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SUMMARY

SARASVATHIAN EFFECTUATION AND WEICKIAN ENACTMENT IN THE ENTREPRENEURIAL OPPORTUNITY PROCESS

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Principal Topic

In the face of uncertainty entrepreneurs effectuate opportunities (Sarasvathy, 2001, 2008). The entrepreneurship literature also suggests that entrepreneurial opportunities are ‘enacted’ (Carter *et al.*, 1996; Gartner *et al.*, 2003), drawing ostensibly from the sensemaking literature of Weick (1979; 1995; 2005 with Sutcliffe & Obstfeld). Are the two concepts related? This theoretical paper explores the similarities, complementarities and differences between Sarasvathian effectuation and Weickian enactment with respect to entrepreneurial opportunity formation, bringing clarity and aiming at concept parsimony in entrepreneurship research.

Method

There are several similarities between the two concepts: non-linear and non-teleological bases, environmental/informational uncertainty, primacy of action, small beginnings, and endogenous opportunity formation. However, the two differ in that while enactment is action before sensemaking, effectuation denotes directed action within affordable loss limits and is guided by a logic of control.

It is proposed that Weickian enactment explains the leap action before sensemaking in entrepreneurial opportunity processes better, and that Sarasvathian effectuation better explains the iterative progress in entrepreneurial action with control of given means as its central tenet. However, the entrepreneur needs to do both, ie, to act prospectively with speed-to-market in mind and, at the same time, control/minimise loss potential through constant course correction. The propositions therefore are:

- Proposition 1: Enactment is resource-independent action and effectuation is resource-dependent action of the entrepreneur in the face of uncertainty.
- Proposition 2: Entrepreneurial opportunity formation processes under uncertainty are complementary and simultaneous processes of Weickian enactment and Sarasvathian effectuation.

Results and Implications

The entrepreneurial opportunity process is proposed to need both Weickian enactment and Sarasvathian effectuation to work in a complementary and simultaneous fashion. This view removes the conflation in the loose usage of the two terms enactment and effectuation in entrepreneurship research, and provides a more complete understanding of the entrepreneurial opportunity process. The success of the enactment-effectuation iterative cycles in shaping an entrepreneurial opportunity may however depend on the relative strengths of the enactment and effectuation actions in the process, and is a question for further research. However, the biggest question these propositions throw up is whether effectuation alone explains the leap action, without the concept of enactment: Is the plunge decision prospective?

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