

# THE PINK MACHINE PAPERS

 $#29 - N^{o} 2 / 2006$ 

**Entrepreneurship as sampling – A theoretical note** Alf Rehn #29 N° 2 / 2006

## Entrepreneurship as sampling -A theoretical note

Alf Rehn

Royal Institute of Technology, KTH Dept. of Industrial Management, INDEK Stockholm, Sweden alf.rehn@indek.kth.se

> **The Pink Machine Papers** ISSN 1650 - 4062 Stockholm, 2006

### Entrepreneurship as sampling

#### I.

Entrepreneurship is often understood as the art of the new – new ventures, new companies, new products, innovations and so on. It would thus seem like a most unpromising sphere for inquiring into sampling and reuse. I will argue that this is a fundamental fallacy, not only in lay thinking but in the very theory of entrepreneurship, and that there is much analytically to be gained from understanding it as a form of sampling. In fact, I will argue that such a perspective in fact corresponds well with the very start of entrepreneurship as a field of inquiry, as the definition of the entrepreneur that started this interest does in fact paint him/her as a sampler:

As it is the carrying out of new combinations that constitutes the entrepreneur, it is not necessary that he should be permanently connected with an individual firm[...]

[W] hatever the type, everyone is an entrepreneur only when he actually "carries out new combinations," and loses that character as soon as he has built up his business, when he settles down to running it as other people their business. Joseph Schumpeter (1934/1983), The Theory of Economic Development, p. 75, 78

In other words, Schumpeter, in defining the role of the entrepreneur, saw him (sic) as something of a DJ, a remix-artist that took the existing world, rearranged it, and out of this formed something new. Existing resources became beats, old infrastructures samples that could be recombined. Rather than a mythical being that created the new ex nihilo nihil, he found ways of making the old seem new again, like a performance artist who takes a hammer and a spray-can of paint and refashions the way in which we view our surroundings. Banksy the entrepreneur, or Schumpeter the beatmaster.

#### II.

One of the most iconic phenomena in entrepreneurship, particularly in the teaching, talking and theorizing thereof, is the business plan. This textual artefact, which is supposed both to guide, sell and manifest the entrepreneurial vision, is often seen as the tangible start of new venturing, and accordingly much has been said/written



about it. As it is supposed to be a map of a new venture, one would think that originality would be the hallmark of such a plan. This, however, is a dubious idea. In fact, business plans can be understood as a form of collage art, remixed and sampled, which then stand as original texts. It is a queer form of writing this, that has to be simultaneously original and comfortingly unoriginal. The art to writing such lies in being able to take common forms of expression, well-known rhetorical tricks, and still somehow be able to suffuse this with a freshness.

Putting together a business plans is thus a question of mixing. Just the right amount of recognizable samples to create a feeling of well-being and legitimacy, together with a fresh new stream of ideas. Books and software exist to help you along, providing you with a proverbial baseline, upon which you can riff your original and loopy ideas. These template collections (for only rarely are they anything but) obviously mimic sound banks, ready-packaged business plans modules that one can plug into the creation one tries to make. Their popularity stands as testament of the fact that no-one actually believes that entrepreneurship – for all the pretty things we say about it – is an entirely original act.

Yet we often wish to ignore this. In order to be taken seriously, entrepreneurship has to be portrayed as an invocation against the mundane and unoriginal in the world, continuously recast as a truly novel act. Talking about things such as unoriginal entrepreneurship or sampling in conjunction with this is anathema to a society which valorizes both entrepreneurship and innovation, even though this could open up an interesting avenue of inquiry. Entrepreneurship, the idealized version, seems to be the very anti-thesis to sampling, and there is an ideological need to protect this fantasy.

#### III.

Entrepreneurial sampling doesn't end with the business plan, however. Rather, it shows us one of at least three ways in which sampling exist within the nexus of entrepreneurship. In the business plan, we can see a case of mimetic sampling, where reusing modes of argumentation and similar devices is done in order to mimic an archetypal idea of entrepreneurship. In other words, mimetic sampling is a question of trying to establish legitimacy, looking and sounding the part. Such sampling will be ongoing throughout the entrepreneurial career, and we can see things such as office design, business cards, the naming of companies (faux-Latin or science-y sounding) and similar things as variations of this device. This kind of sampling may seem like merely the manipulation of surface effects, and thus of no consequence for the "real" act of entrepreneurship. At the same time, the upkeep of a front is critical in the starting of a new venture, and looking at the emphasis placed on things such as mar-



keting and business planning, we can still say that mimetic sampling plays a role in enterprising. But this is, as noted, only one of such modes.

A more critical, and potentially less understood, mode is that of resource sampling. Part of the theory of entrepreneurship from the very beginning, the way in which an entrepreneur treats the world as a set of resources has been a dominant underlying and unspoken logic of how we've understood these matters - not entirely unlike the way in which Martin Heidegger conceptualized technology as that which transforms the world into a resource. Still, the very nature of this form of re-utilization of the already existing, that which is "always already", has escaped overt theorizing. Much of entrepreneurship theory does, in fact, deal in things such as "opportunity recognition" and "optimization of possibilities", but the fundamentally unoriginal aspect of entrepreneurship doesn't really fit the ideological matrix constructed by theory. What does an entrepreneur do? Simply put, she looks around in the world, sees things that could be utilized more efficiently or combined in new and interesting ways. This, obviously, is something that works on a very abstract level - resources can be things such as talent, a distribution-channel, a supply of maple syrup, and so on. The entrepreneur sees things in the world that are already there, but can also see beyond them, into a land of new combinations and mixes. The fantasy is that one can, through the transformative magic of entrepreneurship, channel some form of essential newness which one then brings into the world, which would place the recombination as merely the symptom of creating the new. This, however, builds on a rather suspect metaphysics, one which people such as Joseph Schumpeter and Friedrich Hayek seemingly had no problem cultivating.

#### IV.

The notion that an entrepreneur, seemingly through the sheer force of her personality, can conjure up something fundamentally novel and ontologically different into the world, may be politically expedient, but it is philosophically suspect. It builds on the fallacy of innovation being a break with history, and although e.g. the field of innovation management has flirted with the notion of innovation as processual and developmental, the ontological issue of novelty remains insufficiently explored and often conveniently ignored. Whereas the study of innovation has been inundated with epistemological frippery on historical linkages and the difficulty of stating when an innovation comes into being, the very problem of having a field that gets its legitimacy by assuming that one can talk about innovation in a sensible and ontologically grounded way has yet to be dealt with. Talking about innovation and entrepreneurship as sampling might seem like both an answer and an attack on this. On one hand, by emphasizing that novelty does not necessarily spring from an metaphysical event beyond the ontology one commonly adheres to (the "I don't really know where that comes from"-argument), but rather from a recasting of what is always already there,



such a move would de-dramatize the process of innovation. On the other hand, this would bring into question whether there is any point in talking about things such as "innovations", as this so clearly then would point to an ideological recasting of the far less dramatic event of sampling.

Even if we set aside this ontological quandary, there remains a theoretical problem. How are we to understand the way in which entrepreneurs engage with their surroundings, effectively setting themselves as the nexus through which the world as a set of resource flows? Often this issue has merely been side-stepped by referring to an innate cleverness in entrepreneurs, a defining capacity to identify new opportunities. I would contend that this is insufficient. Instead, we need to rethink the relation, and view entrepreneurship as located as much in the existing world as in the mind of the entrepreneur. To some, this might sound almost like a pantheistic argument, one where there is a potentiality and an energy in all things, just waiting to be channeled by a sufficiently focused agent. And, in fact, there might be some truth to this. The resource-nature of resources is insufficiently understood, and this has led us to a view of entrepreneurship that over-emphasizes the individual and hypes innovation. By viewing entrepreneurship as sampling, and the entrepreneur as a DJ of resources, we could instead focus on the dialectical back and forth between the entrepreneur and the world she inhabits, and through this create more realistic theories about how the entrepreneur creates value out of the existing (rather than seeking refuge in empty metaphysics).

#### V.

We could extend all this into the third mode of entrepreneurial mixing, namely identity sampling. Being an entrepreneur is to inhabit a specific iconography, and much of what has been described above could be understood as following directly from the archetypal idea of an entrepreneurial identity. The original act of entrepreneurial sampling, thus, might be the one the budding venturer engages in when she first dons the identity of "the entrepreneur". This is not merely a question of renaming one's identity, but mixing in things such as "successful player", "Richard Branson", "master of her own destiny", "future leader" and "growth-creator" into one's existing identity. Being an entrepreneur is not simply a question doing entrepreneurship, but rather a recasting of identity which enables entrepreneurial action. By sampling in the kind of identity-functions that society is rife with, which bolsters things such as risk-taking and opportunity-searching (i.e. drives resource-sampling), the aspiring entrepreneur recasts not only the world but herself, and thus creates entrepreneurship as a remix.



The move I've tried to outline in this brief essay is primarily one of de-romanticizing entrepreneurship, and move this away from the trivial valorization of "innovation". Although I (and quite a few others) believe that entrepreneurship can be an important generator of value, the field that studies it has been rife with ideological overselling, and the phenomenon does in fact deserves a more realistic approach to the theorization thereof. By bringing in post-original moves such as sampling into the strive to understand it, we can both enrich the vocabulary we use to discuss entrepreneurship, and also open up for new avenues for studying this.

In this vein, discussing entrepreneurship as sampling is not a question of trying to belittle the field, but to enhance it. By trying to distance the field from metaphysical explanations, and instead bring in less affected modes of discussing entrepreneurship, we could stimulate a discussion that could build on empirical understandings and realistic analysis of the actual acts through which the entrepreneurial enters into the world. The remix, rather than a mode of post-production, would in such an understanding be the very linchpin of value-creation. The entrepreneur as a sampler is still a creator, but this would no longer be an abstract notion, but a very direct and grasp-able form of creation – the constant re-creation of the world.

**Pink Machine** is the name of a research project currently carried out at the Department of Industrial Economics and Management at the Royal Institute of Technology, Stockholm. It aims to study the often forgotten non-serious driving forces of technical and economical development. We live indeed in the reality of the artificial, one in which technology has created, constructed and reshaped almost everything that surrounds us. If we look around us in the modern world, we see that it consists of things, of artefacts. Even the immaterial is formed and created by technology - driven by the imperative of the economic rationale.

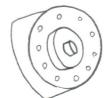
As Lev Vygotsky and Susanne Langer have pointed out, all things around us, all these technological wonders, have their first origin in someone's fantasies, dreams, hallucinations and visions. These things, which through their demand govern local and global economical processes, have little to do with what we usually regard as "basic human needs". It is rather so, it could be argued, that the economy at large is governed by human's unbounded thirst for jewellery, toys and entertainment. For some reason - the inherent urge of science for being taken seriously, maybe - these aspects have been recognised only in a very limited way within technological and economical research.

The seriousness of science is grey, Goethe said, whereas the colour of life glows green. We want to bring forward yet another colour, that of frivolity, and it is pink.

**The Pink Machine Papers** is our attempt to widen the perspective a bit, to give science a streak of pink. We would like to create a forum for half-finished scientific reports, of philosophical guesses and drafts. We want thus to conduct a dialogue which is based on current research and which gives us the opportunity to present our scientific ideas before we develop them into concluding and rigid - grey - reports and theses.

Finally: the name "Pink Machine" comes from an interview carried out in connection with heavy industrial constructions, where the buyer of a diesel power plant worth several hundred million dollars confessed that he would have preferred his machines to be pink.

#### **Claes Gustafsson**



also available at www.pinkmachine.com indek kth / 10044 sthlm / sweden