World Journal of Social Science Research
ISSN 2375-9747 (Print) ISSN 2332-5534 (Online)
Vol. 3, No. 1, 2016
www.scholink.org/ojs/index.php/wjssr

Entrepreneurs: Investment and Rhetoric. Contributions to an *Economics of Persuasion*

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Abstract

The entrepreneurs business is not only businesss, but to persuade the banker to lend him money, to persuade the employees to be motivated to do any innovative new project, and to persuade the custormers to buy it. Without this entreprenuerial rhetorics no business will succeed. From this point of view the entrepreneur is as well an artist as a businessman.

Keywords

investment, entrepreneur, economcis of persuasion, entreprneurial rhetorics

1. Introduction

Entrepreneurs are a very particular species. Undertakings are risky. That may seem trivial, but only few people actually dare to invest in a risky and uncertain future. Entrepreneurs do invest in such futures; investments are risky *sui generis*. Entrepreneurs are atypical decision makers, and therefore they are a minority.

The grand narratives about entrepreneurs and their crucial role in the development of European and North Atlantic capitalism we find in Weber, Sombart and Schumpeter (cf. Immerthal, 2007), the curiously unimportant part they play in economic theory (cf. Röpke, 2002), their rediscovery at the turn of the 21st century (entrepreneurship), and the social expansion of the notion of "entrepreneurship" beyond the traditional figure of the entrepreneur (Bröckling, 2007; Priddat, 2011) obscure the fact that every investment implies taking a risk most people are unable to deal with socially. Whether entrepreneurs act innovatively or according to different rules (as explained by Schumpeter), the investment is already an entrepreneurial event: a particular social form of dealing with risk and uncertainty (regarding the introduction of uncertainty into the modern world, cf. the first chapters of Esposito, 2007). The innovative entrepreneur, who notoriously acts as an investor, is then additionally characterized by daring to create something new in uncertain situations, i.e., to operate under conditions of insecurity. This is what makes him special, what makes him a non-conformist. Innovators are atypical economic and social actors.

2. Between Discovery and Creation: The Entrepreneurial Opportunity

In the specialist field or sub-discipline of entrepreneurship, for example, two fundamental concepts confront each other, the traditional theory of discovery (Shane & Venkataram, 2000) and the theory of creation (Alvarez & Barney, 2007), which both very clearly follow diametrically opposed epistemological assumptions. Depending on the chosen theoretical conception, differing answers are given to the question whether and why entrepreneurial opportunities arise and what form, therefore, the process between the business idea and its economic exploitation may take. Corresponding descriptions—depending on the conceptual orientation—fundamentally affect the characterization of the entrepreneurial modes of action of the entrepreneur and provide insights as to how innovation takes its systematic place in economic theory.

In the case of discovery theory, the entrepreneur is, naturally, specified as the discoverer of the entrepreneurial opportunity. This is considered feasible because according to the presupposed fundamental logic entrepreneurial opportunities exist as real objective phenomena and are, therefore, something given that is, in principle, accessible to and exploitable by everybody (Shane & Venkataram, 2000, p. 220). The opportunities exist independently of the entrepreneur; they are exogenous phenomena of "the" economic reality. Consequently, it is the activity of discovery which separates the entrepreneurs from others and makes them special. It is relatively clear that this idea is informed by the epistemically realist conception that there is something given independently of its observation, which can, however, still be seized in an exact and objective way (Rüegg-Stürm, 2003, p. 21). Entrepreneurs discover the opening for the business opportunity. They are—optimally informed and of ideal character—more successful than others in recognizing and exploiting the opportunity. Due to the objectivity of the situation, all the imaginable consequences and results of a decision and also the probabilities of their occurrence are known at the point in time of decision-making (Alvarez & Barney, 2007, p. 17). Uncertainty in the proper sense does not exist for the entrepreneur as an epistemic subject because the sequences of events can be exactly calculated mathematically and therefore foreseen. Owing to copy theories of cognitive representation contingencies or "potential surprises" á la Knight (1921) can be excluded because the knowledge of the pre-existing reality is simply too good. This view, consequently, supports the instrumentalist-functionalist approach to entrepreneurial action expressed, for instance, by the idea of the strategic planning of a deterministically occurring and therefore controllable future, an idea which can be found in other sub-disciplines of the economic sciences.

In comparison with the idea of discovery, creation theory rests on a contrary epistemological constellation of founding notions. Entrepreneurial opportunities exist only ex post, i.e., when they have been created by an entrepreneur as their more or less creative maker. Inventing or bringing forth means here that something is created or developed in the process of observation itself. Only the observing agents are responsible for it (Rüegg-Stürm, 2003, p. 21f.). Thus the entrepreneur is assigned the innovative role in the process of winning business opportunities (Baker & Nelson, 2005, p. 336). From a perspective characterized as constructivist, entrepreneurial opportunities are created by the entrepreneurs, not least through their social interactions with other agents in a market; they are endogenous events (Alvarez & Barney, 2007, p. 15). Entrepreneurs are responsible for the emergence of new things because of their, amongst other things, interpretative accomplishments and their interpretative competences. Their conditions of action are not in any way simplified by total information or secure prognostications of the possible yields of an entrepreneurial opportunity. Even the probability of its occurrence is not known at the start of the entrepreneurial action process or cannot simply be inferred. Consequently, the entrepreneur makes all entrepreneurial decisions under conditions of uncertainty (Grichnik et al., 2010, p. 68f.). An essential aspect of the entrepreneurial strategy is the cognitive flexibility in handling the contingences of an uncertain future in order to attain viability for the economic projects, and not the adaptation to a pre-given economic reality. This is far from an adaptationist, plan-dominated attitude of perfect control, it is much rather context control (Hejl & Stahl, 2000). Both theory options are summarily characterized by Grichnik et al. (2010, p. 72): "In the real world there are entrepreneurial opportunities which are discovered, and there are others which are created by the activity of the entrepreneurs and their social environment". The general goal certainly is the development of action-governing expectations and the genesis of action opportunities. But is it really a good explanation of entrepreneurship?

3. Another Approach: Innovation as Persuasion

Let us distinguish the common investor, who takes risks with regard to the expected revenues, and the innovative entrepreneur, who must additionally deal with the uncertainty that his new product might not be bought at all. Potentially, he could fail.

Results are unpredictable whenever one does not know the probability of their occurrence. In order to work with probabilities, one must be able to assume that the alternatives are valid, i.e., that the offer generated by one's investment will somehow be acceptable. One does not know to what extent, however, and that is what we call risk. But if one has no way of knowing whether the imagined alternatives are valid at all, one is not dealing with a risky situation, but with uncertainty (a distinction by Frank Knight, 1921; also cf. Shackle, 1972). In other words: one cannot know what will happen in the future. Uncertain events have the probability = 0, for one does not know if they will ever occur, but they have the possibility = 1. Therefore one cannot attribute a probability of occurrence to a potential event. Under conditions of uncertainty we are dealing with improbabilities, with possible events that remain contingent, that do not necessarily occur. This is the world of innovative entrepreneurs.

And it is a pessimistic world indeed, as entrepreneurial investors who want to assess their future revenues have no way of knowing whether there will be any revenues at all. Yet they ignore that possibility, for if they assumed the expected event will not occur they could not focus their entrepreneurial energy. Therefore they reduce uncertainty to mere riskiness; this way they try to posit the attainability of their goals. When they map out a scenario to simulate different revenue possibilities, they estimate the probabilities of the respective events at values (e.g., 0.2 = 20%/0.8 = 80%) that must add up to a total of 1. If they act in this way (as economics advises them to), they work with the fiction that the events they expect *will* indeed occur and only have different probabilities. They aim to transform uncertainty to risk. To the extent that they exclude the possible *im*possibility of an event, they are acting unrealistically, but are also being pragmatically optimistic. They accept the lack of certain knowledge and develop techniques to deal with their ignorance (Taleb, 2007, p. 25).

This transposition from uncertainty to risk is not trivial. Entrepreneurs define future success through their (investment) decisions; not because they have a special knowledge about future events, but because they want to exclude the possibility for what they want not to happen. This is not about prognostics or predicting (cf. Beck, 2009), but about construction: about the creation of future in the sense of a self-fulfilling prophecy. Or, to be more precise: about imaginative simulation with self-persuasive significance.

With their investment entrepreneurs make decisions about future revenues in the present. That, too, appears to be trivial. But as we systematically have no knowledge about the future, investment decisions are never trivial. They are characterized by imaginative or expressive rationality (Heap, Hollis, Lyons, Sudgen, & Weale, 1997, p. 21ff.). There are no alternative futures (they are not invisibly buried in the field of fate), only present decisions about what future alternatives shall be expected. Investment decisions anticipate expectations about possible futures, but these expected futures remain singular and private for the moment: a mere fiction, a figment of the investor's imagination.

Peter Sloterdijk distinguishes the erotics of desire (the modern consumer) from the thymotic impulse, the craving for appreciation and self-respect (Sloterdijk, 2006, p. 50). This implies the very same heroism Swatch manufacturer Nicolas Hayek calls the entrepreneur's profession (Hayek, 2005; in the context of Sloterdijk Wiedinger, 2013, p. 56). "Peter Sloterdijk set out to understand that rage and sees our society's dominating images of humanity and their economic self as too strongly determined by the libidinous energy of wanting-to-have. In contrast, the "thymotic fluidum" of pride and the expansive energy of wanting-to-do, of making possible the possibly impossible, fall behind. (…) "only operations engaged in future" open up and realize a creative perspective" (Enkelmann, 2013, p. 57f.; referring to Sloterdijk, 2006). Entrepreneurial action is not determined by incentive compensation but by the "excessive rage" to create something new against all odds. The entrepreneur engaging in innovation does not know whether it will be "worth it", but he makes every necessary effort to create something new. This is a different attitude towards the world than the one known from the principle of retributive exchange (Enkelmann, 2013, p. 58). This is why the innovative entrepreneur cannot be understood within the balancing mechanics of economics: *he creates excess*.

Investment decisions must be made now, in the present. Payouts are not taken into account as future possibilities, however, but as realizations of a different present (present 2). Of course the future payouts are merely possible ones now. Yet the investor/decision-maker does not treat them as possible, but as already real. If he did not see it this way, he would not make a decision. He decides on "realities", i.e., on possibilities that must necessarily be realized.

In the moment he makes a decision, in his decidedness, there is no uncertainty for him. The *façon de parler* according to which he reduces uncertainty to risk is therefore subjectively wrong as regards the entrepreneurial attitude: he reduces uncertainty to entrepreneurial certainty.

We must distinguish our usual logics of time from the cognitive disposition taken on by the investor. Of course he imagines the future returns on investments, but in a different mode: he does not imagine them as an imaginary, possible possibility, but as realities. As merely possible payouts they would be too noncommittal for him. *In his decision, i.e., his investment he binds himself to realization*. This perspective alone unleashes the energies necessary for the actual realization. Neither the necessary time nor the possibility of failure can be eliminated, but this is not how the investor sees it: to him, present 2 is already real in present 1. We are dealing with a kind of temporal cross-fading here: what is to come is believed to be already visible. Accepting this paradox is inevitable for the business of investing: basically, the investor does not care about the future. What he wants is realization, present visualization, only with a small time lag. This is what determines his actions, for the decision alone does not suffice. Any available energy must now be focused on his work, on assessing situations, on other people's convictions, etc. He is embarked on a voluntaristic momentum. The entrepreneur's decision imagining a possibility to be real generates the emergence of the action necessary to actually realize what he wants.

"The entrepreneur pretends the existence of the imagined new combinations in the future and structures his present behavior on the basis of the pretensions. Schumpeter insists that innovation is incompatible with the calculative behavior assumed by economics theory because innovations canntot be rationally deduced from existing knowlegde. Instead the contingent imaginaries of actors motivate und guide the inherently incalculabe activity" (Beckert, 2011, p. 18f.).

"Present visualization" is no blind paralogism (all temporal conditions remain evident), but a conscious ignoring of failure as an *abductive certainty* (following Peirce's description of abduction in his logics of discovery: positing an hypothesis and subsequently confirming it by searching proof by all available means; or, in the case of the entrepreneur, searching and executing the right actions necessary for the desired realization). He already sees the reality of that in which he decides to invest, in order to therefore do his utmost to realize it. His actions are motivated by the anticipated present (present 2 in present 1).

With Shackle we distinguish between possibility and probability (Shackle, 1972, p. 14ff.). Probable events can be expected, although they have different probabilities of occurrence (= specific probabilities of a present future). Possibilities are defined by the "potential degree of surprise" associated with a scenario (e.g., an expected event does not occur, or a wholly different one occurs instead (= unknown possibilities of the future present)). The "future present" is unavailable; the "present future" is being decided at any given moment.

What is decisive in such decisions is the firm belief that this and no other future will come to pass (= fictionalization as present 2) which is necessary to draw a conclusion for present actions: namely the conclusion to direct all of them towards the realization of this fiction. He who has made the decision that this and no other investment will bear fruit in the future, will do everything to make this fiction come true. Working with probabilities is useful under these conditions, for it means operating with a present future. It comes down to presently designing a future in a way that seems realizable. That the present futures might turn out differently is irrelevant to the entrepreneurial creative will (as will). The entrepreneur has to muster this will (to be successful, but also to possibly fail).

This pragmatic embedding of imagination is what distinguishes the entrepreneur from the idealist. He does not only have an idea, but also visualizes its realization ("Knowledge is sleep. Realization is power", says the entrepreneur Reinhold Würth, quoted in: Loehr, 2010, p. 44). *This mobilization (the demonstration of imagination and energy, the unfolding of his field of influence) lets him convince others; investors at first, who entrust him with their money to profit from future payouts, then potential buyers.*

Entrepreneurs aren't realists (the possible reality of the futures is fictional in the present), but realizers: they create realities by pragmatically acting on their imagination and do all they can do to make their idea come true. They are pragmatic idealists. They are idealists, because they follow an idea. They are pragmatic, because they aim to realize this idea pragmatically, because they do their utmost to give it firm roots in reality. Afterwards, when they have proven successful, they will have always known their imagined reality would eventually come true. Those who fail no longer talk about it (They are already busy with a new realization. This may well be a reason no one talks about failure: it takes up the energy necessary for a pragmatic approach to the next project; this is the euphoristic core of modern economics).

Isn't this mere voluntarism, however? Entrepreneurs act in a market context. "When they have to make a decision, Shackle holds, actors do not begin by making a list of possible scenarios and ascribing specific probabilities to them. They refer to data they can "base a hope on"; data grounded in assumptions and "reasoned imagination". Markets do not (only) spread given information, they also generate new information through the mutual observation of the observers. (…) This, however, is precisely the function we attributed to the probability fiction: it is not there to describe the world, but allows us to observe how others observe the world. The question then becomes how to interpret this observation" (Esposito, 2007, p. 91; referring to Shackle, 1972, p. 96). Alongside the innovative entrepreneurs' voluntarism and enthusiasm, what we have here is a pragmatic strategy of continuously observing other entrepreneurs to find out what ventures they prepare or engage in. The decisive step of innovation then is interpreting these observations and concluding that one's own innovation is worth the effort. That is the entrepreneur's venture (that will in turn be observed by others and may lead them to engage in ventures of their own).

To be even more clear: "working with probabilities is not supposed to eliminate uncertainty, but to make it manageable by systematically creating additional possibilities" (Esposito, 2007, p. 94). Reflecting what appears to be realizable by thinking it in terms of probability generates new possibilities that were not probable at all in the beginning, but can powerfully emerge in the process of reasoning and decision-making because one observes that no one else sees or even pursues them so far. Only in sounding out alternatives to gauge the probability of their realization, other possibilities (= unexpected alternatives) come into play that previously either seemed impossible or had simply not been thought of at all. Innovation is born from a tense situation of uncertain alternatives in view of a new certainty that remains utterly opaque and uncertain to anyone else.

Only then does the voluntaristic act begin: *the innovator is now certain of knowing something no one else knows*. From the uncertainty of the others springs his certainty, even though it is merely imagined at first. The difference is crucial, though: it leads to a kind of "exploitation of (the others') ignorance" (cf. Shackle, 1972, p. 98, p. 158). The rest is enthusiasm, effort and conviction.

Above all, the "reality of the investment" is an event to which more and other circumstances contribute than the entrepreneurial investor's idealistic voluntarism. The heroizing notion of an investor realizing his idea all by himself is false insofar as in the end there have to be buyers who in fact want the products created through the investment. Only the market ultimately approves the investment, and the market is nothing but the buyers and demanders who have to be just as convinced of the investment (or the resulting product) as the investor himself had been in the beginning.

Thus every investment is a rhetoric that must convince others to deem relevant what the investor imagined to be relevant: in the pragmatic sense of that relevance being approved through payments. No investment is self-explanatory. What is being invested in (a new product or a modification/expansion of an older one) must be communicable in such a way that it can be approved by the market. In this sense an investment can only be consummated when it succeeds in creating interactions that confirm the imagined revenue expectations through payments. Only then does the cycle of investment and expectations complete itself.

There is another peculiarity to the fact that entrepreneurs do not decide *solo*, but in a market context: the entrepreneur assumes others will value the thing he is investing in just as highly as he does. But his entrepreneurial decision creates new uncertainty. "A world in which people make decisions does not only have an uncertain future depending on decisions made in the present. Uncertainty in this world also multiplies by the number of decision-makers. Each of these persons bases their decisions on other people's decisions and their consequences. And because, naturally, all of them do this, the result is a dizzying multiplication of uncertainty" (Esposito, 2007, p. 51f.).

As the entrepreneur does not know how others assess his decision (or how they factor it in when making their own decisions), his attempt of measuring probabilities is potentially uncertain, because his decisions influence those of the others—positively, he hopes. But that will always be contingent, for, at the same time, others make entrepreneurial decisions that are also being observed by others and influence their decision-making. One cannot say which influence will dominate in the end, and one cannot predetermine the outcome through a single entrepreneurial decision. Entrepreneurs must learn to deal with this paradox: on the one hand, they put their reputation at risk by making bold decisions, on the other, they have an aversion to the risks others would take. And if everything fails, they can even be called out as cheats. Their virtue lies in confidently handling this paradox (Immerthal, 2007, p. 382).

Time has a part in all this as well. The investment decisions made in the present and in view of the future are based on present expectations. As time passes, however, the others' assessments may change, forcing the entrepreneur to adapt his original expectations. However, he cannot revise the decision itself (the consequences of an investment decision made at t1 must be accepted at t2).

Consequently, one would have had to factor in this contingency when making the decision; that is a problem, though, as that same contingency would have jeopardized the decision in the first place. Entrepreneurs show a different reaction: they increase their efforts to follow through with their idea, especially with regard to their own conviction that is supposed to convince others, too. They revise their original plans during the investment process by observing the others observing them. Investments are processes; the primary decision to invest determines the direction, but changes made can still be made along the way. This is a period of heightened awareness, necessary for the success of the intended realization: entrepreneurial awareness.

The desire to see their own investment succeed, although others might assess it differently than they would like to imagine, forces entrepreneurs *to try and convince those others every bit as much as they themselves are convinced*. They must get the others' attention: through marketing, advertisement, etc., but also through their personal *performance*. Advertising is essential: its job is not only to inform the world of the introduction of a new product, but also to persuade potential demanders that they need this product in their life, that it will positively influence their life-style, that it will help them distinguish themselves from other consumers, gain status, etc. Advertisement is the modern attention arena entrepreneurs need, especially when they introduce something new to the market. Their products are products and semantics (and semiotics) (Priddat, 2004, 2007). Investing in products must be supplemented by investing in conviction, and that can only succeed when the investment is in tune with a certain life-style. The degree of innovativeness then depends on whether the product matches an existing life-style or creates a new one. Entrepreneurs are the protagonists in an economics of persuasion.

Advertisement does not persuade potential customers directly (or only in rare cases); it rather produces a resonance space that prepares a sensory and cognitive opening for the new product, thus rendering it potentially compatible.

Basically, entrepreneurs have to live with the expectation of a high level of frustration, but they just block it out. As entrepreneurs they act as if their investment decision was convincing others *sui generis*. They operate in an extremely voluntaristic manner. If they constantly included the option of failure in their reasoning, they would hardly be able to muster the energy necessary for the realization of their ideas. They are masters of blinding out and suppressing; notorious optimists, because they are notoriously ignorant. Enthusiasm is their basic attitude; they operate in a particular mood, in emotional emergence of transgressive observance (cf. Loehr, 2010, "the higher the obstacles, the higher the motivation to overcome them", p. 29).

4. Innovation in Context

Entrepreneurship is characterized to some degree by nonconformism, by acting differently from what others would expect you to. Seen from the outside, this may sometimes seem "slightly crazy", and it actually is craziness with regard to the sphere of conformity. This is why most people only ever tell success stories. Whoever dares to engage in such a venture operates with the nimbus of the experienced player who knows "what the market wants". Only like this can others acknowledge that someone apparently acting "slightly crazy" is doing the right thing: they assume he has an experience they lack, and therefore they believe him to also have a kind of discernment they lack. At the same time, however, the entrepreneur's passion creates an enthusiastic atmosphere that takes hold of the others (something that an intercultural comparison will more easily find with Americans than with Europeans); an autopoietic process with positive, affirmative repercussions for the entrepreneur. Entrepreneurial action creates interference (and catches on to management, the employee variety of company leadership (cf. Weick & Sutcliffe, 2007)).

Entrepreneurs only prove to be successful competitors when they act as innovators, as Schumpeter tells us. Innovations are not inventions; they are the entrepreneurial implementation of inventions. It is once again the idealist/pragmatic model we find here (much like Foucault's conception of man as empirico-transcendental doublet): only ideas that seem realizable are taken up. This, too, seems trivial: but what is realizable?

Most innovations are variations of the already known; only few things are really new. Harrison C. White sees entrepreneurs as parts of producer networks that mutually observe each other and primarily coordinate their actions by way of this observation (White, 1981, 2004): *mimesis* instead of *inventio*/*innovatio*. Most of the things they "innovate" are different versions of something that already existed. Very rarely do they venture further away from what has already been introduced to the markets. They work on follow-up opportunities. Like a swarm of fish they follow the innovative herring, until no more surplus profit can be had from imitating his innovation. Competition is, above all, a competition of imitation (competing in the fields of cost, quality, sales, marketing, etc.). By acting this way, they seek to eliminate the fundamental uncertainty of whether a new product will actually catch on. They work with "second hand innovations" whose social and market relevance have long been confirmed. This is more about nuances and small differences, more about arbitrage then about innovation.

Innovative investments, on the other hand, are more daring (if the comparative is appropriate here). They take on the more fundamental uncertainty of the truly "innovative innovation". They do not know whether what they imagine to be new and profitable will be communicated on the market. They are taking a risk without probability.

They achieve transformation: in itself and for the consumers. Not only has the entrepreneur's investment paid off when something new catches on, but the consumers' world is richer for it, too. To the extent the customers accept the innovation as a part of their lives, it is transformative: it changes the customers' world and therefore the customers themselves with regard to this world. The innovator's efforts of persuasion (= advertising) are efforts to pull the potential buyer into the sphere of his, the innovator's, own imagination. In modern societies, we have grown so used to this fact that we no longer see anything unusual in it. To the contrary, we keep expecting innovations (in a hyperrealm of conventionality that makes up the firm ground on which we are even able to cope with the new).

The new stands for the dynamics of our world. In a traditional sense, we do not need it, but in a modern one we depend on those surprises. Because we no longer live in thoroughly structured worlds with clearly defined social roles, we, as partially defined individuals, constantly depend on compensation and redefine us through whatever new things we are being offered in order to rearrange our lives. The incomplete self is than constantly being (approximately) completed by new things, only to instantly feel the next deficit that can apparently only be balanced by another new thing, and so forth. In modern economic jargon, we have relatively indeterminate relational contracts with the world that we keep trying to close by taking on something new. Our self is constantly busy with re-contracting; less so with greater age, but in no way predetermined or structured. Whatever we adopt for compensatory purposes keeps transforming us to new states of expectation (cf. Bröckling, 2007).

In this sense, the entrepreneurs' venture of investing in something new (= innovation) is no heroic act of positioning themselves in the world, but something that is to a large degree *socially expected*. There is a high level of readiness for the new, almost to the extent of being a demand, that entrepreneurs deliver on (it even seems risky not to be innovative). The conclusiveness of innovative entrepreneurship and the expectations of modern societies put entrepreneurial heroism into perspective. It rather calls for a new form of social intelligence on the part of the entrepreneurs engaging in a competition of innovativeness. It is no longer only about the entrepreneurs' mutual observation, as White holds: "markets are specific groups of producer who mutually observe one another. Increasing demand creates a kind of mirror in which the producers, not the consumers, see themselves" (White, 1981, p. 543). When implementing a new idea (the actual business of innovation), the entrepreneur must be better than others in assessing which complement world to cater to. On the background of the modern self's indetermination, the question becomes how to construct matching determinations to help those selves complete themselves: it's about life-style design. Or, in opposition to White, about observing consumers and their worlds.

New things make people reevaluate the old ones. Only now do they realize the old is in fact old. The world's relations regroup (as small as the innovation may be, it still throws a different light on what we knew before). In face of the new, the modern self experiences itself as new, i.e., as supplemented with something it seemed to lack before (life enrichment). It can reposition itself socially (with a new product, a new way of eating, a new and lifestyle-compatible outfit, participation in a health movement, adventure events, ecological performance, etc.). Lars Immerthal calls the modern entrepreneur a parasite (à la Michel Serres), who disrupts the usual relations of exchange, who creates new indeterminations by balancing old ones (Immerthal, 2007, Chap. 10; referring to Michel Serres, 1987).

Entrepreneurs are dynamic attractors of modern societies, not only of markets (or themselves). They provide life-styles to an extent we are not conscious of anymore, because we don't know the historic differences anymore: the conventionality and culturality of previous life-styles. This is not cultural criticism, but a systematic remark. In spite of the latent anti-capitalism in our society, the entrepreneur is destined to enjoy a kind of cult status when he acts innovatively. It is not his achievement of offering jobs and salaries that people acknowledge (those are traditional values), but his efforts for culturation: innovations that are no longer only technological advancements but also include the life-style implied by those technologies and sold together with them (cf. Priddat, 2007). Education, family, class or social strata are less important than the life-styles offered in the "consumist revolution" (cf. Bolz, 2002) that introduce new social differences, particularly those between individuals (life-style classes and networks impregnated by cultural differences). Innovative entrepreneurs are the motors of culture in dynamic societies.

The ironic part is that entrepreneurs do not see themselves that way: they value their business acumen much higher than their cultural one. Taking this specific underperformance into account, they are the cultural subconscious of modern societies: effective, but nonreflective. They completely lack any avant-garde consciousness: the only way to flatter them is praising their business skills. They provide the designs of modern life-styles with businesslike intuition and also cope with these paradoxes.

The cultural development of the 21st century will be marked by entrepreneurs more than ever before. Let's wait and see, until types of entrepreneurs emerge who balance out business and cultural conscience and force along the potential for irritation of cultural development. Following Franz Liebl, Dirk Baecker calls this "cultural hacking" (Düllo/Liebl, 2005): Irritation here primarily means the venture of creating new codes and making them count within the old ones. For Dirk Baecker, cultural work is either a form of programming and execution of codes, or a kind of hacking that displaces the codes and plays around with them in order to point out and correct gaps (Immerthal, 2007, p. 275; referring to Baecker, 2001, p. 75).

A distinction between different types of innovative entrepreneurs arises: there are those who observe other entrepreneurs to find out what innovations they generate, and those who observe consumers to find out what worlds they accept. The second type is a *cultural entrepreneur*, and he knows it when doing business. We would do well to pay more attention to this phenomenon.

1) The investor realizes his idea with all his might, a lot of energy and motivation, by manipulating the mental state of potential demanders: he changes their frame, their preferences, and their desires. He convinces them to see the world a little different than before. *The knowledge unfolding in his idea is not knowledge about what people want, but the (rhetorical) knowledge that he is able to persuade them, i.e. to make them know what they then believe they actually did know*. This is a form of rhetoric traditionally belonging to politics. It is, rhetorically, a power play (competing with others to convince

the majority). The future in which the investment is supposed to bear fruit has nothing to do with waiting for the event to occur, but with creating the event by creating expectability = promises for the potential customers. The investor/innovator produces expectations his products meet.

2) The economic description that sees the investor as waiting for an event is therefore flawed. He creates the event. The possibility of failure is just as much a part of the game as success. This is not about betting and chances, but about energetic action, a form of expressive rationality generating a new knowledge through the coherence of the product rhetoric and the expectations that recipients/customers have developed. Only when they buy, when the payout is realized, can one understand what happened before. Up to that point, it was political rhetoric, i.e., "persuasive speech" (Protagoras) competing with other potential sellers, to take up the classical metaphor.

3) The investor does not believe in the system but disrupts it; he breaks into its mechanisms by changing the mental state, the belief of market actors.

4) The ignorance into which he ventures with his ideas is no opaque terrain to be scouted and illuminated before a decision can be made (although there is a whole industry, market research, continuously trying to do just this, up to the new form of prediction markets in which the market principle reproduces itself inside the prediction). The economic process works differently: it is, as economic activity, a political rhetoric of change of belief regarding the relevance of alternatives the demanders constantly have to choose from, because hypermodern markets offer an enormous and also dynamic differentiation in the choice of products. Investors do not care about what people want (nobody can know that anyway, above all because people themselves do not know what they want and can want), but about pragmatic variations of the choice of products, paired with convincing rhetoric, that is not only based on advertising but on the products themselves (Like Apple's iPod and iPad: similar products had long been available from competitors, but Apple managed to include a life-style esthetics in the package that was more than just a useful device. That was the crucial momentum). Like the potential customer, the investor is an *animal poeta*, and economics is an *economics of persuasion*.

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