Introduction

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I am excited to offer this collection of works as a book. Although the topic of entrepreneurial decision making is broad (for a review, see Shepherd, Williams and Patzelt, 2015), I wanted to focus on the varying topics of entrepreneurship unified through a common method. The common method is conjoint analysis, which presents a series of hypothetical scenarios from which an individual's decision making can be decomposed into its underlying structure. I won't bore the reader with an extended description of conjoint analysis here because it is covered in each of the chapters. The advantage of a collection of entrepreneurship studies that have relied on conjoint analysis is that we gain a deeper understanding of the different entrepreneurial decisions through a common approach, analysis, and language, making it easier to accumulate knowledge across studies. Furthermore, not only does using conjoint analysis in different contexts illustrate its versatility, each chapter also adds variation to its use. For example, Choi and Shepherd (2004, Chapter 1 this volume) focused solely on the level of the decision (Level 1); Behrens, Ernst, and Shepherd (2014, Chapter 5 this volume) explained variance in decisions (Level 1) based on levels of management (Level 2); Shepherd, Patzelt, and Baron (2013, Chapter 4 this volume) controlled for Level 1 factors to explain variance in decisions based on attributes of the individual and the external environment; and Haynie, Shepherd, and Patzelt (2012, Chapter 13 this volume) used two conjoint studies separated by an experimental manipulation to investigate the extent to which individuals changed in response to the manipulation.

I originally focused on conjoint analysis as a doctoral student in the mid-1990s because I was interested in experts' decision making about the entrepreneurial process. This interest led to discussions and ultimately a wonderfully rewarding co-authoring relationship with Andrew Zacharakis. Although I was working on metric conjoint analysis of venture capitalists' decision making and he was working on policy capturing of venture capitalists' decision making, the methods (and our interests) were quite similar. Given that these methodological approaches were new to the entrepreneurship literature, we developed a 'how-to' chapter on conjoint analysis (Shepherd and Zacharakis, 1997), which was the foundation for Chapter 23 (Shepherd and Zacharakis, 1999, Chapter 23 this volume).

For me, venture capital was simply a context to study aspects of entrepreneurship, and I soon started to develop conjoint studies of entrepreneurs' decision making. Entrepreneurial decision making was (and still is) my passion. Perhaps this passion was contagious because a number of PhD students joined me on this journey – indeed, all the co-authored papers in the book, with the exception of Chapters 21 and 23, involve individuals who I initially worked with as doctoral students. Working together, these co-authors and I were able to develop and extend the possibilities of conjoint analysis for entrepreneurship research. I have separated this research into six sections and offer a conclusion.

The first section is on decision making about entrepreneurial opportunities. It is fitting that the first paper in the book (Chapter 1) is with my first doctoral student Young Rok Choi (Choi

and Shepherd, 2004). In this study, we explored the likelihood that entrepreneurs would exploit opportunities based on the state of their knowledge of customers, their managerial capability, the level of stakeholder support, and the moderating role of their product's anticipated lead time. In Chapter 2, Haynie, Shepherd, and McMullen (2009) dug deeper into the opportunity-evaluation process by investigating entrepreneurs' cognitive representations of 'what will be' if they exploit opportunities based on what resources they have available and what resources could be marshalled. That is, from a resource perspective, we theorized and found out to which opportunities entrepreneurs are drawn. In Chapter 3, Mitchell and Shepherd (2010) set out to theoretically and empirically explain variance across entrepreneurs in the decision policy identified by Choi and Shepherd (2004, Chapter 1 this volume), finding that entrepreneurs' attitudes and beliefs help explain that variation. In Chapter 4, Shepherd, Patzelt, and Baron (2013) were interested in building on our knowledge of opportunity evaluation, individual differences in decision making, and values disengagement to gain a deeper understanding of why some entrepreneurs decide to exploit opportunities that harm nature despite these decisions running contrary to their personal values.

In Part II, I transition from entrepreneurs of independent organizations to entrepreneurial decision making within established organizations. In Chapter 5, Behrens, Ernst, and Shepherd (2014) investigated managers' decisions to exploit a project based on the attributes of those projects. Interestingly, we found differences in these decision policies across managerial level that is, middle and senior managers differ. In Chapter 6, Klaukien, Shepherd, and Patzelt (2013) added an interesting 'twist' to a conjoint study by manipulating the emotions of the entrepreneurs engaged in the entrepreneurial decision-making task. We found that passion for work and non-work-related excitement levels impact managers' decisions to exploit new product opportunities. In Chapter 7, Brundin, Patzelt, and Shepherd (2008) also investigated emotion, but this time, it was employees' perceptions of their managers' emotions. We found that managers' emotional displays influence employees' willingness to act entrepreneurially, which has implications for the role of emotion and motivation in entrepreneurial decision making. In Chapter 8, Patzelt and Shepherd (2009) built on the goal-setting literature to explore which public policy initiatives entrepreneurs perceive as the most valuable in helping their entrepreneurial endeavors. Specifically, 'access to finance' offered by a policy program enhances the benefits of other policy attributes (for example, access to networks and business knowledge) and reduces administrative burdens while also reducing the benefits of other policy attributes (for example, offering tax incentives for new ventures).

In Part III, I investigate decision making as it pertains to an entrepreneurial career. In Chapter 9, Douglas and Shepherd (2002) investigated the decision to pursue an entrepreneurial career in terms of individuals' attitudes about income, risk, work effort required, and independence. We found that individuals who are more tolerant of risk and/or have a stronger preference for autonomy have stronger intentions to be self-employed. Building on this paper, in Chapter 10, Shepherd, Douglas, and Fitzsimmons (2008) used conjoint analysis to determine the entrepreneurial mindset of Master of Business Administration (MBA) students from India and Thailand. We found that MBA students with higher GMAT (that is, standardized test) scores are more adverse to the work effort and attitude toward risk characteristic of an entrepreneurial career. Additionally, in Chapter 11, Shepherd and Zacharakis (2000) noted that the decision to pursue an entrepreneurial career can be manifest in the succession in a family business. We investigated potential leaders' risky decision making based on how the

family business succession was structured. We found that future leaders of a family business place more value on their business the more the succession requires them to 'earn' the right to lead the business as well as raise the financial and behavioral sunk costs. In Chapter 12, McMullen and Shepherd (2006) took the perspective that scholars can be more or less entrepreneurial. We found that scholars are less likely to engage in highly uncertain consensus-challenging research when they anticipate blame for taking a risk that does not work out and when they have high time pressures. However, we found that these attributes of the work climate are more discouraging of consensus-challenging research for those with the highest competence for conducting this type of research.

In Part IV, I emphasize work that focuses more on the decision-making process. In Chapter 13, Haynie, Shepherd, and Patzelt (2012) investigated which individuals are best able to use feedback to effectively adapt their decision making to a changed context. We found that the effectiveness of adapting decision making depends on the type of feedback (that is, outcome or cognitive) and individuals' metacognitive ability. In Chapter 14 Mitchell, Shepherd, and Sharfman (2011) also looked at changes in decision making, but in this study, there was no change in circumstance or feedback necessitating a change in decision policy. We referred to these unrequired changes in decision making as erratic and found that entrepreneurs with more metacognitive experience and those in more dynamic environments are less erratic in their decision making and that entrepreneurs from more hostile environments are more erratic in their decision making. In Chapter 15, Mitchell and Shepherd (2012) further explored inconsistency in decision making but this time between the decision-making rationale that entrepreneurs convey to others and the rationale that informs their actual decisions. We found that human capital and efforts to codify decisions concomitantly influence decision incongruence. In Chapter 16, Bruns, Holland, Shepherd, and Wiklund (2008) further explored the role of human capital in decision making, but in this study, we found that loan officers were more likely to approve loans for entrepreneurs who have similar human capital to themselves.

In Part V, I focus on studies that explore entrepreneurs' decisions to persist with their entrepreneurial endeavors despite poor performance. In Chapter 17, DeTienne, Shepherd, and DeCastro (2008) investigated the attributes of entrepreneurs' relationships with poorly performing firms to explain persistence decisions. We found that persistence is more likely when the environment is munificent and when entrepreneurs have high personal investments in the firm, have few personal career options, experienced previous organizational success, and have high collective efficacy. We also found that these relationships are moderated by differences in entrepreneurs based on their extrinsic motivation. In Chapter 18, Holland and Shepherd (2013) built on DeTienne et al. (2008, Chapter 17 this volume) to explore how environmental adversity and entrepreneurs' values influence the decision to persist despite poor performance. We found that entrepreneurs' emphasis on the attributes of the business when making decisions to persist depend on the level of adversity and entrepreneurs' values of self-enhancement and openness to change. In Chapter 19, Patzelt and Shepherd (2008) extended the notion of persisting with poorly performing firms to the decision to persist with poorly performing alliances. We found that these persistence decisions are influenced by behavioral and social control, competence and goodwill trust, and interactions between the control and trust attributes.

In Part VI of the book, I introduce the topic of venture capitalists' decision making – the topic my research using conjoint analysis began with. Indeed, Chapter 20 was my first real journal publication. In this paper (Shepherd, 1999), I explored venture capitalists' assessments of the likelihood of entrepreneurial firm survival based on the attributes of entrepreneurs' new venture strategies. I found that venture capitalists deem survival to be higher for entrepreneurial firms when there is stability in key success factors and low competitive rivalry; when the entrepreneurial firm is a pioneer; and when the firm has a long lead time, high educational capability, and high industry-related competence. In Chapter 21, Zacharakis and Shepherd (2001) used a policy-capturing approach to explore venture capitalists' overconfidence. We found that venture capitalists as a group are overconfident in their decision making and that this adversely impacts their decision accuracy. Overconfidence is greatest among those venture capitalists who have greater access to information and more task-related information as well as when they are making more moderate performance predictions. In Chapter 22, Zacharakis, McMullen, and Shepherd (2007) explored differences in venture capitalists' decision making across three countries. We found that United States venture capitalists rely more on market information than do venture capitalists from Korea and China. We also found that venture capitalists from China place greater emphasis on entrepreneurs' human capital than venture capitalists from the United States or Korea. In Chapter 23, Shepherd and Zacharakis (1999) provide a primer on how to conduct conjoint analysis. Although much water has passed under the bridge since then (as evidenced by the chapters in this book), I still believe it represents a good summary of how to use the conjoint technique.

References

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