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VENTURE AGING: A PROCESS MODEL OF LEGITIMACY, ROUTINIZATION, AND COMPETITOR IMITATION OF VENTURE INNOVATION CAPABILITIES

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Abstract: This study proposes a process model that delineates how venture aging results in legitimacy and routinization, and subsequent venture performance. This model addresses the gap between new venture literature and organizational management literature. The resource-based view of the firm and competitive rivalry models are used to develop the theory behind the process model. The model shows that venture aging enhances legitimacy, which is shown to increase competitor attacks and imitation attempts of venture innovation capabilities. Venture routinization increases the inimitability of a venture's innovation capabilities, which decreases the success of competitors trying to imitate the new venture. The resulting effects on venture performance identify approaches that entrepreneurs can take to increase their chances of successfully navigating the venture aging process. The model assists researchers in further developing the competitive rivalry literature by explaining how factors such as awareness, motivation, and capability of competitors influence venture success.

Keywords: New ventures, innovation, legitimacy, routines, imitation

Paper type: Conceptual article

Introduction

The topics of initiating new ventures and operating existing firms have separately received substantial research attention in the management literature for many decades. While these two areas are obviously very important, the separate focus on them leaves a relative gap in the literature. The question of how organizations successfully move from being an innovative venture to becoming a larger firm has received much less attention (e.g., Zahra & Filatotchev, 2004; Zahra et al., 2009). Some entrepreneurs

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starting ventures may not have visions or goals of significant expansion and are thus content with focusing primarily on the early stage of venturing (e.g., Biraglia & Kadile, 2017; Stinchfield, Nelson, & Wood, 2013). However, a number of entrepreneurs do have hopes of leveraging and growing their venture into something much larger over time (Baum & Locke, 2004). This research attempts to address this gap by delineating how the venture aging process results in two key areas that influence growth and success: legitimacy and avoiding imitation of innovation capabilities. Both legitimacy and imitation avoidance are beneficial for survival and growth. The venture aging process can assist in gaining legitimacy, but it also can also result in competitor attacks and imitation that can be detrimental to the venture. Thus, the research question being addressed is, how do ventures balance legitimacy seeking with imitation avoidance?

A significant amount of literature has focused on how new ventures can gain and use legitimacy. For example, researchers have investigated how legitimacy can be built (Zimmerman & Zeitz, 2002), gained internationally (Bai, 2019), used to attract stakeholders (Fisher et al., 2017) or early financing (BeckerBlease & Sohl, 2015), and diffused among other firms (Bloodgood et al., 2017). By explaining how new ventures can improve their chance for survival and growth, this literature has disregarded some of the drawbacks to gaining legitimacy. One of the drawbacks stems from the increased threat the venture poses to incumbent competitors. This threat may result in competitive attacks on the venture and imitative attempts by rivals (Porter, 1980).

To the extent that new ventures are at risk of being attacked and having their innovation capabilities copied if they become successful, how can they gain legitimacy and limit the desire and ability of competitors to attack and to imitate their capabilities? To investigate these issues, the following sections provide a theoretical overview of venture aging including legitimization and routinization. Then a process model is developed to illustrate how venture aging influences competitor attacks and innovation capability imitation. Finally, a discussion of the research and managerial limitations is provided to illustrate how researchers can investigate more thoroughly into these issues, and how entrepreneurs can better prepare and carry out initiatives that limit the desire and ability of rivals to engage in competitive attacks and innovation capability imitation.

Literature Review

Venture Age

Many ventures fail for a variety of reasons (Hlavacek & Thompson, 1978). Those that survive tend to develop some common characteristics. Internally, ventures gain experience and knowledge about how to successfully operate in their selected contexts by applying available resources (Lévi-Strauss, 1966; Reypens, Bacq, & Milanov, 2021). Externally, ventures interact with stakeholders in an effort to increase their standing and desirability with them (Bitektine, 2011). Together, these external and internal contexts provide firms with implicit and explicit choices they must make to persist and potentially grow. Two very significant factors related to internal and external firm contexts are examined here: legitimacy and routinization. As shown in Figure 1, when looked at as a process of firm aging, these two factors initiate a chain of relationships among factors that influence imitation and firm performance.

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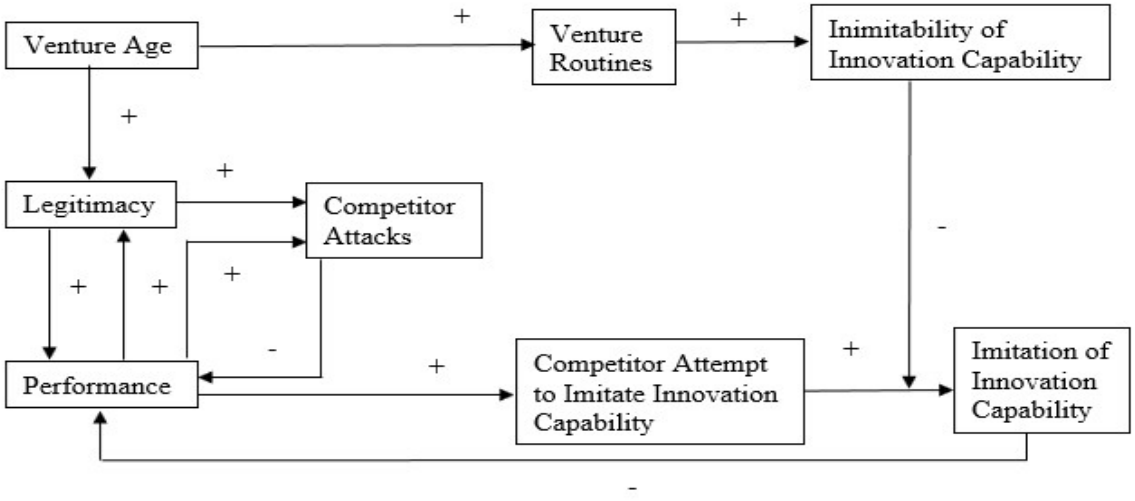


Figure 1. A Process Model of Venture Age and Competitive Imitation of Venture Innovation Capabilities

Legitimacy

New ventures are at a disadvantage relative to their incumbent counterparts in a number of ways. One of the most important disadvantages is the lack of legitimacy they have (Stinchcombe, 1965). Legitimacy is a judgment based on how appropriate something is for a particular situation (Suchman, 1995; Zimmerman & Zeitz, 2002), and it occurs via a legitimation process (e.g., Bitektine, 2011; Pollack, Rutherford, & Nagy, 2012; Tost, 2011). To their detriment, some ventures may not prioritize legitimacy seeking (Wang, Thornhill, & De Castro, 2017). For those that do, they may find it difficult to build productive relationships with other organizations because their lack of legitimacy gives others pause when it comes to working with them (Wiklund & Shepherd, 2005). Other organizations look for an initial base of legitimacy before engaging with a new organization (e.g., Delmar & Shane, 2004; Rutherford & Buller, 2007). For example, in dense networks some new entrants can quickly gain legitimacy and access valuable resources (Bloodgood et al., 2017; Shane & Cable, 2002), which can help offset typical delays of acceptance that comes from exhibiting uncertainty-laden new ideas and behaviors (Simsek, Lubatkin, & Floyd, 2003).

This lack of legitimacy results, in part, from the new combinations of resources and behaviors under which new ventures form (Schumpeter, 1934). These new combinations create uncertainty in the minds of stakeholders who may be hesitant to work with a new venture (Khaire, 2010; Zuckerman, 1999). New ventures typically start out small and thus need to supplement their smaller resource base by accessing the resources of other organizations through mutually advantageous relationships. However, the young age of new ventures provides little chance for reputation and trust to develop at the time new ventures need it most (Phillips, Lawrence, & Hardy, 2004).

Stinchcombe (1965) labeled the disadvantage that new ventures face as the “liability of newness” and suggested that this liability would dissipate as the new venture aged. Liability of newness is associated

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with external legitimacy difficulties which can impair the development and success of new ventures more than inadequate internal coordination (Singh, Tucker, & House, 1986). It is essential for new ventures to reduce these limitations (Sandberg, 1986) by engaging in strategic actions such as starting out small, avoiding directly competing with larger firms, resource substitution, and network creation (Porter, 1980; Vesper, 1980). In addition, ventures can avoid these limitations with particular stakeholders by matching their skill set with environmental conditions. For example, ventures with exploitation skills may attract more investment from financial stakeholders when the venture follows a fast follower business model (Fu & Tietz, 2019). Relatedly, ventures can seek legitimacy by applying venture characteristics toward efforts such as internationalization to imitate competitors (Fariborzi & Keyhani, 2018) or innovation to show growth potential (Mabenge, Ngorora-Madzimure, & Makanyeza, 2022).

Routinization

As new ventures gain experience, organizational behaviors, such as innovation, that precede positive outcomes often get repeated (Nelson & Winter, 1982). Repetition leads to the development of routines. Over time, routines become more prevalent in an organization. Routines frequently provide efficiencies and stability (Carayannis et al., 2017) that help ventures improve, and, at times, gain legitimacy with stakeholders. Thus, routines are beneficial to firms in a number of ways.

Venture routines embody organization-level learning and can be influenced by a variety of factors including founder characteristics (West & Gemmell, 2021). As routines develop over time they pick up helpful and unhelpful additions and modifications. Some of these are formally designed to be part of the routine, while others are informal in their origin (Dosi, Faillo, & Marengo, 2008). For example, a manager may formally require new actions or decisions to be made at certain junctures of a routinized work process. An informal modification may occur when one or more participants of a routine, through trial and error, change the timing or substance of their portion of the routine. This may be done to speed up a task or to increase its effectiveness. Some of these changes are repeated and become part of the routine, while others are disbanded (Nelson & Winter, 1982). Most routines develop with some combination of formal and informal elements.

Although routines offer many advantages in getting work done, they expose a venture to some risks. One risk is the diminished ability to formally control the routine (Nelson & Winter, 1982). Some routines can almost take on a life of their own as numerous changes are informally added. It is hard for any single individual to know the entire routine in these cases. Another risk is the potential a routine has for increasing causal ambiguity within the venture. King and Ziethaml (2001) described two types of causal ambiguity, characteristic and linkage. Characteristic ambiguity refers to a lack of clarity about a resource itself, and linkage ambiguity refers to a lack of clarity about how firm resources work together to enhance performance. Both types of ambiguity are influenced by routinization. In addition, the combination of formal and informal efforts can create idiosyncratic routines and structures (Bodolica & Spraggon, 2021). Thus, with both benefits and drawbacks, routines are an important part of organizational behavior and performance.

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Organizational Routines and Inimitability of Innovation Capabilities

As shown in Figure 1, organizational routines with implicit characteristics tend to be more difficult to explicate and subsequently imitate (Nelson & Winter, 1982). The social and dynamic nature of venture innovation capability development, and its temporal and path-dependent character, can make it challenging for incumbent competitors (Keil, Autio, & George, 2008). Thus, for competitors who would like to copy a venture's high-performing, innovative behaviors this is problematic, in part, because of causal ambiguity
(Cohen & Levinthal, 1990). A sufficient degree of characteristic ambiguity about a venture's resource that is part of a routine diminishes a competitor's ability to understand the resource, and successfully imitate it. When linkage ambiguity is present in a venture, as perceived by a competitor, the competitor will have trouble discerning what resources are contributing to the performance of the venture. Together, characteristic and linkage ambiguity can make any significant imitation of the most successful parts of a venture unattainable (King & Ziethaml, 2001).

Nelson & Winter (1982) describe how organizational routines contain a tacit component and are socially complex. These traits are consistent with the resource-based view's concept of resource inimitability. Learning tacit knowledge in a socially complex context requires, to a large degree, personal experience in the specific environment of the venture. Thus, as routines develop over time they acquire socially complex behaviors and interactions that increase the tacit nature of the routine. This results in a routine that is difficult for other organizations (e.g., competitors) to imitate. Moreover, to the extent that entrepreneurs are not always accurate in their assessment of performance drivers in their ventures (Eggers & Song, 2015), competitors will likely find it difficult to assess as well, thereby causing an increased likelihood of non-productive imitation.

Legitimacy and Performance

Ventures seek legitimacy, which sometimes can be gained by being different
(e.g. innovative) (Deephouse, 1999), so that stakeholders will engage with them (Bitektine, 2011; Zimmerman & Zeitz, 2002). Without stakeholder engagement, ventures may find it difficult to survive (Aldrich & Ruef, 2006). For example, ventures might find it difficult to finance their operations, create useful products and services, sell products and services, and hire desirable employees to contribute to these efforts. But if legitimacy occurs it can help venture growth and performance (Baum & Oliver, 1991). Legitimacy can also enhance performance by shielding a venture from various negative aspects of the external environment such as bad press, crises, and negative externalities (Child, 1972; Meyer & Rowan, 1977; Pfeffer & Salancik, 1978).

As shown in Figure 1, legitimacy and performance have a reciprocal relationship (and amplifying loop) such that while legitimacy positively influences performance, performance also positively influences legitimacy. Stakeholders want to perform well, and this is assisted by engaging with ventures who are performing well themselves. Venture performance leads stakeholders to perceive a venture as less risky (Coleman, Katz, & Menzel, 1966) and more capable and useful, from both a performance and reputation perspective. Ventures doing great things can help a stakeholder improve when it engages with the venture. It can also help stakeholders' reputation by associating with legitimate ventures. Thus, as

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ventures increase their legitimacy, more stakeholders want to engage with the venture, which increases venture performance, repetitively. This process creates a diffusion of venture legitimacy among stakeholders that creates valuable interdependencies (Kumar & Das, 2007; Zucker, 1987).

Legitimacy and Competitive Attacks

In addition to enhanced engagement by stakeholders, venture legitimacy also raises the ire of incumbent competitors (Rao, 1994). Competitors want to reduce the threat of new entrants and the rivalry they create (Porter, 1980). There are a variety of efforts competitors can use to reduce or eliminate new ventures' ability to make inroads into an industry. For instance, larger incumbents may increase economies of scale to make it more difficult and expensive for a venture to gain entry successfully. An incumbent may also try to differentiate their product or increase switching costs to make it more expensive and less fruitful for ventures to attempt entry. At times incumbents can work together using legitimacy deterrents to reduce the potential legitimacy of ventures entering their organizational fields (Bitektine, 2008). As shown in Figure 1, these types of competitive attacks may be more directed at ventures that start to gain legitimacy, since they are the most likely to succeed in the near future.

Competitive Attacks and Performance

High levels of venture performance can raise the ire of incumbent competitors who are fearful of the new venture becoming a viable competitor (Porter, 1980). For similar reasons mentioned above concerning legitimacy and competitive attacks, and as shown in Figure 1, venture performance leads to competitive attacks. These attacks are designed to negatively impact ventures by either inhibiting their ability to perform well or by removing them from the domain (Bitektine, 2008).

By design, competitive attacks can hurt new venture profitability and the ability to gain market share. Incumbent competitors likely have valuable experience in the external environment that provides them with the knowledge of what types of attacks may be most effective. Thus, once a venture comes out from being "under the radar" it sufficiently exposes itself to being noticed and attacked (Yoffie & Kwak, 2002). These attacks are meant to reduce the threat of the potential entrant, by, for example, acting as a barrier to entry (Kostova & Zaheer, 1999).

Performance and Competitor Imitation Attempts

When ventures perform well by frequently engaging in particular behaviors, they can attract imitators (DiMaggio & Powell, 1983; Haunschild & Miner, 1997; Williamson & Cable, 2003) for competitive and mimetic reasons, as shown in Figure 1. Stakeholders, such as competitors, make positive assumptions about the effectiveness of these behaviors and the adoption can take off like a competitive bandwagon (Abrahamson & Rosenkopf, 1993). This can be especially true when a venture brings in something new in regards to a product or process. For example, a new technology, such as a microchip, may be introduced into a product that increases the usefulness of the product to customers. The resources necessary to augment a product with a microchip, for example, may be readily available off the shelf, or they may require internal development.

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Incumbent competitors engage in reflexive and selective behaviors when initiating a course of action (Major et al., 2016). Thus, repetitive behaviors and new behaviors are accessible to incumbents when facing new ventures' entry. The likelihood that imitation will take place will, therefore, depend on additional factors. For example, the awareness, motivation, capability framework (AMC) describes when competitive action is most likely to occur (Chen, 1996). The extent to which the three elements of the AMC are present will influence imitation attempts.

The question of when an incumbent is most likely to imitate a particular venture has not fully been answered. However, Sharapov and Ross (2023) found that leading firms are better off when they imitate similar rivals when the environment is fairly stable, and they are better off imitating highly performing rivals when the environment is more dynamic. What this may mean for ventures is that the incumbent competitors they should most worry about depend on how stable or dynamic the environment is at that time. In stable situations, ventures should be more concerned with incumbent firms who perceive that they compete in a similar fashion. In dynamic situations, ventures should be more concerned with incumbent firms who are aware of the venture's high performance. Ventures which compete very differently than incumbents and are not performing at a high level have less to worry about. Additionally, over time a venture's distinctiveness may become less valuable (Goldenstein, Hunoldt, & Oertel, 2019) and, subsequently, less sought by incumbents via imitation.

Competitor Imitation Attempts and Capability Imitation

Although imitation attempts are not always successful, as shown in Figure 1, competitors who make the effort are more likely to succeed than those who do not. Some resources needed for successful imitation may be obvious and easily available, while others are not. Incumbent competitors likely have valuable experience in the external environment that provides them with the knowledge of what types of resources may be most needed for a particular product or process that the venture has been successful with. On the other hand, organizational age of the incumbent competitors may be equated with core rigidities (LeonardBarton, 1995) that obstruct successful imitation. However, some competitors can reduce core rigidities by imitating small portions of other firms' practices and interrupt existing practices enough to engage in search and identify beneficial replacement practices (Csaszar & Sigglekow, 2010).

A factor that may make a significant difference in how imitable a venture's capability may be is the extent to which knowledge mobilization is occurring in the venture. At times, rivals can benefit from venture mobilization efforts, sometimes more than the venture itself (Davis & Aggarwal, 2020). Important considerations for ventures who face this type of imitation include how quickly a venture can outrace competitor imitation ability and the threshold of absorptive capacity (Li et al., 2022) associated with the capability.

Moderating Effect of Inimitability of Innovation Capabilities

Earlier it was mentioned that the inimitability of a capability can be influenced by organizational routines associated with that capability. To the extent that there is a strong inimitable character of a capability, based on causal ambiguity for example, it is expected that imitation will be more challenging

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and unproductive, as shown in Figure 1. Moreover, delaying imitation attempts by competitors of this type of knowledge can decrease the successfulness of the transfer (Szulanski, Ringov, & Jensen, 2016).

Successful imitation also depends on determining what should be imitated. A capability may involve multiple resources that contribute or degrade the capability. It is not always clear (King & Ziethaml, 2001). A competitor could risk copying more of the negative components or miss copying some of the positive components of the capability without realizing it. Thus, the inimitability of a capability can negatively influence the positive link between imitation attempts and successful imitation.

Innovation Capability Imitation and Performance

As shown in Figure 1, once a venture's innovation capabilities get imitated successfully, it can lose its competitive advantage. Without a competitive advantage, a venture will likely see a decrease in performance. This decrease in performance can vary significantly depending on factors such as the size of incumbent competitors. The benefits to venture imitators may not last (Wu & Salomon, 2016), but imitators can also potentially transform an imitated practice (i.e., creative imitation (Shenkar, 2010)) in idiosyncratic ways that result in further harm to a venture's initial advantage (Wang et al., 2023).

At early stages of their existence, ventures may have fewer valuable and rare practices than do incumbent competitors (Kazanjian & Drazin, 1990). In some cases, a venture's resource constraints can induce innovation (Keupp & Gassmann, 2013). Unfortunately, when these practices are copied, the venture can be hurt to a greater degree than other firms since a larger share of their practices are no longer unique (Oxtorp, 2014).

With the various steps of the process model in place, we can see the effect that new venture age has on capability imitation. The model shown here provides some of the essential steps to consider, but the model's complexity could certainly be increased. The principle idea is that new venture aging engenders two main processes. One process involves the legitimacy that is created through continued active presence in the environment. The other process involves the routinization of venture behaviors as the venture continues to compete. The legitimacy process leads to direct and indirect performance implications, while the routinization process leads to staving off imitation efforts that could hurt venture performance. The overall performance effects of venture aging depend on intermediary steps that involve competitors' attacks and imitative attempts.

Discussion

As ventures age they approach an age of adolescence (Bloodgood, 2006) as they transition toward becoming an incumbent organization (Zahra et al., 2009). During this time, they face numerous survival issues (Aldrich & Ruef, 2006). Those with poorly designed business models, products, or goals certainly will have a difficult time surviving. However, even those ventures with well-designed business models, products, or goals, can face very challenging times. Navigating this phase of venture life can be exciting and demanding. Here, by focusing on venture aging characteristics of routinization and legitimacy growth, we investigated the question of how ventures balance gaining legitimacy while trying to avoid being imitated as they transition to adolescence.

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Another approach is by encouraging employee involvement in various ways such as supportive environment, for example, forum related to the moral issues especially from Islamic point of view to build awareness on implementation of Islamic moral values. Thus, employees are encouraged to be actively involved in optimizing their potential so as to be able to provide enlightenment which will bring changes to their attitude and behavior to be more positive towards the importance of increasing moral values in the workplace by referring to the identity of a Muslim who acts and behaves according to demands. Religion, namely the Al-Qur'an which originates from the revelation of Allah SWT and Hadith as an example from the Prophet Muhammad SAW.

Implication

Theoretical Implications

Although a significant amount of extant research examines how new ventures are started and how organizations are operated, there is relatively much less research linking these two areas. Incumbent organizations typically arise from ventures, but there is much more to learn about how they make this transition. This study looks at some key aspects of that transition. In particular, it examines how venture aging influences legitimacy and routinization, and how these can influence venture performance.

Competitive rivalry theories can be strengthened by the focus in this research. For example, the AMC framework can be more fully expounded by considering how competitor awareness and motivation are influenced by venture legitimacy, and how capability is affected by venture capability routinization. In addition, the overall role of perception in competitive rivalry research should be expanded in order to increase predictive ability of competitive behavior. Relatedly, new ventures of all kinds can use signaling to alter competitor perceptions and actions. Thus, researchers should consider including new venture signaling in their models. What new ventures say they are going to do, or what they can do, may be announced in order to mislead competitors. For example, venture signaling that influences a deviance discount (Jonsson, 2009) could be examined for effectiveness. Collecting this information can be done through news outlets and venture messaging.

Another area for researchers to further evaluate is the idea of firm resource leveraging. Simple SWOT analyses are often done to identify important strengths, for example. These strengths are then considered for leveraging within the firm. On the surface this makes economic sense, however leveraging might enhance perceptions of legitimacy. This could cause competitors to increase their awareness and motivation to copy these strengths (Bloodgood, 2013). Resource-based view (RBV) theorists may have to reassess the idea of firm resource value and rarity. Valuable resources may not be just those with the highest impact on productivity, for example. Valuable resources might be those that are also less known to competitors, which can be assisted by limiting leveraging or being very careful about it. Thus, RBV researchers might benefit from adding additional logic to their typical relationships they propose.

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Practical Implications

A process model was developed to ascertain key junctures where ventures could focus on gaining legitimacy while avoiding being imitated. Using the AMC framework, we can organize beneficial efforts for ventures into two main categories. The first category focuses on competitor awareness and motivation drivers. It considers ways to reduce imitation attempts (and other attacks). The second category focuses on competitor capability drivers. It considers ways to reduce the effectiveness of competitor imitation attempts.

To reduce competitor awareness and motivation, one tactic for ventures is to minimize their legitimacy as perceived by competitors. This can be done by maintaining a low profile and underplaying venture performance. Steps such as limiting advertising and public announcements, while still privately contacting financiers, suppliers and customers can help in this regard. Obviously, this approach can limit the venture's legitimacy as perceived by financiers, suppliers and customers. Therefore, this approach should not be followed for too long of a time period.

Two proactive methods for addressing this issue include joining a network and projecting distinctiveness. By joining a network, such as a supply chain, a venture can enhance relationships with other network members over time to benefit the venture (Choi & Shepherd, 2004). This can provide an avenue for hastened legitimacy in the eyes of network members (especially for serial entrepreneurs (Newbert & Tornikoski, 2013)), while limiting legitimacy as perceived by larger competitors. That is, competitors perceive growth in venture legitimacy at a slower rate than do suppliers and customers in the network. In addition, to the extent that a venture is part of certain, smaller subnetworks (Zane & DeCarolis, 2016), these effects may even be stronger. Importantly, the type of network and knowledge contained in the network can also affect innovation capability (Bloodgood, 2022). Moreover, ventures that create and maintain a distinctive persona relative to incumbent competitors decrease the desire of competitors to imitate them. Incumbent competitors will avoid imitation because their legitimacy is established and they do not want to risk losing it to an approach that is not proven. Sufficient distinctiveness can create a deviance discount for competitors (Jonsson, 2009) that reduces the value of imitation. This approach may have less of an impact on reducing competitor other types of attacks, however.

To reduce competitor imitation capability, a venture can integrate its routines into its behaviors that are most likely to face imitation attempts by competitors. This integration provides at least two significant advantages. First, routinized venture behaviors increase the tacit character of the resource or capability which makes it harder to understand and imitate. Second, the integration of additional behaviors, such as routines, adds to the complexity of the resource or capability (Szulanski, 1996) that is the target of imitation by competitors.

In conjunction with integrating routines into a capability, it provides added benefit when pure modularization is avoided. Modularization can increase the imitability of resources and capabilities. Also, if a competitor copies small chunks (modules), the competitor is poised to then dislodge its existing practices and engage in new, advantageous search (Csaszar & Siggelkow, 2010). Therefore, ventures should use near modularization or nonmodular structures to make it more difficult (Ethiraj, Levinthal, & Roy, 2008) and less beneficial to competitors.

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Conclusion

By providing a process model that focuses on two aspects of venture aging, legitimacy and routinization, this research identified competitive implications that can harm the venture. Harm in the form of competitive attacks and innovation capability imitation by competitors therefore need sufficient attention by ventures as they grow and age. Methods for addressing these implications were described and offered as suggestions for ventures to consider in order to increase their chances for survival and growth.

A clear distinction between resources and capabilities has not been made here. One distinction that might matter is the notion that capabilities may take longer to arise than would certain resources (Bhattacharyya, 2022). Some resources can be quickly acquired and others can take some time. Capabilities, on the other hand, usually entail employees learning to use the resources, which also decreases the clarity of what is to be imitated. Future research could examine how different types of resources (e.g., financial, human, technological, etc.) could cause differences in time for capabilities to come to fruition.

Another limitation is that this model does not consider previous entrepreneurial experience. Serial entrepreneurs may look at success and failure differently, and they may bring past experiences with them into a new venture. One issue brought up by researchers is the attribution made by serial entrepreneurs as to the factors that caused prior success or failure. For instance, Eggers and Song (2015) found that serial entrepreneurs with previous failures tend to blame the external environment for negative performance. This tendency could affect the model proposed here by influencing the connections associated with venture performance. Either the entrepreneur or competitors could be serial entrepreneurs who react differently to performance outcomes.

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Conflict of Interest

The author declares that they have no competing interests in relation to this study and its publication.

Data Availability

The data supporting the findings of this study are available from the corresponding author upon reasonable request.

Ethics Declaration

As this study was based entirely on publicly available secondary data and did not involve human participants directly, ethics committee approval was not required.

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