

Extended Abstract: NARTI Conference June 2022

Paper Title: Ecosystem Development Work and Ecosystem Enablers: Uncovering the Processes and People in Entrepreneurial Ecosystems

Research Area: Strategy / Entrepreneurship / International Business

Purpose of the paper

There is broad agreement that entrepreneurial ecosystems comprise informal and formal institutional elements (Stam and Spigel, 2017) that coalesce to produce an environment conducive to entrepreneurship (Brown and Mason, 2017). This paper further develops the literature about the *processes* within entrepreneurial ecosystems (Malecki, 2018; Spigel and Harrison, 2018) and builds on the research about the role of non-entrepreneur actors (Feldman and Zoller, 2012; Harper-Anderson, 2018).

Research into entrepreneurial ecosystems has predominantly focussed on identifying institutional elements, yet the causal mechanisms within entrepreneurial ecosystems are not well understood (Wurth, Stam and Spigel, 2021). The purpose of the paper is to clarify how institutional elements within an entrepreneurial ecosystem coalesce, and the role of ecosystem enablers in this process. This paper is based on a findings chapter in the researcher's PhD thesis (expected submission: September 2022).

Theoretical background

The entrepreneurial ecosystems concept has its roots in a range of literature, most notably in high growth entrepreneurship (Shane, 2009; Mason and Brown, 2013) and in regional economic development (Porter, 1998; Martin and Sunley, 2003). There are four attributes of an entrepreneurial ecosystem: 1) it is geographically bounded; 2) it is sector-agnostic; 3) it is focussed on the act of entrepreneurship; and 4) knowledge about entrepreneurship is spread through networks within the entrepreneurial ecosystem.

Research has identified the elements which comprise strong entrepreneurial ecosystems, i.e. environments that produce successful entrepreneurship (Stam and van de Ven, 2007; Brown and Mason, 2017). These elements have been brought together in different frameworks (Neck *et al.*, 2004; Isenberg, 2010; Mason and Brown, 2014; Stam and Spigel, 2017). The commonalities between the frameworks are that an entrepreneurial ecosystem comprises formal institutions that sit within the physical infrastructure of a place, and that are influenced by informal institutions such as societal norms, government policy, and cultural habits.

There is broad agreement that a range of institutions within entrepreneurial ecosystems, both formal and informal, "coalesce to produce successful entrepreneurship" (Brown and Mason, 2017, p. 14) but there is little to explain how those institutions coalesce (Motoyama and Watkins, 2014; Roundy, Bradshaw and Brockman, 2018; Wurth, Stam and Spigel, 2021). Alongside this is an assumption that entrepreneurs play a leading role in entrepreneurial ecosystems, as "leaders" in a startup community (Feld, 2012) or as "dealmakers" (Feldman

and Zoller, 2012) who bridge relationships between investors and entrepreneurs. Whilst it is recognised that bridging assets are important for connectivity within an entrepreneurial ecosystem (Mason and Brown, 2014), the literature lacks a deeper exploration of who does the work connecting institutions and entrepreneurs.

The gap that this paper aims to respond to is twofold: to identify how the institutions within an entrepreneurial ecosystem coalesce; and to explore who plays the role of connecting institutions and introducing entrepreneurs.

Methodology

Over 30 semi-structured interviews were conducted in 2019 with 10 entrepreneurs and 26 non-entrepreneur actors in the Bristol entrepreneurial ecosystem. The entrepreneurs ranged from early-stage to experienced. Their ventures varied from product-led startups with small teams to service-led scaleups with 200+ employees. The non-entrepreneur actors included policymakers, investors, accelerator managers, co-working space operators, and providers of business support programmes and incubation. The researcher spent extended periods of time in Bristol, attending events and working from different coworking spaces, to become familiar with the spaces, actors, and happenings of the entrepreneurial ecosystem. This ethnographic approach allowed for immersion in the entrepreneurial ecosystem and provided context for the interviewees' responses.

Main findings

The two findings which emerged from a thematic analysis of the data are as follows. First, the researcher uncovered four practices within entrepreneurial ecosystems which contribute to their overall functioning. Grouped together, these four aspects of Ecosystem Development Work (EDW) move our understanding of entrepreneurial ecosystems from a concept which is static to one which is dynamic. (Audretsch *et al.*, 2021). EDW comprises:

- 1) making introductions and signposting entrepreneurs;
- 2) facilitating networks and creating communities;
- 3) easing information flows between institutions;
- 4) constructing the narrative of the entrepreneurial ecosystem.

This builds on existing literature which speaks to the importance of dealmakers and bridging assets (Feldman and Zoller, 2012; Mason and Brown, 2014); the benefit of dense networks for entrepreneurs (Spigel and Harrison, 2018); and the role that macro-narratives play in entrepreneurial ecosystems (Roundy and Bayer, 2019). Describing how information flows between the institutional elements is a new contribution to the literature. This deepens our understanding of how the elements coalesce.

Second, it was identified that there are key individuals who carry out EDW. These individuals are named as ecosystem enablers. The literature acknowledges that various stakeholders play different roles in entrepreneurial ecosystems, predominantly around making introductions and connecting entrepreneurs within networks. However the broader role that ecosystem enablers play in easing information flows and constructing the narrative of the entrepreneurial ecosystem is not reflected in the extant literature. The empirical fieldwork enabled the researcher to identify who those key individuals are and describe

their attributes and motivations. With a better understanding of EDW and the role of ecosystem enablers, these processes and practices can be better supported by decision-making policymakers and funders.

Potential contribution

The potential contribution of this paper is twofold. Theoretically, these findings build on existing research to demonstrate how the institutions within entrepreneurial ecosystems are connected. The findings presented in this paper are an important step towards making explicit the processes that are often overlooked in the prevailing institutional frameworks, thus moving us closer towards understanding how the different elements of an entrepreneurial ecosystem coalesce to produce entrepreneurship.

Practically, the findings can inform policymakers and practitioners about which practices and processes are conducive towards supporting and developing regional entrepreneurial ecosystems. For policymakers, the intention is to illuminate the contributions of existing ecosystem enablers in their region, with a view to ensuring that the role(s) can be sustained. For practitioners, it is hoped that the findings will provide them with the language to identify the work that they (and others) undertake in contributing to the functioning of entrepreneurial ecosystems.

Key words

- Entrepreneurial ecosystems
- Entrepreneurship
- Institutions

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