

Beyond the Entrepreneur's Bravery Lies the Untold Story of How External Forces Shape New Ventures

Sarfraz A. Kyani, Queensland University of Technology, Australia

Entrepreneurship is often touted as a tale of individual heroism, where daring entrepreneurs fearlessly seize opportunities to create new ventures. However, the reality is far more complex. The success or failure of a startup is not just a result of the entrepreneur's grit and determination but also the role of external changes in shaping the venture's creation. From technological advancements to global pandemics, the impact of external enablers cannot be ignored. These external enablers EEs have the power to shape societies, reshape industries, and redefine the way we live our lives.

Based on a study of forty-two key stakeholders in the Australian auto-recycling industry, we delve into the fascinating and often overlooked world of how external changes influence the creation of new ventures and provide three insights on how entrepreneurs can leverage the EEs and their interplay to create new ventures.

1. Local versus international enablers

We find reason to distinguish between international and local external enablers. The former can be leveraged but not changed by local stakeholders, while local enablers both arbitrate the international enablers and contribute their own enabling mechanisms. European Union's End-of-life vehicle ELV Directive and China's waste policy exemplify international enablers. The international enablers affect industry creation enabling mechanisms directly and indirectly (via local external enablers). Therefore, the local regions in Australia (councils, states, territories) can leverage international enabling mechanisms and design and implement relevant policies that foster sustainable venture creation. This can be achieved by applying international enablers and mechanisms in the local industry.

2. The interplay of external enablers

Regulations and technological innovations interplay to create new industries. We find that the ELV Directive prompted recyclers to invest in new technology and improve European auto recycling. In Australia, the Recycling and Waste Reduction Act 2020 was passed in response to global sustainability trends, resulting in new waste regulations being put in place. These external enablers interact with each other to produce effects and require the streamlining of local policies to create a desired impact. Therefore, it is important for policymakers and industry leaders to understand the interplay of external enablers and create policies that support technological innovations and regulations to foster entrepreneurial enablement at the macro level.



Figure 1: Key External Enablers of Auto-recycling Industry

These external enablers interact with each other to produce effects and require the streamlining of local policies to create a desired impact. Therefore, it is important for policymakers and industry leaders to understand the interplay of external enablers and create policies that support technological innovations and regulations to foster entrepreneurial enablement at the macro level.

3. Stakeholders' completeness

In the auto-recycling industry, many promising new activities fail to reach their potential because businesses need to establish positive relationships with stakeholders, struggle to compete with opposing industries, and never win institutional support. To understand how industries are created, it's crucial to recognize the importance of synergies and stakeholder completeness: meaning that for a new venture to succeed within an industry, it must collaborate with other emerging players in a collective effort. Effective collaboration between businesses, scientists, government entities and

local communities is crucial in establishing a sustainable auto-recycling industry. This insight is valuable for entrepreneurs and policymakers, emphasizing the need to consider the entire system when implementing regulations and supporting industry emergence.

Beyond Bravery. External forces shape ventures! Leverage local and international enablers, understand their interplay, embrace stakeholder completeness, and unlock the path to success. Navigate the dynamic landscape and foster sustainable ventures. Dare to thrive!

CONTACT: Sarfraz A. Kyani; s.kyani@qut.edu.au; Queensland University of Technology, 2 George Street, Brisbane 4000, Australia.