6-11-2016

THE EMERGENCE OF BUSINESS MODELS:
A CONFIGURATIONAL APPROACH TO
NEW VENTURE CREATION (SUMMARY)

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Recommended Citation
Leppänen, Petteri and Reetz, David K. (2016) "THE EMERGENCE OF BUSINESS MODELS: A CONFIGURATIONAL APPROACH TO NEW VENTURE CREATION (SUMMARY)," Frontiers of Entrepreneurship Research: Vol. 36 : Iss. 9 , Article 9. Available at: https://digitalknowledge.babson.edu/fer/vol36/iss9/9

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SUMMARY

THE EMERGENCE OF BUSINESS MODELS: A CONFIGURAL APPROACH TO NEW VENTURE CREATION

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Principal Topic

The purpose of this study is to explore the origins of organizational configurations. Configurations are “multidimensional constellations of conceptually distinct characteristics that commonly occur together” (Meyer et al., 1993) and consist of core and peripheral elements that consistently or inconsistently interact with each other (Siggelkow, 2002). Scholars have typically investigated types and implications of such constellations in the context of established firms. The literature on how new configurations emerge is much less developed. Specifically, we know little about how new ventures create their business architecture although it insinuates consequences for further venture development supporting some future avenues while restricting others. By following the creation of new ventures we seek to develop a better understanding of the underlying interactions and processes of configurational elements and their emergence. We argue that this is an important topic, because the decisions new ventures have made in the past may considerably influence their development and performance in the future.

Method

We follow a multiple longitudinal case study design, theoretically sampling 36 early-stage start-ups in an international multi-industry setting. In-depth data from four rounds of on-site interviews with founders result in about 200 interview hours and 6,000 pages of transcript. We triangulate this data with internal documents, archival data, and unique case-specific accounts (founder diaries, observatory evidence). Event-related informal chats allowed to instantly clarifying deviations in strategy to attain a comprehensive view on the start-ups’ evolution.

Results and Implications

We find that the core elements may have hierarchical orders depending on their type and context. Moreover, while the purpose of peripheral elements is to reinforce and elaborate on core elements they may form structures that are important sub-constellations for the existence of the whole configuration. In addition, emerging elements that exist only on a conceptual or cognitive level already interact with the existing elements and therefore may substantially influence the observable configuration and decision-making. We advance the literatures on configurations, organizational systems, and new ventures by providing valuable insights on the elemental characteristics and underlying processes of emerging configurations. Overall, our study contributes to the current academic conversation and opens up new opportunities for further theory development.

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