WHAT IS ENTREPRENEURIAL VISION AND HOW DOES IT WORK?


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ABSTRACT

Entrepreneurial vision is central to energizing and directing the birth, growth and direction of new ventures. This paper defines entrepreneurial vision, suggests ways to measure it, and explores how vision works in an emerging organization. We follow a cognitive perspective to examine the sources of vision, the impact of vision on the organizing process, and explore how vision relates to other important cognitive constructs.
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*Vision is the act of seeing things invisible- Jonathan Swift*

Entrepreneurial vision is crucial to energizing and directing the birth, growth, and direction of new ventures. It provides a catalyst for motivating potential employees, building a strategy and developing a new organization (McMullan & Long, 1990; Larwood, Falbe, Kriger & Miesing, 1995). Research on vision is extensive, however, the vast majority of empirical and normative work presumes that the leader crafts and implements his/her vision within an existing organization (Nutt & Backoff, 1997; Bennis, 1992; Baum, et al, 1998). For example, research shows that leadership vision is central to motivation (Bennis & Nanus, 1985; Conger, 1992; Tichy & Devanna, 1986; Galbraith, Lawler & Associates, 1993), corporate strategy (Kanter, 1997), organizational change (Nutt & Backoff, 1997), and firm performance (Baum, Locke & Kirkpatrick, 1998).

Vision is defined as an imagined future for an organization, a transcendant ideal or mental image having organizationally shared values that leaders articulate to inspire performance, direct action or create organizational change (House, 1977; House & Shamir, 1993; Bennis & Nanus, 1985; Kanter, 1977). Hence current literature anchors the discussion of vision within established organizational boundaries and routines, an administrative history, identifiable culture, and ongoing strategic commitments (Aldrich, 1999; Andrews, 1971; Scott, 1987; Shein, 1987).

By contrast, the primary locus of entrepreneurial vision is within an emerging organization. An emerging organization, whether an independent or corporate new venture, is one that is unfolding, in a state of pre-launch (McMullan & Long 1990),
gestation (Reynolds & Miller, 1992) or pre-organization (Katz & Gartner, 1988).

Organizing activities and events are in process, but the organization is not yet an organization (Gartner & Brush, 1999; Gartner, 2001). The boundaries are unclear, routines non-existent, cultural norms being formed and strategic commitments evolving (Becker & Gordon, 1966). Relationships and transactions among participants are ill-defined and far from stable (Ouchi, 1980). A new organization emerges when the entrepreneur(s) creates or perceives an opportunity (Krueger, 2000; Bygrave & Hofer, 1991; Ucbasaran, Westhead & Wright, 2001), undertakes the tasks of acquiring resources (Glade, 1966; Aldrich, 1999), and coordinates activities that involve different markets (Liebenstein, 1968; Gartner, 1985). We contend that the process of organizational creation is most motivating and effective when guided by an entrepreneurial vision. The purpose of this paper is to define entrepreneurial vision, distinguish it from other entrepreneurial concepts, and examine how vision works in an emerging organization.

We follow a cognitive perspective to explore the sources of vision and the impact of vision on the organizing process. While our context is primarily a new entrepreneurial venture, we recognize that entrepreneurial vision processes may apply in existing organizational contexts (e.g. joint ventures, new product development, or new international entry) where entrepreneurial vision may be used to organize resources, gain commitment and set new direction. Hence our description may be broadly applied to the creation of a variety of new economic entities.

THE CONTEXT OF LEADERSHIP AND ENTREPRENEURIAL VISION

Entrepreneurial vision is different in the temporal sense because its context is an emerging organization. While leadership vision has three parts, a statement of the
present, an assessment of a desired future and a roadmap to get from one to the other (Jick, 1993), in entrepreneurial vision there is no present. There exists only a desired future. Entrepreneurial vision is the creation of a new state, rather than the transition from an old to a new state. Before resources are acquired, plants located or transactions completed, the organization is an imagined economic entity. Entrepreneurial vision is characterized by ambiguity. There is literally nothing there to see, and no history upon which to build a vision in the usual sense.

To differentiate entrepreneurial from leadership vision, the four properties of leadership vision proposed by Nutt and Backoff (1977) can be applied: unique vibrant possibilities to improve the organization; drawing from the organization’s existing values, culture, and traditions; communication that draws people in, tapping their energy, emotion, and commitment; and allowing people to see a role for them to play. Instead of improving the set of possibilities, entrepreneurial vision enacts new possibilities and a new reality (Bird, 1989; Gartner & Brush, 1999). The possibility set in leadership vision has limits, but for entrepreneurial vision no boundaries need exist.

Instead of surfacing, distilling, and abstracting desirable futures and collective values from organizational members (Larwood, Kriger & Falbe, 1993) entrepreneurial vision creates a new culture and imprints founding values (Schein, 1987; Boeker, 1989). The desirable future, which may be reached by consensus in corporate settings, is instead idiosyncratic and personalized for new ventures (Carter, Gartner & Reynolds, 1996).¹

Where leadership vision creates and draws stakeholders into strategic and internal transformation of existing resources, entrepreneurial vision inspires initial
commitments to organizational birth, survival and growth. Finally, where leadership vision brings existing stakeholders into action with new roles and behaviors, entrepreneurial vision secures constituents to enact an organization (Aldrich & Fiol, 1994). The entrepreneur creates new roles within the emerging organization (Baker & Aldrich, 1994; Jellinek & Litterer, 1995; Stone & Brush, 1996) by acting “as if” (Gartner et al., 1992). Therefore purpose and context further distinguish entrepreneurial vision and leadership vision.

Although entrepreneurial literature recognizes the unique purpose of vision, temporal and the contextual differences between emerging and established organizations (Bird, 1989; Katz & Gartner, 1988), research on entrepreneurial vision is comparatively sparse, fragmented and conflicting. Vesper (1990) suggests that prior to start-up the entrepreneur develops a mental vision or projection of the venture. An early study of entrepreneurial vision found that entrepreneurs imagined pictures, movies, and physical arrangements of their future ventures by doing mental rehearsals of presentations, conceiving plant lay-outs and sometimes using scenarios (Rockey, 1986). Hanks and McCarey (1993) described the way that entrepreneurs identify an opportunity in the marketplace and develops a concept leading to the establishment of a new organization as a sequential process. Similarly, Filion (1991) drawing from case studies posited a model of vision defined as “an image projected into the future of the place the entrepreneur wants his products to occupy eventually on the market, and also an image of the type of enterprise needed to get there” (p.28). This research implied that for successful entrepreneurs vision is a manifestation of the “gaps” in the marketplace.

\[1\] While some ventures start with teams or partners, academic cases on entrepreneurship and the popular press feature the leadership and vision of single individuals and while there is no rigorous empirical data to

Note version 10
Looking at the way vision is conceived, Larwood, Falbe, Kriger and Miesing (1995) and Larwood and Falbe (1994) found that entrepreneurs and executives are able to reliably report the degree to which their vision had the qualities of planning, formalization, actionability, flexibility, inspiration, communication and buy-in. Finally, in a study of established architectural woodworking entrepreneurs, Baum et al. (1998) and Baum, Locke and Smith (2001) found that communication of vision (here limited to growth goals) played a strong role in linking vision to organizational performance. This data was drawn from CEOs of established but closely held firms, more reflective of executive vision than entrepreneurial.

These studies of vision do suggest the mental models and scenario planning aspects of vision, the synonymous use of ideas and business models, and various usages of the term “vision” (e.g., ideas, business models, plans). However, they tend to gloss over the values, imagery and unique role of vision in the organizing process. Further, the interactions of vision, opportunity and intention are not well articulated (Davidsson & Wiklund, 2001; Ucbasaran, Westhead & Wright; 2001; Alvarez & Barney, 2002).

The remainder of this paper seeks to elaborate the foundations for entrepreneurial vision (internal picture of valued future), its role in the organizing process, and interactions with other related cognitions such as opportunity formulation (external representation of value), and intention (internal precursor to action).

**WHAT IS VISION?**

Entrepreneurial vision shares with leadership vision a basic cognitive structure and role. However, these structures and their roles have greater interest to and deserve support the contention, we propose that in new ventures, the number of visionary entrepreneurs is few.
more explanation when considering entrepreneurial processes due to previously
mentioned temporal, purposive and contextual differences.

Vision, whether entrepreneurial or leadership, is a mental image of the products,
services and organization that the founder or leader wants to achieve, often with explicit
or implicit moral values (Bennis & Nanus, 1985; House 1977; House & Shamir,
1993). Vision can be characterized as a form of mental model, with two core components:
imagery and values (Collins & Porras, 1994, Senge, 1990). The image of the future is
often visual in nature—seen by the inner eye and serves to demonstrate to the “seer” a
possible future where currently held values or unmet needs are fulfilled. Visionary
cognition links current values to “future perfect enactments” (Weick, 1976) inspiring and
directing the entrepreneur or leader and prospective or existing insiders and outsiders,
toward a particular future.

In general terms, mental models are tacit and explicit understandings of how
conditions, actions, and resources are interrelated across time and space (Senge, 1990)
and include schemata (Marks, 1990). A mental model may be as simple as a set of
relationships showing some causality or consequence, (i.e., the picture of an “if…then
relationship), a diagram of critical interdependencies in a system being formed or
changed such as project management software (Jenkins & Johnson 1997), or a mental
motion picture of a chain of events (i.e., mental rehearsal). It may be as complex and
abstract as a theory-in-use (Argyris & Schon, 1996). Whether simple or complex, mental
models are necessarily incomplete (Hill & Levenhagen, 1995).

Values energize the mental model and are necessary to vision. Visions that
energize people whether they are potential or current stakeholders, are grounded on
values broadly shared (House, 1977). Vision mobilizes people because they have some core values that are not fully expressed or easily fulfilled, and the entrepreneur’s vision for the organization allows for participation and enactment of some of those values.

*Images* structure the values and link them to imagined but as yet un-manifested objects, relationships, and/or activities. These yet-to-be realized futures are expressed as word pictures, metaphors, charts, stories and/or various media presentations. A vision that has clear and compelling imagery, offers innovation toward the values, and connects to action can motivate people to realize change (Nutt & Backoff, 1997). This conception of image differs from image theory advanced by Beach (1990) which posits images of value (e.g., principles), trajectory (e.g., goals), and strategy (e.g., plans, tactics, and forecasts). Beach’s notion of image is knowledge-based, not closely linked to visual imagery, and is limited to decision-making contexts.

We now elaborate on these key constructs to enrich understanding of *entrepreneurial vision* where there is no present and no apriori organizational constraints and where the future possibility rests with one or few individuals. We then discuss the sources or “causes” of entrepreneurial vision to answer the question “why is vision important in founding organizations?”

**IMAGERY AND VALUES IN ENTREPRENEURIAL VISION**

“*Images like other organizations have an embryology; they start off by being simple, they grow and they develop and as they develop they become increasingly complex. At each state of development, therefore, there are only certain alternative ways to development open; everything builds on what has gone before.*” (Boulding, 1961, p. 95).
Notice the place where you sit as you read this article. Now imagine reading this in a more idyllic or comfortable place. Your notion of comfort reflects your values and the picture you form in your mind is an image. The visions that entrepreneurs form for emerging organizations often include such concrete visualizations. For the entrepreneur, a vision might end up being a coffee shop/bookstore near campus, a software solution for businesses, or a reading oriented program for cruise lines. The entrepreneurial vision is a wholly mental image substantially influenced by personal values.

**Images and imagining**

The unseen possibility in the new venture refers to what *is* seen by the inner eye in imagery or imagination. Images are by definition transient, perceptlike representations that exist in short term memory (Horowitz, 1972; Lusebrink, 1991; Richardson, 1983). Imagining is a process of forming and transforming these images (Forisha, 1983). Mental images and imagining have been linked to related cognitions important to entrepreneurial studies including perception (Neisser, 1972, Richardson, 1983, Hochberg, 1998), memory (Pavio, 1971, Marks, 1983), learning (Hochberg, 1998, King 1983), and decision making (Beach, 1990; Miller, Galanter & Pribram, 1960). While there need not be an objective or external stimulus to elicit them (that is, the image can be of a future organization), images have characteristics of vividness, size, motion and color (Marks, 1999) that allows the person a sense of interaction with them, on an “as if real” basis. This feature allows the visionary entrepreneur and her stakeholders to engage in sensory-rich rehearsals and scenario planning. Note that images need not only be visual, but also may be auditory, kinesthetic, and olfactory/gustatory (O’Connor & Seymour, 1995). However, most cognitive psychology theory and research on mental images focuses.
exclusively on visual images (Koler & Smythe, 1979; Marks, 1999; Reisberg, Wilson & Smith, 1991).

An individual entrepreneur’s vision can be considered cognitively complex, built upon a hierarchy of cognitive components, which may be different across individuals due to differences in experience and preference (Lusebrink, 1991, Powers, 1973). At their most fundamental, images start with simple visual sensory components (lines, shapes, dimensionality), images build complexity as spatial dimensions, relationships and features such as color and texture are added. Even more complex are images that involve temporal transformation and human interaction. These mental images “may include the self, the world—future, present or past—and self-world interactions” (Marks, 1999, p. 569).

We characterize vision by two necessary conditions: it is conscious and it has an experiential basis and therefore subject to individual’s control and learning\(^3\). The transient and perceptual nature of imagery and therefore new venture vision is a particular challenge to the entrepreneur who must keep an imagined possibility consistently and clearly in his mind’s eye and there are no concrete organizational manifestations for reference. He must be able to describe that possibility as if real even though it is transient in his own mind. This cognitive task is difficult in controlled experimental conditions (Anderson & Helstrup, 1993) and likely more difficult in stressful, fast-paced and personally important situations. If the entrepreneur is aware of his thoughts, ideas, memories, etc., but lacks experience to “see” a business, there is no

\[^2\text{For the purposes of this paper these terms can be used interchangeably.}\]

\[^3\text{The entrepreneur is aware of this cognition. There are cognitions of which we are unaware such as some forms of memory, learning, and perception (Paul & Elder, 2002). There are also cognitions which may lack a clear experiential basis such as dreams and archetypes (Jung, 1936/1971).}\]

Note version 10

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entrepreneurial vision. Likewise, if he has relevant experience, but does not form a conscious cognition of the future, there is no entrepreneurial vision.

The particular content, degree of complexity, and vividness of the image components of entrepreneurial visions are individual differences that are measurable and we will argue, important. For example, an image of a venture that includes the founder and/or other people may result in a venture with different qualities of partnership, collaboration, customer involvement, or organizational culture than a vision without images of other people. Likewise the image of a new venture that has an embedded growth metaphor (like a balloon ascending, tree growing, etc.) may predispose the ultimate venture toward growth. See Figures 1 and 2.

Figures 1 and 2 here

**Values.** The content and complexity of entrepreneurial vision rests, in part, on the personal values, experience, and goals of the visionary entrepreneur. Bird (1989), building on Rokeach (1973) foreshadowed the work of Sarasvathy (2001) by suggesting that there were entrepreneurial instrumental or life style values (e.g., excitement, independence, freedom) and terminal or outcome values (wealth, security, fame, social responsibility) values that could not always be simultaneously maximized. Bird’s (1989) review of the literature suggested that there were instrumental preferences among some entrepreneurs for autonomy (Sexton & Bowman, 1984), independence (Hornaday & Aboud), fun (Duffy & Stevenson, 1984), aesthetics (Komvies, 1972), and professional values (Richman, 1985). She also suggested that terminal entrepreneurial values include money either as a substitute for income or as a way of keeping score in an achievement “game” and that in some cases there is an interest in fame, status and power (Kets de
Vries, 1977) and in some other cases an idealism associated with social responsibility (Hawkin, 1983; Kao, 1985, Palich & Bagby, 1995).

A look at recent literature suggests that values are not topic of great concern in entrepreneurship outside self-interest which is presumed to be financial (Andrews, 2000; Bygrave & Minniti, 2000; Bruton, et al, 2000; Shane & Venkataraman, 2000; Vozikis et al., 2000). Other value-like propositions include ill-defined notations of desirability and preference (Bygrave & Minniti, 2000: Krueger, 2000), the need for achievement which may be construed as a value a well as a need (Lau, 2001; Shane & Venkataraman, 2000), and the nature of the founder’s ambitions for wealth or legacy (Bhide, 2000).

One exception is the study of women business owners in the construction industry which used Rokeach’s (1968) values survey (Olson & Currie, 1992). The study found a strong relationship between some personal values and firm strategy. The other exception is the work of Kotey and Meredith (1997) who used a measure of personal values derived from Rokeach (1973) and England (1975). The authors attempted to form a continuum from entrepreneurial to conservative values using these items. Their study of Australian furniture manufacturers found performance, strategy and owner/manager values were positively associated. Outside these studies, personal values have not been a variable in recent entrepreneurship research other than implicitly.

**Vision complexity.** Vision content (what images and values are addressed) and complexity (number of images and values, degrees of detail, levels of imagery such as color, motion, and interaction) are two related but conceptually distinct dimensions to entrepreneurial vision. Both can be assessed by content analysis of vision using criterion-based content analysis (Boyatzis, 1998). The contents subjected to such analysis may be
verbal reports or pictures such as shown in Figures 1 and 2. Because complexity and content are correlated, we will treat them together in this paper.

Given the myriad of memories, experiences, values, and image components that are possible in vision, the content and complexity of entrepreneurial vision are likely to be associated with variations in experience both proximal (e.g., current work and education) and distal (e.g., family of origin and growing up). As a cognition, vision complexity is likely to be positively associated with other measures of cognitive complexity (Jaques, 1976; Palich & Bagby, 1995). An entrepreneur, who has had deep industry or prior start up experience, may formulate a more complex, detailed and nuanced vision than someone with less experience. Likewise, vision complexity is likely be a function of the number and type of values that are served as well as the particular personal values served. A venture designed for profit maximization will likely be cognitively simpler than one designed to also serve socially responsible values.

If we take an Aristotelian view of the nature of causation and apply it to vision, we can see how vision content and complexity can change. Aristotle (0350 BC) posited four “causes” for the existence of things: 1) formal, 2) efficient, 3) material, and 4) final. Formal “cause” is the shape of the thing, its form. In this case, vision is formed of images and values.

The efficient “cause” sets a process in motion. What initiates or motivates a vision? Entrepreneurs begin conceiving their ventures from personally experienced pushes (e.g., displacements, dissatisfaction with a job, underutilized resources of time and talent), conscious pulls such as the desirability of a venture to meet personal needs and values (Brockhaus & Horwitz, 1986, Shapero & Sokol, 1982), and emotional or
unconscious tensions (Hill & Levenhagen, 1995; Kets de Vries, 1977; Kets de Vries & Miller, 1986). These tensions and intentions to venture feed into an initial vision as seen in Figure 3. Embedded in various versions of a vision, these tensions and values flow through to opportunity formation of the entrepreneur(s) and then to specific new organization implementation intention (Bird, 1989; Gollwitzer, 1993, 1999; Krueger, 2000).

Material “cause” is the stuff of which the thing is made. We suggest that at the most abstract level vision is made of energy and spirit, the entrepreneur’s passion, desire, and emotional investment in the vision along with “sweat equity.” Visionary passion is built upon the values, memories, cognitive constructs, and emotions of one person (or a small group). In this way entrepreneurial vision has simple energetic material compared to visions of corporate leaders. However, when the venture involves multiple partners either at startup or added strategically later, the number of different images and values is likely to increase. As the number of images, mental models and energies of individuals increases, from a single entrepreneur before a firm is created to a partnership of stakeholders and eventually to a growing or large firm possibly a multinational or global entity, the authors of vision increase and become more complexly interrelated. It is as if the founding spirit of the firm becomes hybridized or agglomerated. If the nascent venture is viewed as having a spirit like a panther (stealthy, quiet, focused, rapacious), by the time it has shared ownership and control with investors and the public, changed leadership, grown and structured several times, the panther has had appended to it spirits from other sources. Perhaps these spirits are fast moving gazelle, strategic eagle, fast replicating rabbit and the cautious cash cow. The spirit of the firm is now composite, a
sphinx, griffin, or manitou, with parts of it “predator” and “prey” (rabbit and eagle). In this way, the vision of the firm moves from simple to complex, from total buy-in of founding team to partial, conditional buy-in or even resentment at new directions taken.

At a less abstract level, the material cause of an entrepreneurial vision comes from learned models of business, markets, projects, organizing and the like. Stored in memory, these models of other “positive” and “negative” real and ideal types become the inventory of vision elements. The entrepreneur replicates, expands, “cuts and pastes” these elements until a vision of the future organization emerges. Often this vision is tested against market opportunities and the mental models of others for its motivating and implementation potential. Based on these tests, the entrepreneur may adjust, refine or recast the vision until a more motivating and implementable vision emerges as shown in Figure 3.

The final “cause” is that which results from a thing’s existence, its teleology or purpose. In this sense, entrepreneurial vision “causes” an intention to implement and this in turn “causes” a new venture to be created (note that vision and intention alone are not sufficient for a venture creation).

Thus far we have argued that the image and values components of entrepreneurial vision give us tools for understanding the content and complexity of vision. We will now show how entrepreneurial vision differs from other relevant cognitions. From there we elaborate the flow of vision into implementing new ventures.

**VISION’S DISTINCTION AMONG ENTREPRENEURIAL COGNITIONS**

Entrepreneurial vision is related to three other entrepreneurial constructs: intention, opportunity recognition/formulation, and self-efficacy. Like vision, these
constructs include future-oriented cognitions but they differ temporally and in content. We explore these constructs and examine how they are related to vision in the start-up process.

**Figure 3 about here**

**Intentions.** Entrepreneurial intention, a widely researched cognition (Bird, 1988; Jenkins & Johnson, 1997; Katz & Gartner; 1988, Krueger, 2000; Krueger & Carsrud, 1993; Krueger & Brazeal, 1994) is defined as “a state of mind directing a person’s attention (and therefore experience and action) toward a specific object (goal) or a path in order to achieve something (means)” (Bird, 1988, p. 442). More specifically, entrepreneurial intention is sequentially focused over time (Bird, 1992) and the goal is a new venture. While entrepreneurial intention may prove more complex, we conceive of two critical intentions: intention to venture and intention to implement a specific venture. The intention to venture, which is a “generic” intention to *possibly* start *some* business at *some* time, can result later in the intention to implement a *specific* business, as shown in Figure 3. Much of the research on entrepreneurial intention has focused on the first, more generic intention to venture (Krueger, 2000; Krueger & Brazeal, 2001; Sarasvathy, 2001).

Vision relates to this level of intention with founders being able to see themselves as business owners compared to whatever role they occupy at the moment. What is missing at this level are the details on the specific venture and its process. Can the nascent entrepreneur envision sales calls, decision making under time and financial pressures, hiring others, or sweat equity?
Distinct from the relatively vague intention to start a business, implementation intentions are specific to a particular business. Rather than mulling about starting a business, or spinning wheels thinking about alternative businesses, the successful visionary entrepreneur will form implementation intentions (Gollwitzer, 1999, 1993; Gollwitzer & Moskowitz, 1996). These implementation intentions specify concretely when where, and how the entrepreneur will take action and which actions he will take to mobilize his vision drawing upon the concrete images that form the content of vision. These implementation intentions in essence provide a situational and temporal ecology for action.

Implementation intentions serve to motivate the entrepreneurs themselves to take action on a specific vision and to motivate others to join, lend credibility, add resources, and purchase specific venture outputs. That is, a vision’s imagery and values as seen by the entrepreneur serve as the basis and content for the myriad of communications and action plans the entrepreneur has with herself and with potential stakeholders. She motivates her own behavior direction, intensity and persistence through self-talk (O’Connor & Seymour, 1995) and real or imagined interaction with others.

Using visionary language the founder can induce these others to see their role and potential future of the venture and to feel a commitment to the shared values. Because entrepreneurs may lack credibility that constitutes a fundamental basis of interaction, and there is an absence of information and evidence regarding the activities of the new venture, the entrepreneur must encourage parties to share his/her expectations, and to believe in his/her reasonable efforts and competence (Stone & Brush, 1996; Aldrich & Fiol, 1994). A pioneering founder cannot base initial trust building strategies on
objective external evidence but instead must concentrate on framing the unknown in such a way that it becomes believable (Aldrich & Fiol, 1994; Weick, 1979). To the extent that the vision has concrete, simple elements that can be seen clearly and articulated straightforwardly to oneself and others, the implementation intentions can be quickly and efficiently formed and themselves envisioned.

Thus one pathway to new venture creation moves from the general intention to venture, though a personal vision (imagination) to implementation intentions. We have defined this a naïve entrepreneuring. See Figure 3. It is simply a picture of being in business of some sort and if the entrepreneur proceeds from this to implementation intention, the path lacks an external validation. On this path the implementation intentions are more likely to be a poor fit with one’s competencies and the economic environment than more strategic pathways to be described next. Implementation intentions on the naïve path are likely to be less specific, less anchored in a realistic timeframe, and the venture less likely to succeed.

Opportunity Formulation. External validation comes, in part, through the interaction of vision and opportunity. There are two perspectives on opportunity, the first suggesting it is objectively defined, a possibility that can be exploited within a relatively short and finite temporal window, and not a mental construct (Hills, Schrader & Lumpkin, 1999, Kirzner, 1985; MacMullan & Long, 1990, Stevenson & Jarillo 1990, Shane & Venkataraman, 2000, Ucbasaran, Westhead & Wright, 2001). In this sense, opportunity is external and separate from the entrepreneur, something that can be recognized or discovered, depending on the information available to the entrepreneur (Kirzner, 1985).
The second view receiving recent attention suggests that opportunity is dependent on the intentions, perceptions, and behaviors of the entrepreneur (Ensely, Carland & Carland, 2000; Krueger, 2000; Brown, Davidsson & Wiklund, 2000). It is argued that opportunity formulation is a creative process, enhanced by preparation, incubation, insight, evaluation and elaboration (Hills, et al, 1999). In this view, there is an interaction between the entrepreneur’s perceptions of the opportunity and vision of the organizational future. Based on a learning process, search and exploration lead to more specific knowledge which is connected to a commercial opportunity. Specific opportunity formulation requires a set of skills, aptitudes, insights and circumstances which varies widely across people (Venkataraman, 1997) and includes cognitive processes, such as thinking, alertness and noticing within the search process (Kirzner, 1973).

Opportunity differs from vision in two ways: economic rationality and temporality. Arguably, opportunity has external anchors and can be understood in economically rational terms. In this way, opportunity is strategic, not personal or passionate (Block, 1989; MacMullan & Long, 1990; Bhave, 1994). In contrast vision is personal and often “irrational”, linked to affective, emotional, and intuitive experiences and ideals (Block, 1988; Ensley et al., 2000; Hill & Levenhagen, 1995) and exempt from objective evaluations. Finally opportunities are generally relatively close in time and often time-defined.

The pathway to venture creation that moves from intention to venture through opportunity formulation to intention to implement a specific venture can be understood as strategic entrepreneuring. This pathway, shown in Figure 3, would lack the personal passion and irrational tenacity of the more visionary pathways. Thus the implementation
intentions are likely to have appropriate detail and time frames and the venture more likely to succeed economically. However, the personal commitment and passion of the founder is likely to be less than the visionary pathway described in the next section. These founders are more likely to welcome equity and power sharing alliances and to be less attached to their roles than those on the naïve and visionary paths.

**Self-efficacy.** Self-efficacy, the belief or perception that something is feasible, is a core construct of work on entrepreneurial intention (Chen, Greene & Crick, 1998; Krueger, 2000; Krueger & Brazeal, 1994, Locke, 1968). Our model suggests there are two levels of self-efficacy vision. One is being able to imagine oneself being a business owner. Here the self-image of the nascent entrepreneur interacts with memories and fantasies of business ownership to see if the role fits. Without the specificity in what “doings” are necessary, this is part of the naïve pathway.

The other level of self-efficacy vision is seeing the “doings” and behaviors (of oneself) involved in implementing a specific new venture. Here the nascent entrepreneur performs mental rehearsal of actions and interactions to be attempted (or not) in the future. For example, seeing oneself make sales calls on specific customers or work late or on the weekends. To the extent that the founder’s vision has been specified through interaction with formulated opportunity and intentions to implement, she can see herself taking specific action to make the venture take shape.

In both self-efficacy visions the cognition includes the self either associated (seen through one’s own eyes) or dissociated (seeing oneself as if through a camera (O’Connor & Seymour, 1995). These visions differ in detail and perhaps in the specificity of timeline.
Visionary entrepreneuring involves the possibly iterative interaction of personal vision, opportunity formulation, and the intentions to venture and implement a specific venture, as shown in Figure 3. Such ventures are more likely to succeed than naïve entrepreneuring because they have strategic qualities. They are also more likely than strategic entrepreneuring to be personally important and tap the passionate commitment of the founder.

CONCLUSION

Entrepreneurial vision plays a role in energizing and directing the birth, growth, and direction of new ventures. We have argued that entrepreneurial vision is largely an individual cognition closely associated with intention, opportunity formulation, and self-efficacy, which all direct attention and resources toward the future. Visionary cognition allows researchers and practitioners to see another facet of entrepreneurial behavior, one that is linked to other established constructs but measured independently, establishing a more substantial nomological net (Nunnaly & Bernstein, 1994).

The model proposed here shows that venture creation could come about with or without vision. Absent vision, the process is less inspired, with less personal passion and leadership commitment to long hours, financial risk, and difficult decision making against uncertain timelines for milestones. Absent vision, the founder is less likely to inspire the alignment, allegiance, and commitment of resources controlled by other people. The model also shows the critical contribution of pairing vision with strategic insights from opportunity formulation. However, opportunity alone, does not inspire commitment.
What is necessary is the communication of a clear vision of a valued future organization. That communication hinges on shared values and concrete, vivid and experientially grounded component images. With these, the vision will be relatively easy to describe and thus to share. The concreteness and experiential nature of the image allows the word picture to be reliably told again and again and like a story where the details change over time, yet all versions strongly correlate and all versions contain truth (Raglan, 1956). As listeners, audiences, constituents, and the entrepreneur himself, hear the same story of the nascent venture, they come to “remember” it, to retain the image on an “as if real” basis (Weick, 1976).

Simpler concrete founding visions are while easier to communicate are also likely to be more motivational in themselves. If vision becomes complex, with added stakeholders, it may in fact become more abstract and less concrete, attempting to be inclusive of the values of all stakeholders. An abstract vision is possibly less intrinsically motivating as organizational participants cannot see the role that they will play and how the roles and behaviors of others serve the vision. However, since stakeholders add resources and legitimacy to the venture there may new and/or different rewards and opportunity for organizational commitment that are intrinsically and extrinsically motivating. Thus in the growing venture there may be a trade off between the motivating potential of the founder’s vision and the rewards of legitimacy.

Several empirical research issues arise from this approach to entrepreneurial vision. The measurement of vision content and relative complexity is a matter for qualitative content analysis of verbal statements of vision as well as drawings such as mind maps (Gelb, 1998) or symbols. Measures exist for values (England, 1975;
Rokeach, 1973) and imagery dimensions such as vividness and control (Marks, 1999, Phan et al., 2001). Measures exist for the individual precursors to vision, which include intention to venture, and other future oriented cognitions. Finally measures of consequences of vision are either available or easily conceived (e.g., implementation intention, communication frequency, style and medium, retention by others, commitment and tenure of stakeholders and eventual venture variables such as size, growth, turnover, competitiveness, structure, and culture).

Several other relationships are suggested in this paper. We have suggested that the content of entrepreneurial vision will be influenced by the presence of partners and these would include formal venture capital or large firm strategic alliances. We have suggested that the involvement of these and other stakeholders changes the vision of the firm as it grows. It might be possible to assess the content and complexity of the entrepreneur’s vision longitudinally as he or she moves from initial vision to one that involves sharing fiscal and psychological ownership.

Finally, practitioners, particularly those who assist nascent entrepreneurs can use this model and relevant research to help individuals craft a vision. They can help entrepreneurs iterate between their vision, the opportunity that is formulated, and the visualization of implementation associated with implementation intention. Finally, entrepreneurs can be coached to use their vision in communications.

“Make no little plans; they have no magic to stir men’s blood and probably in themselves will not be realized. Make big plans; aim high in hope and work remembering that a noble, logical diagram once recorded will never die.”

Daniel Hudson Burnham
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Figure 1

Entrepreneur’s Vision
Figure 2

Entrepreneur’s Vision
Figure 3
How does Entrepreneurial Vision Work?

Pathways:
- Intention to venture results in vision of some business, leads to implementation without opportunity assessment. Naïve entrepreneuring
- Intention to venture leads to opportunity assessment and finally implementation. Strategic entrepreneuring
- Intention to venture interacts with vision and opportunity where each is “tested” by the other. Visionary entrepreneuring

Self efficacy: Can I see myself being a business owner?
Self efficacy: If I try, what specifically can I do?

Entrepreneurial Vision
Intention To venture
Opportunity Formulation
Intention To Implement Venture
Venture Creation
FOOTNOTES

1. For the purposes of this paper these terms can be used interchangeably.
2. We recognize that many ventures begin with teams and that even within this group there is likely to be one lead visionary and no external constituency at gestation.
3. Einstein is reported to have made many important conceptual breakthroughs as a result of mental experiments or gedanken experiments (Marks, 1990).
4. Creativity judgments necessarily occur within the cultural context of the panel.