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A PLAUSIBLE HISTORY AND EXPLORATION OF STEVENSON'S DEFINITION OF ENTREPRENEURSHIP

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ABSTRACT

Entrepreneurship scholarship, with opportunity as its defining characteristic, would benefit from an appraisal of Howard Stevenson's (1983) definition that "Entrepreneurship is the process by which individuals pursue opportunities without regard to the resources they currently control." We analyze three stories from Allen (2001) to generate insights into Stevenson's view that opportunities require both desirability and feasibility and we provide a theoretical framework for *how* individuals go about generating resources to pursue opportunity, and vice versa. We point out situations where resources, at hand, lead to opportunities, and where imagination reconfigures both resources and opportunities into viable businesses.

INTRODUCTION

It has been over 25 years since Howard H. Stevenson (1983) began to develop a framework for understanding the nature of entrepreneurship that emphasized opportunity, which has primarily been cited in Stevenson and Jarillo (1990: 23) as: "entrepreneurship is a process by which individuals – either on their own or inside organizations – pursue opportunities without regard to the resources they currently control." Yet, Stevenson's definition of entrepreneurship and his ideas were ignored in Shane and Venkataraman (2000) and, subsequently, appear to play little role in current discussions of this topic (e.g., Haynie, Shepherd & McMullen, 2009). This is a pity. The evolution of Stevenson's ideas provides a very rich understanding of what opportunities are, as well as insights into the relationship between individuals and opportunities. Therefore, we believe it is worth looking at Stevenson's definition critically, in terms of exploring what, exactly, does "the pursuit of opportunity without regard to the resources they currently control," mean. We offer, from our view, a plausible history of influences that may have led Stevenson to posit his definition of entrepreneurship, recognizing that the relevance of our critical analysis does not depend on whether we have pinpointed, exactly, the currents from which he derived his approach.

Despite its impact on what entrepreneurship scholars think about the nature of opportunity (reflected in over 1,000 citations on Google Scholar) surprisingly few papers have critically examined or developed Stevenson's work. Our review of the 164 papers citing either Stevenson and Jarillo (1990) or Stevenson and Gumpert (1985) and listed on the Web of Science found that less than three percent made any real attempt to critique or further the ideas presented in these papers. The most substantial attempt to date to develop Stevenson's ideas is Brown, Davidsson and Wiklund's (2001) operationalization of the dimensions of entrepreneurial management identified in Stevenson's work. Their research showed strong results for their instrument, but the subscale measuring "resource" orientation was the least clear and failed to reach normal standards of reliability. We suspect that this result reflects not some failure in their development of the scale, but rather the need to reexamine the assumptions about resource orientation implied by Stevenson's definition.

We analyze three stories in Terry Allen's book "No Cash No Fear" (2001) as a way to explore the kinds of activities that entrepreneurs undertake when they "pursue opportunities without regard to the resources they currently control." We draw on recent scholarship to develop a framework to analyze resource access activities and provide examples of these activities from these stories. We show that this framework and the descriptions of specific resource activities better clarifies and broadens the idea of what "the pursuit of opportunity without regard to the resources they currently control," is, as a perspective on entrepreneurship, as well as offer a way for this idea to be better understood and operationalized (Brown, Davidsson & Wiklund, 2001) within the context of other ways of considering what entrepreneurship is, as a phenomenon and social construct.

A Plausible History of the Idea of Entrepreneurship at the Harvard Business School

While "entrepreneurship," as an idea, has roots in many intellectual disciplines (Murphy, Liao & Welsh, 2006), the idea of entrepreneurship at the Harvard Business School (HBS) is primarily based on the experiences of its faculty and students (Cruikshank, 2005). Cruikshank (2005) traces the genesis of entrepreneurship at HBS to a course (Management of New Enterprises) that was first developed by Myles Mace in 1947; subsequently expanded by Frank L. Tucker from 1964 to 1969; which then evolved into a course "Management of Small Enterprises: Starting New Ventures" taught by Patrick R. Liles from 1970 to 1973. Liles book "New Business Ventures and the Entrepreneur" (1974) is the first major textbook on entrepreneurship that describes entrepreneurship from the HBS perspective. After the first edition, Stevenson took over as lead author of the text that Liles had initiated.

There are two important aspects of the Liles book that are critical to understanding the later development of the "pursue opportunities without regard to the resources they currently control" definition. First, is the "urtext" regarding the second hand dump truck story, and second is the "Terry Allen" case. The second hand dump truck story in the Liles book (1974) is used as an example of how individuals should care less about their social identity in order to pursue entrepreneurship, and a case that offers a series of stories about Terry Allen's ventures epitomizing the notion of an individual who is in constant pursuit of opportunity despite a habitually empty bank account. Both the "second hand dump truck" story and the "Terry Allen" case are retold and expanded in Terry Allen's book (2001), which we analyze, below.

Cruikshank (2005) indicates that Liles, on the advice of senior faculty, stopped teaching the "New Business Ventures and the Entrepreneur" course in 1973. Concurrently, in spring 1972, Howard H. Stevenson began teaching "Urban Land Development" at HBS. Stevenson's experience with this course morphed into a seminar: Real Property Asset Development that he suggests was a direct precursor to the entrepreneurship courses currently offered at HBS (Cruikshank, 2005: 163):

"In real estate, you're like every other entrepreneur – you almost never start off with all the resources assembled. You say: I see a piece of property. I don't have the money. But, I want it anyway. How can I get it? Let's see: I could get an option on the property. Then I could get a tenant on a prelease basis. Then I could get an architect to pull together some designs. And then I could ask the bank for a construction loan – and so on, and so on. In other words, you go through all of the steps any entrepreneur goes through, as he or she puts together a deal."

After the spring 1978 semester, Stevenson left HBS to work full time in industry, but then returned to HBS as the Sarofim-Rock Chair in Entrepreneurship in fall 1981. Cruikshank (2005:226) indicates that during the 1981 – 1982 school year Stevenson and his colleagues defined an entrepreneurial manager as exhibiting: "(1) The tendency to seek out opportunities. (2) A willingness to act quickly in light of opportunity. (3) Multi-staged commitment of the resources at hand. (4) Skillful use of leased and/or temporary resources. (5) An interest in building a network rather than a hierarchy." These five characteristics became the basis for a course (Entrepreneurial Management) that was first offered during the fall 1983 semester.

In the same year Stevenson published the HBS note (9-384-131) in which he indicated that, "From our perspective, entrepreneurship is an approach to management that we define as follows: *the pursuit of opportunity without regard to resources currently controlled*." He identified six critical dimensions of business practice involving: strategic orientation, commitment to opportunity, the resource commitment process, the concept of control over resources, the concept of management, and compensation policy, where differences in these six dimensions existed between "promoter" type and "trustee" types (Stevenson, 1985). For example, in regards to strategic orientation and behavior, the "promoter," is "driven by perception of opportunity" while the "trustee," is "driven by resources currently controlled" (Stevenson, Roberts & Grousbeck, 1989: 8). They extend this distinction to develop contrasting theoretical ideal types of the promoter and trustee that differ across the five other dimensions. These ideal types are seen as end points on a spectrum of behavior, and entrepreneurship includes a "range of behavior that consistently falls at the (promoter) end of the spectrum (p.7)." We suggest that the promoter end of the spectrum is equivalent to the pursuit of opportunity without regard to the resources currently controlled.

The Stevenson definition of entrepreneurship, then, has two parts: opportunities and the *disregard* of resources currently controlled. Stevenson suggests that "To be an entrepreneurial opportunity, a prospect must meet two tests: it must represent a desirable future state, involving growth or at least change; and the individual must believe it is possible to reach that state" (Stevenson & Gumpert, 1985: 86). The disregard of resources currently controlled is then outlined in the same manner as the 1983 note in terms of the promoter's views on the commitment of resources and the control of resources during the entrepreneurial process. Stevenson's view of entrepreneurship becomes more fully elaborated in Stevenson & Jarillo (1990):

> "…entrepreneurship is a process by which individuals -- either on their own or inside organizations -- pursue opportunities without regard to the resources they currently control (Stevenson, Roberts, Grousbeck, 1989). 'Opportunity' is defined here as a 'future situation which is deemed desirable and feasible.' Thus, opportunity is a relativistic concept; opportunities vary among individuals and for individuals over time, because individuals have different desires and they perceive themselves with different capabilities. Desires vary with current position and future expectations. Capabilities vary depending upon innate skills, training and the competitive environment. Perceptions of both desires and capabilities are only loosely connected to reality (Stevenson & Gumpert, 1985)."

To us, the linked definitions of entrepreneurship and opportunities raise two intriguing questions of theoretical and practical importance. First, *how* does one pursue opportunity without regard to the resources currently controlled? Answers to this question should inform both our scholarly understanding of what entrepreneurs *do* and also our understanding of tools we can provide entrepreneurs in resource constrained situations. Second, how are the *desirability and feasibility* of "future states" linked? Answers to this question are fundamental to understanding the nature of opportunity, and are central to issues involved with claims about: (a) the resources that the resource-based view asserts underlie competitive advantage, and (b) the extent to which entrepreneurial opportunities are created versus discovered.

How. The definition of entrepreneurship in the Stevenson & Jarillo (1990) article culminates with an attempt to explore three broad issues involved in entrepreneurship research: what happens when entrepreneurs act, why they act, and how they act. They suggest that the focus of entrepreneurial management, their paradigm of entrepreneurship, is on the "how." Yet, one of the ironies of the article is that little insight is actually offered as to "how" entrepreneurs might pursue opportunities without regard to resources controlled. In our exploration of this history of the Stevenson definition of entrepreneurship we found a tantalizing sense of the excitement about deciding to pursue opportunities without regard to resources controlled, but little sense of *how* to go about this.

Desirability and feasibility. Stevenson's relativistic idea that opportunities are defined by the intersection of what individuals imagine as desirable and what they consider feasible implies that an individual's set of opportunities may be constrained either by their imagination of desirable future states or by their capabilities. Desirability and feasibility interact to determine which opportunities may be pursued, and, *in general*, a lack of resources might be assumed to constrain perceptions of feasibility. The notion of pursuing opportunity without regard to resources controlled implies, however, that for the entrepreneur feasibility is *not* perceived as a function of the resources at hand. Opportunities are defined independently of the resources currently controlled; determination of the resources required and how to gain control of them *follows*. As we describe below, consideration of the Terry Allen stories suggests that the actual work of entrepreneurship demands an interpretation of these ideas to include different ways of linking desirability and feasibility and different temporal orderings between the definition of opportunities and resources.

THEORETICAL FRAMEWORK AND ANALYTICAL STRATEGY

In this portion of the paper, we analyze three Terry Allen stories, focusing on two aspects: (1) *how* he goes about generating resources when he pursues opportunities without having assembled resources, and (2) the relation between desirability and feasibility, especially as reflected in the order of when opportunities are identified and defined compared to when resources are identified and defined. For each story we first give a synopsis of the narrative that allows us to identify the primary resources described in the stories as well as insights into how Terry accessed them (listed in Table 1). We analyze the relations – especially, but not only the temporal relations – between how Terry defined and accessed resources and how he defined and pursued opportunities (summarized in Table 3).

In addition, we analyze the data summarized in Table 1, focusing on comparing and contrasting Terry's various means and patterns of accessing resources and matching them with opportunities. To support this analysis, we derive a theoretical resource access typology and use it to categorize each of the resource access patterns – that is the answers to the "how" question – that we identified across the three Terry Allen stories (summarized in Table 2). The typology encompasses behaviors ranging from seeking and gaining control over standard resources, to financial "bootstrapping" (Bhide, 1992), to elements of "bricolage," which has been previously been described as "pursuit of opportunity through *close regard* to the resources at hand" (Baker and Nelson, 2005: 359). The results allow us to take an appreciative yet deeply critical perspective on the Stevenson definition and to tie it to important current theoretical and practical issues in entrepreneurship research.

As with many HBS graduates, Allen stayed in contact with HBS faculty throughout his career, and, because of his successes, his experiences as an entrepreneur were written up as the case

"Terry Allen" in 1974. The Liles case offers a cursory overview of three chapters in Allen's book that we will delve into more deeply as to how he was able to pursue opportunities without regard to resources that he currently controlled: The chapters corresponding to the Liles "Terry Allen" case in the Allen book are: Chapter 3 -- Vermont lodge: Building a business to meet ladies; Chapter 5 – Equipment rental business: "Don't buy it, rent it;" Chapter 8: Coupon distribution service: "Welcome wagon by mail."

Vermont Lodge

This story begins the summer after Terry Allen graduates with an MBA from Harvard Business School. He has a new job in Vermont as assistant to the president and personnel manager for Carris Reels in Rutland. He expresses his sense that his apparent lack of resources won't put a damper on what he perceives as feasible: "I did a quick inventory of my net worth. I had $20 in my pocket, a car and enough clothes to cover me for a few weeks. My outstanding debt exceeded my tangible assets by at least 10 times… While I may have been bankrupt in a financial sense, in my mind I was beginning a journey to untold riches." (p. 30)

He realizes, while living in his parents unheated summer house in East Wallingford, Vermont, that he will need a heated place before fall. In his search for housing, he spots an old schoolhouse in Florence, Vermont that is being sold by closed bid by the town. With 37 cents in his checking account, he makes the winning (and only) bid of $4,850, which he must raise within 30 days (in the Liles version, this is reduced to 10 days). Rather than seek out a conventional mortgage, he imaginatively *redefines the property as a resource* to be used as part of commercial venture, which will allow him to seek investors. "My idea was to start a bunk-style ski lodge and charge about half of what any other ski lodge charged. No matter that the major ski area, Killington, was almost 30 miles away. Surely, budget-minded skiers would travel this far to save big bucks (Allen, 2001: 31)." He contacted the handful of people he knew who might have money to invest, and convinced his boss and two local attorneys to provide the money he needed to purchase the schoolhouse and as well as co-sign a $10,000 line of credit. He also refused to take the agreed upon price as 'set' and negotiated with the town for a $1,300 reduction. To renovate the schoolhouse he hired a local plumber, and worked as his helper (learning by doing) to install bathrooms with sinks and showers.

The ski lodge, "Chez Ecole," would need 80 bunk beds. He could purchase these bunk beds for $250 each, locally. Instead, through extensive research he discovered an out-of-state manufacturer that would sell him bunk beds for $120 each, if he placed a minimum order of 150 beds. To avoid the $20 per bed shipping cost ($20 x 150 beds = $3,000), he convinced a truck driver at Carris Reels that was making deliveries to that area to fill his otherwise empty truck with bunkbeds for the return trip. The driver's charge for this slight detour was $25.

Next, he had to market Chez Ecole. He created a list of every college in a seven state region and mailed a cheap brochure to each, addressed to "ski club." He also skirted the rules of the Killington Lodging Bureau in order to have Chez Ecole included in the bureau's mass mailings. The schoolhouse was 28 driving miles from Killington, exceeding the bureau's 20 mile limit. Terry showed the Killington Lodging Bureau director that, on a topographical map, by driving through the mountains the trip could be shortened to 19.8 miles. Terry failed to note that the path was impassable during ski season. Thus, anyone who relied on the lodging bureau policy when choosing where to stay would face a forty percent longer ride than promised. Chez Ecole was busy from the beginning of the ski season to the end. He staffed the lodge himself (which meant that he cooked, cleaned the toilets and took out all of the garbage), and cleared almost $700 per weekend.

He was able to buy out his partners one year later. In addition, he sold the extra 70 bunk beds while attending a cocktail party (some locals wanted to provide in-home lodging during peak tourist season) at a profit that exceeded his total annual profit for Chez Ecole. He also created a profitable business selling sheets, blankets and pillows to the same customers who purchased the beds. He noted, “The first product or service with which you start in a new business is often not the most profitable one. Its role is to get you into business. Once you are set up in business and talking with suppliers and customers, you often discover different markets about which you never dreamed with your first product.” (p. 35).

Table 1a summarizes the primary resources identified in the story and addresses our first research question by outlining *how* Terry accessed them. Our second research question focuses on the temporal ordering of when the identification and definition of opportunities occurs versus when the identification and definition of resources occurs. As we noted above, while the Stevenson definition of opportunities is based on the intersection of what an individual considers desirable and feasible, his definition of entrepreneurship further delimits entrepreneurship to the pursuit of opportunities in which the set of what is feasible is constructed “without regard to” *and therefore independently of* resources currently controlled. If we begin with the opportunity to create the bunk house style lodge, the story seems to correspond to the Stevenson definition of entrepreneurship. Terry pursued the opportunity even though he did not control any of the key resources needed to make the venture feasible. However, the story adds nuance in terms of the relation between opportunities and resources. The idea for the opportunity came during consideration of the resource: searching for a place to live, he saw an old school house and imagined it as a place to live. In order to find a way to pay for it, he re-imagined it – drawing on his awareness of seasonal local demand for housing – as a bunk house style lodge for cost conscious college students. Thus, the opportunity *did not come first*, but rather the opportunity and the resources were *jointly* constructed in Terry’s imagination. The remainder of the resources acquired for Chez Ecole followed from this initial step.

In the case of the opportunity to sell the bunk beds, however, the story is different in an important way. In this instance, the opportunity was defined around excess resources – the 70 extra beds he had to buy in order to get a low price – which Terry already controlled. In selling these beds to other local residents who wanted to lodge tourists in their homes, Terry improvised a new business to which he later added sales of related supplies. In our interpretation, this venture (which was more profitable than Chez Ecole), was based on an opportunity defined around resources currently controlled. This entrepreneurial effort therefore presents a challenge to the boundaries imposed by Stevenson’s definition.

Equipment Rental Business

Cecil Goodheart, a sales representative with Dealer’s Supply, a tool distributor, had created a business called “Taylor Rental Store” that was a captive customer of Dealer’s Supply tools, with the first “Taylor Rental” store in Rutland, Vermont. Terry Allen bought the store because: “(1) Cecil offered it to me for no money down, and (2) the store had a ton of tools that I could use for my real estate renovations. I really didn’t have any idea if it was a good business or not (Allen, 2001:59).” The first store did well enough that Terry was able to pay Cecil one-third of his cash collections, and also pay for help and other operating expenses. A few months later Dealer’s Supply provided Terry with 100% financing to buy a second store. At this point, he learned at a trade show that he could get tools cheaper by purchasing them directly from manufacturers. Terry decided to do this and was forced to give up the Taylor name, instead adopting “Green Mountain Rentals.”

Terry accumulated several other stores, using little money down in something that was, overall, a little like a Ponzi scheme – "If I stopped buying new stores, where would I get the cash to cover my earlier purchases? (Allen, 2001:65)" – that required him to keep growing in order to support the negative cash flow of prior purchases with "extra" cash from the next financing. Terry purchased his third store from an absentee owner who had previously purchased the business for his new wife's nephew. Terry decided that the rental store was worth $40,000, that he could easily run it better to make it worth $60,000, and that he would offer the store's owners $30,000. When the offer was accepted with no negotiation, he immediately improvised a new wrinkle: he explained that his $30,000 would include $10,000 in cash, and an unsecured $20,000 note, which effectively shifted the bulk of the financial risk to the "desperate" sellers. His pitch to accept this deal succeeded when the sellers "seemed to feel comfortable with my words *full net worth of my successful rental company* and *personal guarantee,* and they agreed to these final terms In reality, neither my company nor I had a positive net worth at the time (p.62)." Terry then went to a bank, with a business plan supporting claims that the store was *worth* $60,000 and that he would buy an additional $20,000 worth of equipment. He negotiated a $50,000 loan, of which $10,000 went to the purchase of the store and $20,000 went towards new equipment. The remaining $20,000 was used to secure a loan for store four. Stores five and six were acquired through similar means.

Table 1b summarizes the resources Terry used and how he accessed them for the rental business. We'll revisit these below, but the primary story seems to be a simple one of using financial acumen, sales skills, an ability to maneuver other people into taking on risk, and perhaps being the only buyer available to purchase rental stores that owners desperately needed to sell. Unfortunately, the same attractive-looking financials that allowed Terry to acquire the stores with so much financial leverage soon allowed many other players to expand quickly. Terry decided to get out of this type of business. He advertised his rental equipment businesses for sale in the *Newark Star Ledger* and staged an auction between two of the parties who responded to the ad. He managed to convince one of the bidders, a family who wanted to live in Vermont, to buy most of his stores. They struggled with operating the stores at a profit for years before selling each store at a loss.

The temporal ordering of the identification and definition of resources versus opportunities poses a challenge to Stevenson's definition of entrepreneurship: The opportunity to get into the rental business was defined completely by Terry's high and close regard for the resources over which he had been given risk-free control. The resources came first and defined the opportunity to enter this business. The opportunity was attractive primarily *because it was feasible* based on these resources. The expansion of the business, though, fits more closely with the Stevenson definition. Terry aggressively sought to expand his rental empire, and succeeded in buying an additional four stores (beyond those pushed on him by Dealers' Supply) and succeeded in doing so largely through getting control of other peoples' financial resources. If one looked only at the expansion, or fails to look carefully at how he first entered the rental business, the entire episode would look like an exemplar of "without regard to resources currently controlled."

Coupon Distribution Service

While in the equipment rental business, Terry had written, self-published, and sold a book on marketing ideas for equipment rental stores. One of the ideas in his book was "to contact new homeowners shortly after they purchased their new home (p. 93)," who were eager to spruce it up. Unfortunately, in the locations where Terry owned equipment rental stores, the only service available to contact new homeowners was "Welcome Wagon," which did not distinguish between homeowners and people in apartments (who wouldn't be sanding floors, etc.); took 3-6 months to make contact (too late: by then the "peeling paint becomes part of the landscape and they don't even notice it (p. 94),"); and charged what Terry considered the exorbitant price of $1.50 per contact. Terry decided to "do the job myself (p. 94)." He created his own mailing lists of new homeowners by weekly visits to city clerks' offices in towns close to where he owned rental stores to write down all newly registered deeds. Each new homeowner received a mailing with a listing of rental equipment available and a $10 coupon, and many received follow up phone calls. His response rate was about 50%, and he calculated that the program created at least a 3,000% return. He then decided to use the same mailings to generate more money by inviting other local merchants to participate. He easily sold this service to another 29 local merchants, promising that only one business in any competitive category would be included in each mailing. Next, Terry expanded to Glens Falls, New York, (where he also had an equipment rental store) where he hired a meat salesman to sell the coupon service on his day off. The opportunity looked so good to Terry that he decided he needed to expand faster than his own financial resources would allow. He cold-called the presidents of companies that would be in the supply chain for the coupon service (e.g., printing companies and computer service bureaus), and presented himself as a large potential customer seeking a meeting. He used these meetings to talk about his business model and to generate contacts with potential investors. In two days Terry raised $50,000 from two investors (neither of whom, incidentally, reviewed his business plan.)

Terry decided to hire college students as temporary employees to sell the coupon service on pure commission. His first student was at Babson College. This student introduced him to a professor at Babson College who took on Terry's marketing plan as a class project. The class led to a new name – "Merchant's Welcome Service" – for the business and to hiring several more students and a part-time instructor as salespeople. In what turned out to be a series of bad decisions, Terry allowed the students to choose between a commission of 15% of expected first year sales, or 25% of actual sales from that customer, forever. All of the students took the upfront 15% commission payment, which cut badly into cash flow. Similarly cutting into cash flow, Terry bought a used printing press instead of continuing to "outsource" to an outside printer. In addition, he found he could purchase a four-apartment commercial property (of which he would use two of the apartments for his offices) if he could arrange a financing deal to purchase the property, immediately. He went to his angel investors to get their approval to use some of their financing to make the down payment on the property. (Terry hoped to sell the property at a profit to a federal housing agency six months later.)

Finding himself strapped for cash, he pursued a "Regulation A" offering of stock. Over three months, he spent almost $50,000 in expenses to raise about $50,000. During the summer, the students scattered to their home cities and began selling the service. Many of those who were successful took their windfall commissions and quit. Those who were unsuccessful sold to two or three merchants and quit, leaving Terry with an obligation to send out mailings that included too few merchants to be profitable. One way or another, within one month, all 30 student employees had quit, and Terry's business model was falling apart. Terry responded by packaging the coupon business as a franchise: selling the rights to geographic areas with a minimum population of 500,000 people for $3,500. He decided that only people who had successful prior sales experience could succeed with the franchise and that he would not sell to others. But "I really needed the money, and rather than go home empty-handed, I always caved in to someone waving a $3,500 check at me, regardless of my feelings about his or her likely success (p. 114)." Terry sold 20 franchises, but only two of them survived.

Table 1c summarizes the primary resources identified in the story and how Terry accessed them. The theme of this story seems to be that Terry's encounter with "easy money" led him to make bad decisions, and that a combination of creativity and willingness to violate his own principles allowed him to recover, at least partially, his investment. In terms of the temporal ordering of the identification and definition of opportunities versus resources, the initial pattern has a lot in common with Terry's earlier sales of bunk beds and lodging supplies. The idea of sending out coupons to new homeowners made sense initially *because Terry already owned several rental stores* for which he was trying to increase sales. The conversion of this idea to including other businesses' coupons in a "Merchants' Welcome Service" made sense to him because he was already doing mailings for his own business, and could add other coupons for a marginal increase in cost. Finally, although the franchise model was primarily a way of seeking cheap financing (and some labor), it was attractive and feasible for him because of the core resources he already controlled: the rental stores and his own Merchants' Welcome Service operations.

DISCUSSION

As we indicated above, our purpose in exploring these three stories was to offer examples and insights into understanding entrepreneurship through the lens of Stevenson's definitions. First, his broad definition of opportunities in terms of what is desirable and feasible, and second, his definition of entrepreneurship, which, if we substitute in the definition of opportunities becomes something like, "the pursuit of *what is desirable and feasible* without regard to the resources under current control *as they may affect feasibility."* Using the Terry Allen stories, we explored *how* entrepreneurs go about accessing resources in pursuit of opportunities. We also explored the characteristics of opportunities vis-à-vis their relationship to the resources accessed. Our results underline the usefulness and the limitations of Stevenson's approach. As previously suggested, entrepreneurs often pursue opportunities *with* regard, and as we will argue *with close regard* to resources they currently control.

Accessing Resources

In Table 2 we categorize the resources in the stories into three broad approaches to accessing resources: (1) bricolage and its correlates; (2) bootstrapping and cash management; and (3) resource-seeking and standard financial transactions. Building on Stevenson's definition of opportunity, but challenging his definition of entrepreneurship, Baker and Nelson (2005:359) suggested that one form of entrepreneurship, "bricolage," might reasonably be characterized as "the pursuit of opportunity *through close regard to the resources at hand*." They argued that through such entrepreneurial "bricolage," entrepreneurs often "construct" resources from what they already controlled or could acquire cheaply or for free. Their definition of bricolage as "making due by applying combinations of the resources at hand to new problems and opportunities (2005: 333)" attempts to carve out and identify an important form of entrepreneurial resourcefulness. Bricolage has previously been contrasted with "resource-seeking," in which entrepreneurs do not rely on the resources at hand (Baker, 2007), but respond to challenges by attempting to acquire new resources.

Terry Allen's behavior makes particularly salient Baker and Nelson's (2005) description of *making do* as involving the refusal to enact limitations (Weick, 1979). Those engaged in bricolage may actively test limitations related to resource definitions, professional and ethical standards, as well as legal regulations. Terry Allen was particularly active at testing limitations, and Table 2 includes a variety of examples, including several that imaginatively violate broad norms of what most people would assume to be appropriate behavior. In addition, another story he relates provides important insights into Terry's refusal to enact limitations on his own freedom of action: the second-hand dump truck story, which is repeated and discussed in both Liles (1974) and Allen (2001). We describe it here, in Terry's words, to give a sense of the overall freedom of entrepreneurial action that Terry created for himself.

"I remember reading an interview with a Yale graduate who had come from a wealthy family. He said that his background prevented him from buying a used truck and starting a trash collection business like his friend had (the friend later became quite rich when he sold out to Waste Management, a public company). It never occurred to me that a good education and family might be a liability if someone wanted to start a business of his or her own." (Allen, 2001: 37).

The meaning of this story about the Yale graduate who "couldn't" buy the used truck and start a trash business resonates with creating entrepreneurial freedom of action by refusing to enact an identity- or social network-based limitation. The second-hand dump truck story was told as Terry just achieved a Harvard MBA, and he thinks nothing of starting a business in which he cooks and cleans toilets. Terry's refusal to be constrained by his personal/social identity created not only the ability to go after this type of business, but more concretely, it *created* a "cooking and toilet cleaning" resource that would not have been there otherwise. Baker and Nelson (2005) suggested that bricoleurs can get so embedded in their supportive networks that their identities get bound up in their bricolage and they cannot escape. Here we see an opposite riff on same theme: Terry refused to enact a social and moral identity that would have prevented him from "making do." Terry could see himself cleaning and then went about cleaning toilets. He also was able to act past his own moral standards when he sold franchises to buyers without previous sales experience.

The *resource-seeking* section of Table 2 describes efforts to acquire new resources, for example through standard transactions such as hiring a plumber or buying a building, as well as some usual ways of trying to raise either debt or equity capital. The *bootstrapping* section of Table 2 includes attempts to conserve cash by spending time searching for low prices, seeking seller financing and to have others take on risk, and getting inexpensive temporary control over expensive resources. Although "bootstrapping," defined by Bhide (1992: 110) as "launching ventures with modest personal funds" is often used to categorize any business that operates without external financing, most work on bootstrapping focuses not on how to access resources under constraints, but rather identifies the basics of a good cash management system (e.g., as Bhide advises: look for quick break-even cash generating projects, offer high-value products or services that can sustain direct personal selling, focus on cash, keep growth in check). While studies of bricolage examine the creative things that bricoleurs do to solve problems or exploit opportunities despite resource constraints, the bootstrapping literature has focused on the important question of what financially-constrained firms do to *conserve cash*.

Overall, Table 2 describes *how* Terry Allen accessed resources that he did not currently control in order to pursue opportunities. We suggest that much of the value in exploring Allen's stories involves his ability to imagine various ways he could access or create a resource that was not currently in his control. These stories describe a number of different activities that we believe are not often discussed as part of the repertory of entrepreneurial activities. Rather than offer such simple categories of resource acquisition as "borrow" or "beg" which often seems to be the standard descriptions for how entrepreneurs access resources they do not control, we offer a broader categorization of resource access behaviors, as well as a theoretical foundation for understanding why these actions are different.

Opportunity: Linking the Desirability and Feasibility of Future States

Our analysis of the mapping of resources and opportunities in the Terry Allen stories demonstrates that he did pursue opportunities for which he entirely lacked the requisite resources. But our analysis also suggests – unless one is willing to claim that his behavior was NOT entrepreneurial – that he pursued opportunities based on a very close regard to the resources at hand and that those opportunities were sometimes *created* by the resources at hand. As outlined in Table 3, for example, this was clearly the case for the coupon distribution service. Terry already had, at hand, a mailing list of new homeowners and a mailing going to them with coupons for his rental store. This resource helped him to imagine and allowed him to implement the Merchants Welcome Service with just the resources at hand. Overall, Terry's entrepreneurial behavior moved easily between resource-driven and opportunity-driven ventures. Table 3 assesses this, primarily, in "yes/no" terms. In looking at this table, it would be more accurate to say that in most of what Terry did, opportunities were *created by* his ability to imagine desired future states combined with his perceptions of feasibility, *which were, themselves, sometimes shaped by close consideration of the resources at hand*.

Overall, the "resources at hand" shaped both what he imagined and desired for the future and his assessment of its feasibility. This result speaks to current scholarly debates regarding the extent to which entrepreneurial opportunities are "discovered" versus "created." Perspectives derived from Austrian economics have suggested that opportunities are "out there," "objective" and waiting to be "discovered." That is, opportunity discovery is the foundation and beginning of what entrepreneurship is, as a phenomenon. Since in the Stevenson definition, entrepreneurial (and promoter) activities are also driven by opportunity (without regard to resources…), there appears, superficially, to be an alignment between the Austrian and Stevenson notions of what opportunities are. But, once we observe that in many cases, entrepreneurial opportunities are strongly shaped by current resources, the partly subjective "relativist" notion of entrepreneurial opportunities is thrown into stark relief and given strong support. The powerful teleology of entrepreneurial endeavor is driven by joint consideration of the desirable and the feasible, and the resources at hand shape both of these factors.

Moreover, once we move in this direction in defining entrepreneurial opportunities, we open up a strong theoretical role for social processes and social structure. For example, the degree of social stratification and occupational closure in a society shape who is likely to have certain career experiences. As we know from work on the role of prior experience in imagining entrepreneurial opportunities, groups or classes of people who are excluded from particular types of employment experience are less likely to imagine as many opportunities for ventures related to that employment as are people with prior work experience in that field. In addition, education, work role and career experience obviously influence the feasibility of an individual being able to pursue any opportunity they do imagine. Once we take seriously Stevenson's definition of entrepreneurial opportunity as combining what is desirable and what is feasible by *rejecting the exclusion of the often central role of the consideration and construction of the resources at hand*, it becomes obvious that entrepreneurial opportunities are opportunities *for someone* and not opportunities for someone else (Haynie, Shepherd & McMullen, 2009).

CONCLUSIONS

We suggest that many scholars have accepted the Stevenson definition of entrepreneurship as "the process by which individuals pursue opportunities without regard to resources" without fully exploring *how* this process specifically occurs. We show that the Stevenson definition of entrepreneurship might be misleading by taking the focus off of the entrepreneur's circumstances, and how the entrepreneur imaginatively uses resources at hand in those circumstances, to create and actualize opportunities. Entrepreneurs begin where they are, with a unique set of resources and capabilities that in specific circumstances might be imaginatively developed into an opportunity. What the Terry Allen stories describe are situations where imagination is a critical "resource" in the creation and development of opportunities. What is desirable and feasible as an opportunity is the product of each individual's beliefs, values, *and* imagination. Using stories told by entrepreneurs such as Terry Allen might enable us to see how these entrepreneurs see (imagine) their circumstances, and, then, help us pay attention to how our own circumstances might be opportunities waiting to be created.

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Table 1: Accessing Resources

a. Vermont Ski Lodge	
Resource	**How Accessed**
Building	Redefined from a school, to a place to live, to an investable venture ; Tapped his existing network ; Negotiated price reduction even after sealed bid accepted
Renovation	Partly standard fee for service; "Learned by doing" to make his own repairs
Labor	Did whatever he was capable of doing: assumed dignity of work and refused to enact identity of being "above" such things because of his elite degree
Bunk beds	*For own use:* Located low price supplier; Made purchase of too many beds because of minimum order size; Temporarily co-opted use of delivery vehicle *For others' use:* Redefined trove of beds as something to sell rather than as extras
Advertising	Standard cheap mailing to colleges, targeting students likely to accept longer ride and Spartan accommodations in exchange for lowest available price; Skirted rules of lodging bureau to bring Chez Ecole close enough
b. Equipment Rental Business	
Resource	**How Accessed**
First Store	Offered to Terry for no money down, presumably because it would make money for Cecil as it bought tools from Dealer's Supply
Second Store	100% financing from Dealer's Supply. He found a way to undercut Dealer's Supply and gave up Taylor name.
Third Store	Improvised deal that shifted risk primarily to seller, and secondarily to banker. Acted *as if* his underlying assets were much more valuable than they truly were, in effect getting the deal by misleading the sellers, who Terry himself called "desperate."
Fourth Store	Secured loan on third store for more than he needed, used excess as basis of getting loan for fourth store, creating classic "risky shift" for both bankers
Fifth and Sixth Stores	Similar use of bank loans plus seller financing
c. Coupon Distribution Service	
Resource	**How Accessed**
Mailing list	Freely copied at county clerks' offices
Expansion Capital	Cold-called potential angels (successful); Reg. A offering (largely unsuccessful); Sold franchises (successful for him)
Labor	Students on pure commission; Franchise owners
Printing	Purchased a used press
Office space	Purchased a building
Marketing	Free services through Babson class; Use of booth at "Own your own business" trade shows and willingness to sell to people he knew would fail

Table 2: Theoretical Categorization of "How" Resources are Accessed

Broad Access Categories	**Elements of Access**	**Examples from Stories**
Elements and Correlates of Bricolage	Refusal to enact limitations, including resource definitions, professional standards, regulations	- Redefinition of schoolhouse - Renegotiation of price after sealed bid accepted - Learning by doing, willingness to make use of amateurish skills, refusal to enact elite identity - Skirted and abused rules of lodging bureau, bringing Chez Ecole "close enough" - Seemingly misrepresented salient facts and intentions in negotiating deals from sellers of rental stores and with bankers - Violated own principles when selling franchises to people he knew were likely to fail
	Sought out tolerant customers, unable or unwilling to pay going price/enacted dependence relations with transaction partners	- Targeted college students who would accept longer drive and Spartan accommodations
	Scavenging	- Purchase of "extra" bunk beds
	Using resources available cheaply or for free	- Copied property transactions for free at county offices - Services from Babson Classes
Boot-strapping and Cash Management	Attempt to search for low cost suppliers	- Purchase of bunk beds
	Attempting to gaining cheap temporary use of resources	- Delivery of bunk beds - Students on commission
	Seller provides financing / takes primary risk	- Rental stores, especially first two
Resource-Seeking and Standard financial transactions	Standard market transaction	- Hiring plumber for renovations - Purchased a building - Purchased a used press - Rental of booth at "own your own business" tradeshows
	Friends and family financing	- Tapping existing network for funding Chez Ecole
	Banks loans	- Buying rental stores
	Equity financing	- Cold called angels - Regulation A offering - Sold franchises

Table 3: Relationships between Opportunities and Resources

Opportunity	**Initial Resource**	**Temporal Ordering**	**Fits Stevenson Entrepreneurship Definition?**
Create Chez Ecole	Old schoolhouse owned by town	Jointly defined	Mostly
Sell bunk beds and other lodging supplies	Excess bunk beds already on hand	The resources defined the opportunity	No
Entered equipment Rental Business	First Taylor Rental store, offered to him for no money down	The resources defined the opportunity, and the opportunity was attractive based almost entirely on its being feasible	No
Expansion to six stores	Desperate sellers (& the ability to mislead sellers and bankers without defrauding them	The opportunity ("expansion") drove the resource acquisition	Yes
Started mailing coupons	The rental stores	The resources defined the opportunity	No
Creation of "Merchants' Welcome Service" (MWS)	The rental stores and the initial mailing operation	The resources defined the opportunity	No
Franchising MWS	His own MWS operations, and to a lesser extent, his stores	The resources defined the opportunity, which then drove additional resource-seeking	No