and areas of expertise:

"There has been a strong focus on getting the right competencies in place. It started out as Hans’s idea that we were bouncing around together. But it wasn’t until we got hold of Joel with his technical skills and Tom with his advertising skills that we got the entire business model in place. We sort of realized what we had been missing."

150 Interview with Tess, production coordinator and partner, 2012-01-12
Confidence was also established on a more collective level as more and more actors (employees, prospective partners and stakeholders) became engaged in the formation of the new business.

6.2.4 The business model

As discussed above, the perception of the external enablers and the process of evaluating and connecting these by creating means-end relationships were the starting points for both the emerging new venture idea and the business model. Despite the fact that the business model was not fully articulated in the beginning of the entrepreneurial journey, it eventually emerged and came to serve as a sensemaking device in the opportunity development process. It was used to organize the environmental factors so that social structures and external dependencies were created to allow for the creation of economic wealth and the distribution of value between all parties. As indicated in the narrative, the founder and his partners were actively generating information and were not satisfied until they perceived “the business model was in place” (p 65). The business model can, therefore, be understood to emerge as soon as the entrepreneurial actors began interpreting and integrating the various cues they perceived. Furthermore, this goes along the lines of what Katz and Gartner (1988) hold as the four properties of emerging organizations: intentionality, resources, boundary and exchange. Consequently, the business model became a sensemaking device that served to establish and combine these necessary properties in order for the organization to come into existence.

As discussed at the beginning of the thesis, Doganova and Eyquem-Renault (2009), Perkmann and Spicer (2010) and Wallnöfer and Hacklin (2013) have either empirically or conceptually demonstrated how business models can be used to create, explain and predict future realities. The idea behind the business model is that it establishes transactive structures by linking a firm to at least one external entity (George & Bock, 2011). For the founder of PlayTV, the business model implicitly became a tool for creating new means-ends relationships out of the cues and the resources he disposed of. As described above, as the actors were noticing and bracketing the flux of information they were exposed to, the business model served to order these phenomena and render them into an architecture with the potential to create profits. Thus, the business model became the framework that, at least on a cognitive level, connected these disparate cues into an economic rationale.

A central capability of the business model was that it served to reduce uncertainties, particularly around the essential revenue potential of the firm. The PlayTV case illustrated how the organizational actors constantly used the business model to address and cope with uncertainties. The pace and the mere time
constraints PlayTV was operating under made it impossible to collect the information needed to foresee or calculate the outcomes of the decisions made to tackle these uncertainties. Hence, the business model served as an appropriate device in making sense around these varying uncertainty conditions.

With the different components of the business model in place, (e.g., value proposition, revenues, partners and distribution) the founder claimed that he, despite all market uncertainties, could calculate or at least “guesstimate” the costs and revenues associated with the productions. Their own estimation of the economic feasibility of the venture provided the organizational members with a sense of security, which further supported their beliefs. The embryonic business model consequently came to be used internally among the members as a recipe for guiding their future actions (see Perkmann & Spicer, 2010). Lastly, by drawing on Patriotta’s (2003) roles of organizational narratives, the business model proposed a logical structure to identify, interpret and shape various cues and simultaneously reduce uncertainty around these.

Again, we are dealing with the passage of time, since the business model was used to address different temporalities by connecting experiences from the past and present with visions and aspirations for the future. PlayTV’s embryonic business model, which can be referred to as their espoused business model, evolved just like a narrative with a beginning, a middle and an end and tied together and addressed the temporal aspects of the present, the past and the anticipated future. The founder drew on his personal experiences and made historical references in support of his vision. At the same time, he and other organizational members often spoke of the future as if it were already present:

Mobile solutions are the future of television and the young generation of creators will totally change the supply of content\(^{151}\).

There will be much more well produced, branded content in the future that will blur the line between advertising and entertainment\(^{152}\).

The business model came to represent the founder’s conceptualization of a new way of creating value around digital TV and film, i.e., a way of creating new means-ends relationships. PlayTV being one of the pioneering firms in a nascent market, its organizational members had to invent these connections themselves. Through the sensemaking activities described above, these actors tried to envisage and link partners that had not previously been connected. PlayTV set up its own structure and process for creating and generating value by connecting filmmakers and advertisers in a new way. This connection was going to be enabled by the technology spanning the boundaries and allowing

---

\(^{151}\) Interview with casting agent, 2013-04-05

\(^{152}\) Interview with head of production, 2012-01-12
for economic transactions between all involved parties. The revenue model that was conceptualized was based on the generation of revenues from advertisers and sponsors and the sharing of them between the filmmakers and PlayTV. Hence, the founder explained the initial business model as “a win – win – win situation” between the three parties of viewers, filmmakers and advertisers. The vision formation and planning phase marked the first step of success for the entrepreneurial actors. They had formulated a new venture idea and an espoused business model that came to guide their future activities and encounters.

6.3 Sensegiving

Last fall, the focus was on making strategies and securing the financing. But just before Christmas the last investor stepped in to finalize this round. So now we can relax and breathe for a while. Now it’s more about pushing the button… by the way, I’ve always wondered where that button is?! Anyway, now it’s full speed ahead. And we get to work on the actual product.153

As established by Gioia and Chittipeddi (1991) sensemaking is not complete unless there is sensegiving. Sensegiving activities are directed to influence the meaning construction of others so that they start believing in the same reality. On a similar note, Cornelissen and Clarke (2010) stress that entrepreneurs in new ventures in particular need to make the enterprise comprehensible and meaningful to key stakeholders (p 540). As indicated by the above quotation, the PlayTV story marks a shift in going from the “espoused business model” to testing it and implementing it through market entry, i.e., the “beta business model”. With the recipe that the founder and his team had collectively created through sensemaking, the time was now ripe for putting it into action. Up until the launch, the formulation of the new venture idea was, to a large extent, an act of intuiting and interpreting, vision formation and planning. This was done interactively by several actors and was mostly achieved through sensemaking. As the new venture idea became more concrete and the business model was materialized in documents (see similar findings in Klofsten's (2005) classification of ideas) the communication became easier. The actors consequently became engaged in sensegiving by influencing the meaning construction of their prospective stakeholders.

Until this point, the founder and his team had essentially talked the firm into existence. Besides registering the company, recruiting employees, engaging them in the planning process outlined above and setting up facilities, there were no operations going on. But through intensive talking, meetings and

153 Interview with Tess, production coordinator and partner, 2012-01-12
spreading the word, PlayTV started to form relationships and construct its market. As illustrated by the above quotation, the informants explicitly expressed how they left the planning mode and entered what they referred to as the execution mode. This involved the transmission of meaning and initiatives to actually form the thinking of others. Not only the founder but also the other entrepreneurial actors such as employees and investors, adopted a sensegiving mode in their communication to (prospective) stakeholders, partners, investors etc.

6.3.1 External enablers
In the previous phase, the formulation of PlayTV’s new venture idea had been made by connecting the various external enablers to the business model. The organizational members had adopted the business model as meaningful and were ready to execute on its purpose. Both the new venture idea and its business model were embraced and acted upon almost religiously. They had become part of the actors’ worldview. The main challenge during this phase was to make others believe in that same reality. The sense of uncertainty and doubt was almost minimal during the sensegiving phase. With their strong belief in the new venture idea, it was now a question of exploiting it.

This change in modes from sensemaking to sensegiving indicated that the external enablers that had initially triggered their understanding, were, for the time being, becoming less important. Since the actors had already formed their worldview based upon noticing and bracketing such external factors, they were no longer considered to play a central role. As the organizational members temporarily closed down their sensemaking capacities and instead turned to sensegiving, their focus was on taking actions through activities such as sales, finding partners, negotiating deals, recruiting, etc. Thus, rather than concentrating on understanding the world, they were now explaining the world to others. The few new external factors that were identified during this stage mostly appeared in meetings or negotiations with prospective partners (as will be discussed below).

6.3.2 New venture idea
In order for the new venture idea to be regarded as viable, it has to make sense for (and deliver value to) a broader audience. The support of external stakeholders is crucial for all new ventures. Without any resources (financial, human capital, social and technological), it is impossible to take an idea to market. The founder had initially identified a group of stakeholders he regarded as essential for the development of the business. Filmmakers, technology part-
ners, media agencies, advertisers, sponsors, production companies, distribution partners and social media were consequently among those actors the founder targeted for his sensegiving actions.

Thus, the entrepreneurial actors spent considerable time meeting with those prospective partners, explaining and trying to influence them about the future reality they imagined. The documents and pilot movies (clips) that had been produced in the previous phase were used in these meetings to support and give sense to their arguments. The establishment of social ties was important since PlayTV was in the process of building a new ecology of interdependencies. The founder explained:

Parallel to our discussions with the filmmakers we also talk to all media agencies. We’re starting to establish our ideas with them. They are extremely positive, but slightly nervous of course.

As illustrated in the case description, the technology partner was an actor that PlayTV invested quite extensive time in convincing about their future collaboration. During these negotiations, the founder stressed how he sought to communicate a sense of “mutuality” in their prospective relationship, emphasizing how well the two companies would complement each other. These sensegiving attempts eventually paid off, since an agreement was closed and PlayAhead’s chairman of the board reported positively and optimistically about their joint collaboration (see p 67).

Since beliefs and actions are recursively linked in sensemaking, some new cues were generated from the undertaken sensegiving activities. In the meetings and interactions with their (prospective) stakeholders, information was exchanged and generated between the two parties which led to reciprocally infusing the PlayTV employees’ sensemaking capacities. An illustrative example of this was the collaboration between PlayTV and a sponsor for their first show (Hair Stories). Collective experiences were shared that led to the generation of more information, which in turn triggered new opportunities and the jointly held belief that these would succeed. One such example was how their sponsor suggested an integration of e-commerce into the shows, allowing for viewers to buy products that were part of (or related to) the content. This eventually resulted in the managers at PlayTV incorporating these ideas and developing them in their subsequent business plan.

The same collaboration also showed how elements of PlayTV’s business model proved to deliver the anticipated value. As demonstrated on p 69, the informants concluded that connecting filmmakers and sponsors for drama collaborations was an envisaged partnership that actually functioned in practice. This consequently led to the reinforcement of this aspect of the new venture
idea. Weick (1979) presents sensemaking as a reciprocal exchange between actors and their context in which the environment is interpreted by connecting sequences of enactment, selection and retention. PlayTV’s opportunity development process can likewise be described according to this model of “enactment theory” where the new venture idea was refined by selecting and emphasizing its doable and promising features.

As part of the sensegiving attempts, the founder explained how they “spoke with everyone in the film industry” (p 134). This activity of claiming the market is thus closely intertwined with the construction of a distinct external identity (Santos & Eisenhardt, 2009). In the early sensegiving activities, the entrepreneurial actors communicated and emphasized that they were mainly going to be a distribution channel. Thus, their external identity came to be associated with their intended visibility, reach and embeddedness in social media. Moreover, Play TV’s external identity developed according to what the organizational actors thought their future partners would appreciate. One such example was how PlayTV’s new venture idea came to be developed with the filmmakers as main provider of content. The key attributes and distinctiveness of PlayTV’s external identity were also closely tied to the founder’s personal identity of coming from the creative industry. The founder particularly stressed that the key to success was that he and his founding team had extensive industry backgrounds that transmitted trust and legitimacy for the new venture. The external identity of catering for the wants and needs of the filmmakers was further reinforced when the two TV and film celebrities entered as spokespersons for the firm.

Nevertheless, during the same time, in their organizational identity construction, i.e. the shared identity of the co-workers, they were more focused on becoming a production firm than a channel. This was demonstrated by the positions recruited for and the core competencies defined. As a result, not having the firm’s external and organizational identities aligned became a problem. The external identity, which had been nurtured for an extensive period of time, was eventually challenged when the chairman of the board took a leadership role and argued that it hampered the venture’s development and even its chances of survival.

6.3.3 Opportunity confidence

As previously stressed, opportunity confidence reflects the unfolding promise of the opportunity, as perceived by the entrepreneurial actors. It is thus the beginning of the continuation or abandonment of the venturing efforts (Dimov 2010, p 1125). In the case of PlayTV’s entrepreneurial journey, the belief that the opportunity they were creating was both feasible and operable continued and was even slightly reinforced during sensegiving. Consequently, the beliefs
formed through sensemaking were transmitted to broader audiences in order to seek their approval.

As part of the sensegiving strategy, PlayTV utilized its credibility and the celebrity factor while transmitting credibility and establishing trust among the prospective stakeholders. As described in the case story, the media was particularly keen on associating PlayTV with their celebrity investors. This did not bother the founder since he felt that it served as good publicity and managed to create the trustworthiness and legitimacy that the new firm so importantly needed. During this stage, the organization came to proactively work with the press in order to increase its profile. The expectations were set high, as is reiterated by the press:

“Celebrity actor and producer X’s new TV company PlayTV starts collaborating with PlayAhead and creates a new online channel for drama and entertainment. The channel will launch a beta version in May and expects to have a possible reach of 2 million viewers from the start. During fall the main launch will be made and the channel estimates a reach of 5.5 million viewers”.

Yet again, this illustrates how the calculations that had been made while organizational actors constructed their imagined future reality became used to make others believe in them. So, as a result of both effective sensemaking and sensegiving, PlayTV and its business model became a reality with more and more believers. In order to be even more convincing, the founder evidently spoke about the firm as if it was already doing what it actually at that stage only intended to do:

…When he (the founder) meets with creators he just states that “we work like this and we’re doing things in this fashion” even though we’re not there yet. He never shows any signs of hesitation.

While recruiting and seeking temporary workers or freelancers, the argumentation and confidence that the actors had built up during the sensemaking phase were used to explain the raison d’être of the venture and what it intended to do. The more the new venture idea matured, the more confident the entrepreneurial actors felt in communicating it to the outside audiences. As mentioned by Davidsson (2015), it is in contact with various stakeholders and other actors that the entrepreneurial actors “adjust their assessment of the favorability of their new venture idea” (p 687). The iteration between sensemaking and sensegiving automatically sheds light on the feedback loops that took place and where the trust and confidence in their new venture idea were either reinforced or sometimes weakened.

154 Resumé 2012-04-20
6.3.4 Business model

The business model was mainly used for internal purposes during the sense-making phase and externally while sensegiving. In the latter process, the business model came to symbolize the ideal future reality and served as both guiding organizational actions and transmitting beliefs and trust among outside constituents. As touched upon above, even though the business model served as a recipe and came to guide the organizational members in explaining to others why they should collaborate and join the firm, it was flexible enough to be interpreted in different ways. The business model, therefore, had the capacity to unite and construct meaning around the core issues, at the same time being flexible enough for interpretations and negotiations (for example when suggestions for business model improvement and change came up). It was hence used as a sensegiving device to audiences like potential investors, partners, and employees. Despite being a mere sketch of an ideal state, the business model conveyed a framework of relevant terms and references for explaining and promoting the new venture. This is illustrated by the quotation from the CEO in the meeting with the Swedish Union for Performing Arts and Film (Teaterförbundet):

... So the meeting we had with the Swedish Union for Performing Arts and Film actually turned into an educational meeting where we went through our business model just to explain who we were.

Through studying the interactions between entrepreneurs and business angels, Wallnöfer and Hacklin’s (2013) suggest that “business model accounts” (i.e. the presentation of certain elements of a business model) serve to mediate communicative interactions between the two parties. The authors draw upon trust theory to describe how the investors developed optimistic or pessimistic expectations of the founding team (i.e. trust vs. mistrust) based upon these accounts. Along the same lines, this study’s findings indicate how business model accounts were used to explain, influence and create legitimacy around PlayTV’s new venture idea.

The process in which the business model was developed and used altered between sensemaking and sensegiving in a reciprocal fashion. Once the business model was explained to prospective stakeholders, this affected the outcome through the negotiations that occurred. Consequently, both the role and development of the business model were closely coupled. It was the device for social interactions between different actors, and at the same time framed the outcome of these interactions. Despite being based on uncertain assumptions, the business model offered a useful outline of the cost and earning potentials of the new venture. It also articulated the activities and partners that needed to be involved to realize this.
With the revenue potential as a critical uncertainty, PlayTV particularly needed to get the support from media agencies. During the sensemaking phase, PlayTV members had understood that there was the potential to persuade this group of actors to support them. Now, however, they needed to convince them to actually do so. The founder met different representatives of media agencies, most of whom confirmed worries about declining interest for traditional media (print and TV) and expressed an interest in working with digital formats. In these meetings, the PlayTV employees showed a presentation of the firm with film clips illustrating the type of shows and formats they planned to produce. They also demonstrated their concept - their “win-win-win” business model - through speaking, supported by a Power Point presentation.

The business model consequently served as a template for these discussions. The PlayTV staff stressed that most meetings went well and that the representatives from the media agencies had no difficulties in understanding their concept. On the contrary, they were even very positive. The media agencies had promised to speak with their clients (mostly marketing managers of larger organizations) and further promote PlayTV’s products as an option for their advertising budgets. Nevertheless, despite these optimistic accounts, none of the meetings resulted in any immediate business contracts. Despite this, PlayTV managed to secure its first sponsor, from which staff members generated a plausible story, taking this example as a token of moving in the right direction.

Finally, as illustrated with the Invo collaboration, the business model took the role of an “attractor”. Being an attractor in a market niche means that “external actors self-select to present themselves and their ideas to the focal firm, whereby the focal firm becomes exposed to a new idea or opportunity without having engaged in search or having initiated the contact with the external actor” (Bohman, 2010). This demonstrates how in practice the business model attracted partners and consequently stimulated new business opportunities.

6.4 Sensebreaking

The new venture idea was initially explored through sensemaking and subsequently exploited through sensegiving in an iterative fashion. What the PlayTV story further indicates was that after the launch, a mismatch occurred between the actors’ initial beliefs and the objective reality they now faced. It became clear that certain assumptions on which the idea of the emerging venture was created were flawed. This led to a frustration among the actors where new ideas and strategies had to be developed in order to solve this challenging situation. The opportunity confidence of not only the founder, but also several
of the organizational members, became challenged and deconstructed as they went from a positive to a negative evaluation of their business model. The business model was perceived to perform poorly since it did not generate sufficient revenues. Thus, sensebreaking proved to be the solution.

The idea of sensebreaking is just as closely related to the notion of identity as sensemaking is. Central to sensebreaking is, therefore, the questioning of oneself, i.e. the organizational identity, and the creation of a “meaning void” that needs to be filled (Pratt, 2000). In the context of strategic change, Mantere, Schildt, and Sillince (2012) demonstrate how the creation of meaning voids increases the receptiveness to managerial sensegiving, which, in turn, serves as a natural response to sensebreaking. On a similar note, the study of PlayTV’s opportunity development process indicated that both sensemaking and sensegiving occurred again after sensebreaking. By actively challenging their prior assumptions, new opportunity beliefs were explored.

The business model workshop came to mark the official breaking with existent interpretive schemes. Initiated by the assistant CEO and investor manager, who had now taken leadership responsibilities, meaning voids were created and subsequently filled with new meaning. Mantere et al. (2012) make a distinction between individual and organizational sensebreaking. Organizational sensebreaking is proven to be particularly useful when striving to reestablish commitment among organizational members, which was the case here. However, although sense was broken on an organizational level, my study showed that it also affected the notion of the individuals’ personal identities. An organizational implication of sensebreaking was that it fundamentally challenged the beliefs of the employees. Sense was actively broken a few times during the venture’s development and as a result some of the employees left the organization and others, among whom was the founder, explicitly stated that they were starting to lose their motivation due to the new interpretive schemes.

This section looks more closely into what caused this sensebreaking situation to occur, what concrete sensebreaking activities took place and how it impacted the opportunity development process.

6.4.1 External enablers

During the reorientation phase, the focus was on evaluating the external enablers that initially had been considered favorable but were subsequently abandoned. The actors were reevaluating the factors that had shaped the new venture idea accordingly their business model. The subjective dimension of the external enablers, i.e., perceived and enacted upon through the perspective of
the founder and his initial team of creative people from the TV and film industry, became challenged since the filmmakers did not act or contribute as expected. During and after the business model workshop, organizational members were encouraged to reflect upon and identify new favorable external enablers for the redevelopment of the firm. With the new dominating logic represented by the chairman of the board and the investor, the previous win-win-win logic became challenged by arguing that it was “too creator driven” (p. 75). Instead the strategic focus shifted towards distribution and sales as core activities of the organization.

After the business model workshop, the organization felt somewhat energized again. The path-dependency that had developed based on the interpretive schemes of the founder and his team had now been broken and the new venture idea had to be refined if the firm was to survive. Based on the breaking down of meaning, new external enablers were identified and the plan was to work even harder to become a proper business-to-consumer oriented firm. Thus, the organizational identity came to be associated with being a channel. New plans, new routines and new goals were devised. With the financial pressure constantly weighing on the shoulders of the organizational members, the ensuing period was thus characterized by intensive action.

By sensebreaking with their old beliefs, the staff members of PlayTV were able to start creating new visions again. An outcome of sensebreaking was the writing of a new business plan, i.e., an obvious and necessary first sensemaking activity. This was then communicated to both internal and external audiences (media, investors, partners etc.) i.e. sensegiving.

However, after the acquisition of PlayTV by the established “analog” production firm Maestro, the venture eventually moved back on to a more traditional way of doing business. With the changes in these environmental circumstances came new enabling factors that allowed for generating revenues through collaboration with established TV channels.

These identity changes, of moving from a channel to a production identity, proved to be of central impact for the survival of the firm. PlayTV’s chairman of the board explicitly argued that their capacity to reorient their organizational identity towards becoming a business-to-business firm was key to their survival. The figure below (Fig. 28) portrays how PlayTV described itself in the “About us” section of their press releases.
As previously stressed, PlayTV’s organizational identity had not been completely aligned with its external one. This became particularly clear when PlayTV’s co-workers were approached by the media. The informants agreed that they could not transmit a consistent message. Thus, another reason behind the business model workshop had been to unite the employees and find a common goal to work towards. The chairman of the board used the phrase “we need to walk at the same pace” (p 76) to illustrate the importance of this activity. After the workshop, a new strategic direction was outlined expressing the new venture idea for the firm. This came as a relief to many of the employees as expressed in the quotations below:

When I started working here people were doing the wrong things. Now, however it seems like the penny has dropped (poletin har trilat ner)! 155

I definitely believe that we have built an organization that is distinct (tydlig), that you can communicate. It’s when you talk to people you realize when it’s not fitting (inte sitter), when we can’t explain what we really do. But now it actually feels like we can do that156.

Once they had decided to abandon the idea of being a channel, the informants described how they felt new possibilities suddenly opening up. Consequently, the entire new venture idea and subsequent business model changed after the decision was made to become a production firm. This illustrates how the organizational identity of the firm impacts the co-workers’ attentiveness to new external factors and accordingly the formation of new opportunity beliefs.

This contrasts with the initial modes, where collective understanding was, to a large extent, achieved in discussions between the actors. The chairman of the board and the investor took a more active part during the sensebreaking mode. The business model workshop was a prominent example of a symbolic act where symbolic leaders (chairman of the board and investor) approached the established mental schema of the organization in a systematic way and

---

155 Interview with marketing manager, 2013-09-13
156 Interview with head of production, 2013-04-23
challenged the organizational actors through the creation of a meaning void. Furthermore, the case illustrated that sensebreaking was not an entirely smooth process. Internal conflicts arose where employees and investors eventually had to leave the venture, in order to pave the way for the new emerging new venture idea.

6.4.2 New venture idea

After the launch of PlayTV’s product, several uncertainties arose which proved to have a major impact on the development of the venture. These challenges were no longer imaginary but real and they needed to be dealt with if the organization was to survive. This caused organizational actors to think long and hard, leading them to eventually depart from some of their previous trust in the new venture idea. A discrepancy occurred between the actors’ expectations and the reality in which they found themselves, which came to be expressed in different ways.

The founder and his management team tried to understand and interpret the new situation in which they found themselves. Through noticing and bracketing it, the PlayTV management and staff tried to work out a way to comprehend what did not work in their business. This was obviously characterized by intensive sensemaking to grasp why and what caused the business model not to generate the envisaged monetary value. They began identifying and framing specific factors, concluding that the major challenges were the low conversion rates, poor and misdirected distribution and weak consumer behavior. As part of the enactment process, similarly to elements that became selected and subsequently retained as part of their business model, inputs that were considered not to deliver any value were rejected. However, through the active creation of a meaning void, new cues could be identified that consequently triggered the generation of new opportunity beliefs.

The initial team had constructed, communicated and acted on a certain idea that no longer seemed to be worth pursuing. Since they had committed to a way of understanding and explaining the world, they had ignored the signals or situations that challenged their mindsets. Instead, PlayTV’s founder and staff had sought to discuss and meet with actors who supported their views. PlayTV’s office was frequented by plenty of people, such as friends, former colleagues and newly established contacts. They were filmmakers, producers and actors that all showed great enthusiasm about PlayTV’s new venture idea. Many of the meetings they had with their prospective partners were equally optimistic and encouraging. It was clear that the initial beliefs of the founding team became confirmed in their interactions with the outside world. This was a process of rationalization where the entrepreneurial actors found support for their behaviors. As briefly mentioned above and along the same lines, Garud
and Karnøe (2003) showed in a study on technology entrepreneurship how various actors in an entrepreneurial process generated input around an opportunity that resulted in an emerging path that came to both enable and constrain the future activities of the actors. As illustrated in the case description, the path that was initially formed around the creative professionals came to dominate the business model and consequently the development of the venture. It also became clear that it was to a large extent restrictive since it failed to generate the required revenue. Shepherd et al. (2007) note that in opportunity belief formation, to shift schema or cognitive categories requires much time and effort. The findings illustrate how the cognitive schemas were actively broken in order to generate new opportunity beliefs and a refined new venture idea.

6.4.3 Opportunity confidence

An explanation of what happens when mental models become cemented, i.e. when individual sensemaking evolves into social structures, can be found in studies on domain specific expertise. According to McKelvie, Haynie, and Gustavsson (2011) expertise moderates the relationship between effect uncertainty and entrepreneurial action. They argue that experts have a tendency to downplay the importance of predicting the future and instead become focused on creating it. The founding team showed several signs of being overly optimistic and stressed that they knew the industry.

One implication of this behavior was how the actors downplayed the challenges involved with distribution and reach. The PlayTV team had so much confidence in their high quality content, believing in the capacity to virally spread it, that they therefore neglected the importance of distribution. Drawing on these insights, the case illustrated how the worldview of the founding team had come to dictate the business model and the initial paths that were taken, i.e., the emphasis on the filmmakers. It was not until the reorientation phase and under the leadership of a “generalist” - the assistant CEO - that the organization managed to steer the business away from the creative and towards more commercial motives. Another implication of the reliance upon domain specific expertise was how the initial business model was influenced by the advice the founder sought from the certain areas of expertise. Since the organizational members thought of themselves as lacking competencies in areas such as technology, media and advertising and social media, as a way of reducing uncertainty around these, they took advice from people they considered to be experts in these areas. This eventually led to an overemphasis on certain aspects of the business model, such as the expectations of social media.
6.4.4 Business model

The business model became heavily questioned during sensebreaking. The strength of the business model in the earlier stages had particularly been its capacity to create cognitive order among disparate cues and mobilize collective action. Now, however, the assumptions that the business model design was based upon became challenged. When the founder and his team had identified and agreed upon the main problem areas, i.e. conversion rates, consumer behavior and distribution, they moved on to sensebreaking. Thus, a critical event in the development of the firm became the organized activity to break free from the interpretive scheme that hindered the firm’s development and particularly its possibilities to generate revenues. Sensebreaking was done both individually and as an intentional managerial effort.

The first wave of sensebreaking notably occurred during the reorientation phase when the filmmakers – one of the cornerstones of the business model both in terms of partnership and revenue generation – were considered to have failed in delivering their part. Several of the founding team members admitted to be disappointed with the weak collaborations that had evolved. Despite the mutual commitments that had been agreed upon between PlayTV and the creators with regard to the value proposition, the reality proved to be different. The filmmakers did not have a priority to be part of PlayTV’s marketing and social media machine. This indicates that despite “successful” sensemaking and sensegiving actions, the results were not aligned. What had felt feasible and attractive whilst planning and influencing never became achieved in practice. The venture hence went from being focused on the needs of the filmmakers to eliminating them as one of the partners in the triple “win-win-win” model of value creation. This created a meaning void that had to be filled. As manifested in the empirical data, it opened up for and indeed forced new opportunity beliefs to be generated:

So where do we get the wheel spinning? Well, we do it with our distribution. We must get a high reach in order to get sponsors. The sponsors are interested, but in order to really make them want to collaborate, we must be able to provide them with reach outside their own channels.157

The issue of distribution and reach was particularly highlighted. It proved to be an area that had been neglected by the founder. With all the constraints associated with being a startup, both time and financial resources were forcing the management to act. However, it was not until their investor appointed the assistant CEO and initiated the business model workshop that a meaning void among the organizational members was truly created. The investor symbolically expressed this:

157 Interview with investor, 2013-04-15

150
… that is exactly why we did this workshop. You throw everything up in the air and try to come up with the most plausible new plan to work with and keep that as your hypothesis. And you work from there and you follow up that plan. In companies like these there are countless opportunities. Therefore, you need to scale off 90% of those opportunities and put them in a drawer. So now we have a new plan and we’re following it up at the board meetings.158

Thus, when this sensebreaking situation occurred, the leadership also became subject to change. For the first time, the founder took a step aside as the visionary leader and the chairman of the board stepped in and took a leadership role. From this point, the chairman, who officially became the assistant CEO, put a lot of effort into undermining the existing interpretive scheme that had been constructed around the filmmakers. The symbolic signals behind this leadership change among the staff and stakeholders were significant. The founder represented the “creative people” that made up the existing dominant organizational identity. The assistant CEO, on the other hand, had a much different and business oriented personal identity. Another influential actor impacting and contributing to addressing and adjusting some of the uncertainties regarding the business model was one of PlayTV’s investors. He also became a dominant actor in the adaptation of the existing business model by specifically articulating the need to redefine what they were doing:

When we invested in PlayTV there was a “guiding business plan” (inriktningssaffärsplan) around the trend: who the customers were, what the value proposition was for different groups etc. There was also a “business case” – a document with the economic calculations. And it’s good to have all that to be able to check out how things actually turned out and how much the actual advertising revenues turned out to be etc. but it’s important not to get stuck in that description of how to succeed. We just have to start all over again and admit to ourselves that now we have this many viewers, and above all, how do we make money as quickly as possible? Because if you have a positive cash flow, you own your future. Otherwise, you will become dependent upon investors but it’s way more fun to make money from customers than from the investors.159

The investor used “the Business Model Canvas”, which is a popular and much used strategic management and entrepreneurial tool, at the workshop. During the workshop, the business model was used to test new assumptions and to challenge established ones that had up until that moment guided the entrepreneurial actions. It was again put into service to create meaning about perceived opportunities and to notice and bracket the flow of new streams of information and cues that were generated. Many uncertainties were discussed and elaborated on during the workshop and new solutions were launched to better the

158 Ibid
159 Ibid
prospects of a more focused distribution. This would, in turn, increase the conversion rates and hence the possibilities for even more profitable relationships with their sponsors. As a result of the workshop, the participants created a new business model that became their new recipe in the following organizational activities.

Sensebreaking had required some major organizational changes in terms of routines and competencies. The case study notably showed the importance of leadership in managing a sensebreaking strategy. The symbolic value of the assistant CEO and the support he received from the investor were important for organizational members. Despite some resistance to the new ideals, most staff indicated that they felt part of the new direction. During the business model workshop, new directions for the firm had been outlined and more focus was put on acquiring and converting viewers.

One outcome of this was that a new organizational chart was drawn and new competence areas were recognized as critical for the growth and/or survival of the firm. Other concrete organizational actions stemming from the workshop were notably the recruitment of new “expert” employees (who had no attachment to the previously dominant interpretive schemes). The newly hired PR manager immediately started to seek appropriate collaborations for the marketing and distribution of PlayTV’s content. This was an outcome of sensebreaking whereby they had cleared their minds of the earlier perceived possibilities and now focused on creating new ones. The PR manager worked intensely with identifying valuable collaborations based on their business-to-consumer logic:

PlayTV should be a channel that pops up everywhere. Because our business today is not based on advertising revenues, but on sponsoring revenues… that is an entirely new business model. As a consequence, the established production firms now perceive us as a commercial channel, just like any other. And here are even more revenue opportunities…

However, not long after testing and acting on the business-to-consumer imperative, the management had to conclude that neither had that strategy been successful. These comments from the chairman expressed that concern:

The entire business model that we redeveloped during and after the business model workshop proved not to be working… At least we tried to be a “mobile play channel” but it just didn’t work. We would need extremely large amounts of marketing money to profile us as a channel. And it needs to be put in the perspective of “how are we gonna find the viewers?”

160 Interview with PR manager, 2013-09-11
The viewers just needed to flood in and then watch the pre-rolls in order for us to generate any revenues. To build a channel proved to be tremendously costly and the number of viewers needed to just earn a penny (krona) was gigantic. But we stuck with the channel idea and tried different things.\(^{161}\)

These quotations notably demonstrate another wave of sensebreaking after having tried their best to be a business-to-consumer firm. Eventually, with the Maestro merger, new cues were identified, around which PlayTV organizational members were called to create meaning. As described in the first order report, PlayTV returned to their initial idea of being a production firm. Actors motivated and rationalized this move by arguing that it was what they knew and were good at. Being a production firm now allowed for them to identify two new revenue opportunities. They could either make a profit from branded content, whereby they produced editorial content for a customer. Or they could generate revenues from selling their productions to established broadcast networks such as TV4 or SVT. Hence, this departure from the initial visions of the founder turned PlayTV into a “traditional” production firm operating in a relatively traditional fashion with a mainstream business model.

This change in strategic orientation, which again required the firm and its members to break with the previously held interpretive schemes, did not appeal to all members of the firm and its audiences. The founder announced that he wanted to leave the organization and several actors within the “family and friends” category of early investors did not accept the reorientation of the business model. When the business model and organizational identity moved towards being a production firm selling productions to the broadcasters’ online play channels, they raised critical voices. Despite the fact that advertising profits were low, they did not want to abandon the idea of becoming a channel. As explained by the chairman:

They (some friends and family investors) just weren’t very understanding of our situation. And the awareness this could go down the drain… well, that didn’t exist among them. Instead, they accused us of having failed by going “too wide”. They said we should have been more focused and narrow in our distribution. But if we had done that, we would have acquired even fewer viewers and consequently less revenue… But we simply couldn’t discuss this with them.\(^ {162}\)

Despite the improvisational character of entrepreneurial behavior, the PlayTV case illustrates how the business model became a central part of the firm’s planning activities. The organizational actors used it as a strategy tool for internal and external use. The planning activity and the need to document and motivate their strategies and visions in a business plan was a way of dealing

\(^{161}\) Interview with chairman of the board, 2013-12-03

\(^{162}\) Ibid
with uncertainty, evaluating opportunities and reducing information shortage while sensegiving to their stakeholders. Similarly, after the acquisition, when all focus was on developing their distribution network, a new person was recruited and her first task was to produce a new business plan where meaning was created and uncertainty reduced around the possibilities for expanding their distribution.

Following the acquisition, PlayTV furthermore saw themselves more as a production firm. Hence, this led to further perceived potential. Some organizational actors gained greater confidence to produce their own scripted content to be sold to the linear TV broadcasters’ online channels. The new business model can be seen as influenced by Maestro’s more “traditional” business logic. The revenue model was subsequently updated into revenues generated both from sponsoring (AFP) and from the pure sales of content.

6.5 Discussion on opportunity development as sensemaking

The path of an entrepreneurial journey is neither entirely planned nor entirely circumstantial, but concerns interaction between entrepreneurial purposefulness and contingent environments within the parameters of the venture emergence system.

Selden and Fletcher (2015 p 606)

As previously mentioned, sensemaking is widely used within organizational studies as an explanatory mechanism to understand what it helps to accomplish for other important processes such as, e.g., strategic change, learning, innovation, business networks, mergers and acquisitions (e.g. Gioia, Thomas, Clark, & Chittipeddi, 1994; Henneberg, Naudé, & Mouzas, 2010; Maitlis & Christianson, 2014; Monin, Noorderhaven, Vaara, & Kroon, 2013). It has accordingly been used in a similar fashion, in this thesis, to explore entrepreneurial actions in the ambiguous context of technological change. Besides informing the entrepreneurial process literature of how sensemaking has enabled the pursuit of opportunity development, the results also contribute to understanding how sensemaking is accomplished on a more general level. Below follows a brief discussion of the implications of the results in relation to both organizational sensemaking in general and the entrepreneurial process literature in particular.
6.5.1 The accomplishment of sensemaking

As acknowledged in previous literature, sensemaking is triggered by cues such as unexpected events or situations for which the meaning is surprising, confusing, ambiguous or for which the outcomes are uncertain. In the present study, the technological change of digitalization prompted the quest for meaning among the involved individuals. In line with what is stressed by Maitlis and Christianson (2014), the empirical inquiry revealed that it was not necessarily the unexpected events themselves that triggered sensemaking to occur, but the discrepancy between the individuals’ expectations and what they experienced. Notably, frustration about the fact that the new technologies were not being taken advantage of within the established TV and film industry caused the founder to interpret what was happening and reflect on what to do about it.

This illustrates how one’s understandings of the nature of change and the experience of a discrepancy is subjective. It is not only about what one sees that determines one’s actions, but how one perceives those situations. The founder particularly pointed to other people and organizations in the industry as missing out on the digital opportunities. Moreover, the empirical data also indicated how this individual and subjective feeling was reinforced and impacted by others sharing the same worldview. In the previous analysis, the notion of “self-selection” was used, illustrating how people from similar backgrounds and sharing the same visions are attracted to and consequently self-select to become part of the collective meaning making of their environment.

Another insight from the study reinforces the perspective of sensemaking as a social endeavor. While some definitions of sensemaking depart from a cognitive process described in terms of developing frameworks or mental models, a more recent way of framing sensemaking is as a social process that occurs between people as meanings are negotiated and mutually constructed (Maitlis & Christianson, 2014). The present study revealed the latter, namely the social processes through which sensemaking was accomplished. Along the lines of Maitlis (2005), the empirical data hence illustrated how the individuals interpreted their environment and, through interactions with others, constructed accounts that allowed them to comprehend the world and act collectively (p 21).

In this process, there was, however, a strong impact of leaders whose influence varied over the course of time. In a study of symphony orchestras, Maitlis (2005) distinguishes between different forms of sensemaking processes depending on the influence of the leader. A “guided” form of sensemaking occurs when leaders are active as “sensegivers” by constructing and promoting
explanations of events and of the process (p 35). This was notably what transpired in the case of PlayTV. Initially, the founder influenced the direction of the sensemaking activity as his vision guided the framing of the opportunity. He thus acted as a “sensegiver” by setting the agenda of what events, features and circumstances in the external environment to interpret and make meaning around. This type of guided sensemaking, which was evidently infused by recruiting individuals sharing similar experiences and mind sets, also led to the production of accounts that were rather unitary. These unitary accounts of the idea and direction of the firm had positive implications at the level of opportunity confidence experienced by the involved actors. As the activities of the firm proceeded into the sensebreaking mode, where the established interpretive schemes became challenged, new symbolic leaders took over as active sensegivers. The chairman of the board and one of the investors continued this guided form of sensemaking. Thus, the opportunity development process of PlayTV brought to the fore both collective and leadership guided modes. Collectively the actors engaged in seeking and pursuing a unified idea of the future of the firm, influenced by sensegivers who guided them.

Moreover, intersubjective meaning was achieved through discussions between these entrepreneurial actors and the stakeholders. Collective narratives and metaphors were constructed and frequently used, such as highlighting that they were striving to become a channel, an outlet for film producers and/or a production firm. Furthermore, the actors also used devices as tools for their sensemaking activities in order to achieve intersubjective meaning (Lounsbury & Glynn, 2001). The business model (as is further discussed below) served as a boundary object in the process of arriving at a unified and mutual understanding, i.e. an intersubjective meaning, of the value of the prospective firm.

On a final note, this study brought the temporal orientation of sensemaking to the limelight, something that has been disputed among several scholars (Maitlis & Christianson, 2014). The more traditional Weickian approach treats sensemaking as a retrospective activity, one that can occur only as one looks back over action that has already taken place (Maitlis & Christianson, 2014). However, more recently sensemaking has been suggested as something that can also orient the future as a capacity to imagine alternative possibilities (Gephart, Topal, & Zhang, 2010; Kaplan & Orlikowski, 2013). In a study of temporal work, Kaplan and Orlikowski (2013) empirically demonstrate the interplay among interpretations of the past, present and future in order to further the understanding of how time is treated in strategic management research. The empirical case in the present work indicates similar results.
In the process of going from idea to market, the entrepreneurial actors were frequently engaged in interpreting and making connections between both retrospective and prospective elements. This was particularly manifested in how the founder explained and legitimized the idea of the firm as a natural evolution of how distribution and consumption of TV and film had historically evolved, at the same time pointing to desired future events and phenomena. Moreover, expanding internationally and engaging in e-commerce were often emphasized as part of PlayTV’s strategic plans even though it had not started as an operating business at the time.

By illustrating how entrepreneurial artifacts such as the new venture idea and the business model were used as sensemaking devices to create plausible future accounts and draw connections between various means-end relationships, the study informs present understanding of the issues of temporality in sensemaking processes. Furthermore, during sensegiving the entrepreneurial actors ‘acted as if’ by manifesting a sense of already living in the future they tried to convince their prospective stakeholders about. This kind of future oriented sensemaking can be explained as a given within entrepreneurship studies and is, according to Gartner et al. (1992), the phenomenon that differs organizational emergence from the taken for granted world of the existing organization. Thus, the findings of the present inquiry advance the “post-Weickian” approach to sensemaking (Gephart et al., 2010) by highlighting the temporal interplay between the past, present and future.

6.5.2 The contribution of sensemaking to opportunity development

The second part of the discussion proceeds to a more specific level as one of the main contributions of the thesis is the inquiry into what sensemaking accomplishes and how it informs the opportunity development process.

Weick (2001) argues that instead of discussing organizing “and” sensemaking, it is more helpful to talk about organizing “as”, “through” or “for” sensemaking (p 95). In this spirit, this analysis has emphasized opportunity development as a sensemaking process progressing through different modes. Hence, similar to what is earlier suggested by Weick, opportunities can be seen to emerge and develop from the sensemaking activities that take place between the individuals and the context they are making sense about. The analysis used three major modes as an explanatory framework for how the external enablers, the new venture idea, the business model and the opportunity confidence emerged, developed and interrelated over time. Through episodes of sensemaking, sensegiving and sensebreaking taking place in a sequential and reciprocal fashion, the idea guiding the actions went from embryo
to a refined new venture idea to an operating business venture. The analysis also brought the “doings” of opportunity development to the fore by particularly shedding light on the mundane activities involved in the process. Moreover, it illustrated the impact of identity (external, organizational and personal) on the process.

The figure below is empirically generated from the PlayTV case and shows how the four opportunity components appeared in each sensemaking mode. Moreover, it provides a summary of the most central activities that took place (see Fig. 29). This way of describing opportunity development “as” or “through” sensemaking consequently provides an alternative way of understanding early entrepreneurial processes.
Figure 29 Summary of PlayTV’s opportunity development as through sensemaking

In summary, the PlayTV case demonstrated that through progressive iterations of sensemaking, sensengiving and sensebreaking, the new venture idea was imagined, developed, exploited and destroyed then reconfigured. Thus, PlayTV’s opportunity development process did not end with meaning being broken down. Meaning voids occurred at several times and were simply formed to allow for new cues to be identified and hence new meanings to be created. This way of understanding and explaining opportunity development can thus be used for advancing theoretical knowledge and future empirical inquiry into similar early new venture creation processes. In the section below,
some of the main contributions of sensemaking will be discussed in relation to the entrepreneurial process literature. These result in a framework for opportunity development containing the most central aspects.

The theoretical review discussed ways of advancing the current understanding of entrepreneurial processes. A recent stream of research suggests that turning our focus to the interactions between individuals and the situation in which they operate would open up new possibilities for future research and extend our understanding of entrepreneurial phenomena (Eckhardt & Shane, 2013; Shepherd, 2015; Venkataraman et al., 2012). The present study answers this call and its insights thus offer a development of the individual-opportunity nexus by shedding light on the action and interaction between the entrepreneur and his/her context. Consequently, these findings add to prior and related explanations embedding individual entrepreneurs within their social contexts (e.g. Cornelissen & Clarke, 2010; Garud & Karnaøe, 2003; McMullen & Shepherd, 2006; Wiltbank et al., 2006).

First and as touched upon above, one outcome of the present study is the emphasis placed on the connection between individuals and their context. By shedding light on the external enablers as triggers for the emerging new venture idea, this study elucidates the conditions that caused these individuals to engage in sensemaking in the first place. The sensemaking approach thus accentuated how these aggregate level circumstances were perceived and negotiated by the founder and other actors. In line with previous research, the findings indicate that prior experience and mental frames, i.e. individual level circumstances, direct what external triggers are observed, evaluated and eventually turned into opportunity beliefs. This accentuates the entanglement of external conditions and subjective cognition stressed and debated in previous studies. The findings also demonstrate how the early sensemaking efforts evolved from an individual to a collective endeavour, as the founder engaged in conversations with people in his close surroundings and subsequently with a broader audience constituted of stakeholders and prospective partners.

Cornelissen and Clarke (2010) elaborate on how entrepreneurs construct meaning about novel ventures for themselves and others in the early stages of the venture creation process. They refer to how entrepreneurs create an “image or scene of the venture” (p 549), which is altered and modified throughout the entrepreneurial process. By seeking the necessary support from relevant stakeholders and resource providers, the image of the venture is reinforced, adapted and replaced. The PlayTV case strengthens this notion of inductive reasoning as central to how entrepreneurs visualize and enact novel opportunities. As the founder and the first employees started to engage in sensemaking and sensegiving to prospective stakeholders and partners, the idea of the emerging venture became shaped according to these meetings’ outcomes. This social
aspect of opportunity development also feeds empirical evidence into the effectual logic where each stakeholder is considered to have a say in the emerging artifact. As expressed by Sarasvathy and Dew (2005) “… commitment decisions seek to shape what the pie will be rather than how to divide it” (p 402).

Second, the present study enlarges the role of action in sensemaking as it both creates more cues for sensemaking and also serves to test provisional understanding generated through prior sensemaking (Maitlis & Christianson, 2014; Weick, 2001). Hence, an outcome of the actions the entrepreneurial actors engaged in was the construction of exchange relationships and eventually a market, thus affecting the market level. This reciprocal influence between action and the environment is known as “enactment” and has similarly been incorporated in prior studies of nascent entrepreneurs and the creation of markets (see e.g. Santos & Eisenhardt, 2009).

The inductive and collective creation of entrepreneurial artifacts leads to the third implication of the inquiry, namely how intersubjective meaning was achieved. Besides using language and metaphors, as addressed in previous studies (Cornelissen, Clarke, & Cienki, 2012; Hill & Levenhagen, 1995), the empirical data and the results of the analysis indicate that the entrepreneurial actors also used artifacts as devices in their sensemaking activities. Moreover, they describe how these artifacts were the outcomes of those same activities. As stressed conceptually by Venkataraman et al. (2012), most entrepreneurial opportunities have to be made “through the actions and interactions of stakeholders in the enterprise, using materials and concepts found in the world. Opportunities are, in fact, artifacts. And their making involves transforming the extant world into new possibilities” (p 26). The present findings thus add empirical evidence to and inform the similar reasoning of, e.g., Selden and Fletcher (2015), Venkataraman et al. (2012) and Sarasvathy (2003; 2008) of entrepreneurship inquiry as a “science of the artificial”. This line of research emphasizes how elements of the internal environment interact with those of the external. Hence, it connects the entrepreneur’s cognition, emotions, actions and aspirations with external elements such as market structures, institutions or institutional voids, stakeholders, resources, or cofounders (Venkataraman et al., 2012 p 23). Selden and Fletcher (2015) specifically conceptualize the entrepreneurial journey as an “emergent hierarchical system of entrepreneurial artifact creating processes” (p 603). The authors stress how entrepreneurs design artifacts that are functional to the creation of entrepreneurial markets under conditions of genuine uncertainty.

The new venture idea and the business model are notably brought to the fore as artifacts emerging at the early stages of venture emergence, similar to what Selden and Fletcher refer to as the lower level subsystems: “an entrepreneurial
sensemaking subsystem creates a business idea (artifact), which is functional to interaction in entrepreneur–stakeholder subsystems, and the emergence of an operational business model (artifact)” (p 606). This conceptualization finds empirical bearing in the journey of PlayTV as these artifacts emerged, were deliberately developed and functioned as devices in the exploration and exploitation of the latent opportunity.

Selden and Fletcher further argue that the more tangible a venture becomes, the more the means-end relationships of the business idea and business model become embedded and embodied in the routine capabilities and systems of the operational business (p 610). These means-end relationships are continuously evaluated through interaction with the environment and hence provide feedback that transforms or completely alters them (Ibid). This was notably brought to the fore in the analysis, as the new venture idea and business model emerged and evolved according to the sensemaking modes. The activities undertaken while sensemaking, sensegiving and sensebreaking particularly illustrate how the involved actors engaged in this continuous evaluation of both the new venture idea and the business model in relation to the market. In particular, sensebreaking illustrates how the actors had to challenge and change the routine capabilities that had been established during the first phases of the venture’s development. Thus, the results of the analysis indicate how these artifacts both constrained and enabled subsequent events (i.e. the “dual roles of commitment”) and eventually became challenged through the active engagement in sensebreaking.

Fourth, this present study empirically demonstrates the influence of opportunity confidence on sustaining this process of action and cognition underlining opportunity development. If we again consider the four components, the new venture idea and the business model were both the devices for and outcomes of making connections with the external enablers. The opportunity confidence, on the other hand, was the result of the actors’ continuous evaluations (from negative to positive) of these components. As such, opportunity confidence is vital for the continuation or abandonment of entrepreneurial actions. It can also vary in degree among different members of the organization or among different stakeholders (Davidsson, 2015). Opportunity confidence hence provides an explanation for the individual and collective assessments of these means-ends relationships and consequently impacts both the favorability of the opportunity at hand and the notion of entrepreneurial self-efficacy.

Engaging in planning activities is one way to reduce financial and competitive uncertainty which increases entrepreneurial self-efficacy (McCann & Vroom, 2015 p 629). The results of the study strengthen arguments by previous scholars on the importance of planning activities on firm formation and firm per-
formance. Sensemaking was notably achieved through activities such as conducting market research, gathering information, developing financial projections, writing and rewriting a business plan and learning about the value of the opportunity. Moreover, as emphasized by McCann and Vroom (2015), the continuous evaluation of the entrepreneurial opportunity generates increased knowledge, that in turn “boosts the strength of the nascent’s belief in the ability to perform successfully as an entrepreneur” (p 619). This hence aligns the present study with findings by, e.g., Delmar and Shane (2003), McCann and Vroom (2015), Dimov (2010), Manolova, Edelman, Brush, and Rotefoss (2012).

6.5.3 A framework for opportunity development

On the basis of the analysis and the discussions of the contributions of sensemaking for the understanding of entrepreneurial processes, I consequently propose a framework for opportunity development. This framework emphasizes opportunity development as a sensemaking process progressing through the different modes discussed above. Moreover, it emphasizes the “sensemaker” by departing from the point of view of the involved actor(s). Underpinning this framework is the perspective of sensemaking as a socially situated process by which individuals construct meaning while engaging with their external environment in the creation of artifacts. It hence demonstrates how the internal environment of the entrepreneur (subjective cognition) interacts with elements of the external environment (external conditions) by connecting the four different levels – aggregate, market, venture and individual – discussed in previous chapter. The framework illustrates how opportunity development spans all levels and how intersubjective meaning is achieved through the creation of the business model and the new venture idea as entrepreneurial artifacts.

On a conceptual level, the results of this analysis show similarities to the seminal study on strategic change performed by Gioia and Chittipeddi (1991) which results in a framework for understanding the early stages of strategic change in terms of ‘sensemaking’ and ‘sensegiving’ (p 443-444). In the case report and the subsequent analysis, the sensemaking modes are presented and treated in a sequential and recursive fashion. Particularly the empirical phases; emerging idea, launching the idea, reorientation and acquisition, correspond to the cycle of sensemaking, sensegiving and sensebreaking. Important to note however, is that these modes can iterate and overlap depending on the components and the outcome of the respective modes.
In summary, the framework represents how the components interrelate and are influenced by the different sensemaking dimensions from the point of view of the involved actors. As illustrated in Fig. 30, starting with sensemaking, the process is triggered by the violation of expectations causing the actor(s) to identify, interpret and evaluate certain external enablers, i.e. cues. Cognitive activity is initiated and guided by the interpretive schemes of the involved actors. Through the generation of more information and knowledge related to the perceived environmental conditions, a new venture idea is formulated reflecting the actors' interpretation of the external enablers and the venture they aim to create. The new venture idea is taken one step further to the market as it evolves into an "espoused business model" outlining the logic of value creation and capture for the new venture and its prospective partners. Thus, sensemaking is to the largest extent marked by internal cognitive activity, also described as understanding, as the actor(s) interpret and evaluate their context. The new venture idea and the business model consequently emerge as artifacts and are used as devices to create meaningful means-ends relationships. Depending on the actors’ perceptions of the external factors, the logic of the business model and the idea’s feasibility, opportunity confidence can eventually be established. This then leads to entrepreneurial action being sustained by taking the new venture idea further towards implementation. The dotted arrowed circles illustrate how the four opportunity components constantly interrelate and must be aligned before moving to the next phase.

The sensegiving mode is particularly associated with an external focus as its main activities are focused on influencing the way that other audiences understand or make sense. Instead of understanding the world, the entrepreneurial actors engage in persuading important others to believe in and share that same worldview. As the new venture idea is considered viable, this leads to a decision to exploit it. Hence, the interactions with the market dominate this mode. The new venture idea and the business model are mainly used as devices in
the sensegiving activities, but are equally shaped and impacted by the encounters. The “beta business model” is tested by involving and engaging external audiences in negotiations to establish exchange relationships. Through these interactions and encounters, the entrepreneurial actors are continuously exposed to contingencies and challenges that trigger new cues for means-ends relationships. Thus, the external enablers that are perceived are mostly the results of action undertaken by the entrepreneurial actors (e.g. such as deliberate encounters or unforeseen events). The favorability for the idea is being transmitted to and tested on the external audiences and depending on their acceptance opportunity confidence is strengthened or diminished.

If the decision to exploit the perceived opportunity continues, the business model is operationalized and transformed into a “business model-in-use” with established exchange relationships between various partners. Thus, in the following interactions between the business model and its market, the business model is put to the test. If the imagined transactions and exchange partners fail to contribute to the anticipated value generation and capture, they become rejected which causes a sensebreaking situation. Similar to sensemaking, the sensebreaking mode is mainly characterized by internal cognitive activity, i.e. understanding, as the actors(s) decide to challenge and break with existent interpretive schemes. Opportunity confidence is eventually momentarily broken due to the lack of belief in the new venture idea/business model. Through sensebreaking with previously made assumptions and beliefs, new uncertainties about effects and responses (Milliken, 1987) can be recognized, which again causes sensemaking, sensegiving and sensebreaking to occur (see the arrow in Fig. 30 symbolizing the continuation of the process). In the new sensemaking phase, the focus becomes to identify new external factors and consequently redesign and improve both the new venture idea and the business model in order to regain opportunity confidence.

This framework adds to entrepreneurial process studies by extending the individual-opportunity nexus to include the actions and interactions between the entrepreneur and the external environment. It provides a method for both understanding and practicing entrepreneurship that does not take the entrepreneurial opportunity for granted but sees it as an outcome of successful action and interaction. As such, it is particularly applicable in early stage entrepreneurial settings and under conditions of uncertainty. As stressed at the beginning of the thesis, the opportunity construct as used in the bulk of entrepreneurship research is not fully operable in prospective and uncertain settings since it only retrospectively accounts for an opportunity. This framework thus provides an alternative by focusing on the four opportunity components in relation to their surrounding and evolving context.
7 Concluding discussion

How can I know what I think until I see what I say?
Weick (1995)

Entrepreneurs play a vital role in today’s society. Judging by the amount of attention they get in the media, one could easily argue that they are ascribed the status of rock stars. They are portrayed as change agents capable of improving the way we live and work. They are praised for contributing to boosting the economy of their communities or countries by creating wealth and job opportunities. In addition, they are frequently held up to be initiators of social change, counteracting social injustice or environmental challenges. It goes without saying that entrepreneurship plays a fundamental role in the economy and thus, the outcomes of entrepreneurship research are often used as input in national policy regulations or as practical advice for students or anyone aspiring to become an entrepreneur. As stressed at the beginning of this thesis, it is, however, not entirely unproblematic to describe and teach entrepreneurial behavior and phenomena without reducing the observed into causal explanations and recommendations on “how to”.

This is all the more significant when we consider the context of technological change and development. How are we to make sense of the unanticipated ways these circumstances can lead to new opportunities for value creation and the development of new businesses? And how are we to study and make recommendations on entrepreneurial actions related to outcomes or events for which the potential is inexplicable? Venkataraman et al. (2012) extend this line of thought by saying that a possibility for future work is offered by the notion of even designing demand itself: “In environments of increasingly disposable income and an explosion of technological capabilities, market necessities and gaps or errors in balancing forces become less important than the sheer temptation of the possible” (p 30).

This thesis should hence be seen as an effort to contribute knowledge and understanding of how ideas are shaped, opportunities identified and markets created in relation to environments of high uncertainty. It has investigated the construct of entrepreneurial opportunities by particularly looking at the process in which they are identified and exploited. Furthermore, it has connected opportunity and business model research through the empirical investigation
of a start-up process in a new technology firm. The PlayTV case was deliberately chosen for its capacity to provide real time data on the process in which an idea related to new technologies came into being, evolved and eventually became established in the marketplace. Throughout the thesis, this process has been referred to as opportunity development. Chapter 5 investigated and brought the most important components of that process to the fore. Chapter 6 analyzed how it was pursued by theoretical support from organizational sense-making. This final section of the thesis thus strives to make retrospective sense of the findings by discussing them in relation to previous research as well as placing them within the everyday practice of entrepreneurship. A prospective attempt for sensemaking is also made, by opening the avenue for future research.

7.1 Theoretical implications

This thesis contributes to existing theory in several ways with its main contributions providing the below implications for the entrepreneurial opportunity and process literatures as well as to the business model literature.

7.1.1 The concept of entrepreneurial opportunity

The first aim of the study was to answer the research question relating to what an entrepreneurial opportunity is comprised of by clarifying the construct in terms of what aspiring entrepreneurs do. On a conceptual level, the results of the study can be used to advance both theoretical and empirical work on entrepreneurial processes. The concept of opportunity has long been central to entrepreneurship research as part of the non-actor component of the entrepreneurship nexus. Whereas much research effort has been directed towards enterprising individuals by investigating their traits, characteristics and heuristics, other scholars have sought to come to terms with the nature of the opportunity necessary for entrepreneurial action to occur. Needless to say, the opportunity concept is not entirely uncomplicated, especially if we base our assumptions on the fact that it is not an objective phenomenon providing room for the creation of new economic activities for anyone with the right skills or knowledge. Thus, several scholars have raised critical voices and have scrutinized the application of the opportunity construct in entrepreneurship research. One of the main concerns has been the empirical truthfulness and robustness of the concept (Gartner et al., 2003). This thesis notably addressed the construct ambiguity put forth by, e.g., Davidsson (2015), Klein (2008), Dimov (2011), Davidsson and Tonelli (2013) and Wennberg and Berglund (2014) by exploring what represents an opportunity in an emergent entrepreneurial setting and what entrepreneurs do when they engage in opportunity development.
The empirical findings indicated that it is more relevant to perceive an entrepreneurial opportunity as an ongoing process rather than as a concept or a specific phenomenon. This hence relates to and extends extant work by, e.g., Klein (2008), Berglund (2007), Dimov (2011) and Venkataraman et al. (2012), stressing the opportunity as an imagined construct serving to guide and inspire entrepreneurial action. The process perspective notably brought the latent character of the opportunity to the fore as something that is kept ongoing and maintained by the cognitions and actions of the involved actors.

The results of the second order analysis suggested that investigations into early entrepreneurial processes could become theoretically more robust and empirically better rooted if the opportunity construct was more precisely defined. This consequently supports Davidsson (2015) in his argumentation that if we are to capture and understand all ideas developed under the opportunity label, more than one construct is needed (p 675). Through an examination of the informants’ constructs and with the theoretical underpinnings provided by Davidsson (2015) and Dimov (2011) in particular, a conceptual framework was developed. This reinterpreted the notion of opportunity as consisting of four components that are empirically relevant and accessible to the studied phenomenon. These critical components were suggested to distinguish and better understand early entrepreneurial processes. External enablers, the new venture idea, the business model and opportunity confidence were put forth in order to make the opportunity construct empirically accessible and operable in future studies of new venture creation processes. Moreover, through representing different levels – aggregate, market, venture and individual – the framework demonstrated the interplay between all levels necessary in order to achieve a final realization and/or market acceptance for the new venture idea. Thus, the framework supports and extends the recognized notions within entrepreneurship studies of the entanglement of external conditions and subjective cognitions.

7.1.2 The process of opportunity development
The second aim of the study was to investigate how opportunity development is pursued, which moves the concluding discussion to a processual level with particular implications for process theory development within entrepreneurship studies.

Viewing opportunity development as a sensemaking process brought the continuous development and iterations between the internal and external environment to the fore. It also allowed us to see how the four components were interrelated from the viewpoint of the involved actors. Moreover, the process
spanned both beliefs and actions, an interplay which has largely been neglected particularly within the entrepreneurial cognition literature. The results particularly contribute to the interactive and intersubjective perspectives on opportunity development, putting great emphasis on the interaction between individuals and the environment in which they operate (Shepherd, 2015; Venkataraman et al., 2012).

As mentioned above, Venkataraman et al. (2012) suggest we understand opportunities as contingent phenomena by seeing them in a process of “interactions among (the) objective, subjective, and intersubjective” (p 25). Along the same lines, Sarasvathy et al. (2009) stress the notion of “multivocality” as a central quality to action striving to reach “sufficient appeals to multiple stakeholders at once” (p 276). In the same spirit, Venkataraman et al. (2012) and Selden and Fletcher (2015) conceptualize new venture creation as processes of design, where artifacts are the results of the actions and interactions of the entrepreneurs and their stakeholders. This way of theorizing opportunity development found empirical bearings in the present study, by bringing to the fore the different components of the opportunity framework as products of human design. It was proposed that these products were created through entrepreneurial agents’ action and their interaction with their external environment. Every emergence or creation of an artifact, such as a new venture idea or a business model, could hence be seen as an advancement of the overall process of developing and shaping an opportunity (which, as stressed previously, is in fact also an artifact). Selden and Fletcher (2015) argue “the entrepreneurial journey emerges according to the principle that abstract entrepreneurial artifacts created at lower levels are designed as contextual to the emergence of more tangible artifacts at higher levels” (p 604). Along these lines the results also empirically strengthen the notion of entrepreneurial agency being distributed across different kinds of actors generating inputs to the emerging artifacts (Garud & Karnøe, 2003).

Thus, the results of this thesis empirically strengthen the view of entrepreneurship as a “science of the artificial”. Originating from the work of Herbert Simon (1996), this is a perspective of entrepreneurial inquiry from which entrepreneurs are seen to design artifacts that are functional to the creation of entrepreneurial markets under conditions of genuine uncertainty (Selden & Fletcher, 2015 p 605). Entrepreneurial artifacts are emergent outcomes of practical activities and can take the form of, for example, ventures, firms, opportunities and markets. In other words, a science of the artificial studies how artifacts emerge at the boundary between inner and outer environments as an embodiment of human purpose and as context to future activities (Sarasvathy, 2003; Venkataraman et al., 2012). Consequently, investigating the process of opportunity development, particularly in uncertain and forward-
looking contexts, can benefit both theoretically and empirically by drawing upon the understanding and study of the process as a science of the artificial.

Furthermore, the sensemaking framework for opportunity development give empirical evidence to the nuances of effectual behavior by demonstrating how both effectual and causal logics were present and became altered throughout the opportunity development process. This was particularly emphasized during sensemaking and sensebreaking where much time and effort was devoted to making plans by trying to control and frame uncertainties. Planning thus nuances the “true” effectual character of entrepreneurial processes. Planning was emphasized as an important activity by the involved actors. This was not only for the obvious reasons of creating legitimacy and trust among the audiences presented with these plans, but equally for the sake of creating an understanding for the direction and goal of the emerging enterprise. The dual logic was also embodied in the founder, who alternated between being a dreamer and visionary to becoming more of a rational agent seeking to optimize his choices. This observation particularly brings clarity to an understudied challenge touched upon by Alvarez et al. (2013), namely if and how the same decision maker can effectively engage in both causal and effectual behavior simultaneously. These empirical insights and framework for opportunity development shed light on the two reasoning modes as situational and dependent on the mode of sensemaking.

The framework for opportunity development also contributes to address the favorability issue associated with entrepreneurial opportunities. As discussed in Chapter 2, with its positive and promising undertone, as a notion, “the opportunity” falls short in accounting for start-up attempts that eventually become abandoned. Davidsson (2015) argues that the favorability connotation of opportunity is highly problematic in forward-looking research in that it explains only action and success, but not inaction and failure (p 676). I consequently argue that using the framework for opportunity development suggested in this thesis would enhance explanations for decisions and reasons for abandoning ongoing entrepreneurial projects. The four different components (external enabler, business model, new venture idea and opportunity confidence) and three modes (sensemaking, sensegiving and sensebreaking) can all be used to elaborate on the proper causes behind failed start-up attempts that go beyond simple descriptions of the flaws or demotivation of the entrepreneur.

Second, the present study contributes to filling an empirical gap within the entrepreneurship literature by shedding a light on how business models are used in the process of new venture creation. The framework for opportunity development demonstrates how the business model is both an outcome of and a device for operationalizing the new venture idea and taking it a step further
to the market. The business model evolved in accordance with the sensemaking phases from what I referred to as espoused business model, to beta business model and to business model in-use. Central to the sensemaking and sensegiving efforts were notably the actions surrounding defining and negotiating value for the prospective stakeholder groups. The business model was mainly used for internal purposes during the sensemaking and sensebreaking phases and was exhibited externally while sensegiving. The framework for opportunity development consequently highlighted the capacity of business models to act as a bridge between technological change and the creation of new ventures as stressed by, e.g., Perkmann and Spicer (2010) and Chesbrough and Rosenbloom (2002). Firm formation can hence be explained as reaching multivocality through the mutual agreements of values proposed and values sought, i.e., between inner and outer environments. In the language of the founder, this was illustrated by his guiding notion of achieving a win-win-win situation.

Along the same lines, the results also have implications for extant business model research. As discussed in the beginning of the thesis, recent studies have indicated a link between business models and opportunity creation (Doganova & Eyquem-Renault, 2009; George & Bock, 2011; Perkmann & Spicer, 2010). The results of the present analysis, in particular, contribute to and extend what has been discussed within the pragmatist perspective of business models. Along the lines of Doganova and Eyquem-Renault (2009) and Wallnöfer and Hacklin (2013), the study shows how the business model was used as a marketing device in meetings with different (prospective) stakeholder groups. Specifically, it served a performative role of explaining the future value of the firm and the way the firm intended to form the respective exchange relationships. Another contribution to the business model literature relates to how such models emerge and develop in a new venture (Zott & Amit, 2013). Since most business model studies are conducted in markets and firms that are assumed to exist, the research is underdeveloped when it comes to accounting for how business models emerge in the first place. Similarly to the new venture idea, the business model was developed in interaction with the social network and prospective stakeholders of the focal firm. Hence, to a large extent, it emerged organically as a way to articulate value for prospective partners and shareholders and it eventually became more elaborate over time. The findings also demonstrated that whereas some of the business model elements were designed, others were more emergent. This suggests scholars should remain open to an inductive approach while studying business models as emergent phenomena. In other words, despite the need for being clear about the constructs applied in the specific investigation, it is of great importance not to impose established business model definitions or frameworks on the empirical evidence.
7.2 Implications for the practice of entrepreneurship

As society continues to evolve, we are faced with both opportunities and challenges related to important issues such as e.g., digitalization, globalization, migration and the environment. All these changes require people - entrepreneurs and non-entrepreneurs - to make sense of them and form understandings of what is happening out there. These shifts might eventually cause disruptions, which allow for new ideas to develop, whereas many established ones become obsolete. This is notably what Schumpeter referred to as creative destruction and was briefly touched upon in the introductory pilot study, describing how entrepreneurs create new wealth through innovation that destroys existing markets. Against this background, the present study leads to a few recommendations for start-up entrepreneurs and also managers of more established organizational settings working in contexts marked by uncertainty and change.

First, having studied and analyzed an entrepreneurial process, I argue that the outcome of the study could be developed into an entrepreneurial method. The reconceptualization of the opportunity construct into a conceptual framework could be applied in innovation workshops or teaching situations. The four components (external enabler, business model, new venture idea and opportunity confidence) are foundations for which ideas can be developed and tested. The components allow playing around with, which makes it possible to use whichever component as a starting point. One such exercise could be to identify external enablers related to a specific context and, from those, to develop business models and new venture ideas. The opportunity confidence in relation to, e.g., a specific new venture idea could also be measured by focusing at the level of the extent of belief in the idea and the feasibility of oneself and/or the team in being able to execute on that idea. Correspondingly, this framework could be used for evaluating and assessing already established ideas and ventures. Again, for incumbents, measuring the opportunity confidence among the individuals in a team and/or organization could particularly be relevant for raising awareness and coming to terms with beliefs related to the favourability of their current operations.

In the same spirit, I also see an opportunity to extend the sensemaking modes into a process model for practitioners. This insight relates to the logic by which new venture ideas are developed and firms are founded. It goes without saying that in uncertain contexts where, e.g., monetization and consumer behavior are difficult to determine beforehand, it is preferable to behave with the utmost flexibility and openness in terms of developing an idea and establishing viable market interactions. The present study demonstrated how a firm was developed from a general broad aspiration which, through sensemaking, sensegiving and sensebreaking, evolved into something that was not initially
predicted. Hence, I argue that by being aware of and actively working through the first two or even a combination of these three stages, entrepreneurs and managers can analyze their own activities and the outcomes thereof, which in turn can influence sustained or long-term entrepreneurial success. As the members of a venture proceed through the different sense related modes, new cues can be generated, the new venture idea and the business model can be modified and the opportunity confidence can potentially increase. Moreover, the sense related modes can be used in combination with the opportunity components at workshops, teaching sessions or courses.

Seeing entrepreneurship as a science of the artificial also has practical implications. Many entrepreneurship methods still assume linear relationships between events and their outcomes, such as the simplified relationship between opportunity, business idea, business model and action. However, the present study indicates that one can consider other relationships that are less linear and predictable. Thus, the reasoning provided in this thesis encourages us to rethink the way we frame opportunities and rather see them as outcomes of entrepreneurial processes.

One could even ask, what comes first, the opportunity or the business model? This also brings the agency of entrepreneurial artifacts, principally the business model, to the fore. The present study demonstrates that while sensemaking, the actors actually engaged in the creation of artifacts by interacting with their external environment (prospective stakeholders and the market). The findings also indicate that new opportunity beliefs were created as a result of effectively working with the business model as a cognitive device to stimulate and create market interactions. This suggests that aspiring entrepreneurs and managers work with and see their business models as sensemaking devices that can identify and shape future opportunities. As a device, it is not only used for gaining the support of others, but it is also the outcome of negotiations between the internal and external environment. By negotiating around future market interactions and value creation mechanisms, the opinions and visions of different stakeholders are highlighted. It could thus be of help to conceptualize the business model according to the sense related stages.

In order to be able to create shared understandings in the first place, i.e. a common ground for value creation, the “espoused business model” provides a first sketch serving as a basis for the negotiations. Once developed, it evolves into a “beta business model” which the members of the focal firm test on their prospective partners. The final stage is “the business model in use”, representing the operative reality of the firm once it has launched. Hence, business models possess capacities beyond describing the revenue flows of firms. They also provide powerful tools for developing new opportunities or remodeling
existent ones. Business models, even if they are not yet operationalized, narrate stories and serve as bearers of meaning for the actors inside and outside the firm. Managers and entrepreneurs, therefore, ought to reflect upon and be aware of these innate capacities of business models.

Second, seeing the entrepreneurial journey as a process in which individuals construct meaning together (by interacting with audiences and taking notice of emerging elements of their external environment) draws attention to the fact that the identification and development of an opportunity is truly a social and distributed endeavour. This eventually has implications for the management of entrepreneurial processes. Based on the findings of this study, leadership was evidently performed and the importance of the founder should not be neglected. However, as opposed to pointing to what to do, the entrepreneurial leadership proved to take more of a guided form where the leaders were active as “sensegivers” by constructing and promoting understandings and explanations of events and of the entrepreneurial process. Being a guiding leader or a “sensegiver” implies that you select which events, features and circumstances in the external environment to interpret and make meaning around.

Not only the founding figure, but other symbolic leaders can act as sensegivers throughout a start-up process. Sense giving is guided sensemaking. It thus influences the meanings produced on both an individual and collective level, which has a great impact on constructing the socially shared identity of a firm. Moreover, it influences the people one attracts and recruits to the emerging organization. While sensemaking, one commits to certain ways of seeing and understanding the world which reduces uncertainty and speeds up whatever process one is engaged in. However, it is also associated with the risk of producing a one dimensional worldview and creating blindness and resistance to change. For a founder or manager of a start-up venture, it is worthwhile to take the long-term impacts of sensemaking into account, since even events with relatively small beginnings have the potential to determine the future of the firm.

Extending this reasoning, both the organizational and external identities have implications for how well a firm can handle and adapt to unforeseen contingencies. The findings demonstrate that the commitment towards certain ways of framing and understanding the world can make organizational members ignorant to situations or signals that challenge their beliefs and/or identities. As already established in the literature on organizational change, incumbent organizations often tend to be disadvantaged due to cognitive frames and organizational identities that are firmly rooted (Tripsas, 2009). However, the present study indicates that this risk also applies for new ventures in their early days of formation. The background of the founder(s) and the initial recruits,
the early beliefs formed around the value structure of the firm and the interactions with (prospective) stakeholders, all contributed to the construction of an organizational identity.

Organizational identity construction is a natural and important outcome of a firm’s founding activities. However, it is of great importance for managers to be aware of and reflect upon the possible constraints that might be associated with a certain identity. This suggests entrepreneurs and managers should strive to recruit people from different backgrounds or industries or with ideas or opinions that might diverge from the ones that have been established. Moreover, different techniques and events can be used in order to challenge taken for granted meanings and identities. The use of e.g. hackathons\textsuperscript{163} could be a preferable strategy to infuse the focal firm with new creative ideas.

In sum, the outcome of the present study has the potential to be developed into a set of techniques suited to stimulate innovative and creative activities in entrepreneurial contexts. In a similar fashion, e.g., Alexander Osterwalder turned his PhD thesis on the ontology of business models into the well used management tool “Business Model Canvas”. A considerable amount of other research within the entrepreneurship field has also been adapted for use among practitioners. By this way of framing or tweaking my research from the conceptual to the practical, I align myself to theories such as effectuation, bricolage and improvisation and their more practice-oriented offsprings such as e.g. design thinking, lean start-up, bootstrapping and ‘fail fast’. These principles and methods all have in common the fact that they strive to increase the flexibility and reduce the risks associated with starting a firm. Their core idea is that by applying an experimental and iterative logic, firms become more agile and can thus shorten their product development cycles and be more relevant in terms of finding customer value.

7.3 Limitations and suggestions for further research

One could easily say that one of the main challenges for a qualitative researcher is to convince the audience of the choices made and the relevance of the general propositions in a study. The researcher can select among many available explanations for the empirical evidence at hand. I choose sensemaking as my lens since it allowed me to zoom in on things that I believed previous

\textsuperscript{163} Hackathons are events where people of various skills (traditionally entrepreneurs and software developers) are put into a confined space for a day or two and are challenged to solve problems and create ideas or products. While some hackathons are intended simply for educational or social purposes, others have clear goals for creating usable products. (Source: http://www.mckinsey.com/ and https://en.wikipedia.org/wiki/Main_Page)
research had neglected. The mundane activities, the formations of understanding, the distributed social activity and the role of identity (external, organizational and personal) were examples of what the sensemaking perspective allowed me to unravel. Another interpretive framework or approach would obviously have shed light on other aspects of the data and resulted in a different outcome of the study.

Along the same lines, moving from the empirical data to my theoretical conclusions was equally marked by several choices. The analytical approach and coding strategy were the work of myself alone. After moving back and forth between the empirical data and the theories at hand, my own sensemaking capacity guided me to particularly use the work of Per Davidsson, Dimo Dimov, Saras Sarasvathy and Sankaran Venkataraman for the analysis and theoretical conceptualizations. I acknowledge and realize the weaknesses herein, by recognizing that several eyes and brains could potentially have paid attention to other elements in the data. For future studies, working with large qualitative data sets, I suggest collaborative research could improve the quality of work and also contribute to creative and unexpected avenues. Moreover, I suggest that entrepreneurship studies involving cognitive or behavioral aspects could benefit from interdisciplinary research teams bringing in expertise from, e.g., sociology or cognitive and/or behavioral psychology.

The present research is based on a single case study. After having performed a pilot study of established and nascent firms I came to the conclusion that in order to get the real time insights that my inquiry required, focusing on one organization would provide me with the best possible data. One of this empirical study’s strengths was obviously that the excellent access I gained provided me with a rich story. The shortcoming is that one could always question the generalizability of my results. How dependent are my results on the specific case of PlayTV? What would have been the outcome if another organization or several organizations had been the chosen?

The answers to these questions we cannot know for sure, however, I do insist that this present case and its results provide a conceptual insight that could be of relevance in the study of early start-up processes in other ventures. With support lent from Siggelkow (2007), I point to the three important uses for case study research: “motivation, inspiration, and illustration” (p 21). I contend that this work qualifies in terms of all three. The ambition with the present study has thus been to motivate future research questions, to inspire new ideas and to illustrate an empirical setting and theoretical problem.

This inquiry thus motivates and inspires future research into entrepreneurial opportunities and firm formation processes. One of the outcomes of this study
emphasized opportunity development as a science of the artificial. An interesting and highly relevant perspective for future studies would be to focus on the entrepreneurial artifacts emerging in this process, by particularly investigating how they transform in the interactions between the internal and external environment. In such a study, drawing upon actor-network theory (ANT) and the work of Bruno Latour (see e.g. Latour, 1987) could be fruitful in order to gain a deeper understanding into entrepreneurial processes including, e.g., the emergence and influence of business models on focal firms and their stakeholders. Moreover, as many new firms become increasingly digital, global and embedded in complex socio-technical ecosystems, the question of agency is relevant to explore. According to ANT, agency is not only privileged to humans but can also reside in non-human elements such as these artifacts. Consequently, I argue this approach could contribute valuable insights into the creation of new firms.

For the purpose of this study, a qualitative approach was chosen from which a connection between the four opportunity components was established. These components could correspondingly be turned into variables and thus become suited for a quantitative study. Based on the findings, I particularly envisage the potential to examine the implications of the four opportunity components on venture emergence by testing various hypotheses which may suggest their inter-relationship. The constructs would hence be placed in the perceptions and attitudes held by the nascent entrepreneur in relation to the opportunity s/he is pursuing. A research question associated with this inquiry could be: Which of the following variables has the most impact on venture emergence? The aim of such a study would be to statistically explain the outcome variations of the causal factors, i.e. the opportunity components, which can explain variations in the outcome criteria, i.e. venture emergence.

In order for the constructs to be efficiently used in this survey, they must be capable of being measured. This operationalization of the variables is not an evident task. However, the coding structure from my current study and extant theories could be used to formulate relevant indicators for the constructs. For example, an interesting proposal (which has been indicated in the present study) would be to hypothesize a stronger positive relationship between perceptions of market interactions (business model) and venture emergence than between the perception of a solid/elaborated venture idea and venture emergence. This can have implications for how we teach and foster entrepreneurship, by putting more effort into the “doings” of entrepreneurship rather than its formal planning (through causal logic).

With an increasing focus on innovation and entrepreneurship in both society and education it is my strong belief that it is of importance to discuss and perhaps re-evaluate what causes venture emergence. Much focus is still put
on the rational planning paradigm where people are fostered into business plan writing and business idea development. However, in a rapidly changing world, factors such as established market relationships and a high degree of opportunity confidence can prove to be more important than expected.

The attentive reader might have wondered why learning was not brought to the fore in the analysis. Learning is recognizably an instrumental aspect of sensemaking. Within entrepreneurial process studies, learning also plays an important function (see e.g. McCann & Vroom, 2015; Ravasi & Turati, 2005). Early gestation activities in general (and planning activities in particular) stimulate learning which eventually has implications for future entrepreneurial efforts. Despite touching upon the notion of learning at several points in the study, I did not consider it important enough to be an opportunity characteristic in line with the other four components. Moreover, I argue that it was reflected in the actors’ opportunity confidence, i.e., their confidence in the feasibility and operability of their new venture idea. Similarly, the processual development was also integrated into the self-reflexivity mechanism of the involved agents. However, an opening for future studies could be to focus on the learning activities and their outcomes in relation to the different sense-related modes (sensemaking, sensegiving and sensebreaking). Taking into account that entrepreneurship is a distributed activity, it would also be of great value to investigate the collective learning process which occurs among actors both inside and outside of the focal firm.
Appendices
Appendix 1: Empirical data generated from pilot study

**Interviews:**

<table>
<thead>
<tr>
<th>Company</th>
<th>Date</th>
<th>Person / title</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>RunAlong.se</td>
<td>2010-01-29</td>
<td>Heidi Harman, founder</td>
<td>1.35 min.</td>
</tr>
<tr>
<td>Spotify</td>
<td>2010-02-03</td>
<td>Martin Lorentzon, co-founder</td>
<td>1.40 min.</td>
</tr>
<tr>
<td>Dataspelsbranschen</td>
<td>2010-02-04</td>
<td>Per Strömberg, spokesperson</td>
<td>1.15 min.</td>
</tr>
<tr>
<td>Mindark</td>
<td>2011-01-17</td>
<td>Christian Björkman, CMO</td>
<td>1.07 min.</td>
</tr>
<tr>
<td>Paradox Interactive</td>
<td>2011-01-05</td>
<td>Fredrik Wester, CEO</td>
<td>1.14 min.</td>
</tr>
<tr>
<td>Easy</td>
<td>2011-01-12</td>
<td>Kristoffer Benjaminsson, CTO</td>
<td>1.05 min.</td>
</tr>
<tr>
<td>Easy</td>
<td>2011-01-21</td>
<td>Oskar Burman, COO</td>
<td>55 min.</td>
</tr>
<tr>
<td>Electronic Arts</td>
<td>2011-01-12</td>
<td>Fredrik Ribbing, product manager</td>
<td>1.30 min.</td>
</tr>
<tr>
<td>Jersey Productions</td>
<td>2011-01-24</td>
<td>Fredrik Hellström, founder/CEO</td>
<td>1.08 min.</td>
</tr>
<tr>
<td>Indie developer</td>
<td>2011-02-03</td>
<td>Erik Svedäng</td>
<td>36 min.</td>
</tr>
<tr>
<td>Mojang</td>
<td>2011-01-18</td>
<td>Daniel Kaplan, business developer</td>
<td>1.04 min.</td>
</tr>
<tr>
<td>Stardoll</td>
<td>2011-04-18</td>
<td>Katie Bell, commercial director</td>
<td>40 min.</td>
</tr>
<tr>
<td>Dice</td>
<td>2011-07-04</td>
<td>Peter Henricsson, HR director</td>
<td>1.30 min.</td>
</tr>
<tr>
<td>Game advisor</td>
<td>2011-10-05</td>
<td>Stefan Lampinen, managing director</td>
<td>45 min.</td>
</tr>
<tr>
<td>Triolith Entertainment</td>
<td>2011-10-05</td>
<td>Magus Söderberg, CEO/founder</td>
<td>35 min.</td>
</tr>
<tr>
<td>Planeto</td>
<td>2011-11-18</td>
<td>Martin Walfisz, CEO/founder</td>
<td>1.10 min.</td>
</tr>
<tr>
<td>Barnvärlden</td>
<td>2011-11-20</td>
<td>Linus Feldt, CEO/co-founder</td>
<td>55 min.</td>
</tr>
<tr>
<td>TocaBoca</td>
<td>2011-11-20</td>
<td>Björn Jeffrey, CEO/co-founder</td>
<td>50 min.</td>
</tr>
<tr>
<td>Spotify</td>
<td>2011-12-12</td>
<td>Martin Lorentzon, co-founder</td>
<td>1.55 min.</td>
</tr>
</tbody>
</table>

**Lectures/presentations:**

<table>
<thead>
<tr>
<th>Company</th>
<th>Date</th>
<th>Forum</th>
<th>Person / title</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mindark</td>
<td>2011-01-17</td>
<td>SSE, Media strategy course</td>
<td>Christian Björkman, CMO</td>
<td>2 h.</td>
</tr>
<tr>
<td>Speltjänst</td>
<td>2011-01-05</td>
<td>SSE, Media strategy course</td>
<td>Stefan Lampinen, CEO</td>
<td>2 h.</td>
</tr>
<tr>
<td>Fabrication Games</td>
<td>2010-09-11</td>
<td>Financing seminar1: Invest in Games 2010</td>
<td>Tommy Palm, CEO</td>
<td>30 min.</td>
</tr>
<tr>
<td>Planeto</td>
<td>2010-09-11</td>
<td>Financing seminar: Invest in Games 2010</td>
<td>Martin Walfisz, CEO</td>
<td>30 min.</td>
</tr>
<tr>
<td>Easy</td>
<td>2010-11-05</td>
<td>Nordic Game 2010</td>
<td>Ben Cousins, CEO</td>
<td>45 min.</td>
</tr>
</tbody>
</table>

**Industry conferences:**

<table>
<thead>
<tr>
<th>Company</th>
<th>Date</th>
<th>Location</th>
<th>Duration</th>
</tr>
</thead>
</table>

180
<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Location</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic Game 2010</td>
<td>2010-11-20</td>
<td>Stockholm</td>
<td>1 day</td>
</tr>
<tr>
<td>Nordic Game 2011</td>
<td>2011-05-12 &amp; 13</td>
<td>Malmö</td>
<td>2 days</td>
</tr>
</tbody>
</table>
Sammanfattning

Digitaliseringen är en samhällsförändring som påverkat de flesta industrier de senaste åren och vi vittnar ständigt om tillblivelsen av nya företag som både för- mar och verkar på helt nya marknader. Många av dessa företag har idéer, skapar affärsnyttor och till och med behov som vi i vår vildaste fantasi inte ens kunnat förutse innan de kom. I hjärtat av dessa satsningar ligger beslut som bygger på individers kreativitet, handling, risktagande och genomförande av idéer i form av affärsmöjligheter.

Forskningen kring affärsmöjligheter handlar om själva samspelet mellan just individ och möjlighet. Varför vissa individer blir entreprenörer och hur de agerar för att göra verklighet av sina visioner har under lång tid upptagit forskarvärldens intresse. Forskare har även ägnat sig åt att förstå affärsmöjligheternas funktion i det ekonomiska systemet. I fokus har varit att förklara deras ursprung och existens, vilket huvudsakligen har uppnåtts genom retrospektiva studier där affärsmöjligheterna oftast studerats efter deras tillblivelse, dvs efter att de blivit uppenbara för den stora massan eller accepterade av marknaden. Om vi däremot förflyttar oss till realtid, i framåtblickande och osäkra miljöer, är det dock inte lika självklart att förstå vad som avses med en affärsmöjlighet. För att öka förståelsen kring detta, utgår avhandlingen från de involverade aktörernas perspektiv genom att undersöka vad en affärsmöjlighet består av och hur den utvecklas.

I en longitudinal studie av ett nystartat företag inom digital TV/film får vi följa resan från en grundares idé om ett framtida affärsprojekt till kommersialisering. I studien framkom att affärsmöjligheten växte fram i en process i vilken flertalet individer arbetade för att förverkliga affärsprojektet kring vilket de hade mer eller mindre tydliga idéer, baserade på vad de uppfattat som positiva omvärldsfaktorer. I detta arbete visade sig fyra komponenter vara särskilt centrala: externa faktorer (triggers till idén), idé (föreställda framtida affärsprojekt), affärsmodell (begynnande marknadsinteraktioner baserat på idén) och förtroende/tilltro (till idén). Om alla dessa finns på plats kan man således säga att en affärsmöjlighet är i skapande. Studien föreslår därmed att dessa fyra komponenter används istället för det mer otydliga begreppet affärsmöjligheter, för att öka vår förståelse för tidiga entreprenöriella processer.

Det ständiga sökandet efter mening, dvs att förstå omvärlden utifrån individernas egna referensramar, visade sig ha stor betydelse för framväxten av dessa fyra
komponenter, deras samspe och utveckling över tid. Således kom meningsskapande perspektivet (sensemaking) att användas för att beskriva hur komponenterna växelverkade och förändrades. I faser präglade av förståelse, övertygelse och ifrågasättande utvecklades affärsmöjligheten från grundarens embryoniska idé till att omfatta och bli accepterad av flertalet olika marknadsaktörer/intressenter. Denna beskrivning lyfter fram det pågående samspelet mellan objektiva externa faktorer och interna subjektiva tolkningar, samt hur individerna i social interaktion tillsammans påverkar affärsmöjlighetens utveckling.

Med en begreppsapparat som ligger närmare det språk som entreprenören själv använder och med ett ramverk som förklarar både den sekventiella och iterativa process det innebär att utveckla en affärsmöjlighet, bidrar denna studie till framtida forskning kring tidiga entreprenöriella processer och beslutsfattande under osäkerhet. Resultatet kan även omsättas i praktik genom att ge entreprenörer och företagsledare en ökad förståelse för olika tillvägagångssätt att stimulera kreativitet och affärsutveckling.
References


Doctoral Theses

Stockholm Business School
<table>
<thead>
<tr>
<th>Nr</th>
<th>Year</th>
<th>Author</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>204</td>
<td>2016</td>
<td>Steffi Siegert</td>
<td><em>Enacting Boundaries through Social Technologies – The Dance between Work and Private Life.</em> Stockholm University.</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Year</th>
<th>Authors</th>
<th>Title</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>Caihong Xu</td>
<td>Essays on Derivatives and Liquidity.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>2013</td>
<td>Sabina Du Rietz</td>
<td>Accounting in the field of governance.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>2012</td>
<td>Kumar, Nishant</td>
<td>Globalisation and Competitive Sustenance of Born Global. Evidence from Indian knowledge-intensive service industry.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>2011</td>
<td>Molander, Susanna</td>
<td>Mat, kärlek och metapraktik. En studie i vardagsmiddagskonsumtion bland ensamstående mödrar.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>180</td>
<td>2011</td>
<td>Lund, Ragnar</td>
<td>Leveraging cooperative strategy – cases of sports and arts sponsorship. Stockholm University School of Business.</td>
</tr>
<tr>
<td>175</td>
<td>2010</td>
<td>Radón, Anita</td>
<td>The Rise of Luxury Brands Online: A study of how a sense of luxury brand is created in an online environment. Stockholm University School of Business.</td>
</tr>
<tr>
<td>174</td>
<td>2010</td>
<td>Martinsson, Irene</td>
<td>Standardized Knowledge Transfer: A study of Project-Based Organizations in the Construction and IT Sectors. Stockholm University School of Business.</td>
</tr>
<tr>
<td>173</td>
<td>2009</td>
<td>Digerfeldt-Månsson, Theresa</td>
<td>Formernas liv i designföretaget - om design och design management som konst. Stockholm University School of Business.</td>
</tr>
<tr>
<td>No.</td>
<td>Year</td>
<td>Author</td>
<td>Title</td>
</tr>
<tr>
<td>-----</td>
<td>------</td>
<td>-------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>170</td>
<td>2009</td>
<td>Wittbom, Eva</td>
<td>Att spränga normer - om målstyrningsprocesser för jämställdhetsintegregering.</td>
</tr>
<tr>
<td>169</td>
<td>2009</td>
<td>Wiesel, Fredrika</td>
<td>Kundorientering och ekonomistyrning i offentlig sektor.</td>
</tr>
<tr>
<td>168</td>
<td>2008</td>
<td>Essén, Anna</td>
<td>Technology as an Extension of the Human Body: Exploring the potential role of technology in an elderly home care setting.</td>
</tr>
<tr>
<td>166</td>
<td>2008</td>
<td>Gustafsson, Clara</td>
<td>Brand Trust: Corporate communications and consumer-brand relationships.</td>
</tr>
<tr>
<td>165</td>
<td>2008</td>
<td>Jansson, Elisabeth</td>
<td>Paradoxen (s)om entreprenörskap: En romantisk ironisk historia om ett av-vikande entreprenörskapande.</td>
</tr>
<tr>
<td>164</td>
<td>2008</td>
<td>Jüriado, Rein</td>
<td>Learning within and between public-private partnerships.</td>
</tr>
<tr>
<td>161</td>
<td>2007</td>
<td>Carrington, Thomas</td>
<td>Framing Audit Failure - Four studies on quality discomforts.</td>
</tr>
</tbody>
</table>
6


159 2007  Gawell, Malin  *Activist Entrepreneurship - Attac’ing Norms and Articulating Disclosive Stories.* Stockholm University School of Business.

158 2007  Ihrfors, Robert  *Spelfrossa - Spelets makt och maktens spel.* Stockholm University School of Business.


152 2006  Ferdfelt, Henrik  *Pop.* Stockholm University School of Business.

151 2006  Sjödin, Ulrika  *Insiders’ Outside/Outsiders’ Inside - rethinking the insider regulation.* Stockholm University School of Business.

150 2006  Skoglund, Wilhelm  *Lokala samhällsutvecklingsprocesser och entreprenörskap.* Stockholm University School of Business.
<table>
<thead>
<tr>
<th>No.</th>
<th>Year</th>
<th>Author(s)</th>
<th>Title</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>139</td>
<td>2003</td>
<td>Frostling-Henningsson, Maria</td>
<td>Internet Grocery Shopping - A Necessity, A Pleasurable Adventure, or an Act of Love.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>140</td>
<td>2003</td>
<td>Koponen, Anja</td>
<td>Företagens väg mot konkurs.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>141</td>
<td>2003</td>
<td>Elmersjö, Carl-Åke</td>
<td>Moralisk ekonomi i sjukvården? - Om etik och ekonomi i sjukhusets vardagsorganisering.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>143</td>
<td>2004</td>
<td>Yazdanfar, Darush</td>
<td>Futures som ett mångsidigt instrument. En empirisk studie av oljebolag som använder futureskontrakt.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>144</td>
<td>2004</td>
<td>Almqvist, Roland</td>
<td>Icons of New Public Management. Four studies on competition, contract and control.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>145</td>
<td>2004</td>
<td>Khan, Jahangir Hossain</td>
<td>Determinants of Small Enterprise Development of Bangladesh.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>146</td>
<td>2004</td>
<td>Sjöstrand, Fredrik</td>
<td>Nätverkskoordineringens dualiteter.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>148</td>
<td>2005</td>
<td>Holmgren, Mikael</td>
<td>A passage to organization.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>149</td>
<td>2005</td>
<td>Bengtsson, Elias</td>
<td>Shareholder activism of Swedish institutional investors.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>#</td>
<td>År</td>
<td>Författare</td>
<td>Titel</td>
<td>Institution</td>
</tr>
<tr>
<td>----</td>
<td>------</td>
<td>--------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>136</td>
<td>2003</td>
<td>Lindqvist, Katja</td>
<td>Exhibition enterprising - six cases of realisation from idea to institution.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>134</td>
<td>2003</td>
<td>Lundkvist, Anders</td>
<td>Conversational Realities - Five Studies of User Interactions as Sources of Innovation.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>131</td>
<td>2003</td>
<td>Tollhagen, Renate</td>
<td>Skräddare utan tråd - en illustration av fyra företag i klädbranschen.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>127</td>
<td>2002</td>
<td>Torpman, Jan</td>
<td>Rättssystemets Lärande.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>#</td>
<td>Year</td>
<td>Author</td>
<td>Title</td>
<td>Institution</td>
</tr>
<tr>
<td>----</td>
<td>------</td>
<td>-------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>126</td>
<td>2002</td>
<td>Dahlström, Karin</td>
<td>Värdeskapande produktutveckling i tjänsteintensiva företag.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>125</td>
<td>2002</td>
<td>Gravesen, Inger</td>
<td>Fitnessövningar och hasförhör: Om förbättringsprocesser i företag.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>123</td>
<td>2001</td>
<td>Engström, Malin</td>
<td>Essays on Equity Options.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>121</td>
<td>2001</td>
<td>Hansson, Bo</td>
<td>Essays on Human Capital Investments.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>117</td>
<td>2001</td>
<td>Eklöv, Gunilla</td>
<td>Auditability as Interface - Negotiation and Signification of Intangibles.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>116</td>
<td>2001</td>
<td>Lennstrand, Bo</td>
<td>HYPE IT - IT as Vision and Reality - on Diffusion, Personalization and Broadband.</td>
<td>Stockholm University School of Business.</td>
</tr>
</tbody>
</table>

113 2001 Friman, Henrik Strategic Time Awareness - Implications of Strategic Thinking. Stockholm University School of Business.

112 2001 Apéria, Tony Brand Relationship Management: den varumärkesbyggande processen. Stockholm University School of Business.

111 2001 Johansson, Stig G Individens roll i strategiska informationssystem. Stockholm University School of Business.

110 2001 Carlill, Camilla Technology in Everyday Life - A study of Consumers and Technology in a Banking Context. Stockholm University School of Business.


<table>
<thead>
<tr>
<th>No.</th>
<th>Year</th>
<th>Author(s)</th>
<th>Title</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>101</td>
<td>2000</td>
<td>Berglund, Åke Blomquist, Anders</td>
<td>Från affärskompetens till affärsutveckling i småföretag.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>100</td>
<td>2000</td>
<td>Nåsman, Birgitta</td>
<td>Pappas flickor. Entreprenöriella processer i kvinnoföretagandets tillkomst.</td>
<td>Stockholm University School of Business.</td>
</tr>
<tr>
<td>95</td>
<td>1998</td>
<td>Bay, Thomas</td>
<td>...AND...AND...AND - Reiterating Financial Derivation.</td>
<td>Stockholm University, School of Business.</td>
</tr>
<tr>
<td>94</td>
<td>1998</td>
<td>Malver, Henrik</td>
<td>Service in the Airlines - Customer or Competition Oriented?</td>
<td>Stockholm University, School of Business.</td>
</tr>
<tr>
<td>Year</td>
<td>Name</td>
<td>Title</td>
<td>Institution</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>----------------</td>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>Wallin Andreassen, Tor</td>
<td>Dissatisfaction with Services - The Impact of Satisfaction with Service Recovery on Corporate Image and Future Repurchase Intention.</td>
<td>Stockholm University, School of Business.</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>Le Duc, Michaël</td>
<td>Constructivist Systemics - Theoretical Elements and Applications in Environmental Informatics.</td>
<td>Stockholm University, School of Business.</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>Preiholdt, Häkan</td>
<td>The Organization of Manufacturing Know-How.</td>
<td>Stockholm University, School of Business.</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>Green, Bo</td>
<td>Analys av komplexa samhällssystem - Aktionsinriktade fallstudier och metodologiska konklusioner.</td>
<td>Stockholms universitet, Företagsekonomiska institutionen.</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>Hedlin, Pontus</td>
<td>Accounting Investigations.</td>
<td>Stockholm University, School of Business.</td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>Author</td>
<td>Title</td>
<td>Institution</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>Rutihinda, Cranmer</td>
<td>Resource-based internationalization: Entry Strategies of Swedish Firms into the Emerging Markets of Eastern Europe</td>
<td>Stockholm University, School of Business.</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>Liljefors, Ole</td>
<td>Efterfrågan och utbud av kompetensutvecklande ledningsarbete</td>
<td>Stockholms universitet, Företagsekonomiska institutionen.</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>Asproth, Viveca</td>
<td>Visualization of Dynamic Information</td>
<td>Stockholm University, School of Business.</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>Håkansson, Anita</td>
<td>Models and Methods for the Management of Dynamic Information in GEOinforatic Systems</td>
<td>Stockholm University, School of Business.</td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td>Sveiby, Karl-Erik</td>
<td>Towards a knowledge perspective on organisation.</td>
<td>Stockholm University, School of Business.</td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td>Bergqvist, Erik</td>
<td>Belöningar och prestationer i offentlig verksamhet - En utvärdering av fyra fall inom Stockholms läns landsting.</td>
<td>Stockholms universitet, Företagsekonomiska institutionen.</td>
<td></td>
</tr>
</tbody>
</table>
69 1994  Bergström, Cecilia  A Female Cooperative Perspective on Power Influence and Ownership. Stockholm University, School of Business.


65 1993  Tesfaye, Besrat  Determinants or Entrepreneurial Processes. A Case Study of Technology-Based Spin-off Company Formations. Stockholm University, School of Business.

64 1993  Norling, Per  Tjänstekonstruktion - Service Design. Stockholms universitet, Företagsekonomiska institutionen och Högskolan i Karlstad.


<table>
<thead>
<tr>
<th>No.</th>
<th>Year</th>
<th>Author(s)</th>
<th>Title</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>58</td>
<td>1992</td>
<td>Osarenkhoe, Aihie</td>
<td>Improving Food Product Distribution in Developing Countries: A Case Study of Nigeria. Stockholm University, School of Business.</td>
<td></td>
</tr>
<tr>
<td>54</td>
<td>1991</td>
<td>Pihlannäki, Klara</td>
<td>Media Technology and Communication Patterns in the Organizational Interface. Stockholm University, School of Business.</td>
<td></td>
</tr>
<tr>
<td>52</td>
<td>1990</td>
<td>Sotto, Richard</td>
<td>Man without Knowledge - Actors and Spectators in Organizations. Stockholm University, School of Business.</td>
<td></td>
</tr>
<tr>
<td>51</td>
<td>1990</td>
<td>Zineldin, Mosad</td>
<td>The Economics of Money and Banking - a Theoretical and Empirical Study of Islamic Interest-Free Banking. Stockholm University, School of Business.</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>1990</td>
<td>Tollin, Karin</td>
<td>Konsumentbilder i marknadsföringen av livsmedel - en studie om marknadsföringens kontext inom svensk lantbrukskooperativ livsmedelsindustri. Stockholms</td>
<td></td>
</tr>
</tbody>
</table>
Entrepreneurship and industrial policy in developing countries. A case study of principal policy constraints which limit the development and expansion of private sector industrial enterprises in Mali. Stockholm University, School of Business.

Framtidsinriktade aktörsperspektiv på branscher – metodsynpunkter med utgångspunkt från en studie i svensk dagligvaruindustri. Stockholms universitet, Företagsekonomiska institutionen.


Myndigheters marknadsorientering. Om marknadsföringsfrågor i avgiftsfinansierte statliga myndigheter. Stockholms universitet, Företagsekonomiska institutionen.

Investeringar och marknadskonsekvenser. En empirisk undersökning av investeringsvärenden och särskilt av möjligheter att bedöma investeringsvårens framtid. Stockholms universitet, Företagsekonomiska institutionen.
<table>
<thead>
<tr>
<th>Nr.</th>
<th>År</th>
<th>Author</th>
<th>Title</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>1987</td>
<td>Öhrming, Jan</td>
<td>Förvaltning av flerbostadshus. Om arbetsorganisation och föreställningar som villkor för samspel och boendemekan. Stockholms universitet, Företagsekonomiska institutionen.</td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>1987</td>
<td>Kostopoulos, Trifon</td>
<td>The Decline of the Market: the ruin of capitalism and anti-capitalism. Stockholm University, School of Business.</td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>1985</td>
<td>Hilding, Madeleine</td>
<td>Arbetstrivsel och psykisk påfrestning. En studie av arbetsmiljö i samband med omlokalisering av statlig verksamhet. Stockholms universitet, Företagsekonomiska institutionen.</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>1985</td>
<td>Valdemarsson, Bengt</td>
<td>Förväntningar inför arbetslivet. En longitudinell studie hos några ungdomar av förväntningars uppkomst och deras betydelse för inställningen till arbetslivet i</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Year</td>
<td>Author</td>
<td>Title</td>
<td>Institution</td>
</tr>
<tr>
<td>-----</td>
<td>------</td>
<td>--------------------</td>
<td>----------------------------------------------------------------------</td>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td>32</td>
<td>1985</td>
<td>Badran, Mohga</td>
<td>Coordination In Multiactor Programs: An Empirical Investigation of Factors Affecting Coordination among Organizations at the Local Level in the Egyptian Family Planning Program.</td>
<td>University of Stockholm, Department of Business Administration.</td>
</tr>
<tr>
<td>25</td>
<td>1980</td>
<td>Edsbäcker, Göran</td>
<td>Marginal Cost Pricing of Electricity.</td>
<td>University of Stockholm, Department of Business Administration.</td>
</tr>
<tr>
<td>24</td>
<td>1980</td>
<td>Högberg, Olle</td>
<td>Föreställningar och spelregler i kommunal planering.</td>
<td>Stockholms universitet, Företagsekonomiska institutionen.</td>
</tr>
</tbody>
</table>
Företagsekonomiska institutionen.


19 1978  Khan, Sikander  A Study of Success and Failure in Exports. An empirical investigation of the export performance of 165 market ventures of 83 firms in the chemical and electronics manufacturing industries. University of Stockholm, Department of Business Administration.


<table>
<thead>
<tr>
<th>Nummer</th>
<th>År</th>
<th>Författare 1</th>
<th>Författare 2</th>
<th>Titel och förlag</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>1975</td>
<td>Söderman, Sten</td>
<td></td>
<td>Industrial Location Planning. An empirical investigation of company approaches to the problem of locating new plants. University of Stockholm, Department of Business Administration.</td>
</tr>
<tr>
<td>8</td>
<td>1973</td>
<td>Rundfelt, Rolf</td>
<td></td>
<td>Reklamens kostnader och bestämningssfaktorer. Stockholms universitet, Företagsekonomiska institutionen.</td>
</tr>
<tr>
<td>7</td>
<td>1973</td>
<td>Leonardz, Björn</td>
<td></td>
<td>To Stop or Not to Stop. Some Elementary Optimal Stopping Problems with Economic Interpretations. University of Stockholm, Department of Business Administration.</td>
</tr>
<tr>
<td>Year</td>
<td>Author</td>
<td>Title</td>
<td>Institution</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>----------------</td>
<td>----------------------------------------------------</td>
<td>--------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>1969</td>
<td>Bergendahl, Göran</td>
<td>Models for investments in a road network</td>
<td>University of Stockholm, Department of Business Administration</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>Engwall, Lars</td>
<td>Size Distributions of Firms</td>
<td>Stockholms universitet, Företagsekonomiska institutionen</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>Gullander, Staffan</td>
<td>En studie i produktionsplanering</td>
<td>Stockholms universitet, Företagsekonomiska institutionen</td>
<td></td>
</tr>
</tbody>
</table>