

1. Different times and realities – different thinking

1.1 SOME BASIC POSITIONS

One fundamental truth for me is that time never stands still. Changes are constantly going on, but at present more and more change seems to take place faster than before. Fewer aspects of life around us can, to our advantage, be looked at as fixed. This, however, is not a sufficient description of how I experience present times. Changes seem also to be of a different kind today. They contain *genuine uncertainty*, which cannot be reduced by more planning, for instance. The number of exceptions has also, as I see it, become higher, which makes it harder to forecast the future.

One consequence of these new conditions is that we must change our way of thinking and come up with new kinds of solutions to different problems; that is, we live in an *entrepreneurial society* today. One consequence of this is, of course, that it can sometimes be more important to get rid of old ways of doing things than find out new ones.

New ways of doing things have always been a major source of progress in society. However, due to the fact that today's changes are so many, so widespread and so different, we must all develop an *entrepreneurial mindset* to handle our situation, in everything from our families to institutions of our countries and their transnational obligations, businesses, and social and political agencies.

We can talk about *three kinds of entrepreneurial ventures* in a society:

- *Completely new independent businesses* offering new solutions to market customers. We can call them *independent business entrepreneurial ventures*.
- *Already existing businesses* offering new solutions to customers. We can call them *business intrapreneurial ventures*.
- New solutions that we demand and/or need as *market customers* or as *citizens*. We can call them *social entrepreneurial ventures*.

It is possible to talk about three sectors in a society and two kinds of entrepreneurs. The three sectors are:

- the *public* sector
- the *business* sector
- the *citizen* sector.

The two kinds of entrepreneurs are:

- *business* entrepreneurs. They operate in the business sector and they aim at satisfying customer demands.
- *social* entrepreneurs. They can operate in any sector of the society and they aim at satisfying somebody's needs.

By satisfying *demand*, I refer to such solutions which we are willing to pay for as customers in a market of some kind. By satisfying *need*, I refer to such solutions which make us feel more complete as members of a society (it can be anything from self-fulfilment, protection and care, to not feeling alienated or excluded as a citizen).

The four social entrepreneurs are:

1. Employees in the public sector who make social moves over and above what is required as employees while they are still employed there.
2. Business people, satisfying demand at the same time as satisfying social needs.
3. Entrepreneurs who are neither employed in the public sector nor belong to the business sector, but operate in the citizen sector, satisfying social needs in a business-like way. I refer to them as *citizen enterprisers*.
4. Entrepreneurs in the citizen sector satisfying social needs without doing this in a business-like way, and not even looking at themselves as operating in a market. I refer to them as *citizen innovators (or public entrepreneurs)*.

I give social entrepreneurs a special place in this book. The citizen sector was strong in Western countries during the nineteenth century, but expansion during the twentieth century pushed it to the backseat during the major part of that century. During the last 30 years or so the trend has changed, however, which for three reasons has led to a revival of the citizen sector – sometimes called *the third sector* or *the social economy* (Murray, 2009):

- Consumers have increasingly become their own producers.
- Some social issues are harder to manage.
- Environmental issues have become more serious.

Consumers have, to a large extent, become their own producers; today they are more active in adding value themselves to what they need. Consumers have become *prosumers* (Toffler, 1980). Critical to members of society now is how different support and possibilities are designed to fill their day with content, rather than just buying all that is needed in completed form and/or being passive receivers of public service. The support economy has taken over from the commodity economy as an organizing principle in society (Maxmin & Zuboff, 2002). Production is no longer going on in a separate sector, generating products for other parts of society to choose from, but the whole arrangement in society is, to an increasing extent, built up around active users/citizens. These people are participating more and more in putting together, repairing and adding value to what they want and what they feel they need. A transformation of the relationships between consumers/users and markets has taken place. The process of production and supply is to a decreasing extent a *linear process* where the consumer is the end of the chain. Decisive middle hands are now those who have the knowledge, ambition and confidence to be more active in the society than others. Those are the ones who put the knowledge economy together and who develop it.

The institutional consequences are far-reaching. Systems are now organized around *citizens and their local communities*. Citizens have also become connected in a variety of shapes – through the Internet or by different kinds of events and in study groups – rather than built up around centralized institutions. This is a long way from the passive consumer and the mechanical worker of the early twentieth century. Modern society positions every household by itself *and* in cooperation as ‘*living centres*’ in distributed systems – the vitality of the whole becomes dependent on the vitality of the individual innumerable components. This justifies asking new questions about what allows or prevents households from being participants, questions of what the relationships and possibilities look like, questions about which dwellings are to be built and where they are to be placed, questions about necessary working skills today, questions about tax design, to mention a few.

Pressure has increased on state-driven infrastructure which is supposed to provide social service. One type of pressure comes from the sheer size and growth of demand for such services. In many industrialized countries, there are dramatic rising trends in the number of immigrants and refugees, but also in internal phenomena such as obesity, chronic disease and demographic ageing, all of which have been described as time bombs.

These trends constitute a double challenge for existing structures. Firstly, there is a growing mismatch between traditional social service and new needs – for instance, in most countries, schools and dwellings were

built up to service people already living within the country and hospitals to take care of emergencies rather than chronic diseases. Secondly, it has proven difficult to combine increased service needs with necessary cost-efficiency. Schools, hospitals, dwellings, nursing homes and prisons have cost structures, which, to a large extent, are of a fixed kind and difficult to reduce in a more work-intensive service.

As a result of this, these sections of society require an increasingly larger part of national resources. The major parts in economies in 2025 and beyond will not be cars, ships, steel, computers or personal finances, but instead health, dwellings, education and care. Public and citizen sectors will no longer be tributaries to the business sector but instead mainstreams of society and central for the employment and economy of the country as a whole.

There are two responses to these challenges. The most common has been to still try to design *technical solutions* to upgrade those institutions where service is given. In the case of hospital care, for instance, those industrial models, which once were associated with Ford and Toyota, have been adapted to try to speed up the patient flow through hospitals. Costs have been cut through outsourcing, by privatization in some cases and by repeated efficiency drives. Hospitals have become bigger and more specialized. Prices have been set on what once was free, and quasi-market arrangements have been established to bring in economic discipline among personnel and others. But the pressure has continued to increase relentlessly. In terms of health and some other social issues in general and environmental issues in particular, the most effective answers have been of a *preventive nature*, but these have proven to be very difficult to establish in the public sector and in markets as they look today.

Another approach has also been undertaken to try to cope with the problems. A number of attempts have *involved citizens and the civic society as partners in public service*; for instance, the assistance of parents, pensioners and other citizens in the governance of schools, representations of patients in hospitals and in dwellings by those who live in them.

To summarize, *active citizens* are presently central to many of the social issues. To those with chronic diseases, for instance, household communities and their supportive networks are central components of what have been the primary producers of service. The same goes for the integration of immigrants and refugees.

In these cases, citizens are active agents, not passive consumers. They need resources and abilities, support and relationships that existing social services struggle to provide. This could be called a *co-designed public service* and an acknowledgement of the role that the third-sector organizations play in providing service to citizens.

As public authorities have tried to involve citizens, it is obvious that the latter have radically changed attitudes in some respects. The French social analyst Gorz refers to the active involvement of the postmodern citizen as a new subjectivity, which is no longer moulded around the supply and demand of the economy in the traditional sense (Gorz, 1999). To the postmodern, individualized citizen, life becomes a *formation process*, where career must step back to different projects and where the picaresque becomes as important as following formal decrees (Murray, 2009).

This shift indicated a change from an economy dominated by concrete goods and services to an economy centred on service, information and communication – what is sometimes referred to as a *cognitive capitalism*. Means of production here become subordinated to the communication codes. In this world, images, symbols, culture, ideology and values take the driving seat. Development towards an individualized public service is also an aspect of these trends, as well as the shift in cultural policy from delivering finished cultural products to enabling an expressive life.

This is the personal cultural economy. But there is another significant development of cooperation. The disjunction between the existing sensitivity of the active citizen and the insensitive organizations that operated in an earlier period – companies, public bureaucracies, mass-political parties and the state church – has led to a *multiplication of different social movements and of citizens and local communities that take the issue into their own hands*. In several areas, these have long been leading social innovators.

These changes are not only influencing the ‘rules of the game’ within which different authorities and the public market operate. They have opened the very game itself to new social initiatives, to a more active role for citizens and local communities and to new value-based necessities. As movements, they gain support from different parts of society, both from those inside authorities and those outside. All activities in these movements start voluntarily and on a small scale, and they remain that way.

There is a clear movement in society that goes *from passivity to action*. And out of this comes a set of value-based initiatives, some within the citizen sector but some also in the market and in the public sector. This wave has developed its own form of network organization, its own mixture of paid work and voluntarism and its own culture. It is a source of a great variation of social innovations as well, which in many cases are focused on issues that authorities and the market have not been able to handle successfully. These developments are not completely determined by new technologies, but new technologies are doing much to reinforce and facilitate them. One characteristic of these systems is that they contain a *stronger element of mutuality*. These systems are part of what is often called *the social*

economy, which is very important for these innovations and for the service and relationships that come out of them.

Issues that seem to be hard to solve today include *the environmental* issue. The present environmental movement is an example of the praxis and type of organization which exists with the new social movements and which also may be one example of the renewed social economy. Those who are involved have developed their own political economy with protests, production and consumption. They have created a wave of alternative technologies and of new forms of consumption and distribution.

There are consequently reasons why those entrepreneurs, with a social interest in mind, act outside or inside business to play a larger role in the society. But what does *the deployment period* look like, that period which is to bring us into the new society?

Social entrepreneurs are not a new solution by themselves, but a necessary part of it due to the remorseless growth of social and environmental issues which neither governments nor the markets are able to stem. These issues can no longer be confined with the economy of the state, but have consequences for the way production is organized in the market with or without the participation of citizens, and the way in which production and consumption take place at home.

The shift to a *network paradigm* is part of this answer and it has the potential to transform the relationships between both the organizational and institutional centres, and the citizens and their peripheries. The new distributive systems are not managing the complexity from the centre; this is done in a complex way increasingly from outside this centre – with local communities and service users and in work places, schools and local organizations. Those who are at the margin have something that those in the centre can never have – *knowledge of the details* – what are the specific time, place, events and, in the case of consumers and citizens, needs and wishes? This is the potential. But to realize this, a new kind of commitment is required with and for users.

This may seem important to citizens and to those who operate on the private market. But it is, in a way, of greater importance to authorities. For the moment, the economy is divided between a hierarchical and centralized state, companies and small local organizations, and informal associations and groups (which are often citizen-based). But the important thing is that the new techno-economic paradigm connected to the new social movement makes it possible to *combine the energy and the complexity of a distributive responsibility with the integrating capacity of modern societies*, which contain a strong citizen sector and intimate connections between this sector, the public sector and the business sector.

Essential structural reforms and institutional changes are necessary for

a society of this kind to function effectively. New infrastructures, tools, platforms and means to distribute resources, new kinds of organizations are needed, and maybe above all *new ways to link the formal and the informal economies to each other*. The existing crisis provides possibilities for a social innovative activity to take place next to private innovation activities in society.

Sometimes our present society is referred to as a *postmodern society*. There are many ways to understand postmodernity. One generally accepted understanding is that there are no longer any generally valid solutions or models in society. As a consequence, progress cannot even be taken for granted anymore, nor can it be characterized in simple, straightforward terms. Constructive postmodern thinking (which is of some interest to this book), requires, and looks at it as progressive, thinking of several *alternative* theories of any specific phenomenon, for instance, to accept that there is more than one way to look at entrepreneurship or marketing.

One aspect in postmodern society is *the revival of place* (the economy can be seen in terms of space; the social is better seen in terms of place). This is related to a growing interest in *social entrepreneurs*. Associated with this is the more specific aspect that *interpretative thinking* has emerged alongside depicting and functional rational thinking as a research orientation. Constructionist dialogues contain a wide social potential; they open new spans of possibilities for understanding the world, the world of professional practice, our daily lives as well as society at large. Rational research criteria (which are dominating economic thinking) do not seem to fit the postmodern world very well.

Along the same line, there are more needs for *mythical and symbolic thinking* today. The mythical and the symbolic are more attractive when the world is experienced as complicated – as modern times are perceived by some. This has several implications for how to understand and how to use marketing and entrepreneurship. Many processes in and around social entrepreneurs, for instance, can be problematic to grasp in traditional marketing terms. ‘Marketing’ for social entrepreneurs must therefore sometimes be looked at with special spectacles, so to say, and sometimes replaced, for instance, by ‘place vitalization’. Traditional marketing conceptual systems might generally sometimes be out of phase with postmodern thinking. For instance, whereas we can conceive freedom in the old days as a form of autonomy, in postmodern days, freedom may rather be conceived as being involved in finding opportunities (Maravelias, 2009).

We live in a *knowledge society* now. Dominant means of competition is now to have access to adequate knowledge. Knowledge is even seen by some as the only meaningful resource today. The challenge these days for leaders is to cooperate with knowledge followers. The competitive factor

of knowledge is different from other competitive factors such as financial resources; for instance, it cannot be used up, and the more we share it, the greater it becomes. Another way to put it is to say that there is *a different view of capital invested in new ventures today*. This capital is less of a financial sort; instead we talk about capital invested in business processes, local databases, willingness to learn, vendor networks, contacts, etc.

It has already been mentioned that *relationships and networks are becoming more important*. Contemporary society is underpinned by all-encompassing networks; network is the primary symbol of our modern society. Understanding how these networks are working is the key to understand how our entrepreneurial society is working, and the greatest profits in this society are to a large extent to be found in researching and exploiting decentralized and autonomous networks, and building new ones.

In general terms, *technology* is involved in almost all aspects of modern life, and it seems to be moving faster becoming ever more advanced and complex. Also, technology plays a more *strategic* role than before. Looking at *media technology* more specifically, a new world is appearing. The Internet is something completely new in our history; a medium where almost anybody, after a relatively small investment in technical equipment and with a few simple manual operations, can be a producer as well as a consumer (prosumer again) of text, picture and sound. It is difficult to think about anything more democratic than this – on the Internet we are all authors and publishers, our freedom of expression is almost complete and our potential public is unlimited. The growth of this medium has been without comparison. The Internet is truly a frontier of opportunities for entrepreneurs; marketing through social media (such as blogs, podcasts, wikis and YouTube) contains gigantic possibilities today.

In the IT world, successful firms at the front of development come to the future first. The race is often more survival of the fastest rather than survival of the fittest. Language plays a huge role here. *Old words may gain a new meaning*. And when language changes, so does thinking. The IT society is not about the disappearance of physical things around us but their garnering new meanings. Talking about marketing of refrigerators these days, for instance, might not stress their ability to keep the milk cold, which we already take for granted, but perhaps its ability to communicate intelligently in a network.

The problem is no longer *lack of information* but *an abundance of it*. We experience more and more so-called *hyper-realities* (the result of too many realities presented today). Each of us are trying to filter all the visual and audial signals surrounding us, processing only those that we consider to be meaningful. There is a general scepticism, sometimes distrust, against the advertising that bombards us. We often feel that advertising rarely touches

the more fundamental, spiritual and existential issues that the modern person is carrying, and is often therefore experienced as rather meaningless. In the postmodern world, we are searching for more symbolic, even mythical, dimensions in life. We therefore, sometimes, do not see that repetitive and banal advertising slogans have a justified or meaningful place anymore; we often rather perceive them as moments of irritation.

Finally, our society of today is also becoming more and more *service-based*. This leads to an increasing number of small ventures using very few established marketing procedures from yesteryear. The postmodern society is centred on service, information and communication. This is a world where images, symbols, culture, ideology and values take the driving seat. The most important success factor of a venture startup today is to have one or more change agents, who, at best insightful and visionary, take it upon themselves to realize new solutions and procedures. We refer to them as *entrepreneurs*.

1.2 THE FOCUS IN THIS BOOK

I was rather early clear about how I should organize this book. I believe that many entrepreneurial ventures (maybe most of them) start as copies of what already exists. I am of the opinion that the person who starts an entrepreneurial venture is an entrepreneur only in the *beginning* of the existence of this venture. After that, this person becomes (if he or she stays) more of a manager than an entrepreneur, the way I see it.

Nevertheless, startups can be innovative in two, partly different, ways. The *first* way is that they take place by following a specified sequence or structure, which is built up in a logical way, but where the components, by which the sequence or the structure is built up, could be innovative. This layout could be called *rational* (and is, consequently, based on a *rational philosophy*). The *second* way is such that even the very layout itself is (also) innovative. This layout could be called *social constructionist* (in my case, based on the social constructionist version of the philosophy of *social phenomenology*).

There is, in fact, a second non-rational marketing version emerging in theory as well as in practice. I became aware of this when looking at the knowledge development of the subjects of *entrepreneurship* (Chapters 2 and 3) and *marketing* (Chapter 4), which in both cases showed me that these subjects are increasingly interested in considering the receivers, i.e., customers or other users of what some venturesome people have achieved.

I have also made a study of the subject of *leadership* (Chapter 5), which in many ways is related to entrepreneurship and marketing, and found

the same thing, i.e., that this subject also has been increasingly interested in the relationships to their 'users', which in the case of leadership refers to followers. This strengthened my ambitions even more and provided several new perspectives for my attempts to understand various 'marketing approaches for entrepreneurs'. Furthermore, leadership research seems to have developed further than entrepreneurship and marketing research in the application of the social constructionist approach (probably because leaders, in a way, are closer to their followers than are the entrepreneurs and marketers to their customers and other users outside their organizations).

To summarize, what I had learnt from the above gave me the idea of two different alternative ways to look at and apply marketing for entrepreneurs, which I wanted to discuss in this book. One of them is established as *marketing management*, and it is almost completely dominating marketing theory today. The other one was launched not so long ago and it is growing stronger and stronger. It could be called *bricolage*. With this as a background it is possible today to talk about two kinds of entrepreneurs. One consists of *the analytical and rational entrepreneurs* and the other consists of *the bricoleurial entrepreneurs*. These are discussed in Chapter 7.

Based on my research on social entrepreneurship and social entrepreneurs, which I have conducted during the past ten years or so, I have come to the conclusion that these entrepreneurs (particularly if they are of a non-business kind, which I refer to as social innovators or public entrepreneurs) think as well as act differently from business entrepreneurs in many respects (Chapter 3). It may even be difficult sometimes to name the field where they are operating a market, which obviously provides me with a reason to look differently at what could be called 'marketing'. In their case, it is more appropriate to talk about 'public places' instead of 'markets', of 'generators' instead of 'producers' and 'realizers' and 'place vitalizers' instead of 'marketers' (Chapter 10).

I also devote one chapter to review my methodological cornerstone (Chapter 6), which, in my opinion, the readers should know in order to understand my discussion of the two alternative ways presented in this book for entrepreneurs to think of and apply marketing.

To summarize: This book is about *two alternative kinds of marketing in the beginning of three kinds of business-orientated and/or social entrepreneurial ventures before these ventures have reached some clear and accepted form*.

Another fundamental pillar on which this book rests is that I believe that marketing an entrepreneurial activity is normally rather different from marketing established consumer goods or services.

Several other, more specific, orientations of mine have influenced and guided the writing of this book:

- *Entrepreneurial marketing* has been an established concept for several years. There is even an Entrepreneurial Marketing Interest Group in operation, arranging international conferences and research symposia for more than twenty years. This group has however focused more on how marketing can be made more entrepreneurial than on the subject of this book.
- I am not particularly interested in growth of a venture in this book. The way I look at it, growth has more to do with management than with entrepreneurship, i.e., more to do with exploiting an established concept than creating a new one. Nor am I particularly interested in strategic matters. It is my conviction and experience that entrepreneurs, unlike managers, rarely think strategically in the sense in which this subject is normally treated in the literature.
- Entrepreneurs exist in different shapes and varieties, for instance, as e-entrepreneurs, as student entrepreneurs, as techno-entrepreneurs or as male or female entrepreneurs. I rarely discuss different ‘special types of’ entrepreneurs in this book, with one exception already mentioned. I make a distinction between *business entrepreneurs* and *social entrepreneurs* (in the latter case, I have a special focus on that group of social entrepreneurs which I refer to as *public entrepreneurs*) due to my belief and experience that the values as well the principles guiding the two are generally different, and, in the case of marketing, specifically different.
- There are sometimes great differences between entrepreneurs emanating from different cultures (from a national point of view). I do not bring up such differences in this book. Marketing for entrepreneurs as discussed here is mainly valid for entrepreneurs in the Western world (if cultures in the Eastern world have been influenced by the logic among entrepreneurs in the Western world, this book may be of some value to them as well, of course).
- This book is about entrepreneurship, which to me is *not* the same as enterprise, small business, self-employment or innovation, even though there are relationships between entrepreneurship and all these concepts.
- Creativity and innovation are intimately related to entrepreneurship. However, I will not specifically discuss those aspects of venturing. I refer readers interested in these fields to special literature in these subjects.

1.3 THE OUTLINE OF THIS BOOK

The relationship between different chapters in this book can be seen in the Figure 1.1:

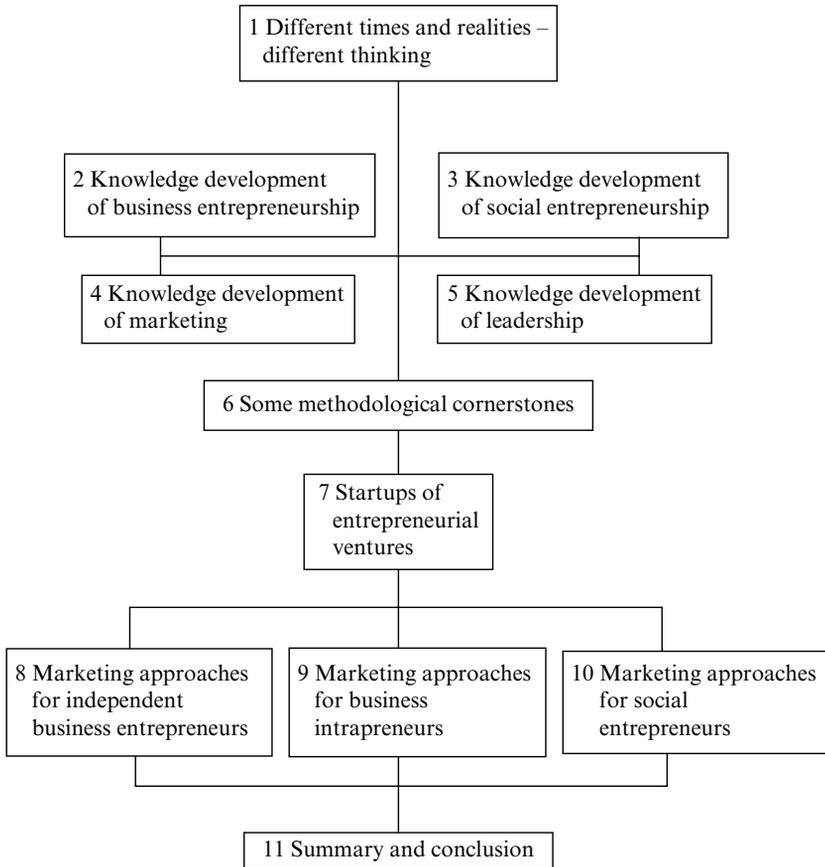


Figure 1.1 The outline of this book