

6-7-2014

NEW VENTURE CREATION IN MATURE INDUSTRIES: THE ROLE OF ORGANIZATIONAL DETRITUS, EFFECTUATION AND BRICOLAGE (INTERACTIVE PAPER)

Katrin M. Smolka

Rotterdam School of Management, Erasmus University, The Netherlands, smolka@rsm.nl

Jochem Kroezen

Rotterdam School of Management, Erasmus University, The Netherlands

Recommended Citation

Smolka, Katrin M. and Kroezen, Jochem (2014) "NEW VENTURE CREATION IN MATURE INDUSTRIES: THE ROLE OF ORGANIZATIONAL DETRITUS, EFFECTUATION AND BRICOLAGE (INTERACTIVE PAPER)," *Frontiers of Entrepreneurship Research*: Vol. 34: Iss. 14, Article 20.

Available at: <http://digitalknowledge.babson.edu/fer/vol34/iss14/20>

This Interactive Paper is brought to you for free and open access by the Entrepreneurship at Babson at Digital Knowledge at Babson. It has been accepted for inclusion in Frontiers of Entrepreneurship Research by an authorized administrator of Digital Knowledge at Babson. For more information, please contact digitalknowledge@babson.edu.

≈ INTERACTIVE PAPER ≈

**NEW VENTURE CREATION IN MATURE INDUSTRIES: THE ROLE OF
ORGANIZATIONAL DETRITUS, EFFECTUATION AND BRICOLAGE**

Katrin M. Smolka, Rotterdam School of Management, Erasmus University, The Netherlands
Jochem Kroezen, Rotterdam School of Management, Erasmus University, The Netherlands

Principal Topic

Our research aims to challenge conventional ideas about entrepreneurship in mature industries. The established perspective is that entrepreneurs in such industries are more successful when they engage in rigorous planning and pursue aggressive competitive strategies to overcome steep entry barriers due to a limited availability of resources (Delmar & Shane, 2003; Gruber, 2007; Lumpkin & Dess, 2001; Woo & Cooper, 1981). Instead, we build on recent ideas in organizational sociology (cf. Dobrev, 2000; Schneiberg, 2007; Zietsma & McKnight, 2009) and argue that in mature industries barriers to entry are low because of the availability of organizational detritus. We define detritus as the recyclable organizational elements with both technical and symbolic value left behind by organizations that previously failed. These elements can function as cost-efficient and effective building blocks for new firms. We suggest that the availability of detritus may reduce the need for rigorous planning and competitive aggressiveness, thereby allowing entrepreneurs to create blossoming organizations.

We reason that by adopting the principles of effectuation (Sarasvathy, 2001; 2008), entrepreneurs are more likely to profit from venturing in detritus-rich environments. As opposed to causation which focuses on predictive strategies, effectuation allows for a non-predictive way of controlling the future. Similarly, adopting the principles of bricolage – i.e. “making do by applying combinations of resources at hand to new problems and opportunities” (Baker & Nelson, 2005: 33) – also appears to be suitable in detritus-rich environments.

Method

We test our hypotheses in the context of the Dutch beer brewing industry, which has seen a high degree of entrepreneurial activity within the past three decades after an extended period of significant concentration. We limit our analysis to the population of founders of 117 new beer breweries established between 2007 and 2013.

Results and Implications

If confirmed by our data, this study has implications for the understanding of entrepreneurship in mature industries. While previous studies following the conventional view suggested that entrepreneurs adopting an aggressive competitive approach in such industries are more successful, our study may indicate greater success when relying on effectuation and bricolage.

CONTACT: Katrin Smolka; smolka@rsm.nl; (T): +31-10-4081981; Department of Strategic Management & Entrepreneurship, Rotterdam School of Management, Erasmus University, P.O. Box 1738, 3000 DR Rotterdam, The Netherlands.