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'RUNNING IN PACKS' AND COMMERCIALIZATION OF ECO-INNOVATIONS (INTERACTIVE PAPER)

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Principal Topic

The notion of sustainable development has emerged as the dominant global discourse to adapt societies and economies to novel modes of production and consumption in areas such as transport, energy, housing, agriculture and food. This process can be described as a socio-technical transition, which means that along with the technological development it requires corresponding changes in markets, user practices, discourses in terms of policy and culture and governing institutions (Geels, Hekkert and Jacobsson, 2008).

Entrepreneurs are considered essential agents of this transition. However, individual entrepreneurs do not have the ability to produce such change alone. Especially in emerging industries, entrepreneurs have to interact with skeptical external resource holders (suppliers, creditors, customers, etc.), while competing with incumbent firms that are committed to, invested in and advantaged by existing ways of doing things in a particular field (Garud et al. 2007). Therefore, entrepreneurs have to strive to gain legitimacy with different groups of stakeholders to get access to resources, markets, etc. as well as to be perceived serious and trustworthy (Aldrich and Fiol, 1994). This paper aims to study how entrepreneurs in the environmental technology sector use collaborative means to overcome resource, ability and legitimacy constraints in the process of commercialization of eco-innovations.

Method

The analysis is based on data from interviews conducted with the CEOs of twelve early-stage SMEs in environmental technology sector in Sweden.

Results and Implications

The collaboration strategies of entrepreneurs depend on the barriers and opportunities perceived by them and thus the aims of the collaboration. In very early development stages, collaborations seem to have an important signaling effect that creates legitimacy and can be more significant than the actual outcomes of the collaboration. Large incumbent firms and financial actors are perceived to be most important collaboration partners to promote own technology or product, while “running in packs” with other entrepreneurs is used to affect attitudes, policymakers and the governing institutions on a more general level.

This paper contributes to increased understanding of the barriers to commercialization in emerging industry sectors and collaborations strategies used by entrepreneurs to overcome these barriers. The results also develop knowledge about possible instruments for strengthening the ability of entrepreneurs to commercialize eco-innovations.

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