LEARNING TO PIVOT: FOUNDER IDENTITY AND COMMUNITIES IN SUSTAINABLE START-UP ACCELERATORS

Principal topic

Founder identity impacts firm-creation activities, pivots and decision-making (Fauchart & Gruber, 2011; Grimes, 2018). A growing body of research is interested in how entrepreneurial support organizations (ESO), particularly accelerator programs, may improve success odds for new ventures (Cohen & Hochberg, 2014). A main differentiator of accelerator programs from other ESO such as incubators and science parks, is the batching of ventures (Huang & Pearce, 2015), which creates cohorts as well as communities of identity and practice (Bacq et al., 2022). But we do not know how the interactions between the founders and these communities affect the pivot decision-making process, particularly mission drifts in environmental and social ventures. So, this research empirically answers, how and why do founders pivot in sustainable accelerator programs.

Method

Accelerator programs, particularly geared towards environmental entrepreneurship, are recent understudied phenomena. Thus, we designed a qualitative study (Gioia et al., 2013) to examine pivoting through a founder identity lens within sustainable accelerator cohorts in real-time. We conducted 40 semi-structured interviews with 15 founders of 10 ventures and 3 program staff.

Results and implications

First, we found that founders with an ecological-dominant identity pivoted more than those with a commercial-dominant identity (York et al., 2016). Although ecological-dominant is closer to the revolutionary founder-identity (Zuzul & Tripsas, 2020), that did not hinder flexibility and adaptation as predicted by prior literature.

Second, we discovered that pivoting transpires through a three-step process of awareness, empowerment and enablement which we explicate as a socio-cognitive mechanism. This finding contributes to the entrepreneurship literature by contextualizing the community effects, particularly peers, on pivoting. Also, by observing that the pivoting process was often initiated by the accelerator as a pre-seed investor, rather than by the founders, we also update the directionality of the practitioner Lean Startup methodology, which defined pivots as “structured course correction designed to test a new fundamental hypothesis” (Ries, 2011, p.149).

Third, we propose that adaptation and situated learning (Lave, 1991) progress through the founder’s sense of belonging to and tension between their community of identity and community of practice. This finding adds nuance of meaning to Hallen et al.’s definition of accelerators as “entrepreneurial programs that attempt to help ventures learn, often utilizing extensive consultation with mentors, program directors, customers, guest speakers, alumni and peers” (2020, p.378).

Our research helps scholars, policy-makers, ESO and founders employ accelerators as social learning systems which can support early-stage sustainable entrepreneurs succeed, particularly those working towards solving grand challenges (Ferraro et al., 2015) such as environmental degradation.