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External Enablement of Entrepreneurial Action and Success

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One of Egon Brunswik's main tenets was that psychology should pay as much attention to the properties of the organism's environment as it does to the organism itself. This is the spirit in which the External Enabler (EE) concept and framework were created. They were coined and developed within entrepreneurship studies as an alternative to the unproductive notion of "objective opportunity" (Davidsson, 2015) and more broadly to address the neglect of environmental changes as a causal force in business scholarship of recent decades (Davidsson, 2020). The EE framework (Davidsson et al., 2020a) aims to supplement the many agent-focused theories on individual-, group- and organizational levels that are used in these fields with conceptualizations that capture important variance in the external reality these agents encounter.

EE refers to significant changes to the business environment, such as new technologies, regulatory changes, macroeconomic shifts, demographic and sociocultural trends, changes to the natural environment, etc. Kimjeon & Davidsson's (2021) review of past research on entrepreneurship in response to environmental changes found that this literature is characterized by limited volume; separation by type of change and being scattered across disciplines and publications; accumulation of knowledge being hampered by lack of shared conceptualizations; typically focusing on one environmental change at a time, and frequently connecting the change to an effect on the business start-up rate without explicit links to the psychological and strategic micro-level processes that produce this outcome. Therefore, the EE framework (Davidsson et al., 2020) seeks to inspire more and different research in this area. In particular, it aims to encourage research that generalizes across types of change; explores interactions and interdependencies among EEs, and links macro and micro (environment and agent) as per Coleman's (1990) bathtub model. It does so by providing a common structure and terminology for the enabling influence of environmental change that is applicable across different types of change.

The premise of the EE framework is that any nontrivial change to the business environment disequilibrates some parts of the economic system and therefore favors *some* new business activities, whether or not the total effect on the economy is positive. This safe and historically supported assumption makes it possible to identify an EE before there is evidence of entrepreneurial action and success in response to it. Importantly, the perspective taken is not that of established businesses but that of the not-yet-existing ventures that might strategically or fortuitously exploit the new potentials that have emerged as a result of the change. This choice of perspective explains and justifies the unbalanced focus on the enabling side of change, because new ventures do not flock around environmental changes that are detrimental to their creation.

Within and across EE types, the EE framework draws attention to variance and commonality in the spatial, sectoral, sociodemographic and temporal *scope* of EEs as well as in the suddenness and predictability of their *onset*. These types of variance are important because they likely

influence the *kind* and *magnitude* of entrepreneurial responses to an EE as well as *where*, by *whom*, and with *what level of success* such responses occur. On the level of individual ventures, the EE Framework details a range of *mechanisms* that help improve *supply*, *demand* or *value appropriation*. What mechanisms an EE can provide, for what type of venture, and at what stage of the venture development process are issues of interest to both entrepreneurs and policy makers (cf. von Briel et al., 2018). Of strategic interest is also variance in two *characteristics of EE mechanisms*, namely *opacity* and *agency-intensity*. Opacity refers to the extent to which creative ingenuity and/or specialized knowledge is required to identify a particular mechanism. Agency-intensity denotes how time- and resource-demanding the activation of a mechanism would be. Increased market demand due to favorable weather exemplifies low opacity and agency-intensity, whereas the opposite likely applies to developing a reliable and cost-effective application of a brand-new technology.

Also on the venture level, EE mechanisms pertain to one or more *EE roles*. Roles denote non-exclusive functions during the venture creation process. Specifically, the EE can *trigger* the process. It can also *shape* the product/service, the venture (e.g., its business model) and/or the venture creation process itself. Lastly, the EE can *enhance outcomes* of various kinds compared to what would have been possible without the EE.

The EE framework is currently gaining currency within and possibly beyond entrepreneurship studies. For applications to different types of EE, see Bennett (2019), Chalmers et al. (2021), Chen et al. (2020), Davidsson et al. (2021), Klyver & Nielsen (2021), and von Briel et al. (2018). Davidsson (2020b) offers some ideas on psychological research on EEs.

As stated in the opening, the EE framework is related to Egon Brunswik's work by adhering to the notion that psychology should give as much attention to the properties of the organism's environment as it does to the organism itself. In particular, the distinction between triggering and outcome-enhancement highlights that would-be entrepreneurs cannot perfectly predict what "amount" of enablement an external enabler can provide through what mechanisms, and this is attributable both to the EE (opacity) and the agent (knowledge, creativity, etc.). This produces a discrepancy between the cues that drive action and what drives success. To the extent that such biases are systematic—that entrepreneurship hopefuls consistently over-react to some EE cues and pay insufficient attention to others—the EE framework offers a key to uncovering what might be the most important insights to share in entrepreneurship education. Pre-dating the EE framework, Grégoire & Shepherd's (2012) study of opacity (structural vs. superficial alignment of supply- and demand-related stimuli) provides inspiration for psychological research towards such aims.

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