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# 1. Introduction

This paper emanates from a larger longitudinal tracking study of seven nascent creative graduate entrepreneurs. As six of the participants have closed their initial businesses, the research has unexpectedly provided an opportunity to study in real-time these cases from entrepreneurial intent through early planning and nascence to eventual exit. We earlier reported (Hanage & Scott, 2013) that the graduates followed very different business and personal trajectories despite being chosen using very tight criteria, as illustrated in Fig 1<sup>1</sup>. The conference paper was heralded in a keynote address as being an exemplar of ‘relevant’ research (Shaw, 2013).

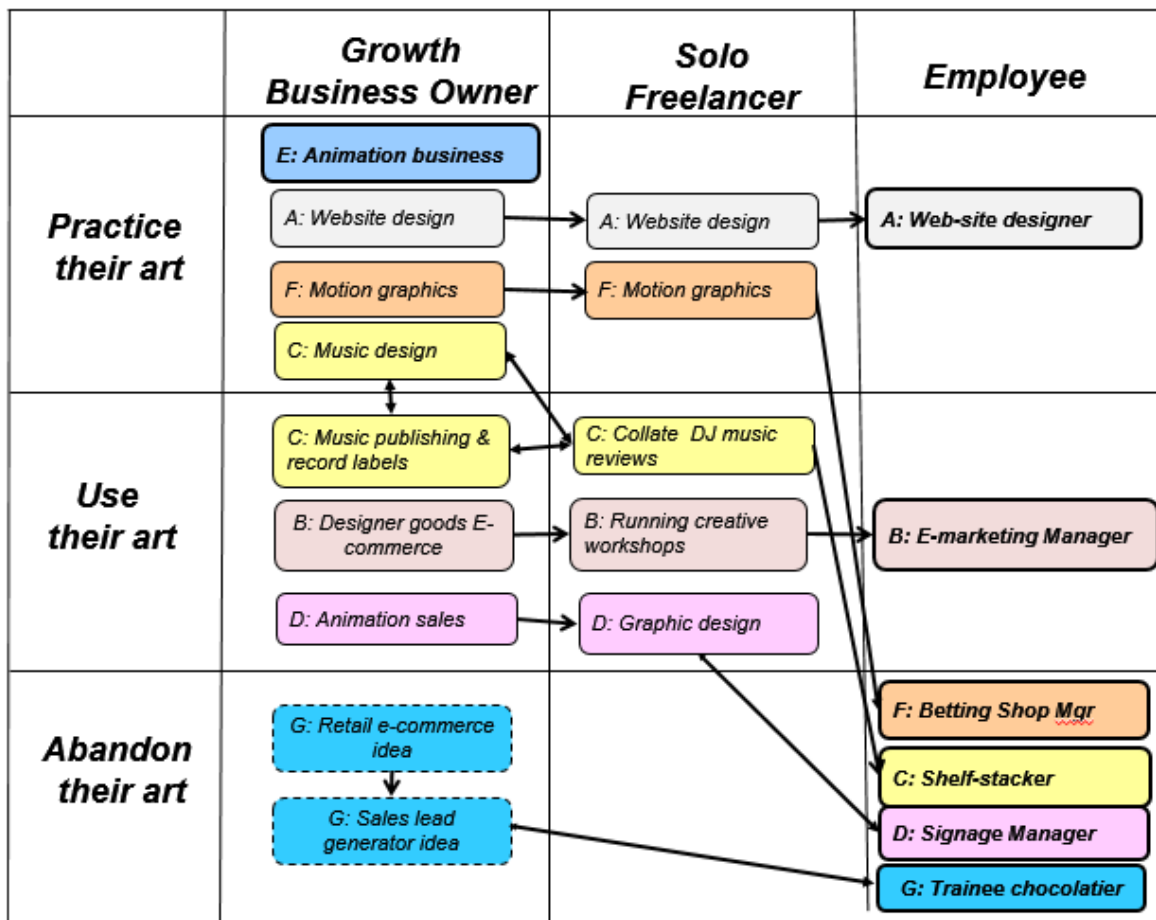


Figure 1: Creative Graduate Business Journeys (NB. The letters refer to the graduates: Andrew, Belinda, etc)

We know little about the under-researched topic of the overall journey from nascence, through attempted start-up, to exit as entrepreneurs<sup>2</sup>. Research participants are hard to locate and can then only be investigated retrospectively, with problematic recall and attribution.

<sup>1</sup> Fig 1 shows that Andrew (A), the subject of this paper, started with business growth aspirations and shifted first to freelance work and then to employment, all the time actively practising his ‘art’ of web-design.

<sup>2</sup>A term used here to denote someone who, having entered or attempted to be an *entrepreneur* (*de novo* entrepreneur or nascent entrepreneur respectively), has subsequently *exited*, becoming an ‘*expreneur*’. The concept ‘*expreneurs*’ does not appear in the literature and is introduced here for the first time.

We build on the original entrepreneurial intent of our single<sup>3</sup> case participant, Andrew, to explore how that intent played out in real life. The research question is, therefore in two parts

- What happened to Andrew as he tried to start a creative sector business?
- What was the basis for his original entrepreneurial intent, and how and why did it change over time?

While the chosen models of entrepreneurial intent are described later as each model is used, many authors have researched entrepreneurial intent, and the factors that appear to influence it, mainly using quantitative methods (Kolvereid & Isaksen, 2006; Krueger, et al., 2000; Luthje & Franke, 2003; Segal, et al., 2005). The question they were asking was, in each case, a variation on: “Do you believe that you will set up a business at some time in the future?” The establishment of entrepreneurial intent is the first of four steps to establish a business, as identified by Gibb & Ritchie (1982) and illustrated in Fig 2. This paper investigates two further stages – operation and exit.

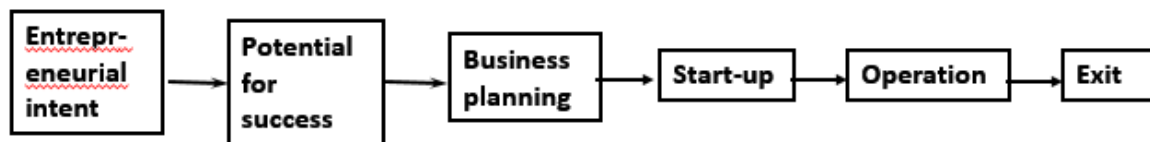


Figure 2: Implementation of Entrepreneurial Intent (adapted from Gibb & Ritchie, 1982)

The outcome is that, for this one participant, the models of entrepreneurial intent appear to be helpful in understanding his nascent-entrepreneurial journey and they can be combined and simplified into a composite framework for investigating entrepreneurial intent.

The paper commences with a description of the methodology, in Section 2, followed by the story of the graduate, Andrew<sup>4</sup>, and his nascent venture in Section 3. The fourth and fifth sections comprise a longitudinal analytical narrative of how Andrew’s motivations and behaviours changed over time, and its application to extant models, followed in Section 5.5 by a proposed composite theoretical framework of the factors affecting entrepreneurial intent.

The composite framework comprises four main factors affecting entrepreneurial intent:

- Attitude to entrepreneurship
- Net benefits to entrepreneurship
- Feasibility of entrepreneurship
- Propensity to act.

Section 6, concluding, reflects on the usefulness of the framework in understanding Andrew’s case and makes preliminary suggestions of the policy and practical implications of entrepreneurial intent, nascent entrepreneurship, and entrepreneurship.

<sup>3</sup> The entrepreneurial journeys of all 7 participants have been analysed in another paper (Hanage et al., 2014).

<sup>4</sup> A pseudonym.

## 2. Methodology

Given Davidsson's (2006) observation that 'the start-up process is a phenomenon for which concurrent, longitudinal research on nascent entrepreneurs can truly make unique contributions', we adopted a micro-focused longitudinal single case - lacking generalizability, yet generative of deep and micro-level theoretical insights (Yin, 2009). Andrew, who studied web-site design at University, was selected as part of a convenience sample of graduate attendees of business start-up workshops and an in-depth Business Start-up Programme – because he was thought to be fairly typical of technically proficient graduates who show early promise of business success. He was initially interviewed twice, a month apart, and then every six months for four years for two and a half hours each time, including questionnaires and other assessments. The first interview covered his time from primary school to the present, and subsequent interviews covered his thoughts and actions in the prior six months and his future plans for himself, his 'art', and his nascent venture.

The list of initial interview topics is attached (Appendix). The main triangulation came from prolonged engagement (10 interviews over 4 years) but this was supplemented by looking at his original business plan, and monitoring Andrew's website, Facebook page and Twitter stream, all of which were consistent with information provided in the interviews. The data was analysed by extracting and collating about 750 'key statements' from the interview transcripts from which about 25 themes were identified (e.g. 'school years', 'selling', 'personal confidence' and 'family support'), taking great care not to lose the 'voice' of the participant – for instance, his original statements were often shortened by removing repetitions, but never paraphrased. An audit trail was maintained to allow the context to be checked if necessary. The key statements were examined for evidence relating to the definitions of entrepreneurial intent in the chosen models, having been subject to thematic analysis (King, 2006, 2012) to codify key themes. During Andrew's final interview he read the paper and made only a few minor corrections, which gave us increased confidence in this paper and the methods used for all participants.

## 3. Andrew and his Business

Andrew graduated from a UK University with a 2.1 degree in Computer Science in 2008. He immediately went to work as a web-site designer for a local small and medium-sized enterprise (SME) but was discontent, noting that he disliked the 'drudgery' of developing many simple web-sites per week and his later promotion to supervisor proved to be a major problem for him:

- It started off okay when I was doing the web [design] work ...but that ended up being very unfulfilling: the same stuff over and over again. (A00:13)
- I ended up overworked and under so much stress that it began affecting my performance ... and my personal and social life as well. (A00:13)

He left the company after a year and eventually decided to attempt to establish his own business. He had fairly modest ambitions, but did hope to employ staff within three years:

- After the second year, cash will be invested in growing the business and employing staff. (Andrew Business Plan, 2009).
- [In 3 yrs], if everything goes as I'm hoping, I'll be bringing in enough to actually live on. (A00:15)<sup>5</sup>

Whilst these quotations may signal Andrew's lack of confidence/tenacity/drive – given that one might expect 'classic entrepreneurs' to have unrealistic but far more advanced ambitions and goals – it may suggest something about how the 'employee culture' of the North East shapes aspirations. Given the importance of contextualization to entrepreneurship research (Welter, 2011; Zahra, 2007; Zahra & Wright, 2011; Zahra et al., 2014), these contextual aspects are crucial to our understanding, and positioning, of the empirical evidence in relation to theory and theorization. Eighteen months later, the nascent venture was still focussed on web-site design and – although number of other related products and services were explored – none reached fruition. Andrew was a welfare recipient for most of the time (as he was not yet 'trading', remaining nascent (according to the GEM (2007) definition) and part-time) but he had persisted, albeit with reduced expectations.

- Instead of being high growth I've settled for trying to make myself financially secure. I want freedom to go on holidays when I need to. (A18:23)

At the two year point he attended a 'confidence-building' course arranged by his Job Centre and reported that his expectations rose accordingly.

- The [training] was incredibly good - it nudged me in the right direction. It helped change my frame of mind (A24:05)

However, the euphoria soon evaporated, partly due to an unsettling period in isolated alternative accommodation between his parents' house moves, and then dire sales outcomes.

- For a 6 months we were in a [isolated alternative accommodation]. That made business a bit difficult. (A30:01)
- [Business] has not picked up - there just isn't the business about. [6 month income has been] £2-£300. (A36:03).

After some work experience in a convenience store, organised by the Job Centre, he was planning to apply for a permanent retail position and continue the web-site design business as a self-financing hobby. Coincidentally, a programmer vacancy arose in the business his brother was working for and he was invited in for an informal interview.

- One day out of the blue I took a call from my brother saying that we've got a job for you. He managed to do in one day what I haven't managed in a year! (A42:01).

He sees this as long term employment, and is enjoying the financial stability.

- Yes, I'm certainly looking much longer term. I think I spent enough time out in the wilderness already! (A42:21). Having money coming in... that's a good feeling. (A42:05)

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<sup>5</sup> The first number in the code is the number of months since the start of Andrew's interviews. The second number refers to the section in the transcript.

Despite the low financial rewards of running the business, he feels that there were personal benefits.

- It's easy with hindsight to ask why I didn't realise sooner [that the business was going nowhere] but ... if I had I would be missing a huge learning curve. I know more now about starting a business than I would have done if I had given up sooner. (A36:63)

Andrew was technically very competent but appeared to start the business to avoid the perception he had of employment as a result of his discontent in his first job. In a sense, he was a self-selected 'necessity entrepreneur' as he could probably have found alternative waged employment if he had so desired. However, he was unsuccessful in business and, coincidentally, found employment that suited him well.

#### **4. Andrew: a Creative Sector Nascent Entrepreneur/Entrepreneur?**

We position Andrew and his nascent venture in the creative sector, as it is part of the 'software and electronic publishing' creative sub-sector (DCMS, 2009) and, as such, falls mainly into the 'creative service providers' group as defined by NESTA (2006).

The nascent venture had a traditional, yet ineffective, business model consisting of replicable processes that produce profits, as described by Fuller et al (2010); but was not part of a 'value-creating ecology' (Hearn & Pace, 2006) which consists of sets of interconnected creative enterprises. Supporting Fuller et al.'s (2010) argument that creative sector business models are weak, the outcome of Andrew's nascent venturing was ill-conceived and doomed.

Ball et al. (2010) referred to working patterns in the creative sector that are:

'... characterised by a high level of self-employment, portfolio working, and work of a creative nature combined with evidence of life-long learning'.

Andrew complied well with this description – even to the extent that he preferred to describe himself as a 'freelancer' rather than a 'business person'.

- I prefer "freelance". It gives me scope to shift focus. (A30:58).

The definitions of nascent entrepreneurs cover the period from declaring an intention to start a business through to successful implementation.

*A nascent entrepreneur is defined as a person who is now trying to start a new business, who expects to be the owner or part-owner of the new firm, who has been active in trying to start the new firm in the past 12 months, and whose start-up did not have a positive monthly cash flow that covers expenses and the owner-manager salaries for more than three months. (Global Entrepreneurship Monitor (GEM), 2007).*

Andrew met the definition for the starting point and his continued low income also kept him within the end-point. As a graduate, he was also a 'nascent graduate entrepreneur'.

Andrew was working in the creative sector, albeit in a fairly traditional business way, but was he a 'creative entrepreneur'? Based on McElwee & Rae's (2008) classification of creative entrepreneurs depending on their 'business growth' and 'creative growth' orientations, Andrew started briefly as a creative nascent entrepreneur with business growth aspirations but poor sales, along with a heightened interest in technological development, causing him to become much more of a 'creative practitioner'.

- I quickly moved from the almost delusional grandeur and high expectations. (A36:48)

The improved confidence that he later gained from the confidence-building course appeared to reinforce his determination to continue with the business and to attempt to develop it into a going concern.

- Confidence? Through the roof! I will be replacing the sledgehammer with a wrecking ball [for dealing with mental walls]. I am more attuned to the entrepreneurial side of myself. (A30:47)

Unfortunately, by the next interview the effect had quickly evaporated.

- I [now] think [the course] is empty platitudes to help you feel better, rather than anything to have a long-lasting effect. It's all short term gains without any underlying theory. (A36:57)

It may be that the course artificially inflated his expectations and hubris (Townsend et al., 2010). In the Durham University 'General Enterprising Tendency' (GET) test, Andrew's initial fairly enterprising score quickly dropped to one more characteristic of employees. A subsequent brief rise coincided with his initial enthusiasm for the confidence-building course.

- I think it is [moving] from employee to entrepreneur. That's beginning to come through. (A30:55).

Overall, Andrew falls within the definition of a creative sector nascent entrepreneur by his actions in '*trying to start a new business*' (GEM, 2007) but his behaviours and the assessments suggested that he might have been better suited to conventional employment.

## **5. Models of Entrepreneurial Intent: from Intent to Nascent Entrepreneur to Entrepreneur**

This section uses extant models of entrepreneurial intent to analyse the case and theorize.

### **5.1 Kreuger et al. model**

Building on Ajzen's (1991) 'Theory of Planned Behaviour' (TPB), Kreuger et al. (2000) defined the choice between employment and entrepreneurship/self-[un]employment as a planned process in which intentions do actually lead to action. They added to Shapero's (1975; Shapero and Sokol, 1982) model of 'Entrepreneurial Events' (SEE) an additional element: 'propensity to act'. The model was tested using a rather uniform sample of first-degree engineering students, a group likely to be very different to creative graduates.

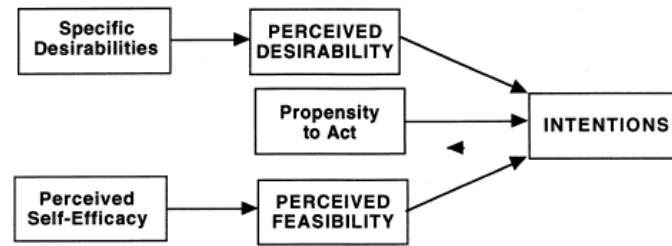


Figure 3: Shapero-Krueger Model of Intentions (Krueger et al., 2000)

At the start of the interviews, Andrew had a strong intention to start a new venture and was investing a great deal of time in the start-up programmes, leading to the planned action – the nascent venture – followed by a sustained intention to continue, despite very low levels of sales. Does this model help us understand what drove and sustained the intention, and why it leaked away in the third year?

### Perceived desirability and specific desirabilities

As he had expected prior to his nascent venturing, Andrew found that he enjoyed personal freedom and being a technical expert. He avidly learned new technology and, although he disliked having to find new sales leads (to the point of not doing it), he enjoyed face-to-face sales meetings and customer interaction.

Conversely, he regarded the alternative – i.e. employment – to be undesirable:

- I wouldn't want to work in a large company because you are a faceless employee ... and once bitten [with small companies] twice shy. (A00:13).

He enjoyed customer contact and was concerned that employment might pigeon-hole him as a technical specialist in the back room. In addition, he believed that it would be difficult to find employment without re-locating.

- What put me off ... was they wanted me to specialise in either design or back-end systems. (A01:20).
- Businesses [were not] taking staff on so my only prospect would be down south. (A00:14)

It would seem that the 'desirability' came at least as strongly from 'push' factors (undesirable alternatives) as from 'pull' factors (desirable aspects). The model might, therefore, be improved by making this distinction more explicit. The subsequent shift to a positive view of employment rather than (nascent) entrepreneurship was probably also driven by a different set of 'push' factors. He had an increasing realisation that his attempts at selling would not generate enough work.

- There's [not] much I can do. I'm still sending 2-3 sales letters a week. But not much comes from that. Practically nothing. (A36:23).
- I think I've more or less 'tapped the well' in sales leads. It's not out there. (A36:24)

Curiously, he knew from his time in employment that website sales required a great deal of effort but he did not seem to see the contradiction between this aspect and his paltry 2-3 letters per week and no cold calls – *successful* direct marketing mail-drop campaigns have a



typical response rate of 3-6%. However, having been encouraged by the Job Centre to try employment in a quite different sector (retail), he was surprised to find it enjoyable and potentially a new career route.

- I have taken to it quickly. I'm enjoying it. It's hard work but the people make it enjoyable. (A36:06).
- [My career] has taken a massive sidestep – looking at applying my skills to [retail] areas. (A36:15)

In the event, he failed to secure a permanent job in the store but gratefully accepted website programming employment in a local SME, which he appears to see as his long-term future. Looking back over his time through school and university, there was no evidence of an interest in running a business, or doing anything else enterprising, so it is perhaps not surprising that his perception of the desirability of being an entrepreneur evaporated.

- I don't have any entrepreneurial background and, with the exception of that GNVQ, no other entrepreneurial leanings. (A01:2). I can't say that [at] university there were any serious entrepreneurial things going on. (A00:10)

'Perceived desirability' and 'specific desirabilities' seem to be helpful in understanding Andrew's behaviour at all stages of the business, and not just in the initial stages.

### **Perceived feasibility and perceived self-efficacy**

There were several aspects to Andrew's perception that starting the business was feasible, and these continued for some time, reinforcing his intention to press on. He had had successful experience of managing projects and learning under pressure during University.

- It was a large scale project that I did entirely of my own back. So it shows me that I'm capable of learning new things by myself, am able to work to a high enough standard, and am incredibly good at planning my time. (A30:41)
- During the final year there was a team of five and I took the lead in development. (A01:26)

This perception was sufficient to persuade him that he could deliver high quality web-site projects for clients, but he was taking a very 'product-centred' view of the business. Having a good product was a necessary pre-condition of success but, in the event, it proved to be insufficient.

His family were supportive and his parents welcomed him back to the family home.

- I have found my family more than happy to work as a de facto marketing department. If they know anybody who's looking for a website they'll pitch in for me. (A06:8).

In addition, he received welfare payments which was enough to live on after paying 'rent' for his room at home. The Job Centre<sup>6</sup> had not been putting pressure on him to find a job at that time (they might have been more strict since then). The state and his family seemed happy to support him in his endeavours, perhaps delaying his move to entrepreneurship.

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<sup>6</sup> The 'Job Centre' is a government department that arranges unemployment benefit payments and also helps people to build their skills and find jobs.

- The [Job Centre] are not going to force me into a job I'm not suited for. (A12:6).

He was also very encouraged by the (perhaps over-optimistic) support he received in the early days from various agencies. He perceived a general consensus that he had potential and just needed further support to be successful. On the 'Entrepreneurial Self-efficacy' scale, he scored himself highly – with almost every item at medium confidence level or higher except for 'recognizing opportunities' and 'designing an effective marketing campaign' – which were later proved to be correct perceptions.

- The main area to develop is selling skills, and generating leads to build up to the first meeting. Once I've got the meeting I can sell my skills perfectly well. (A06:14).

In business terms, he perceived a continued market need for his web-site product, even though he was not able to convert this demand into many sales. He had access to huge resources on the Internet to keep himself current with technical and industry trends so running the business seemed feasible and, until the third year, nothing altered his perception. His targets for sales were steadily down-graded through experience, but they were still at levels that he was satisfied with, even though they were not enough to live on without Job-Centre and family support.

Eventually, a collapse of sales and increased pressure from the Job Centre shifted his perceptions of both feasibility and self-efficacy, with the blame still put on the economy.

- [Business] has not picked up – there just isn't the business about. (A36:03)
- Job Centre advisers advised me on doing work experience etc. (A36:54)

This part of the model seems to match his trajectory well, mainly because Andrew did not initially identify any significant infeasibilities. It was only later that trading experience exposed the difficulties that had been mentioned to him early on – the sheer difficulty in making a living in such a crowded market.

### **Propensity to act**

Andrew's propensity to act was low, as evidenced by his lack of any enterprising activities while in full-time education, a very low score as an 'activist' in the Honey & Mumford Learning Styles Assessment (Honey & Mumford, 2000) and his unwillingness to address the very clear need to get out and do some marketing and selling. He tried to correct this weakness, but then reverted to his 'old self'.

The model seems to be correct in including 'propensity to act'. Although it might be hard to spot in the [failed nascent] entrepreneur initially, it is likely to be more apparent as the process moves from planning to operation. Andrew proved to be adept at letting time go by and having good reasons for lack of success, for instance in finding part-time work (which he never did achieve).

- I'm looking at a bar work, supermarkets, but that's been a little quiet. (A12:6).
- I'm still looking for any bar work, cafes, etc. (A30:20).

Even when his business had effectively closed, and he had discovered that employment was a satisfactory option, he did not proactively seek graduate-level employment.

**In summary**, all of the factors in this model were relevant to Andrew’s situation, but it can be difficult for an inexperienced potential/nascent entrepreneur to assess them properly and objectively. Hence the need for an objective and challenging business adviser, and not one whose optimism gives a false impression that start-up will be easy.

## 5.2 Luthje & Franke model

Luthje & Franke (2003) investigated whether entrepreneurial intent was determined primarily by personality characteristics (which they believed were hard to change), or external factors (which policy-makers may have the power to change). In their model, ‘risk-taking’ and ‘locus of control’ are personality-related factors, but ‘perceived barriers’ and ‘perceived support’ can both potentially be affected by policy actions.

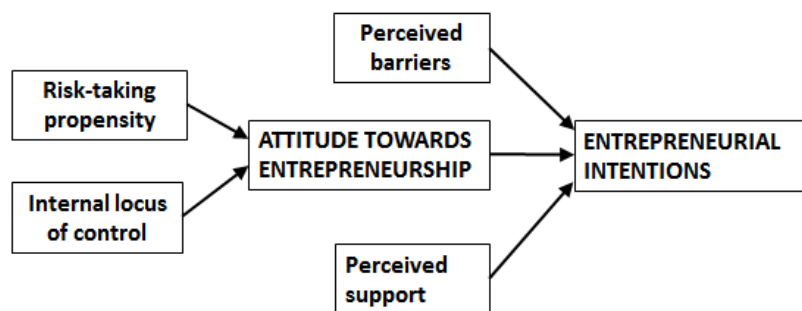


Figure 4: Luthje & Franke model of entrepreneurial intentions (Luthje & Franke 2003)

Researching over 500 engineering students at MIT<sup>7</sup>, who were asked to “rate the likeliness to become self- employed in the foreseeable future after graduation”, they refined the model and concluded that programmes to encourage entrepreneurship should focus on reducing perceived barriers and emphasising the available support. They also suggested that the programmes should be targeted at those who would be receptive – i.e. those with an appropriate risk-taking propensity and high internal locus of control. However, as with the Shapero-Krueger model (Krueger, et al., 2000), it is not at all clear how applicable it is to creative graduates like Andrew, who may typically have very different prospective employment paths compared with engineering students.

### Personality Factors – ‘Risk-taking’ and ‘Locus of Control’

Andrew was very flattered to be called a ‘risk-taker’ by the instructor on his confidence-building course – probably because the instructor felt that it was risky trying to set up a nascent venture.

- Someone described [me] as a 'risk taker', which [I] didn't previously believe, but when the person explained why it suddenly switched on a light in [my] mind. (A24:33)

<sup>7</sup> Massachusetts Institute Of Technology

- If I don't take risks, it just won't happen. I've got to do it, it's not going to just fall into my lap. (A24:11)

However, he may have been deluding himself as, in reality, he rarely actually took risks. Avoidance of personal risk might also be evidenced from his lack of comfort in supervisory roles, in having to make decisions for others.

- 'Calculated risks' would be better. I've never been the 'let's see what happens' type. I weigh up if the risk is worth taking. (A36:45)
- There is a risk/reward thing. The way things are now, I prefer to do the tried and tested... (A36:45)

He attempted to establish his nascent venture in a very supportive environment and so did not have to take many risks at that stage and later avoided the personal risks associated with the selling process and of re-locating geographically. Additionally, his excuses for not attending networking events may indicate an aversion to social risk. A potentially related area is that he avoids confrontation, possibly because of the personal risk involved.

- Dealing with conflict? 'Badly' is the word that springs to mind. (A01:30)

In their research, Luthje & Franke (2003) assessed risk-taking using only three rather general questions and it is not clear how applicable they would be in a real business situation:

- *When I travel I tend to use new routes*
- *I like to try new things (e.g. exotic food or going to new places)*
- *I have taken a risk in the last six months*

There is no evidence from the interviews that Andrew would answer 'yes' to the first two, but he would probably answer 'yes' to the final one, based on the business start-up.

As far as locus of control is concerned, Andrew is contradictory. He believes himself to be stubborn and determined and talks as if he is in control of his own destiny, but his reasons for not doing things are often in the language of external locus of control. One of his favourite phrases is '*...do not present themselves*', referring, for instance, to jobs, customers, or voluntary work.

- At school, I didn't [do any part-time work]. A lot of those jobs tend to be already taken. (A00:05)
- I took a year out after getting A-level results. (A00:8). I was looking for work and lounging around the house (A30:30).
- I'm still looking at [teaching] but the opportunities aren't really there to present themselves. (A06:16).

The weakness of the economy is often his quoted reason for low sales and he is heavily dependent on others to find sales leads for him. In short, much of his behaviour demonstrates displacement and external locus of control.

- People are not spending. Until the economy picks up there's not much more I can do. (A36:13)

These two factors probably had a big effect on the failure of Andrew's nascent venture, but not on his entrepreneurial intent, either when attempting to start-up or later, as he did not perceive that he had these weaknesses.

### **External Factors – 'Perceived Barriers' and 'Perceived Support'**

Andrew perceived few business barriers and knew he could count on excellent family and external support, as previously described, and this undoubtedly affected his entrepreneurial intentions positively.

- [Start-up Programme] was really valuable. It reintroduced concepts from the GNVQ. (A00:14).

However, he seemed to be weak at adapting this general learning to his own specific situation, thereby failing to get the full benefit from much of the support.

- What I really need is [sales] advice specific to the web design industry. (A00:28)

The word 'perceived' in both these factors is important as there were two big barriers ahead of Andrew: the over-crowded web-site market and his inability to sell his services into it. However, he did not perceive these when he tried to launch his business, despite clear warnings.

- The biggest eye-opener was my meeting at [Support Agency] - he said 'what about the smaller [competitor] companies?' I hadn't thought about them. (A00:36)

His stubbornness and determination to continue his nascent venturing out-ruled a more objective assessment of the business prospects, even quite late on:

- Persistence... Yes, I'm still taking the risk and not giving up. I think it's a case of "when". I have seen enough growth to convince me that I am making headway [towards] a full-time career. (A30:22)

There may have been barriers, but so long as there was support from his family and from the Job Centre they were seen to be surmountable.

**In summary**, Andrew had a positive attitude to his nascent entrepreneurship and had positive entrepreneurial intentions as he perceived that all the factors in the Luthje & Franke (2003) model to be positive. There was objective evidence to the contrary, but he did not perceive it, so the model may have some practical value in helping nascent entrepreneurs to identify these contradictions and anticipate them becoming an issue.

### **5.3 Segal et al. (2005) model**

Segal et al. (2005), combining organisational psychology and entrepreneurship theory and empirics, simplified the 'start up' decision to two key questions:

- Does entrepreneurship lead me to desirable outcomes?
- Is entrepreneurship feasible for me?

In addition, their model suggested a need to tolerate the risks of entrepreneurial activity, and was tested using undergraduate business studies students who were asked “How likely are you to become an entrepreneur?”

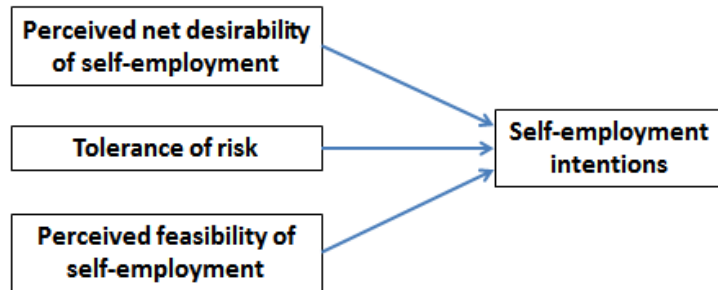


Figure 5: Segal et al. Entrepreneurial Intentions Model (Segal et al., 2005)

The desirability and feasibility factors are similar to those in the models discussed earlier – except that Segal et al. (2005) argued that it is the net desirability that is important – an apparent weakness of Shapero-Krueger model.

The ‘tolerance of risk’ is a little different from ‘propensity to risk-taking’ in the Luthje & Franke model, and neither seem to match closely the ‘calculated risk-taking’ in the Durham GET test (Caird, 1991). The Caird (1991) definition is about the process the participant uses in dealing with risk, whereas the other two are more about their attitudes. As Andrew has not had to face major business risks, he provided no evidence on how he would deal with it.

As previously mentioned, he tended to avoid personal and social risk so his tolerance of risk appears to be low. However, it did not dampen his entrepreneurial intent, though it may well have been a factor in his eventual downgrading of business expectations to being a hobby business. It seems likely that tolerance of risk only really affects intentions if risky activities are anticipated and have been experienced in the past.

**In summary**, this model adds ‘tolerance of risk’ as a factor in entrepreneurial intent.

#### 5.4 Kolvereid & Isaksen (2006) model

Kolvereid & Isaksen (2006) researched the factors that they believed would affect business owners’ attitudes, intentions and behaviours as nascent entrepreneurs, using a sample of Norwegian business founders – a potentially more useful approach than the previous authors’ use of students. They found that ‘attitude’ to self-employment was influenced by ‘salient beliefs’ about the reasons for self-employment, and by ‘subjective norms’ based on the opinions of family and friends. They also found that ‘self-efficacy’ had no influence, possibly because of the strong start-up support environment in Norway (as in the NE of England). They speculated that it might become more important if difficulties and challenges arise.

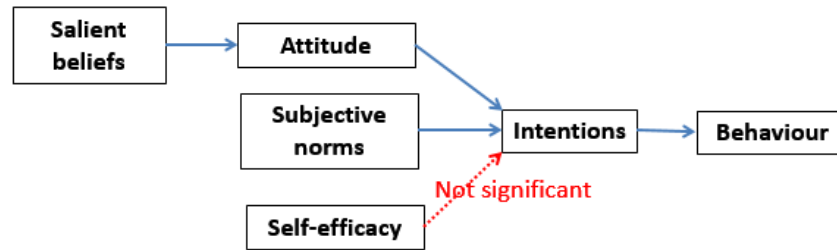


Figure 6: Kolvereid & Isaksen Attitudes, Intentions, & Behaviour Model (Kolvereid & Isaksen, 2006)

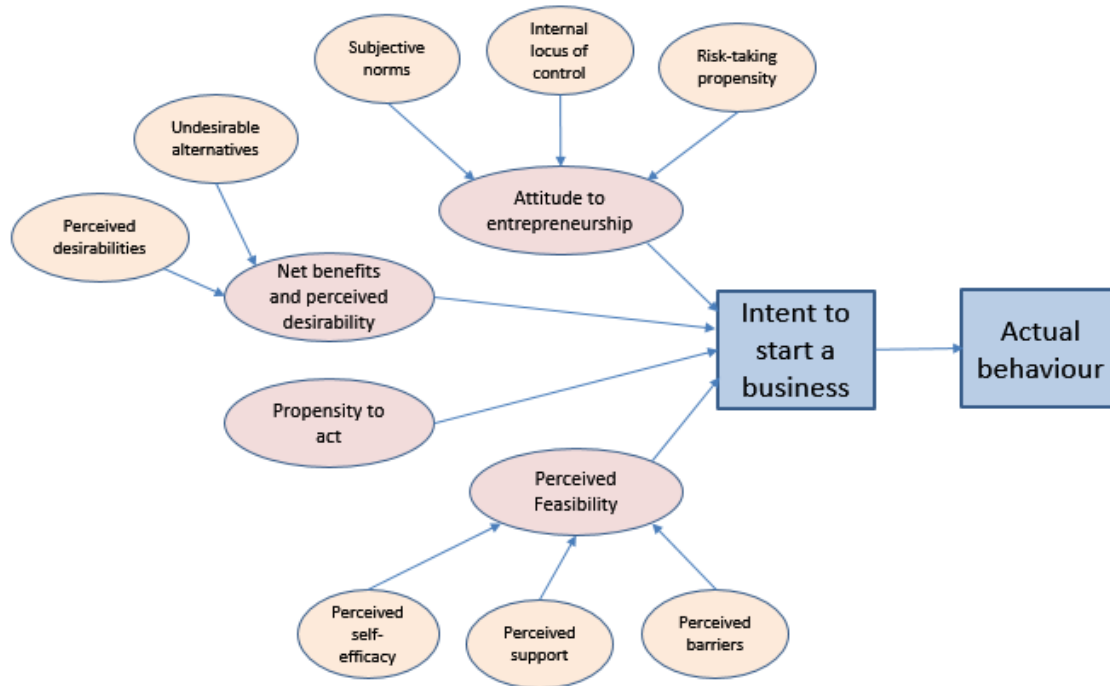
‘Salient beliefs’ seem very similar to the ‘desirability’ factors in the other models discussed, and ‘self-efficacy’ has also been mentioned, but the influence of friends and family is a new factor. Although friends, family and peers did not proactively encourage Andrew into nascent entrepreneurship, neither did they discourage him (see also Bridge’s (2010) model of social influence which suggests that intent is influenced by social acceptance by families and friends). Later, his family were supportive, especially by finding him sales leads and, without such on-going support, his nascent venture would almost certainly have failed earlier.

On this evidence, subjective norms may, especially in times of difficulty, be very important. Subjective norms can also have a ‘false positive’ effect if, as has been mentioned earlier, the nascent entrepreneur is in a highly supportive environment and is mixing with already successful entrepreneurs. For Andrew, a momentum developed which made it easier for him to believe he would succeed, and seemed to discourage those around him from seriously challenging his ideas.

**In summary**, ‘subjective norms’, therefore, appears to be an additional factor to consider, especially if including its potentially negative aspects on start-up expectations.

## 5.5 A composite framework of entrepreneurial intent

The models of entrepreneurial intent described were found to be applicable to the very specific samples investigated by the various authors but creative graduates may be rather different – especially as there is a much greater expectation of self-employment in the sector (Ball, 2003). As we analysed data from only one participant, we are not in a position to critique the theoretical models themselves. None of the factors identified by the original authors have been rejected at this stage but some which are, for practical purposes, very similar have been rolled together, for instance ‘salient beliefs’ (Kolvereid & Isaksen, 2006) are included in ‘specific desirabilities’ (Krueger, et al., 2000).



**Figure 7: Proposed Composite Framework of Influences on Entrepreneurial Intent**

In light of the tendency in the creative sector for ‘push’ factors to lead to ‘necessity entrepreneurs’, an extra factor - ‘undesirable alternatives’ - has been added to cover graduates who may be choosing self-employment as their ‘least worst’ way of making a living. In practical terms, the new framework gives rise to four key questions that can be used to assess the intent to start a business:

- What is my attitude to entrepreneurship?
- Does entrepreneurship lead me to net benefits?
- Is entrepreneurship feasible for me?
- Am I prepared to work hard and proactively to achieve entrepreneurial success?

Table 1 (below) summarises the applicability of the composite framework to Andrew. Some elements, such as ‘internal locus of control’, ‘propensity to act’ and ‘risk-taking propensity’ were very important in the attempted but failed venture initiation, but did not impact on initial intent as Andrew was unaware of them as issues. He also was poor at identifying ‘specific un-desirabilities’ and ‘perceived barriers’, perhaps because he was so keen to avoid employment and saw self-employment as the only alternative. He lacked prior business start-up experience and so faced many ‘unknown unknowns’ which, had they been known, might have made him pause for thought.

As time progressed, Andrew gradually modified his ‘intent’ to the point where he finally admitted defeat and accepted the Job Centre’s suggestion of work experience in a local retail store. Suddenly, he found employment to be enjoyable, no longer an ‘undesirable alternative’.



This paved the way for him to accept the unexpected offer of graduate-level employment as a web-site programmer.

The shifts in the factors in the composite model are shown in Table 1 and indicate that Andrew had learned a great deal about himself and the nascent venture. However, although he became aware of some of his personal short-comings which were not apparent to him at the time of his nascent venture initiation, others like ‘locus of control’ were still not perceived by him to be an issue.

<i>Factor</i>	<i>Sub-factor</i>	<i>Andrew’s perceptions at start-up</i>	<i>Andrew’s perceptions near to business demise</i>
Attitude to Entrepreneurship	Risk-taking propensity	Not perceived as an issue	Not perceived as an issue, except perhaps in social risk-taking
	Internal locus of control	Not seen as an issue	His external locus of control was a real issue in reality, but Andrew did not perceive it. “The economy was to blame”.
	Subjective norms	Good support by friends, family and business programmes	Support from friends and family a little weaker. No business support available and Job Centre putting on some pressure
Net benefits of self-employment	Specific desirabilities	Freedom, technical fulfilment, good income	Technical fulfilment still high.
	Specific undesirabilities	None identified	Low income (£2-3k/yr from a handful of small clients) was becoming a problem as it greatly constrained his personal and business freedom.
	Undesirable alternatives	Very keen to avoid conventional employment.	After work experience, and period of very poor sales he was keen for permanent employment
Perceived feasibility	Perceived self-efficacy	High. Good at delivering high quality web-site projects.	Still high in all aspects of the nascent venture, except selling which he recognised as a serious weakness in self-employment
	Perceived support	High. Surrounded by support and networks	Low – none available
	Perceived barriers	No significant barriers identified	The weakness of the economy was perceived (erroneously?) to be a major barrier.
Propensity to act	Propensity to act	Not recognised as an issue.	Somewhat more aware of this issue, mainly through ‘Learning Styles’, but did not change his behaviour.

**Table 1: Applicability of the composite framework to Andrew.**

The framework has proved to be useful in analysing Andrew's initial decisions and the gradual reduction in his entrepreneurial intent. It will benefit from additional verification by reference to entrepreneurial intent of the other six participants in the research and also by seeking new factors that may have been missed by the earlier researchers due to their sole focus on the pre-start-up phase. At this next stage (a subsequent paper: Hanage et al., 2014), it may also be possible to draw out insights about the different theoretical models.

The original research from the literature was about general entrepreneurial intent:

*“Do you think that you will start-up an unspecified business sometime in the future?”*

For practical purposes, the question may need to be more specific, for instance:

*“Do you think you should attempt to start this venture now?”*

The shift from general to specific does not invalidate most of the factors in the composite model, for instance ‘Attitude to entrepreneurship’, ‘Net benefit of self-employment’ or ‘Propensity to act’, but it does put a much sharper focus on ‘Perceived feasibility’. For the subsequent stages in the development of the nascent venture, a more demanding set of sector-specific questions become appropriate, hopefully culminating in a robust action plan, or an informed decision not to go ahead.

Based on Andrew's case, all the factors in the composite framework should probably be prefaced by the word ‘perceived’. If the individual's perceptions are erroneous, they do not necessarily make a useful contribution to the start-up decision.

## **6. Conclusions, Implications, Limitations and Future Directions**

This paper shown that the proposed composite theoretical framework appears to represent a good approach to observing and assisting a nascent entrepreneur at his or her early stages of nascent venturing, and possibly identifying potential entrepreneurs. It can also throw light on the ongoing development of the nascent entrepreneur and, to a lesser extent, the nascent venture. The success of extending the entrepreneurial intentions approach through the venturing life-cycle suggests that it forms a good basis for further research and should lead to some useful reflections on the original theories.

A key limitation of the study is that, as was established earlier, Andrew's business was not typical of the creative sector as a whole. For instance, those running performance or craft businesses are likely have very different motivations, especially in relation to their ‘art’. However, hopefully the insights gained will be useful for other technically based service nascent ventures akin to Andrew's, or even *de novo* ventures that are, indeed, trading. Demand for creative products is very much influenced by fashion and tastes, so that there is a compelling need to target and research sales leads – they do not just fall off trees. There is also a mainstream perception that anyone can do selling, whereas the reality is that successful selling in a competitive environment requires great fortitude and tenacity.

Future research could validate the proposed composite theoretical framework using the other six participants in the study also focussing specifically on their exits and the expreneur concept. At that point, the authors expect that fairly robust insights will have been gained into the issues affecting young creative sector nascent entrepreneurs and these could lead to more generalisable validation by quantitative studies, either using samples of participants across a range of sectors or else continuing to focus on the creative sector. We also need to research expreneurs further in depth and, for instance, whether they respond differently in later employment and perhaps return to entrepreneurship later; in other words, are there entrepreneurial learning opportunities from a nascence-expreneurship-employment-renascence-successful 'baby' entrepreneurship cycle that is being both conceptually and practically overlooked?

The validated findings should also enable indicative guidance to be developed to assist business advisers working with people like Andrew, so they can help them to avoid some of the pitfalls he encountered.

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## Appendix

### Entrepreneurial Graduates Research – Progress Interviews

Name: ..... Date: .....

#### Notes on actual usage:

1. This list was a guide to the topics to be covered in the interviews.
2. The list was used flexibly as the business and the participant developed.
3. New topics specific to each participant, emerge and were followed up in subsequent interviews.
4. In addition various questionnaires were used at times – eg Durham GET test, H&M Learning Styles and Carter Reasons for Start-up.

<b>YOUR BUSINESS</b>	
1. What has happened over the last period? (Events, products, processes)	
2. What are your current products?	
3. How satisfied are you with the current state of the business?	
4. What zigs/zags have occurred? <ul style="list-style-type: none"> <li>• How have you dealt with them?</li> <li>• What have you learned from them?</li> </ul>	
5. How are your relationships with: <ul style="list-style-type: none"> <li>• Market (suppliers and customers)</li> <li>• Other stakeholders (including partners)</li> <li>• Advice/support services</li> </ul>	
6. How much turnover in last 6 months?	
7. Networks <ul style="list-style-type: none"> <li>• New key contacts</li> <li>• Lapsed contacts</li> <li>• Most useful contacts</li> </ul>	
8. How many days of external support have you received?	
9. Progress against planned actions	
10. How are your expectations for the next 12 months?	
11. What specific actions over next 12 months?	

<b>YOU</b>	
1. How satisfied are you with your personal development?	
2. What has happened to you over the last period? <ul style="list-style-type: none"> <li>• Home/family</li> <li>• Relationships</li> <li>• Wealth/health</li> </ul>	
3. How do you rate yourself against contemporaries?	
4. What new learning? <ul style="list-style-type: none"> <li>• Content</li> <li>• Process</li> <li>• Satisfaction</li> </ul>	
5. What specific actions over next 12 months?	
<b>YOUR CAREER</b>	
1. What has happened over the last period?	
2. How does your current career compare with contemporaries?	
3. How satisfied are you with your career?	
4. How are your career expectations for the next 12 months?	
5. What specific actions over next 12 months?	
<b>YOUR ART</b>	
1. Are you still active as a practitioner? If so, in what ways?	
2. Are you still involved with the 'art' community?	
3. Are you learning new artistic skills?	
4. How is your art affecting your business?	
5. What specific actions over next 12 months?	