

RESEARCH ARTICLE

New Enterprise Creation Process: Pakistan's Entrepreneurs' Perspective

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Abstract: Despite a history of 30 years of research in the field of new enterprise development process, there is no pattern in this process. We researched new enterprise development process in the hospitality industry (café, bakeries, and restaurants) of Pakistan. Using qualitative research, based on semi-structured interviews from the entrepreneurs, we developed four typologies of the entrepreneurs. Typologies, based on the ownership structure and the level of experience the entrepreneurs have, helped us to explain variation in their behavior with respect to some of the avenues of new enterprise development process including motivation behind initiation of new business, role of leap of faith vs. market research, entrepreneurs' sources of inspiration and the extent of strategic thinking in their operations. Our research offers few theoretical and methodological contributions in addition to few of the ways forward for the aspiring entrepreneurs and the policymakers.

Keywords: Entrepreneurship, New Enterprise Development Process, Qualitative Research
JEL Classification Codes: L26, M13

1 Introduction

Entrepreneurship contributes to the hope of a country (Huang and Ribeiro-Soriano, 2014) as they create opportunities and exploit benefits out of these, which may later on add value to the society (Robert and Shane, 2007). The economies such as the USA, which is otherwise

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known as Corporate America, produced more than 550,000 small businesses every month on average in the period of 1996 to 2004 (Brock et al., 1986), now there are 28 million small businesses (Forbes, 2013). There are possibly hundreds and thousands of new enterprises being created in the world every day. Nevertheless, according to Forbes (2015) 9 enterprises failed out of 10 new initiatives. In 2015 this number was 8. Hence a continuous process of studying and understanding the phenomenon of new enterprise creation can help us to keep on building hope for the economies as we can save many new enterprises from failures.

Understanding this phenomenon is also important because the new enterprise creation is a complex and unique combination of various factors (Davidsson and Gruenhagen, 2020; Gartner, 1985), hence generalization requires caution. We tried to understand the new enterprise creation process in Pakistan's context by employing semi-structured interviews as a research technique under qualitative research. This contextualized study has more policy and practical significance for the stakeholders including policymakers and the aspiring entrepreneurs.

This research is significant in more than one way. First, under qualitative research, grounded theory was used to understand the phenomenon of new enterprise creation. Use of qualitative research is a much sought-after method in new venture creation study (Davidsson and Gruenhagen, 2020). Second, the empirical evidence was collected firsthand from 10 entrepreneurs who created new enterprises in the last 5 years. Third, the industrial focus of the study is restaurants/café (hospitality sector within services) opened in the twin cities of Islamabad and Rawalpindi in Pakistan on novel ideas. The study of businesses in the post-industrial (i.e., service) context is significant because of its increased share in the world economy including Pakistan.

2 Literature Review: Entrepreneurship and New Enterprises Creation Process

Defining terms related to entrepreneurship is a problem [e.g. (Long, 1983)]. In context of this article new enterprise is defined as a new business in existing product class and a new business with new idea within an existing product class. The phenomenon of "New Venture Creation" is to be understood as "Organizing of New Organization" (Gartner, 1985) whereas the word organizing means "to assemble ongoing interdependent actions into sensible sequences that generate sensible outcomes" (Weick, 2015).

"New venture creation is a complex phenomenon: entrepreneurs and their firms vary widely; the actions they take or do not take and the environments they operate in and respond to are equally diverse – and all these elements form complex and unique combinations in the creation of each new venture (Gartner, 1983)." The 30 years of scholarship also conclude the same, i.e. it is a complex phenomenon (Davidsson and Gruenhagen, 2020). These seminal works suggest the complexity the researchers would have to face when they were trying to simplify the explanation of new enterprise creation process.

The explanation of the phenomenon of new enterprise creation is explained with the help of various set of factors and frameworks. For instance, Pennings (1980,9,9) has studied role of conducive environment in new enterprise creation. Others such as Van de Ven (1980) looked at new venture creation process. Timmons (1985) referred the core ingredients of a perfect entrepreneurial mindset to carry out the entrepreneurial activity are the habits,

traits, personal strategy, leadership skills, and ethics. Baron (2007) looks into the role of skillset such as behavioral and cognitive which allows individual to transform opportunity into new business.

In literature, scholars have devoted growing attention to touching the aspects of entrepreneurs' behavior and thought, as well as other characteristics they possess or demonstrate [e.g., (Baron, 2007; Busenitz and Arthurs, 2014; Ling et al., 2007; Mitchell et al., 2007; Zhao et al., 2005)].

Miller (1981) suggests four set of variables which define new enterprise creation: individual factors, environmental forces, organizational characteristics and processes (Gartner, 1985). While reflecting on significance of all of such variables Gartner (1985) claims, no new venture creation can be comprehensively described nor can its complexity be adequately accounted for, unless all of its four dimensions are investigated and an attempt is made to discover how variables from each dimension interact with variables from other dimensions. While considering the diversity of factors suggested in Miller's model, this model is used as 'thinking' framework to study and understand new enterprise creation process in Pakistan. Hence an extended discussion around this model is justified.

Individual variables remained in light with respect to their role in shaping intention and consequent new enterprise creation [e.g.,(Zhao et al., 2005)]. In addition to the study of role of five personality factors (Brandstätter, 2011) other personality traits such as innovativeness [e.g.,(Ahmed et al., 2010)] career anchors (Lee and Wong, 2004) also remained in the attention of the researchers' efforts to understand the phenomenon of new enterprise creation. Further to these, in Germany traits such as openness to experience, extraversion and entrepreneurs' ability to tolerate risk contribute to their decision to create new venture (Caliendo et al., 2014).

Contextual factors or environmental forces remained another interesting area of literature which shed light on how new enterprises emerge on the horizon. Entrepreneurs don't operate in a vacuum, they respond to the environment (Gartner, 1985) e.g., responding to a market gap (Bruno and Tyebjee, 1982). Family background (Hadjimanolis and Poutziouris, 2011) and experience (Gird and Bagraim, 2008) are some of the important background factors which influenced entrepreneurs' intention and consequent actions. Within this stream of literature, however, influence of role models, i.e. individuals or personalities which inspire the individual for entrepreneurship [e.g., Carr and Sequeira (2007)] and social capital (Liñán and Santos, 2007) are other important considerations.

Our early efforts to understand new enterprise creation process also include an organization focus perspective, e.g. the organization is the entrepreneur (Stauss, 1944). If we keep on moving with this understanding, nevertheless, the similarities among 'organizations' would make the area of study mundane(Gartner, 1985). Exceptions are the studies such as Gartner (1983) and Van de Ven et al. (1984) who link type of firms across other dimensions, e.g. entrepreneur's background.

Set of variables associated with individuals, organization, environment and process are embedded and are associated with one another in a complex way (Gartner, 1983). The dynamism associated with social phenomena and complexity of the explanatory variables related to new enterprise creation has made this area of research as 'still need to be explored more to improve our understanding about this phenomenon (Davidsson and Gruenhagen, 2020).

In order to understand the phenomenon of new enterprise creation in Pakistan's context we selected hospitality sector within broader services industrial sector. One of the

primary reasons for the selection of restaurants and café, within hospitality sector, is emergence of new businesses in this sector on continuous basis. This is also one of the prime sectors which experienced (before COVID-19) high growth rate and expected to gain quick recovery after COVID-19. Factors such as high percentage of youngsters in the population, increased women participation in work force and increased trend towards outside dining contributed to this growth. Restaurant and cafes are also the fields for innovative entrepreneurial efforts. The context was also selected because of scarce efforts to understand the phenomenon of new enterprise creation in the dynamic area of hospitality industry.

3 Research Methodology

Grounded theory as the research methodology was used to explain the phenomenon of new enterprise creation in Pakistan's context. Grounded theory is the suggested approach to understand complex phenomenon (Stauss, 1944) such as new enterprise creation (Gartner, 1985). Within grounded theory semi-structured interviews were conducted to collect first-hand empirical evidence from entrepreneurs who recently established their businesses.

The interview guideline prepared for this study was inspired by literature on new enterprise creation. The interview guideline consisted of the following questions:

1. How 'this' idea came to your mind?
2. What factors convinced you to implement 'this' idea?
3. How your idea differs from those that already exist in this market/area?
4. Before starting this venture who inspired you for the entrepreneurship and for this venture?
5. What are you selling?
6. Did you conduct market research before implementing your business idea? How?
7. How you convinced yourself that market for your idea exists?
8. How you decided about the location?
9. What promotional activities you considered for your business?
10. How you managed the sources of finance?

The interviews were conducted in summer 2019. Initial interviews helped us to refine the interview guideline hence in addition to these questions further explanatory questions were asked to understand the phenomenon of new venture creation. Face to face in person interviews were conducted at business places of the entrepreneurs. More than 30 businesses having targeted profile, i.e. new venture in new market by the entrepreneurs were contacted. Out of these 30 requests 10 respondents agreed to spare time. Table 1 describes the brief profile of these entrepreneurs.

Table 1: Profile of respondents in brief

No.	Respondent Codes	Identity	Nature of business	Years in 'this' business
1	R1		Restaurant	More than 10 years
2	C1		Café	Less than 3 years
3	C2		Café	Less than 3 years
4	B1		Bakery	Less than 3 years
5	B2		Bakery dealing in various specialized breads (Naan)	Less than 3 years
6	C3		Café	Less than 3 years
7	C4		Café	Less than 3 years
8	R2		Restaurant	Less than 3 years
9	C5		Café	Less than 3 years
10	C6		Café	More than 10 years

Except the first respondent who has family background of business as his father had run a small scale restaurant in Islamabad, all others are the novice entrants into the cuisine business hence this study is unique in a way that it shed light on new micro/small enterprises creation by the beginners. To understand the phenomenon of new venture creation the idea was started with an observation of new startups in the twin cities of Islamabad and Rawalpindi . New restaurants and cafes are types of new ventures which can be identified easily because of their high visibility. Further to this, the emphasis was on restaurants and/or cafes which were build up on new ideas, e.g. a business offering non-traditional variety of breads (Naan) or a coffee shop in an area where no such shops exist.

The effort was made to write memos at the end of every interview. The memos consist of interesting insights developed based on 'an' interview, areas need to be looked into and how 'this' interview is related to the other interview. Writing memos on these lines also contributed towards the attainment of 'saturation' of the ideas (Heath and Cowley, 2004) in the study.

The duration of the bi-lingual (the English and the Urdu which is the national language of Pakistan) interview ranged from 30 minutes to 120 minutes. Most of the respondents were having university qualification hence the conversation naturally occurred in both languages. Few of the entrepreneurs also had exposure of living in foreign countries. With prior permission the interviews were audio recorded. In most of the cases once we started interview most of the respondents opened up and talked freely. This open discussion helped us to understand the phenomenon of new ventures created by these individuals in depth. Hence in line with ethical guidelines (Creswell, 2002; Kothari, 2004; Sauder and Espeland, 2009), in research, consent of the respondents was secured, and they were ensured that their identity will not be disclosed. Total duration of the audio interviews was around 8 hours. At later stage these interviews were transcribed into more than 25000 words. The interviews were transcribed in the English language. One of the fellows who had been in this process from the start transcribed these interviews.

Transcribed form of interviews and memos served the base for analysis of empirical evidence. Based on Miles et al. (2018) a comparative form of data analysis was used. Under this strategy relevant chunk of responses received from each respondent were placed in a comparative table. With the help of representative quotes of the respondents we devel-

oped themes/labels/concepts/codes at three levels of abstraction. These themes were then used in finding section to describe, classify and explain the phenomenon of new enterprise creation in Pakistan. Table 2 provides few of the examples of coding process followed. Question no. 1 (How that particular idea (of opening a restaurant/café/bakery) came into your mind?) is used as an example to explain the coding process.

Table 2: First level codes – An example

Respondent No.	Quote	Theme inferred
1	My father started this business as a joint venture with his friends... my father died and I took over the business. Revenues were generated but that property was shared so we dissolve that business. Then after that I decided to open a restaurant as I always wanted to be in the foods business. I am basically a food lover.	Food lover/ Experience/ Desire for entrepreneurship
2	That idea came in my mind as I saw the cafes in Europe	Replication Foreign (Market gap)
3	That idea was given by my mother as she always wanted to start a Chai (tea) shop.	Parental Push
4	A lot of the customers asked for the bakery and sweets... so we decided to start the bakery of international standard.	Customers Push (Market gap)
5	Basically, I am coffee lover and I travel a lot, that why that idea came in my mind.	Food lover/Replication Foreign (Market gap)
6	This particular idea came in my mind because I have 3 to 4 businesses in this related business.	Experience

In line with development of themes pertaining to answers of question no. 1, the themes were developed for other questions. The empirical evidence pertaining to each question for all 10 respondents were placed in comparative tables. A separate sheet was prepared for each question and its corresponding answers for all respondents. Apart from helping us to develop comparative codes, this sheet also enabled us to see the pattern across cases. Each entrepreneur interviewed in this study is considered as a separate case. Hence this study comprises of 10 cases. The key information that 'emerged' from the data helped us to create typologies (Miles et al., 2018). Typologies and the classification of cases into these typologies are mentioned in table 3.

Table 3: Classification and typologies of entrepreneurs

No.	Typology	Number and nature of cases
1	Experienced Co-pilots	02 (R1, and R2)
2	Experienced Solo flight	02 (B1, C3)
3	Novice Co-pilots	04 (C1, C4, C5, B2)
4	Novice Solo flight	02 (C2 and B3)

These typologies are based on organization structure and the presence/absence of experience. These two attributes of businesses emerge naturally.

Experienced Co-pilots: The business was established by two entrepreneurs who had prior experience of business. Experienced Solo flight: The business was established by an entrepreneur who had prior experience of business. Novice Co-pilots: The business was established by the entrepreneurs who didn't have prior experience of business. Novice Solo flight: The business was established by the an entrepreneur who didn't have prior experience of business.

R: Restaurant

B: Bakery

C: Cafe

Comparative tables comprising of codes associated with various typologies helped us to see pattern in data in terms of typologies. This analysis helped us to immerse ourselves into the empirical evidence collected for the objective in hand. Table 4 condenses the 13 tables prepared in the organization of the data and the procedure employed for the analysis of this data.

Table 4: Cross-case analysis

Questions	Typologies used for Entrepreneurs and Themes				
	Experienced Co-Pilots	Experienced flights	Solo-	Novice Co-Pilots	Novice-Solo Flights
1	Already in this business	Customer push		Replication based on exposure of foreign countries	
	Food lover	Replication based on exposure of foreign countries – market gap		Desire for business	Parents' push
	Coffee lover			Local replication – market gap	
2	Already in business			Hybrid: Desi and English food – market gap	
	Experience			Don't want to do a job	Desire for entrepreneurship
	Love for food	Market gap		Don't want to do a job	Desire for entrepreneurship
3				Market gap	
	Unique offer (relative to the area)	Unique offer (relative to the area)		Flexibility	Solo flights
	Unique offer (relative to the area)	Unique offer (relative to the area)		Unique offer (relative to the area)	Unique offer (relative to the area)
4	Family	Competitors		Unique offer (relative to the area)	Unique offer (relative to the area)
	Self	Self		Friends	Family
				Friends	Other entrepreneurs
5				Another entrepreneur	
	Experience: Food experience	Idea: standard & Quality		Self-inspiration	
	Goods and services	Goods and services		Idea: desi and English food in hygienic	Goods and services
6				Goods and services	Goods and services
	Yes - Personal observation	Yes - Personal observation + survey conducted by students		Experience: comfort	Solo – leap of faith
	Yes - Personal observation	Yes - Personal observation		Yes - Personal observation	No
			Yes - Personal observation	No	
			No	But the possibility of observation can't be ruled out	

Questions	Typologies used for Entrepreneurs and Themes				
	Experienced Co-Pilots	Experienced Solo-flights	Novice Co-Pilots	Novice-Solo Flights	
7	Yes - Personal observation Yes - Personal observation	Yes - Personal observation + survey conducted by students Yes - Personal observation	Yes - Personal observation Yes - Personal observation No	Solo – leap of faith observation No But the possibility of observation can't be ruled out	
8	Experience and information	Personal observation of heavy traffic Reflected observation	Reflected (with friends) observation Reflected (with friends) observation Reflected (with friends) observation Desire to excel	Reflected (with friends) observation Reflected observation Reflected (with friends) observation Outdoor attraction Owned the location Ease of access Attractive outdoor location	
9	Ease of access We developed the location	Ease of access Owned the location	Availability and ease of access Heavy traffic and ease of access Ease of access Attractive outdoor location	Outdoor attraction Owned the location Ease of access Attractive outdoor location	
10	More through social media Location advantage + WOM	Tradition and traditional Traditional	non-Non-traditional Social media More traditional + non-traditional Social media + WOM	Strong location advantage No	
11	Self + partner Partner	Personal Personal	Partner Partner Partner + family Partner	Personal Personal	

Data organizing and analyzing process that transformed data into findings can be summarized in the following steps.

1. Transcribing audio interviews
2. Organizing answers in terms of their respective questions
3. Reading the transcribed interviews line by line
4. Development of themes/codes
5. Development of typologies
6. Description of new enterprise creation in contexts of typologies
7. Cross case analysis to develop theoretical propositions

Point 6 and 7 are addressed in the findings and discussion sections.

4 Findings

The objective of this research was to understand the phenomenon of new enterprises creation (in restaurant and cafes' business) in Pakistan's context. According to our findings there are many factors which contributed to the creation of new enterprises in restaurants and cafes' businesses. Based on empirical evidence pertaining to the characteristics and choices entrepreneurs made in the creation of new enterprises, these entrepreneurs can be classified into four categories. These are labeled as experienced co-pilots, novice co-pilots, experienced solo-flight and novice solo-flight. Matrix 5 shows this classification.

Table 5: Typologies of entrepreneurs

		Ownership Type	
		Sole proprietorship	Partnership
Experience	Novice	Novice Solo flight	Novice Co-pilots (Co-Starters?)
	Experienced	Experienced solo flight	Experienced Co-pilots

Out of 10 respondents 2 were inferred as experienced co-pilots, another two concluded as experienced solo-flights and other two were declared as novice solo flight. The 4 respondents were labeled as novice co-pilots. The classification choice is made to simplify the data. It also helped us to bring higher level of sophistication in data analysis. A refined data analysis can contribute towards better understanding and better explanation of phenomenon of new enterprise creation in terms of some theoretical propositions.

Categorization and their description are two important tasks of qualitative research (Bonoma, 1985). This grouping of the entrepreneurs is made based on two criteria. First whether the entrepreneur(s) is/are experienced or not and ownership structure, i.e. sole proprietorship or partnership. Question related to how the entrepreneurs financed their idea helped us to determine ownership structure whereas questions related to 'why' this business contributed towards our inferences pertaining to the level of experience the respondents have. In line with suggestion by, e.g. Berg-Schlosser et al. (2009) typologies were developed to differentiate and identify each category of entrepreneurs. In qualitative

research typologies helped us to organize empirical evidence well (Berg-Schlosser et al., 2009). These typologies helped us to understand the phenomenon of new enterprise creation across various ownerships type and level of experience.

4.1 Motivation behind New Business

Market gap emerged as one of the most important factors which pulled entrepreneurs across these four classifications into cafes/bakery and/or restaurant business. Three types of market gaps were identified in this study i.e., replication, hybrid and opportunity to offer better services. Based on data, replication can further be classified into two sub-categories – replication based on observation in foreign countries and replication based on observation within the country. Replication based on exposure of the entrepreneur/s of foreign countries is shared by experienced as well as novice co-pilots. For instance, according to R4, *“Only factor was that there was no bakery in the Mall so we wanted to cover that segment by opening bakery of International standard.”*

Within replication second type of market gap is based on local replication. One of the novice co-pilots set their intention to enter into this business based on establishing a Dhaba (a kind of restaurant offering Punjabi food in the environment close to Punjabi culture) in the twin-cities. Concept of a hybrid restaurant i.e., offering both continental and fast food is the second type of market gap.

The final type of market gap identified is based on improved services. For example, among the competing restaurants which were offering limited time meals C1 came up with the idea of flexibility and variety, *“we can serve an omelet to our customers at 1 AM as well. We can serve any item at any time.”* R1 claimed, *“Our menu has a differentiating factor in terms of food as we introduced deals for single person in continental food which is not offered by any other restaurant in Islamabad.”* It is important to highlight that all these market gaps were ‘relative’ in terms, i.e. not unique as an idea but unique in the geographical context in which the idea was implemented.

Unlike seasoned entrepreneurs who were ‘pulled’ by market gap, desire to become self-employed was the ‘pushing force’ for most of novices either in solo flight or in co-pilots situation. For instance, R9 (a novice-solo flight) claimed, *“I was very much clear and very much sure that one day I was going to run a café in this university.”* R2 said, *“The basic factor is that I did not want to do the job.”* Nevertheless, there were two entrepreneurs in novice co-pilots category who were motivated by market gap.

Based on similarities and differences across four types of entrepreneurs we can propose (Proposition 1) that experienced entrepreneurs were more driven by market gap whereas desire to become self-employed was the motivation behind launching a new enterprise. Nevertheless, desire to become self-employed could be a driving force to search for market gap.

4.2 Leap of Faith vs. Market Research

For experienced folks both in solo and in partnership the identification of market gap was more based on his/her experience. For instance, R1 claimed, *“I have been into that business since I was 15 years old so I know about that business from the very young age.”* For one of the experienced solo-flight entrepreneurs it was his travel and experience at various coffee shops around the world which made him inclined to enter into coffee business.

For few of novices either in sole entrepreneurship or in partnership the market gap identification is based on more scientific observation/research. For instance, R2 who represents experienced co-pilot claimed, *“When I did my market research I found that there is no such place which serve a good Pakistani food at good place where you feel comfortable while taking your family as well.”* Nevertheless, for a substantial majority of novices either in sole proprietorship or in partnership it was leap of faith as they claimed they didn’t conduct any market research. It includes C2, B2 and C4. For example, C2 claimed, *“No [I didn’t have any market research], I just jumped into the business.”* However, possibility of a systematic observation to identify and evaluate market gap even in these cases can’t be ruled out. Based on this we can propose (Proposition 2) that though leap of faith matters but more experienced entrepreneurs go for more market research before deciding about the new businesses.

4.3 Source of Inspiration

For the creation of new enterprise inspiration to start a new venture is an important aspect to understand the phenomenon of new enterprise creation. If we look into the data, we will find the five inspirational factors. These are: **1) Family**, C2 says *“That idea was given by my mother as she always wanted (me) to start a Chai shop”*; **2) Friends**, as claimed by C4 *“Basically we decide to open up a fusion café, a fusion of desi and English food, when I meet my partner Mr. Zubair he had an idea to open a desi food and I had an idea to open up a pizza place, which [should offer] good pizza and good burger, healthy pizza”*; **3) Other entrepreneurs**, as emphasized by C1 *“That idea came in my mind as I saw the cafes in Europe”*; **4) Competitors**, e.g. as inspiration taken by B1 and R2 - *“My inspiration is my competitors only.”* as claimed by B1 and **5) Self-Inspiration**, as claimed by C3 *“I am inspired by myself”*. Pattern with respect to sources of inspiration, ownership structure and level of experience couldn’t be determined based on available limited evidence. Nevertheless, it can be proposed (Proposition 3) that four sources of motivation for new enterprise are: family, friends, other entrepreneurs, competitors and self-motivation.

4.4 Strategic Thinking

With respect to business vision, most of the new startups represented by novice are product focused. Very few have the vision to set the foundation of new venture based on idea/need/utility/benefit a product delivers to the customers. For instance, C4 who represents a novice co-pilot claimed, *“We are selling food.”* On the other hand, R1 representing an experienced co-pilot said, *“I am selling a food experience that is more concentrated towards taste.”* Based on this it can be claimed that experience contributed toward broader vision of the entrepreneurs.

4.5 Selecting vs. Creating a Location

In case of bakeries, cafés and restaurants location matters a lot as one of their prime customers segment is walk in customers. Hence ease of access emerges as the most cited reason for the selection of a particular location followed by attractive outdoor and ownership of location. For novice co-pilots ease of access is the most frequently cited reason for the selection of ‘a’ location. In addition to location (as distribution/marketing channel), mode of promotion is another factor which can contribute towards the fate of a new enterprise in

food business. Nevertheless, based on data it can be claimed that seasoned entrepreneurs while launching new enterprise rely less on promotion (Proposition 4).

In restaurant or café business having an attractive location or having resources to 'create' a location that can attract traffic is an important factor in the creation of a new enterprise with a positive hope. There were only two entrepreneurs who owned the location in rest of the cases entrepreneurs 'selected' or 'developed' a location. Ease of access is the most frequently cited reason behind selecting a location. According to R10 I created a location that, *"everyone who is coming here said that we provide a very relaxing environment."*

4.6 Sources of Finance

Sources of finance also inform us about the trajectories followed for new startups. Without any exception in case of solo-flight either novice or experienced one the individuals arranged finance from their personal sources. In case of co-pilots the partners contributed into financing the new ventures. For instance, C1 claimed, *"We are basically three partners, and everyone manages his own area."*

4.7 Perception and Management of Risk

So far as the perceived risk and how the entrepreneurs perceived this risk were concerned four important aspects emerge. The experienced guy R1 was confident because of his experience and his information, e.g. *"Food business is one of the top five businesses in the world"* as claimed by him. Most of the entrepreneurs discounted risk in new venture creation based on their insight driven by their observation reflected by themselves and in collaboration with their friends/partners. The third perspective is confidence because of location. Fortunately, the entrepreneur got a location close to an attraction, e.g. a super store which draws heavy traffic. The fourth and final aspect is the self-confidence, for example, as claimed by R9, *"I am kind of person who can do what he/she wants to do."* Nevertheless, educated insight based on scientific observation, e.g. market gap was the most cited aspect which helped entrepreneurs to develop belief that the idea will work.

5 Discussion and Conclusion

It is challenging to explain the phenomenon of new enterprise creation, largely because of diversity in theories and concepts which contribute in this phenomenon (Davidsson and Gruenhagen, 2020). It is also because of inability of any single theory to explain this phenomenon comprehensively.

In the article in hand we explained a contextualized (in context of Pakistan) understanding of creation of new enterprise by interviewing entrepreneurs in hospitality sector (café and restaurants). According to our findings new enterprise can be created by novice, experienced entrepreneurs as their solo operation or in collaboration with others. In finding section we explained how the new enterprise creation process differs across these four typologies. Cases of novice as solo flight or in collaboration with another partner can be considered as a behavior associated with high level of perceived risk as compared to the experienced entrepreneurs.

Two factors can partially explain 'why' it all began? 'Desire for a business or don't want to do job' and market gap can be classified as push and pull factor respectively. Lit-

erature also suggests that people desire to have their own venture with or without their disgruntled situation with respect to job largely explain their decision to take risk [e.g., (Davidsson and Gruenhagen, 2020)]. In their study Bull and Willard (1993) supported this argument that people go for creating new venture under certain conditions such as task related motivation (their attitude towards doing so), expertise (experience or command over the subject), expectation of gain for self (profit), and a supportive environment (push/pull from certain factors). Increased choices with respect to employees, the employers have in Pakistan contributed to increasingly narrowing cushion for the people employed in Pakistan's economy which is defined in terms of low opportunities and low salaries. This situation is possibly contributing to a situation that is pushing the people more towards thinking about their own businesses (DAWN, 2017).

In the finding, we proposed that leap of faith is more associated with novice entrepreneurs as compared to more experienced entrepreneurs who go for more market research before deciding about the new businesses. This can also be partly explained by the urgency novices are showing in their transition from job to the self-employed status. Pattern with respect to sources of inspiration, ownership structure and level of experience couldn't be determined based on available limited evidence. Otherwise, that could also have added further insight into how the behavior of four classifications of entrepreneurs vary across leap of faith vs. market research. Nevertheless, perceived risk in new business can shed some more light on this. Informed insight, self-confidence and the entrepreneurs reflected discussion with others helped them to discount the perceived risk in the new enterprise creation. Out of these informed insights and reflected discussion with the peers could be attributed more with the systematic process of arriving at some informed decision. Hence, we need to give more space to market gap driven research for the decision behind creation of new enterprise.

Philosophical thinking on entrepreneurship as a broader arena than mere selling product is also associated with the experience as emerged in our study. In other words, strategic marketing thinking emerged based on experience as experienced guy define their businesses in terms of 'experience' they are providing to their customers as compare to 'product' as claimed by most of the novice entrepreneurs.

Four sources of motivation for new enterprise as emerged in this study are: family/friends, other entrepreneurs, competitors and self-motivation. Pattern with respect to sources of inspiration, ownership structure and level of experience couldn't be determined based on available limited evidence. So this demands research with greater scale. Lack of pattern in many aspects of new enterprise creation process is itself a pattern (Davidsson and Gruenhagen, 2020).

If qualitative research helps us to study a phenomenon in greater detail at the same time it is confined in its ability to generalize these findings. In order to cope up with these limitations of qualitative research more quantitative research would be required to measure differences in new enterprise creation process based on experiences and ownership differences among the entrepreneurs. This suggested study is in addition to the research required for the verification of five propositions as proposed in this study.

Entrepreneurship as a field of study is quite young as it was 1990s that longitudinal and empirical research started appearing in this area (Davidsson and Gruenhagen, 2020). And it should not be surprising that in the last 30 years 78% of research produced in the context of North America and Western Europe. Further to this, the literature emerged in this discipline has been unable to establish pattern in duration, content, sequence; and from

planned-linear-rationalistic to highly iterative and serendipitous process of new-venture creation (Davidsson and Gruenhagen, 2020). Hence, any study on the process of new enterprise creation will be a contribution in its own right. Our study offers some basics pertaining to and the beginning of our understanding about this process in Pakistan's context. We hope that our efforts will contribute in the development of further empirical research in this area.

In the last 30 years 38% of empirical studies pertaining to our efforts to understand new enterprise creation process is driven by qualitative research. Qualitative research is not only recommended for synthesizing the knowledge but also for the theorizing purpose as well. Hence our study, based on qualitative research, may rightfully claim a methodological contribution as well.

For the entrepreneurs, leap of faith with informed insight could be a good takeaway from this research. The article not only offers advice on how to search a 'market gap' but also informed the aspiring entrepreneurs that in addition to their family/friends your competitors could also be a source of inspiration to start their own business. Presence of few of the cases of individuals who started their venture after leaving their jobs also offered a ray of hope for the individuals who are struggling to keep themselves in the good books of their employers. Based on this research, building and encouraging sharing of the entrepreneurial experiences by the entrepreneurs could be one good recommendation for the policy makers.

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