

## Chapter 28

# The Entrepreneur as Strategist and Improviser: Subject of Activity and Object of Understanding

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### **ABSTRACT**

*The chapter deals with the search for relevant strategic responses to the challenges of a dynamic and competitive, international and multicultural business environment where new strategic approaches like Strategic Entrepreneurship (SE) and tools to meet the specific characteristics and needs of SMEs are launched. The entrepreneurial opportunities, and their exploration and exploitation through the entrepreneur's/manager's various roles as a strategist, leader, and improviser, are analyzed. It is shown that in most cases the entrepreneur (especially in long-term dynamic, ambiguous conditions) acts without sufficient formal information and resources and therefore has to improvise taking certain risks (strategic improviser). Difficulties in the understanding and the implementation of entrepreneurial roles, especially those of strategist and improviser, require non-traditional approaches, forms and methods in the education of students in entrepreneurship, and in training/consulting for both new and established entrepreneurs. The forms and methods of mythology, metaphorical representation and jargon, as tools of the so-called subjective (qualitative) approach, are widely accepted. The chapter employs examples of original myths and metaphors to demonstrate how better to understand the linkages across strategic orientation/management, improvisation and strategic learning, thus helping entrepreneurs/managers to better adapt theories, concepts and tools for effective working in a dynamic, competitive environment.*

### **INTRODUCTION**

Undoubtedly there is a growing interest in understanding strategic aspects of entrepreneurial activity that are of critical importance for competitive behavior in a dynamic, international multicultural

business environment. In this respect new ideas and concepts are emerging to meet these challenges, especially in the specific conditions of SMEs.

Researchers in the field have worked intensively in recent years in an attempt to combine the two separate areas of entrepreneurship (E)

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## *The Entrepreneur as Strategist and Improviser*

and strategic management (SM) into one, formulating the concept of strategic entrepreneurship (SE) (Shane & Venkataraman, 2000; McMullen & Shepherd, 2006; Ketchen, Ireland & Snow, 2007; Hitt, Ireland, Sirmon & Trahms, 2011). In both research and business practice there are high expectations surrounding the new formulation. It is more than clear, however, that to launch such a new concept, especially in the research field, creates real difficulties for many reasons.

On one hand, there are the very different international, national and local political, economic and socio-cultural conditions in which many millions of small, medium and large enterprises of different sizes, phases of life cycle and sectors are operating as well as entrepreneurs/managers with varying personal and behavioral characteristics. This makes it difficult to formulate, compare and use even basic definitions and measures related to entrepreneurship and entrepreneurs as an activity/phenomenon, identifying existing or creating new entrepreneurial opportunities, and their exploitation.

On the other hand, although the strategic management is a more “fermented concept” primarily in large companies it has its own problems - running from the definition of strategy to the question of whether it is a practical method or art (Cummings, 1994; Ohmae, 1994) to assessing the effectiveness of strategies (Mintzberg, 1994). The ever-changing external environment puts under question the achievement of pre-set (stable) targets and the appropriate allocation of resources to achieve it. In addition, the specific role of the entrepreneur (alone or with team) whether as strategist, leader or manager, in micro and small enterprises is difficult to identify, analyze and interpret for the reasons stated. Therefore, the key question is how to combine organically two highly complex, specific areas such as E and SM, reflected in the new concept of SE. For larger companies with sufficient resources and opportunities to attract qualified managers (strategists) it is perhaps easier to enhance their entrepreneurial behavior

(corporate entrepreneurship) at the strategic level. In small and medium enterprises, the situation is quite different. Characterized by their resource limitation and isolation “a priori” and with the dominant role of the entrepreneur-manager, these enterprises (especially those operating in competitive, dynamic business environment) also need to find and exploit entrepreneurial opportunities, leading to the development of competitive advantages and generating added value. This requires the implementation of strategic entrepreneurship - achieving synergistic effects from identifying promising entrepreneurial opportunities and turning them into sustainable competitive (strategic) advantages.

But how does this happen in practice? How does the entrepreneur act as a strategist (complemented by other roles), very often without enough formal, rational information and arguments?

In micro and small enterprises (unlike medium-sized enterprises which can share some of the advantages of size with large companies), the entrepreneur-manager as strategist uses formal available resources (though often insufficient), but relies to a significant degree on his/her personal and behavioral characteristics in the form of knowledge, skills, experience, intuition, charisma, refracted through his/her own value system (Todorov, 2011a). In effect, in most situations, he/she is forced (alone or supported by team) to enrich, finish and interpret events and processes “on the hoof,” i.e. to improvise (Weick, 1993, 2005; Crossan & Hurst, 2006; Hmieleski, 2009; Hmieleski & Corbett, 2006). Improvisation, “improvisus” meaning “not seek ahead of time,” is “playing extemporaneously ... composing on the spur of the moment” (Barrett, 1998). And if, with operational decisions, the entrepreneur regularly improvises and the potential losses from “wrong” improvisation are typically bearable, it can be quite different in the case of improvisation at the strategic level. In more complex situations with longer time horizons it is necessary, but more difficult, to improvise and the potential losses from

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