7. Learning to fail: lessons from Happenstance

Chris Bilton

‘That wasn’t flying! That was . . . falling, with style!’ (Woody, Toy Story)

In the introduction to this handbook we have argued that a creative approach to management strives to connect different competences and fields of endeavour. This chapter considers three such connections. First, the chapter will highlight the relationship between experimental innovation and entrepreneurial drive and purpose. Second, the chapter identifies the importance of failure and doubt in a creative process and applies this to entrepreneurial risk-taking. Third, the chapter considers differing approaches to entrepreneurial risk-taking in the arts and in technology. The chapter is framed by a case study of Happenstance, a funded research project exploring the relationship between technological and artistic processes and mentalities in three UK arts organisations.

INTRODUCING HAPPENSTANCE

The Happenstance Project consisted of a series of creative technology residencies, placing three pairs of creative technologists into three UK arts organisations for approximately 12 weeks from March 2012 to June 2012. The project was conceived by Rachel Coldicutt at Caper, a digital agency with experience of running ‘hack days’, managing digital projects and devising digital strategies, and by Laura Sillars, co-director of Site Gallery in Sheffield, a small contemporary gallery with a rapidly changing programme of innovative exhibitions. The other two arts organisations were Lighthouse, a digital culture agency in Brighton with a gallery space, studios and office space, and Spike Island in Bristol, home to a gallery, artists’ studios and rented spaces for artists, designers and associates, housed in a former tea factory near the harbourside. For a brief explanation of the day-to-day workings of Happenstance, see Box 7.1.

The primary aim of Happenstance was to consider how digital technology and creative uses of technology can become ‘embedded’ in arts organisations. The project was one of eight pilot projects supported by the
As the name suggests, the outcomes of Happenstance were left deliberately open-ended. However, there was an expectation that resident technologists would come up with some innovative applications of digital technology (hardware or software) to address specific problems with internal communication, corporate identity or external perception in each arts organisation. Hardware solutions included use of thermal receipt printers to respond to inputs from social media, using Kinect motion sensors to observe human traffic in the building, and embedding digital information about artists into artist postcards. Software solutions included ‘Offbot’, a communication tool designed to capture informal communication amongst staff – a kind of anonymised virtual office gossip; this data could then be aggregated and channelled, allowing the organisation to collectively reflect on individual, emergent ideas.

In the end the process behind these projects was no less significant than the outcomes. By making invisible, anonymous digital processes vivid and accessible, Happenstance residents made the arts organisations more aware of and confident with technology. At Lighthouse in Brighton, ‘This Is A Working Shop’ showed one of the residents writing code, making public the unseen craft behind the digital tools we usually take for granted. Meanwhile his co-resident ran lunchtime coding workshops and showed staff how to read and rewrite some of the code used on popular websites. In all three organisations, because the residents were working amongst them, in an open plan office or other public space, digital technology processes and methods percolated through to influence organisational behaviour. This chapter tends to focus on these intangible processes rather than tangible outcomes of Happenstance, in order to make some observations on the human side of enterprise – the people and attitudes which drive an entrepreneurial process.
Leary and Katherine Jewkes was commissioned to observe and evaluate the project. A full report on the Happenstance Project is available via the NESTA website. This chapter will focus on the three aspects of the project noted above: the connections between experimental innovation and entrepreneurial impetus; the importance of risk-taking and failure within the entrepreneurial process; and the different ways in which technologists and arts organisations manage entrepreneurial and innovative behaviours.

ENTREPRENEURSHIP AND INNOVATION

Innovation is a composite process, combining the generation of novel ideas with their application to solve problems in a defined field (commercial, technical, artistic, social). In the application phase, which connects novel ideas into valuable outcomes, entrepreneurial traits and behaviours are a necessary input, as noted in Chapter 6. In practice the innovator and the entrepreneur could be one and the same person. In the schema of this handbook, moving from the earlier chapters on innovation to a discussion of creative entrepreneurship entails moving from an analysis of an innovative process towards a focus on the entrepreneurial people and attitudes which can turn innovative ideas into viable products.

The paradox within entrepreneurship, and the key to its creative character, is the bisociative combination of imaginative exploration and single-minded determination. Trait-based theories of entrepreneurship highlight this paradox – individual entrepreneurs appear to be open-minded, opportunistic and always ready to move on to the next project (hence ‘serial entrepreneurship’); yet when attacking specific tasks and projects, they seem relentlessly driven, obsessively focused, to the exclusion of any external perspective or reality. At worst the entrepreneurial personality can be locked into one half of this duality, accused of short-term opportunism or mere tinkering on the one hand, or of being blinkered and rigid, incapable of converting a singular idea and vision into the more complex, multiple tasks and perspectives required to manage a large business with multiple objectives and accountabilities. This view of the entrepreneur as fundamentally different from managers is reflected in economic theories of the entrepreneur as a catalyst for economic change. In Schumpeter’s theory of creative destruction, entrepreneurs are a necessary evil, disrupting the business environment, initiating the next phase in the economic cycle, opening up new markets, but pushed out to the margins as markets mature, leaving others to reap what they have sown. Schumpeter’s model acknowledges the economic benefits of entrepreneurship while implicitly
Learning to fail

criticising the entrepreneurial enterprise for failing to mature into a sustainable long-term business. The entrepreneur in this model is trapped within a singular personality, unable to adapt and grow.

Trait-based theories of entrepreneurship have fallen out of fashion in academia. Certainly the very deterministic, personality-based profiling which divides the world into those who can or cannot become successful entrepreneurs appears unnecessarily limiting, and underestimates the importance of other contingent environmental factors which shape the entrepreneurial enterprise. However, entrepreneurship is by definition a personal approach to running a business and individual feelings of excitement, motivation, doubt or fear are powerful factors in the success and failure of any entrepreneurial enterprise. Some university courses (including Ruth Leary’s Cultural Entrepreneurship module at Warwick) stress these personal aspects of entrepreneurship in curriculum design, seeking to articulate or develop the entrepreneur’s self-perception and emotional commitment as much as the acquisition of basic business skills. In particular the self-perception of the entrepreneur as ‘exceptional’ (even if in reality they are not so different from the rest of us) seems to be a necessary source of perseverance and self-belief in the bruising struggle for business survival (McGrath et al. 1992, McGrath and Macmillan 1992).

As Poettschacher discovered in his study of entrepreneurs in Vienna, this mythical sense of self is an important motivating factor and is bound up in a self-created mythology around the individual entrepreneur or entrepreneurial business. Unravelling this subjective feeling of exceptionalism (which to an outside eye might appear delusional) risks undermining the motivation and self-belief which drive the business forward (Poettschacher 2005). Consequently the subjective mythology survives even when it ceases to match reality.

Of course these identity myths can also have negative consequences. Strong intrinsic motivation and a belief in the unique character of the enterprise are rooted in formative experiences of the individual entrepreneur and of the business (Schein 1983). This makes it hard to reflect critically on the identity and character of the business, and harder still to change them. Entrepreneurs and enterprises can become so locked into their foundation myths and their self-efficacy beliefs that they are unable to take on board new ideas and new people, to delegate tasks or to confront the need for strategic change. The dream of exceptional individual talent can blind the entrepreneur to the harsh reality of long hours, low wages and a failing business, leading to self-exploitation and the unrealistic expectations of many entrepreneurs, especially in the cultural or creative industries (McRobbie 2002, see also Chapter 8 in this handbook). On the other hand, these self-perceptions reflect the ‘self-efficacy’ beliefs,
often formed in childhood (Bandura 1997, Amabile 1998), which may be needed to drive entrepreneurial and creative behaviour.

What is perhaps needed here is an acknowledgement of the complexity and bisociative character of entrepreneurship. Bandura’s self-efficacy beliefs and Poetzschacher’s ‘foundation myths’ serve a purpose in initiating and launching the entrepreneurial enterprise, inspiring purpose and confidence. But successful entrepreneurs must draw on other traits as they move onto the next stage in the business cycle – from entrepreneurial innovation to adaptive entrepreneurship – becoming more reflective and embracing uncertainty as well as purpose. The introduction to this handbook characterises this complexity as that of a ‘diligent dilettante’ – one who can be purposeful but also admit distractions and second thoughts.

Reflecting on the experience of the technologists on the Happenstance Project, the design of the project required them to initiate and sell new uses of technology to the host arts organisations. The project aims were comparable to Australia’s ‘Geek in Residence’ programme supported by the Australia Council, which invited technologists (and ‘technologically confident artists’) to pursue innovative projects with arts organisations. In both cases an ability to develop innovative uses of technology was only part of the challenge. An ability to work independently (either alone or in partnership with the other resident), to take risks and to develop and manage self-directed work, was arguably more important than creative flair and technical ability. Indeed at the recruitment stage, the fact that all the candidates had the basic technical skills was taken for granted; instead, the arts organisations were interested in the residents’ attitude and their ability to ‘make things happen’ inside the organisation. In other words, the technologists in residence were not only expected to be innovative, they were also expected to be entrepreneurial. More specifically, the residency demanded a confidence that the work they were doing was not only ‘innovative’, but valuable, purposeful and transformative of the organisation.

Most of the residents were or had previously been self-employed and were used to project-based work, often following their own initiative and direction. Indeed, one of the intriguing culture clashes in Happenstance was when freelance, entrepreneurial individuals encountered the routines and procedures of formal organisations. On the other hand, not all of the technologists in residence had the confidence to take the initiative from the outset. One resident in particular admitted to a lack of confidence, half joking that perhaps they had appointed the wrong person (he claimed he didn’t understand the label ‘creative technologist’ and certainly didn’t feel this applied to him). Prior to working on Happenstance he had usually worked to a clearly defined brief. Working without rules or defined outcomes was unsettling. To begin with, he preferred to take
a problem-solving approach to the residency, helping out with routine tasks rather than initiating projects, for example reconfiguring the gallery director’s laptop, sorting out problems with the printer or the server, even agreeing to ‘fix the Internet’. He played a similar, supporting role with his co-resident, allowing her to come up with ideas and then helping her to implement them, rather than taking the lead himself.

However, as the residency progressed, he became increasingly confident about his own role and abilities. He began to recognise that his ideas were valued and became more adventurous in taking the initiative. By the end of the residency he was able to envisage a new role for himself as a creative technologist and was determined not to fall back into his previous role as a worker for hire. Undoubtedly this personal transformation grew out of the support and trust from the arts organisation. The director of the organisation spoke of her belief that ‘if you put brilliant people into an organisation, brilliant things will happen’. Meanwhile the residents both spoke of being ‘given permission’ to be creative, and appreciated the scope and freedom they were offered to take risks and try new things. For the arts organisations this interaction was comparable to curating artists in residence. While protecting the artist from external pressures and distractions, the host organisation also provides a sounding board for ideas and a framework of possibilities. Similarly for the technologists, the arts organisation provided a purposeful frame within which innovative technology (and the technologists themselves) could take on value and direction. Consequently the residents acquired a self-perception of themselves as ‘creative technologists’ who could not only innovate but could also add value to an organisation.

Following Happenstance, several of the residencies spoke of their new self-esteem or ‘self-efficacy’ as creative technologists. One resident initiated an arts project with the host organisation, one was hired as a resident technologist, another relocated in order to continue working with the ideas and people encountered through Happenstance. These personal transformations were not part of the Happenstance project design, which had been directed towards organisational outcomes rather than personal change. However, the fulfilment and personal development enjoyed by the residents in this pilot project might be significant motivating factors in any future iteration of Happenstance.

In order to initiate change, a measure of self-belief and confidence is required. But entrepreneurs must also learn to deal with doubt and failure. As the Happenstance residents moved from initiating projects (entrepreneurial innovation) to applying and developing them (adaptive entrepreneurship), a different set of traits and behaviours was needed to address new challenges.
LEARNING TO FAIL

Self-efficacy beliefs, intrinsic motivation and confidence represent only one side of the entrepreneurial personality. Entrepreneurs according to Frank Knight are prepared to take on ‘uninsurable risk’ (Knight 1921); they thus embark on risky projects, products and markets which conventional business might avoid. Entrepreneurs are able to be more tolerant of risk and failure than established businesses because they are less bound by external stakeholders and other accountabilities (Stevenson 1983). Entrepreneurial risk-taking may be driven by external conditions as well as by intrinsic choice, particularly in unstable markets, such as the commercial creative industries, where uncertainty and risk are inscribed in the nature of the production process and in the unpredictable, subjective nature of consumer demand (Bilton 1999). Attitudes to failure in Happenstance were shaped both by internal cultures and attitudes and by external circumstances.

The Happenstance resident technologists were used to building fast and building cheap, quickly assembling a piece of hardware or code, then hacking it in order to improve it. This iterative process of ‘fast failing’ – building a low-cost experimental prototype to find out what works, not as an end in itself but in order to learn for the next version – is not unusual in technology projects (for example software development) and in the arts, for example the process of theatre rehearsal (Ibbotson 2008, see also Chapter 13 in this volume). More recently the idea of ‘deliberate mistakes’ has been promoted more widely as a route to innovation and creativity (Schoemaker and Gunther 2006). It is important that mistakes are made quickly and cheaply. A protracted or expensive failure is more likely to discourage future experimentation and may exhaust the financial and human resources needed for a second attempt.

The arts organisations involved in Happenstance were publicly funded and their ability to take risks was constrained by resources and by relationships with external stakeholders. Apart from the financial risks, any failure would entail loss of time, energy and reputation, which would further implicate the organisation’s relationships with funders, artists and audiences. Happenstance itself was a relatively high-profile project; the pilot projects were being observed not only by the funders but by other organisations which had either unsuccessfully bid for a pilot themselves or were planning future projects in the next funding round. While the arts organisations were used to taking artistic risks (for example including controversial material in an exhibition), organisationally they tended to be more risk averse. Organisational risks were associated with strategic planning for long-term projects – for example commissioning a new art work.
or exhibition. Such projects did not fit the iterative ‘fast failing’ model of software development or theatre rehearsal. Due to a combination of high stakes and greater accountability, the arts organisations were thus less likely to take risks, and less likely to discuss their attitudes to risk and failure; in the words of one organisation director, ‘We’re very bad at doing this – it’s perceived as a threat to our relationships with stakeholders.’

Happenstance needed to provide a safe environment in which arts organisations can learn to fail. At the start of Happenstance, Caper (the digital agency behind Happenstance) introduced the idea of ‘agile’ development, a flexible approach to software development which emphasises collaborative, adaptive teamwork practices, efficient software engineering and quick design cycles through self-organising, explorative work (Aoyama 1998, Schwaber and Beedle 2002) in an environment of mutual trust and respect (Agile Manifesto 2001). The key principles are flexible people, processes and technologies (Gunasekaran and Yusuf 2002) with a focus on ‘collaborative work, concrete results, delivering value and minimising waste’ (Shore and Warden 2007). This style of working allows for rapid prototyping and ‘shipping’ (Godin 2010) through continuous development of outcomes and team interaction. Although not all the arts organisations bought into all aspects of the methodology, many of the principles behind an ‘agile’ approach remained.

The arts organisation followed a ‘deliberate’ approach to planning, defining strategic objectives first, then implementing the strategy, then evaluating. Agile methodology aims to combine these phases, so that planning, implementation and evaluation proceed in parallel. Each day all the participants in a project report progress in a daily ‘scrum’ meeting. Outright success or failure is replaced by a relative measure of progress; if one task is temporarily blocked, the team may proceed to another. Planned outcomes may be adapted if new outcomes emerge. There are echoes here of Mintzberg’s ‘emergent’ strategy model (Mintzberg and Waters 1985). Crucially the approach diminishes the fear of failure because, instead of waiting for a final deadline, progress and plans can be continually adjusted and updated. In this model, progress and outcomes may not follow a predicted path, but absolute failure is almost impossible. Provided the organisation is not too heavily invested (literally and metaphorically) in one particular pathway, it should be possible to learn from difficulties, address them and move rapidly on to another solution. The ‘scrum’ meeting allows the group to discard methods until something works, adapting quickly to setbacks and working around them.

In a technology context, it might be necessary to put a software development project on hold while awaiting a new piece of equipment or working around a specific technical glitch, then picking up the pace again once the
problem has been resolved. Could this approach and attitude be applied to
the process of planning an art exhibition or redesigning an arts organisa-
tion’s website? Perhaps so – by disaggregating a larger crisis into a series of
smaller problems, or by proceeding with one part of event planning while
putting another task on hold until a viable ‘workaround’ has been identi-
ified. In the words of one Happenstance technologist, ‘just because you
don’t know how to do something doesn’t mean it’s difficult.’

Agile methodology breaks down large projects into smaller compo-
nents. Projects are considered as a set of operational challenges, and
organisations are considered as an aggregate of motivated individuals.
Again, this implies an ‘entrepreneurial’ rather than ‘strategic’ model. Thus
the Agile Manifesto in its ‘twelve principles behind the Agile Manifesto’
(Agile Manifesto 2001) emphasises operational effectiveness over strategic
goals (‘working software is the primary measure of progress’) and pri-
oritisates individuals over organisations (‘build projects around motivated
individuals. Give them the environment and support they need, and trust
them to get the job done’). The latter gives a fairly accurate description of
the position of the resident technologists during Happenstance.

One practical example of Agile during the residencies was the use of
a software tool called ‘Trello’. ‘Trello’ provides a ‘trellis’ framework for
ideas and projects, depicted on a grid which can be accessed online by
participants. Initially the two technologists used this software to map their
ideas and projects during the residency. Each project was broken down
into component parts which could be prioritised, completed, blocked
or paused depending on progress and status on the Trello grid. Trello is
also an open source planning tool which allowed the arts organisation
staff members to update progress or reorder priorities, and so to organise
each day’s activities efficiently. This ‘agile’ approach to planning proved
popular with the gallery staff and was introduced as an alternative method
for updating and planning instead of more formal reporting and planning
in staff meetings. Planning was here utilised as a verb (an active process)
rather than as noun (a blueprint to be followed), and objectives were con-
tinually recalibrated and reordered in response to progress. Trello also
reinforced a further principle of agile methodology, that users or ‘cus-
tomers’ should be actively involved in the development process, allowing
them to access work in progress rather than withholding judgement until
the work is completed. The Agile Manifesto emphasises the importance
of face-to-face communication, preferably on a daily basis, rather than
formal reporting procedures. Most of the time the Happenstance residents
were working alongside permanent staff in an open plan office, allowing
a continual percolation of ideas between the arts organisation (users) and
the technologists (producers).
The overall aim of Happenstance was for creative technology to become ‘embedded’ in the arts organisation. The residencies did produce a number of innovative products and practical outcomes. However, the real value of the residencies was to introduce ‘digital thinking’ into the culture of the arts organisation. This was a social process rather than a technological one. Indeed, the Agile Manifesto specifically prioritises social interactions and individuals over technical processes and tools. Of course the arts organisations were used to working collaboratively in their creative output; what was new was applying a collaborative, social approach to organisational and technological processes. In particular the residencies demonstrated a link between communication and project planning, allowing goals and achievements to be continually discussed, shared and modified by project participants. This in turn allowed members of the group to be more confident and more open-minded when taking risks and less anxious about strategic planning. One of the senior arts managers noted that, following her experience on Happenstance, she no longer felt intimidated by planning large-scale technology projects and would see such projects as a natural extension of everyday problem-solving.

Overcoming fear of failure is no doubt part of the entrepreneurial capability of an organisation or individual. On the other hand, how we deal with failure after it has occurred is no less important. Here too, the Happenstance Project illustrated how an entrepreneurial mindset can be informed by the culture clash between technology and the arts.

LEARNING FROM FAILURE

The entrepreneurial virtues of resilience, diligence and relentless self-belief have a darker subtext. The drive that pushes the entrepreneur to take uninsured risks, to venture boldly into new markets and to challenge the conventional wisdom can blind the entrepreneur to their own weaknesses. In Danny Miller’s *The Icarus Paradox* (1990), the entrepreneur becomes an empire builder, pursuing new ventures beyond any intrinsic abilities and resources; Miller’s paradox is that success locks us into a pattern of repetition, simplifying our behaviour into what we take to be our strengths, stripping out the complexity and range which gave those strengths a meaningful context and purpose (Miller 1993). Conversely, failure inevitably stimulates change and experiment; failure thus might be the better teacher than success.

Like Miller, Clayton Christensen (1997) explores the paradoxical relationship between success and failure in his *Innovator’s Dilemma*. Basing his study on computer hard-drive manufacturers, Christenson discovered
that successful manufacturers became locked into certain technologies and customer bases, particularly in fast-moving markets. When new technologies emerged, the leading manufacturers found it difficult to adapt. They were heavily invested in the old technology, and their existing customers were reluctant to try something new. Consequently these manufacturers were overtaken by start-up companies with fewer resources and no real presence in the market, and hence with nothing to lose by investing whole-heartedly in the new technology. These new firms would themselves fall into the same dilemma as they found themselves similarly locked into technologies and customer expectations, and similarly threatened by the next generation of technologies and new entrants.

Within the Happenstance Project, the culture of experimentation and risk-taking required a willingness to fail. But it also required a willingness to learn from failure. The mantra of ‘fail fast, fail often’ requires a coda, ‘don’t make the same mistake twice’. One of the hardest tasks for any innovator or entrepreneur is to give up on an exciting new idea, when all of their entrepreneurial instincts drive them to proceed, diligently and doggedly, towards completion. After all, the previous section of this chapter argued that the entrepreneur presses on resolutely against the siren voices warning of trouble ahead. Surely this is precisely the meaning of ‘uninsured risk’?

Knowing when not to persevere, when to let go, requires a measure of humility. Among writers, this is known as ‘killing your babies’ – cutting out the beautifully crafted opening sentence, the mysterious character, the dazzling dialogue, the parts of the script you are initially most proud of but which become an obstacle to everything else in the story. For the Happenstance technologists, this meant that a new piece of software or hardware which was technically innovative and in which they had invested considerable effort and imagination, might have to be dropped because the arts organisation had no use for it. At Site Gallery the technologists experimented with a ‘polargraph’ – a robotic arm which could draw in response to codes transmitted from a remote location. But the arts organisation could not identify any valuable purpose for this technology and the project was quietly shelved. Conversely, some of the technologies introduced by the residents were not in themselves innovative (for example using Kinect motion sensors to capture physical movement, or the Trello project management software alluded to above) but had the potential to be transformative as they took on a fresh purpose in the organisation. Very often the most transferable ideas were the simplest – a lunchtime coding workshop at Lighthouse, a ‘design jam’ at Spike Island, redesigning the online shop at Site Gallery. And very often the transformative effect came through the communication around the technology rather than the technology itself.
The humility and restraint required to surrender a promising idea, or to diligently work on an idea which initially appears unpromising, reflected a maturity amongst the residents. The capacity for self-doubt does not at first appear to be a characteristic of successful entrepreneurs. We only notice the single venture that they finally pursued to completion, not the many ideas and projects they discarded along the way. Yet when successful cultural entrepreneurs talk to students on the Cultural Entrepreneurship module at Warwick, they almost always begin by describing a catalogue of failures and false starts. Here it is the selection of the idea rather than the idea itself which drives the successful business; more specifically, it is necessary to accept failure in order to move on to the next possibility.

The core of the Happenstance process was the selection, retention and reapplication of promising ideas within the organisation. Selective retention of ideas connects with a Darwinian model of innovation (Simonton 1999) in which a diversity of inputs is selectively retained and absorbed into a continuously evolving system – in this case, the evolving system being the arts organisation’s ability to make creative use of digital technology. Not all of the interventions proposed by the residents were useful or relevant. The residents would at times be excited by a particular technology (thermal printers, virtual drawing machines, tweeting kettles), but it was up to the arts organisation to identify the value of these ideas and either accept or reject them. In effect the functions of experimentation and adaptation were split between the technologists in residence and the arts organisations. The technologists generated promising ideas, and the organisations provided a purposeful frame within which these ideas could be applied, adapted or rejected (Figure 7.1).

![Creativity as a cooperation between innovators and adapters](image)

**Figure 7.1 Creativity as a cooperation between innovators and adapters**
For the model above to operate, both sides need to make compromises and be attuned to the other. This requires both humility and self-awareness on behalf of the technologists, and open-mindedness and trust on the part of the organisation. The entrepreneurial energy is directed inwards, framed by a common purpose. Where these personal qualities and shared purpose are lacking, the model can dissipate into dysfunctional outcomes and mutual mistrust (Figure 7.2).

Here the entrepreneurial energies are not directed inwards but towards diverging goals and priorities. Certainly we saw traces of these tendencies in Happenstance, and there were no doubt anxieties and frustrations on both sides. But the remarkable success of the project was to build mutual trust and allow both technologists and organisations not only to make mistakes but to admit when they got something wrong. In this way they were able to adjust to each other rather than pull in opposite directions. It is worth noting that this mutual respect was not just a happy accident. The three organisations had been selected (or self-selected) because of a shared curiosity about digital technology; the six technologists had been recruited not only on the basis of technical skills and creative input, but on the basis of their interest in the organisations. Curiosity and attitude were here more important than experience; several of the residents had limited experience of formal organisations and found the rituals of staff meetings and office email bizarre and irrational, but they were also motivated to intervene in these practices to improve them. The Happenstance Project was a product of deliberate planning by Caper, the digital agency behind

---

**Figure 7.2** What happens when innovators and adapters fail to cooperate

---

- **Innovation**
  - Refusal to compromise,
  - Emphasis on technological innovation over organisational purpose

- **Adaptation**
  - Refusal to accept ideas which do not fit strategic priorities

- **Zone of Irrelevance**
  - 'Novelty without value'
  - 'Technology for its own sake'
  - 'Gimmicks, self-indulgence'

- **Zone of Predictability**
  - 'Stick to the brief'
  - 'Routine problems, tinkering'
  - 'Control, micromanagement'
Happenstance, and the directors of the arts organisations. At the pre-
production stage, this group established the working methods, principles
and deadlines within which the participants could explore and learn. The
entrepreneurial qualities and attitudes which drove Happenstance resulted
from a combination of diligent, purposeful planning and a willingness to
compromise, admit mistakes and to learn from failure rather than chase
success.

THE HUMAN SIDE OF ENTERPRISE

This chapter has aimed to highlight the human qualities which character-
ise entrepreneurial behaviour and processes. Contrary to the stereotypi-
cal picture of the entrepreneur as a driven, even obsessive individualist,
the Happenstance Project illustrates how entrepreneurial behaviour and
outcomes can combine apparently contradictory qualities and can be
distributed across individuals and organisations working together.

In particular the chapter has highlighted the importance of failure, self-
doubt and compromise as the necessary counterweight to the entrepre-
neur’s sense of purpose and conviction. These contradictory emotions and
attitudes were identified amongst the six resident technologists who were
charged with initiating digital innovation in the arts organisations. The
technologists were increasingly confident and proactive over the 12- week
residency in initiating ideas and taking risks. They were also occasionally
racked by anxiety and self-doubt, feelings which allowed them to respond
creatively to failures and to adapt to the needs and expectations of the host
organisation. The transition from ‘innovation’ to ‘adaptation’ through
the residency reflects the bisociative character of innovation and entrepre-
neurship. In trait-based theories of entrepreneurship and in Schumpeter’s
economic model, entrepreneurs are often identified with one half of this
process, with the initiation of change rather than with continuity and
adaptation, with strong intrinsic motivation and self-efficacy rather than
with doubt and compromise. The Happenstance residents had to combine
confidence and purpose with self-doubt and humility.

Organisations are less likely to embrace risk than individual entre-
preneurs because they are more accountable to their stakeholders; the
arts organisations were accountable to audiences, artists, funders and
employees. Agile methodology provided a mechanism for managing
risk and failure, allowing problems and setbacks to be absorbed into
an evolving progress rather than loaded into a traditional planning and
evaluation framework. For the arts organisations this approach offered
an alternative way of managing risk and evaluating projects, breaking
larger projects down into smaller steps and fostering a ‘fail fast, fail cheap’ mentality which acknowledges mistakes and readjustments as inevitable and necessary to effective progress.

Agile principles also highlight the social nature of entrepreneurship and innovation. Taking risks and sharing half-formed (occasionally half-baked) ideas is easier through regular face-to-face meetings than through formal reporting mechanisms. In Happenstance the sharing of ideas and the bisociative character of entrepreneurship was reflected in the relationship between the resident technologists and the arts organisations. The technologists were more likely to take risks and to initiate new ideas, the arts organisations were better placed to select and adapt those ideas, providing a purposeful frame for random innovations and converting them into valuable innovation (see Figure 7.1 above). Yet this neat division of roles only worked because both sides were capable of mutual adaptation, again underlining the importance of a bisociative mindset. The interaction between diligent purpose and self-doubt and compromise was played out both at the individual and the collective level.

Happenstance was designed as an exploration of digital innovation in arts organisations. This chapter has focused instead on the entrepreneurial attitudes and behaviours which drive innovation. As noted in the introduction to this chapter, innovation and entrepreneurship are two sides of a continuous process. The ability to take risks and to learn from failure is of course as necessary to innovation as to entrepreneurship. This handbook has framed entrepreneurship as the attitude and mentality which drives innovation towards successful outcomes. This chapter has highlighted the significant and necessary role of risk, failure and compromise (the bisociative opposites of drive and conviction) in that entrepreneurial mentality.

QUESTIONS FOR DISCUSSION

1. What are the entrepreneurial characteristics which drive innovation and adaptation? Are these different entrepreneurial characteristics mutually compatible? To what extent does entrepreneurial behaviour depend on personality, environment, experience?
2. Find an example of a ‘successful failure’ (a failure which led on to a success). How did the participants respond to success and failure and how did this influence the outcome?
3. How does ‘fear of failure’ influence your decision-making? How can big risks be broken down into small risks?
4. The Agile Manifesto describes a particular approach to project
management developed in the software industry. What can we learn about risk management from technologists, from artists or from other industry sectors? How might you adapt their methods to your own work?

NOTES

3. For an introduction to ‘Agile’ principles, see the Agile Manifesto: http://www.agilemanifesto.org
4. For a discussion of project outcomes see Bilton 2012, pp. 40–44.

REFERENCES


