

DYME: A conceptual framework for understanding the entrepreneurial process

DYME (Develop your model of entrepreneurship): A conceptual framework for understanding the entrepreneurial process

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Abstract

This paper presents a novel theoretical model that outlines the process of developing ideas into viable business opportunities.

Begins by reviewing How entrepreneurs learn to become entrepreneurs.

Identifies the concepts of risk and uncertainty

Desmystifies the big idea' generation process.

Axioms ' quick wins, fail fast

Idea generation and no linear process of developing ideas into opportunities.

It then maps the research of the entrepreneurial process into a 10-step infinity loop. The entrepreneur completes multiple iterations as they develop and test their hypothesis.

10 discrete steps in the in process, steps 1-5 focus on developing the innovation and steps 6-10 on the commercialization. The steps are explained in detail and research is presented to support the concepts. There is deeper dives into certain misconceptions of the entrepreneurship process such as market segmentation and the 1% fallacy, and replace these erroneous ideas with research on how ideas are actually diffused into the market.

Allowing entrepreneurs and educators to focus on develop and test their ideas to ensure viability prior to investing a lot of time and effort on ideas that might not work.

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Introduction

This paper presents a novel theoretical model that outlines the process of developing ideas into viable business opportunities. It is a model that uses Adult Learning Theories and student-centered learning, allowing the entrepreneurial process to move away from a knowledge transfer and hypothetical coursework found in traditional academic settings to a knowledge creation methodology focused on concrete experiences. A move away from knowledge transfer to knowledge creation is useful in aligning curriculum with understanding how people learn to become entrepreneurs. The paper will review how entrepreneurs learn to become entrepreneurs, introduce a novel approach to teaching and learning entrepreneurship, DYME – Develop your model of entrepreneurship, and provide some concluding thoughts and potential paths forward for entrepreneurship education.

Entrepreneurial Learning

Entrepreneurship functions in Knightian ‘uncertainty’ (1921), so entrepreneurs must develop their idea prior to and in anticipation of market acceptance. Hypothetical-based courses focus on the basic functions of management which overlook critical unpredictable aspects of the entrepreneurial process. More critically, none of the activities and learning outcomes within the hypothetical-based approaches such as business plans and models cannot specify, in advance, how various ideas map onto the real marketplace.

Within the class setting, faculty create a learning cohort and learn by doing, from others, by working together (Smilor, 1997). With this setting in mind, as the learning journey begins, faculty will provide the nascent entrepreneur with agency and autonomy to develop their own entrepreneurial ideas. Students enter the classroom with different levels of entrepreneurial skills and abilities. Thus, the course does not have a pre-determined criteria for learning outcomes of successful entrepreneurship. The faculty meet the students where they are instead of where the faculty thinks that they should be. Furthermore, by using the Zone of Proximal Development (Vygotsky and Cole, 1978), an approach that allows students to bring their diverse perspectives, contexts, and lived experiences to the learning process helps create a student-centered learning atmosphere. Allowing the entrepreneurial process to be inclusive and result in diverse learning outcomes that help create actionable experiences and personal growth.

Develop Your Model of Entrepreneurship (DYME) methodology is an experiential and action-learning process that places the learner at the center of their learning journey. Learners start with their idea and use their knowledge skills and abilities to develop and test their ideas. Nascent entrepreneurs begin to use their problem-solving skills (Rittel and Webber, 1973) to develop an idea to solve a sticky or wicked problem. Malcolm Knowles (1975) theory of andragogy – the study of how adults learn assumes that adult learners use previous knowledge, are oriented to and motivated to solve problems they see necessary while also bolstering their self-concept and maturing through new experiences. Students will find time and effort to work on areas they see as meaningful to them. Thus, the DYME course work activities are situated in the real-world ecology, instead of the hypothetical or conceptual academic coursework of traditional academia. As such, the learning process embedded in the classroom reflects real entrepreneurial learning and avoids management concepts such as ‘best’ practices.

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Students instead of copying ideas or reverting to a hypothetical idea, focus time and effort on finding a novel solution to an existing problem. The action-learning in the limited classroom time can be centered on the entrepreneurial axioms of ‘quick wins’ and if they are going to fail, they ‘fail fast’ prior to investing a lot of time, money, and effort on an idea that does not have a viable opportunity in the market. Allowing nascent entrepreneurs have concrete experiences. These experiences are necessary but not sufficient, as entrepreneurs do not learn only from experiences, but on reflecting on those experiences. (Dewey, 1938; Knowles & Holton, 2014; Rogers, 2014; Dobson & Dobson 2023).

Entrepreneurs recognize opportunities (Stevenson, 1983), which is the critical first step. Moreover, while Timmons and Spinelli (2007), focused on identifying the qualities of good opportunities, Singh (2001) questions the value of focusing on the identifications of opportunity qualities since this approach permits post hoc validation, offering little understanding of which conditions or opportunities are developed by entrepreneurs in the beginning. Overcoming this limitation, Lumpkin and Lichtenstein (2005) identify the need for the entrepreneur to effectively *pursue* the opportunity. Additionally, Sarasvathy (2009) suggests *effectual thinking*, which focuses on *small tactical behaviors* as essential for entrepreneurial success, is required to help overcome the uncertainty of opportunity identification. These researchers all recognize the need for actionable experiences for entrepreneurs.

Similarly, diving a bit deeper, entrepreneurial learning follows a constructivist approach where new knowledge is actively constructed from prior knowledge and concrete experiences (Piaget, 1973). Furthermore, entrepreneurs learn from concrete experiences, from what works and what doesn’t (Cope, 2005, Smilor, 1997), they have agency and follow their hunches (Blaschke, Kenyon, & Hase 2016). An entrepreneurs’ learning process is an iterative process (Gartner, 1985), which accumulates into tacit knowledge that can be deployed to solve new problems. Such tacit knowledge is Building the Transactive Memory System (Huang, 2009) allowing entrepreneurs to develop pattern spotting skills, and make connections with people that can help solve their problem.

Entrepreneurial learning is not a linear process (Rae & Carswell, 2001; Pittaway & Thorpe, 2012) but iterative, because it is based on individual lived experiences, abilities, and context (Gartner, 1985). It becomes a personal journey (McMullen & Dimov, 2013) in which the entrepreneur becomes a self-directed learner (Knowles, 1984; Merriam & Bierema, 2013). Making it nearly impossible to have one set of pre-determined learning actions or outcomes. Entrepreneurs learn from incidental experiences (Wallas, 1926), which is distinct from deliberate learning (Hills, Shrader, & Lumpkin, 1999).

The process of developing entrepreneurial ideas into viable business opportunities goes through 10-step in the DYME Model, which is an iterative cycle represented by an infinity loop (See Image 1). This model emerged from frustration with the ineffectiveness of hypothetical coursework, such as Business Model Canvas or business plans, in improving student entrepreneurial intention. The author, reflecting on his own entrepreneurial experience and the experiences of students in the classroom when tasked with hypothetical coursework, where they write complex business plans or models; but at the end of the semester found students were no closer to launching their idea. This model unpacks the complex entrepreneurial process into a

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tool that is both easily understandable but that retains the richness and complexity of the entrepreneurial process while allowing for individuality, and agency. DYME has been used as an alternative entrepreneurship course to a transfer of knowledge course and found to increase students success through experiences, iterations, and overcoming failures (Dobson & Dobson, 2022).

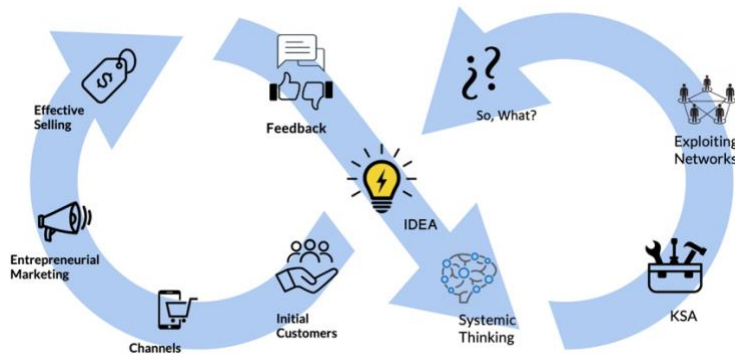


Image 1: DYME Model

Conceptual Model of the Entrepreneurial Process

In the following section, I will outline the 10-step DYME process. Allowing nascent entrepreneurs to develop their ideas into viable business opportunities. In the learning process, students will go through multiple iterations as they develop their hypothesis and test them in the real market. Over time, through iteration and pivots the students improve product/market fit.

1. Idea:

An *Idea* is a conceptual framework to solve a problem. Essentially, it is considered 'sticky' or 'wicked,' in that it is ill defined, vague, recurring, and others have not been unable to solve. The problem can be 'sticky,' as in it is recurring and has not been solved in previous attempts. It is compelling to you, so it is worth time and effort to attempt to solve it. Successful entrepreneurs think granularly at the beginning. Therefore, it is important to distil the problem to its core essence and start from that point. It is important to think of small steps that work towards solving a problem. Students who think of grand challenges and larger problems are quickly overwhelmed with the difficulty of solving the problem that they rarely actually take concrete steps to solve the problem.

Most ideas are designed to personal problems:

- Stacy's Pita Chips was an idea to use up day old pita bread and to give her food truck customers a snack while they were waiting for their food.
- Phil Knight, his first order was 15 pairs of shoes. He started by selling shoes out of the back of his car to help pay his expenses while running track at the University of Oregon.
- Sam Walton, started by selling bicycles door to door.
- Steve Jobs did not want to become an industrial designer and media tycoon, he simply wanted to build a better computer for himself.

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- Mark Zuckerberg was not creating a marketing conglomerate, he simply wanted to connect and be more popular with girls on campus.

These individuals did not intend on building the companies we know today. They began with small ideas and slowly developed them into something more complex. Over time the ideas grew, evolved, and changed as they found the product and market fit. If we only look at successful entrepreneurial ventures for where they are today, we miss, or misunderstand, the entrepreneurial journey that they went through. The ‘origin’ story of these nascent entrepreneurs is what is helpful to other nascent entrepreneurs as they work to develop and test their hypothesis in the market.

2. Systemic Thinking:

What differentiates entrepreneurs from everyone else is their ability to discern a novel solution to an existing problem. For them, the world is in chaos and they can imagine novel ways to connect the dots to find better solutions. In the literature this is also called pattern spotting (Baron, 2006).

Coming up with the idea is necessary, it is not sufficient. The Phrase ‘ideas are a dime a dozen’ references that ideas are a very common. Many people have had the experience that they had an idea for a product or service only later to find that someone else developed it. Everyone has ideas, what is essential is that the entrepreneur puts in the time and effort to develop their idea. Those ‘imagined realities’ were ‘**ideas**’ for those who thought of it and ‘**opportunities**’ to the person that acted on it and developed it. Reasons for not developing ideas could be because of a lack of Knowledge, Skills, and Abilities or that the ‘wicked’ problem was not worth the time and effort to solve.

For everyone else, the current solutions are either acceptable or they cannot be bothered to spend the time and energy to solve the problem. Entrepreneurs imagine solutions and develop a hypothesis. They identify the role of various agents in developing a potential solution to solve a wicked or sticky problem. After imagining the novel solution, the entrepreneur moves beyond thinking about the potential solution and takes action to develop their idea and test the hypothesis. In this way, entrepreneurship is a pure science, the only difference is that hypotheses are developed and tested in the market instead of in a lab.

Successful entrepreneurs focus on the granular solutions and do not overcomplicate it. Their ability to understand what is essential and what can wait until version 2.0 is critical to keeping the project manageable and viable at the beginning.

Conversely, many ‘pretend-preneurs’ have ideas but have not actually taken any steps to actually develop and test the idea. Extensive hypothetical coursework tends to ‘paralyze’ students with fear, because they overthink their idea, and spend years imagining the ideal way to develop their idea. They image it scaling into a large and successful enterprise. Outlining the ‘ideal’ way to start a business and ignoring how almost all entrepreneurs actually start. GEM (2020) reported that 99% of entrepreneurs’ self-fund or get money

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from family and friends. Coursework focused on hypothetical activities places students' attention on conceptualize ideal outcomes as opposed to working in the real world, where the outcomes are messy and most often sub-optimal. Unfortunately, the more a person spends imaging the ideal outcome the less likely they are to become successful (Oettingen, 2015). Goals must be coupled with concrete experiences, allowing them to interact with the market and get feedback so that they are able to improve product/market fit. With the DYME process, entrepreneurs develop and test their ideas in the real marketplace right from the start. It is only through these initial missteps or failures that one can build successful businesses.

The Virtuous Cycle of Entrepreneurship (Dobson & Dobson, 2023) presents a process of facilitating entrepreneurial learning and helps faculty create a student-centric learning environment (Dobson, 2020). The DYME approach encourages entrepreneurs to cooperate and collaborate as they develop their idea. They reach out to people in their network to help to develop their idea. This process in entrepreneurship is often called 'pattern spotting' or 'connecting the dots', in which they identify the work that they can do and areas that they need help.

3. Your Knowledge, Skills, & Abilities:

The entrepreneur takes ownership of the process of developing the idea. After coming up with an idea and identifying a pattern that might solve the problem, they look inwardly at their Knowledge, Skills, & Abilities (KSA) to determine what they can do to develop the innovation. A useful way to think about the hierarchy of KSAs are to consider the three levels of medieval trades. The apprentice, journeyman, and master. The apprentice is developing knowledge about the trade, the journeyman is working on developing their skills, and the master has achieved an expertise of the trade.

- **Knowledge** is the theoretical or practical understanding of a subject. Knowledge is the foundational element of KSA. It involves learning about a topic. For example, an employee might have knowledge of a topic. This involves a superficial understanding that may have come from learning about that topic, they may have been involved in that field of study or they are exposed to it in a casual way as a hobby or work-related experience.
- **Skills** are the proficiencies developed through training and experience doing task repeatedly. Learning by doing facilitates the construction of knowledge. It involves applying the knowledge to practice. It becomes a virtuous cycle as the more one practices, the more skills develop.
- **Abilities** refers to the proficiency of being able to do something to create new value. It relates to a level of expertise that the master is able to tap into past experience and intuition to solve novel problems. There is a fine line between skills and abilities. A differentiation is the ability to organize and prioritize skills to create value.

The definitions of the various terms are not important, what is essential is the understanding that the entrepreneur is taking ownership of the learning and development

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process. They do not wait until they have mastered the topic, but rather work at whatever level they are at and gain expertise through learning by doing and reflecting on the outcomes of those experiences. Nascent entrepreneurs are focused on what they can do, or their *agency* and *autonomy*, in the development of their idea into a viable business opportunity and are not paralyzed by what they *lack*. They learn on the fly.

4. Exploiting Networks:

There are gaps in the ability of almost all entrepreneurs to successfully develop their idea. Thus, as they start, entrepreneurs often look for help from people in their network. This is not paid help, because if it is paid, it becomes a management function. Entrepreneurs look for voluntary cooperation and collaboration from like-minded individuals. Most people know an entrepreneur that is always talking about their idea. This is a form of entrepreneurial marketing. They are looking for help in resolving challenges that they are facing in the development of their idea and not looking for money. The entrepreneurs' network's network has the solution to the problem faced in developing the idea. When the entrepreneur demonstrates the passion through work (time and effort) for solving the problem, that someone from the network will emerge to help develop the novel solution. When the entrepreneur does not demonstrate passion and commitment to work on solving the problem themselves, the network is less likely to want to cooperate and collaborate.

At this point, differentiating between 'Nascent Entrepreneurs' and 'Zombie Entrepreneurs' is necessary. While both are always talking about their product, the *Zombie entrepreneur is only looking for money*. Having wasted their money, they are looking for other people's money to waste. An extreme focus on money is a tell-tale sign that you are talking to a Zombie-preneur. Another sign is when someone asks clarifying questions and they have difficulty answering, they resort to phrases like:

'You don't understand'
'The customer doesn't understand'
'I only need to get 1% of the market share to be successful'
'If I had enough money to develop this idea...'

The obvious response is that if the customer doesn't understand why should they buy it? In my experience, the Zombie did not follow the 7 behaviors of successful entrepreneurs and has limited understanding of the customer/product fit. They speak of the ease of getting 1% share, but they will never likely ever achieve any percentage of market share. Furthermore, the research shows that less than 1% of entrepreneurs get external funding, so money is not what is preventing the entrepreneur from developing their idea according to the Global Entrepreneurship Monitor (Daniels et. al.,2020). In fact, resource scarcity, in the forms of financial and technical constraints, is an essential part of the entrepreneurial process. Successful entrepreneurs often 'fake it until they make it.'

Successful nascent entrepreneurs do not *spend money* and instead *spend time* looking within their social and business networks for people that their potential solution resonates with. This will lead to collaboration and cooperation. People volunteer because the

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problem is compelling, and people want to be part of the solution to a ‘sticky problem.’ As entrepreneur's personal and business network forms, *it* facilitates exploitation of opportunities culminated by successful entry into a market (Vasilchenko and Morrish 2011). The explanation defines 'it' as those people that help the nascent entrepreneur develop their idea. The key words in the exploiting networks explanation are *collaboration* and *co-operation*.

5. So, what?

Market differentiation is another way to explain the ‘So, what?’ step of the DYME model. The essence is, can the entrepreneur clearly explain the idea in under 30 seconds? Does the explanation resonate with potential customers, can they substantiate their claims, and is there enough market differentiation that potential customers will change their behavior? Changing behavior is extremely difficult, and so the entrepreneur should focus on:

Functionality: Does the innovation solve the problem it intends to solve? While this might seem obvious, many entrepreneurs have come to the professors’ offices with prototypes that upon testing do not solve the problem.

Versatility: Everyone’s context is slightly different. Is there enough flexibility with the innovation that the individual can adapt it to their specific variation of the wicked problem?

Usability: Will the potential customer adopt the innovation? Often, entrepreneurs develop innovations that are both functional and versatile but will never actually be used. For example, it could be that they have developed a solution that costs \$1,000 for a problem that is only costing the person a dollar’s worth of pain. Customers will not adopt the innovation if the adoption costs a lot of time, effort, and money. The cost of adoption in time, effort, and money must align with the ‘cost’ of the problem. If adoption is too complicated or expense in relation to the pain of the problem, it is simply not worth their while, and they will live with the minor discomfort of something not working exactly right.

Revise the Idea

At this point, the entrepreneur has developed the innovation. This is an impressive feat as most people never actually take concrete steps to develop their idea.

The revision of the idea comes from the realization that what was developed differs from what was originally envisioned when the process began. For some entrepreneurs, they can clearly see the pattern, they have exceptional KSA, and their network steps in early to makes impactful contributions to the development of the idea. The innovation is ‘*Quicker, Faster, Stronger*’ than other options in the market. For these entrepreneurs, they are able to revise their ideas upward as they are able to develop something better than their initial idea. However, in my personal experience and that of most entrepreneurs, the initial idea is not all that clear, we have limited abilities, our network fails to fully overcome the missing gaps, and when we compare what we developed it is actually, ‘*Longer, Slower, and Weaker*’ than we had hoped, and we need to revise our

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idea downward to reflect our limitations. However, the innovation might not be great, but it is the best that the entrepreneur can do at the time. There is a common saying in entrepreneurship that goes something like this,

‘If you are not embarrassed by your first product you waited too long to launch’

In the revision phase, I include a photo of my very first attempt at selling. To show nascent entrepreneurs that my first attempt was not very good, but it was the best that I could do. The photo is a reference point for when they develop their initial idea, they can take comfort that what they have developed is probably better than my first attempt. The photo was taken in 1986, by a friend at a craft fair that I attended. Close examination clearly shows that I knew next to nothing about business,



marketing, promotions, and sales, but it was the best that I could do at the time. From this initial attempt, I was able to grow into a successful international business. Moreover, course work that relies on best practices and hero narratives misses the entrepreneurship journey and relatability to where students are in their learning.

Entrepreneurs do not rely on the concept of *‘best practices’* since the entrepreneur is developing innovations that are designed to destroy best business practices with a novel innovation. Additionally, entrepreneurs do not believe in sending so called *‘Minimally Viable Products’* (MVP) to the market, because what developed was the *‘Best I Can Do (BICD) at the Time*. It might not be perfect, but it is the BICD.

‘MVP’ is a term which does not adequately fit most entrepreneurs learning process. It has been developed for and makes sense in the context of high technology entrepreneurship, where start-ups are competing against others to be the first to market. However, in the Global Entrepreneurship Monitor report this is not how 99.85% of entrepreneurship functions, as only .15% get angel funding (Daniels et al, 2020). Main street entrepreneurs have resource constraints. It is this limited cash, that forces them to make *‘small bets’* as they develop their ideas.

Entrepreneurs tend to a Pareto Optimal approach in their venture development. This simply means that they follow the 80/20 rule. When the product or service is 80% ready they launch or take it to the market. They leave the other 20% to be improved upon through the iterative process.

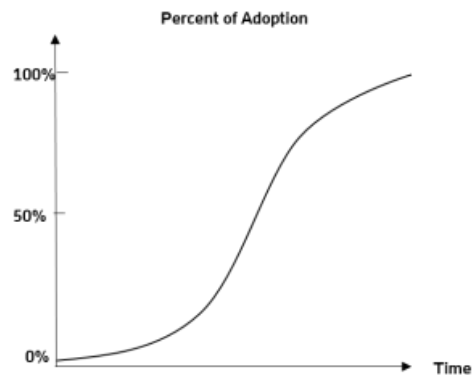
The next five steps focus on the commercialization or proof of market. However, prior to presenting these steps it is valuable to examine Rogers’ (1961) seminal research on the

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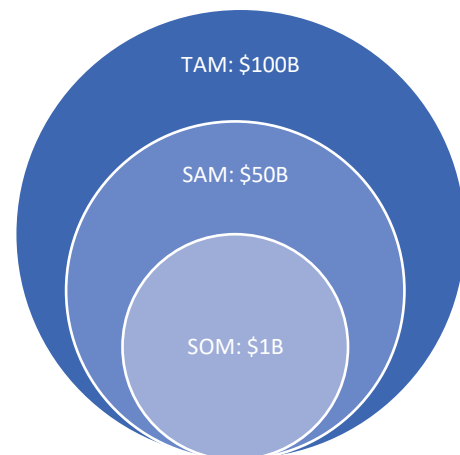
diffusion of innovations (DOI) as it establishes a practical tool to understand how ideas (products, services, or processes) are adopted by communities. The DYME methodology applies the DOI, by focusing attention on the discrete steps of successful adoption of any innovation.

DOI Theory (Rogers, 1962) was developed to explain how over time an idea, product, behavior, or service gains acceptance within a social system or population. At the end of the cycle the entire target population has adopted the innovation.

Let's start by unpacking the 1% fallacy, embedded in the concept of Total Addressable Market (TAM). Over time, a successful innovation will gain 100% adoption of the market. This will be divided amongst the various companies providing the innovation and the other companies that imitate the innovator to provide similar products. This approach creates unrealistic expectations of easily acquiring 1% market share. For example, only getting a 1% penetration of a \$100B industry, gives the nascent entrepreneur the naïve belief that 'simply' getting 1% will ensure business success. Further, failing to prepare entrepreneurs to the challenges of successfully starting and finding the initial customers. Much less the issues of scaling a billion-dollar business.



Nascent entrepreneurs are often asked to conduct market research as an assignment, to determine what is the TAM for their product. This is done to give them an understanding of what could be achieved. Additionally, they might consider the growth rate of that market. It is believed that this is required to determine if the product has the potential to succeed within that market. This is a top-down approach that allows people to create wonderful financial and valuation modeling. This top-down logic, will take the TAM and then identify the Serviceable Available Market (SAM), with is the segment of that larger TAM, that your product will be able to service. The next step is to reduce the SAM to the Serviceable Obtainable Market (SOM), which is the market share that the product can capture. The TAM model has created a SOM of \$1B, which will allow the creation of complex financial models. Leaving



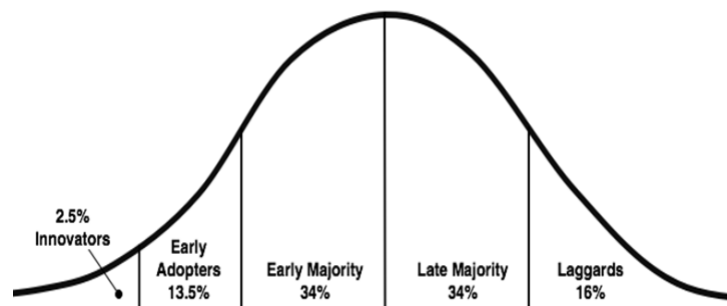
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entrepreneurs with the false notion of potential market share and the mistaken understanding of how ideas are actually diffused into the market. This exercise does not provide any real understanding of how entrepreneurs actually start acquiring their initial customers.

Another common mistake when conducting a market analysis is to ask if the innovation fits into a Blue Ocean or Red Ocean. The assumption here is that success is predicated on creating products or services for *uncontested markets* is the key to success, because you are able to make the competition irrelevant, by creating and capturing new demand, which will break the value/cost trade off. Competition in Red Oceans, seen as a losing proposition because there are many players and you must beat the competition in a market that is stagnant or decreasing. Entering this sector is seen through a zero-sum-gain proposition. However, there are many examples of companies that entered 'Red Oceans' and succeeded such as; Starbucks, Reebok, & Walmart. As there are many companies that entered Blue Oceans and succeed such as: Amazon, Google, & Facebook. The Blue/Red Ocean tradeoff is a false choice as successful entrepreneurs focus market differentiation, looking inwardly at what they are good at, or like to do, and build ideas to solve problems that are meaningful to them.

Furthermore, these tools do not help the entrepreneur understand how innovations are accepted in the marketplace. When you examine the actual experiences of entrepreneurs, the pathway of a successful business follows a predictable pattern that is well established in the research called the Diffusion of Innovations (Rogers, 1961). Customer behavior is predictable, and the entrepreneur focuses their attention in the right part of the bell curve, they are more likely to be successful.

Focusing on this process will help the entrepreneur pay attention to the predictable pattern of market acceptance for all innovations. All innovations are initially adopted by the *innovators*. These initial customers are looking for novel innovations and are more willing to pay more. These initial customers are critical to successful diffusion across the rest of the market. Research shows that *early adopters* follow the behavior of the innovators and do not look to the actions or behaviors of the firm that developed the innovation. The pattern of adoption is that each new segment is influenced by the behavior of the previous group and are not influenced by any other group. So that the *early majority* is copying the behavior of the *early*



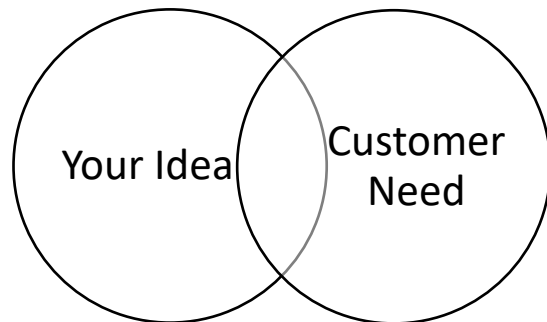
Source: Everett Rogers Diffusion of innovations model

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adopters and not the behavior of the *innovators*, *late majority*, or *laggards*. The *late majority* is simply following the behavior of the early majority, because they want to be part of the in-group. Each group has its own behavioral motivation, which are distinct for the other groups. Therefore, grouping 100% of the market as one group and assuming that you can gain 1% acceptance runs counter to how innovations are adopted across markets.

6. Initial Customers:

While the first customers are comprised of the 3Fs (Friends, Family, and Fools), the successful entrepreneur focuses attention on the fool. Why? Because your mother buys, because she is your mother. She is buying because she loves you and not because she wants the product, she simply wants to support you. The challenge in selling to friends is that the first time they will buy, the second time you try, they will leave you on 'READ', and the third time you try to sell to them, they won't even open your message. They bought because they were your friends and they wanted to support you, and not because they were interested in the product you were selling. It is not sustainable or practical to build a business on the assumption that your family and friends will buy everything you produce, leaving us with the 'fools'. The fools are not dumb or gullible, but they are fools because they trusted the product before own product was really that good. It is the 'fools' who bought these initial products. They saw in your idea enough of a value to solve their need that they spent their hard-earned cash to buy your product. There was sufficient overlap between their need and your idea that they took a chance on you. Over time, as you make changes to increase the overlap of product/customer fit your business will become more successful.



Understanding what potential customers believe in, their habits, and norms is essential to effectively connecting with potential customers. It is important to remember that entrepreneurs *are not selling products but are solving problems*.

7. Channels:

The Channels are all the points of contact between the entrepreneur and their potential customers. This may include, brick and mortar stores, your home, and/or digital platforms. Many entrepreneurs always have a sample of their product with them (physical or digital) and are ready to present the idea whenever they encounter potential customers.

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Channels, are ways that the entrepreneur raises awareness of the innovation, but it also includes the mechanisms to deliver it to the customer.

8. Entrepreneurial Marketing:

Entrepreneurial marketing refers to no cost low costs ways the entrepreneur gets the word out about their innovation. It might involve the 30 second 'elevator' pitch, an email, phone call, or using social media to raise awareness.

There is no universal marketing solution applicable to all entrepreneurial ventures. Nascent entrepreneurs are flexible in their approaches as they develop low cost and no cost ways to reach their customer (Kim, 2018). The reason not to spend any money early on is that very often the initial messaging does not work, so it is often a waste of money. And once you understand what messaging works, you realize that most often you never need to pay for marketing.

Entrepreneurial marketing is not about attempting to sell the innovation. You are looking to connect with individuals that have a common belief system. Your role in Entrepreneurial Marketing is to demonstrate leadership in that community and build a following. The research shows that to be effective 80% of your efforts should be directed to demonstrating leadership within the tribe.

To be successful, the nascent entrepreneur develops a following of likeminded individuals or a tribe. A tribe is comprised of three elements; A leader, followers, and a common belief system. It is the focus on this common belief system that will encourage others to follow. They will buy the product because it aligns with their belief system.

The power is that there are hundreds of options and many different digital and analog platforms, but that is also the drawback. There are so many options it is often hard to decide what and where you post. The entrepreneur starts by thinking about where their customer/tribe gathers information and how (channel). This allows them to target their potential customer more effectively. The process involves an iterative process of small granular/tactical approaches that are designed to test the effectiveness of marketing efforts through various channels to see which ones if any resonate and gain traction with the customer. The process requires that the entrepreneur takes action, measure, reflect, and iterate.

Successful entrepreneurs join the various groups where their tribes reside, next they listen to learn, and only then do they post. Most often less is more, the goal is to be conversational, only post relevant content, and be responsive. The goal, even on digital platforms, is that the content needs to be high touch and not tech. The process is to start a conversation with like-minded individuals about a common interest. Through the conversation your goal is to demonstrate leadership in the area of interest.

The entrepreneur is looking for the *a'ha!* moments. Once the entrepreneur gets some traction, they are able to effectively scale their efforts through growth hacking tactics

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because they have aligned the message with what resonates with the tribe. The entrepreneur really needs to believe in their product because for every 100 posts, only 1-3 will have a positive impact.

The phrase 99% perspiration 1% inspiration is apt, as there is no substitute for actually doing the work. You need to work hard to create messaging that aligns with your customer's needs. Once you accomplish this alignment you will become 'lucky' in the eyes of others. However, regarding *critical incidents* Cope (2005) wrote "it is vital to view each entrepreneur's learning task as dynamic, contextual, and cumulative" (Cope 2005, p. 379) as he described *aha* moments as *critical incidents* of learning by doing and from reflecting on experiences. Similarly, being reflective in and on one's practice (Argyis & Schön, 1996; Brookfield, 2009) creates deeper meaningful understanding of one's assumptions and aids in next steps formed by *aha* moments.

9. Effective Selling:

The secret of effective selling is that the customer actually convinces themselves to buy your product and so selling is really about them and not you. Humans are complex and we live in complicated times. Our mind has developed a series of short-cuts that allow us to make quick decisions about what to do. This is called the science of persuasion (Cialdini, 2006). The way it works is that when a customer is unsure what to do, they prioritize to these six factors in their decision-making process: authority, reciprocity (social norms), scarcity, consensus (social proof), commonality (likeability), consistency. Using these six factors allows the potential customer to make a quicker decision to buy the product. It also serves to differentiate customers from non-customers. The customer self-identifies in the selling process by positively responding to the marketing efforts. Allowing the entrepreneur to dedicate time and effort to customers that have self-identified as interested in the innovation. Additionally, it ensures that we do not waste time attempting to sell to non-customers. It sounds obvious, but sometimes vast amounts of time are spent trying to convince non-customers to buy product.

Successful launch of any business is extremely difficult, so it is important to spend one's valuable time and scarce resources on the 'quick wins' and build on early success to build your business. If your assumptions are wrong, you iterate quickly prior to investing vast amounts of time, effort, and money on an idea that does not work.

Speaking with successful entrepreneurs, a common theme emerges when you ask them when they knew that they were going to be successful. The most common response is, when people that they did not know started buying their product. This is a critical moment in the DOI, as these initial customers, the early adopters, used their social capital to tell other tribe members that your product really solved their 'problem' and that buying was worth their time, effort, and money. This type of marketing is priceless and cannot be bought, even though companies often try with referral bonuses. The power of the DOI process is that once it starts, it has its own momentum and your company begins to grow organically.

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10. Feedback:

The final step in the DYME process is the feedback mechanism. This is all the information that the entrepreneur receives from the market. Potential customers that did not buy when presented the product, are telling you something. Customers that bought once and did not buy again, are telling you something. Customers that buy and return to buy again are telling you that your innovation is really solving their 'wicked problem'.

Revise the Revised idea

Successful entrepreneurs use the feedback from their concrete experiences through all 10-steps on the DYME process to revise the idea that they have previously revised. The process is an *iterative process* with continuous iterations and sometimes larger pivots as the entrepreneur strives to align product/customer fit.

In summary the DYME process is a 10-step iterative model that has proven to help entrepreneurs develop ideas into viable business opportunities. Enabling the nascent entrepreneur to develop and test their hypothesis with concrete experiences in a low-cost approach designed to validate ideas and gain market acceptance of their innovation. This process can be viewed as the initial steps out from incubation process and towards commercialization.

During the incubation phase it is important that the entrepreneur approaches the validation process through the lens of affordable loss (Sarasvanthy, 2009). In other words, what is the least you can invest to test your idea so that if it fails you have not bankrupted yourself or the business. They rely on the feedback from these initial small steps to iterate and improve the idea or to pivot to something more promising. Always focused on getting better product market fit. Once there is market acceptance, the entrepreneur is at the inflection point of repeatability and scalability, allowing them to rapidly grow their business.

Conclusion

The DYME methodology is based on growing academic research that demonstrates the effectiveness of using problem-based experiential teaching and learning techniques to help students construct knowledge through entrepreneurship education (EE). Using adult learning methods whereby the student creates new meaning through learned experiences and iterations valuable individual knowledge creation takes place. This approach relies on a constructivist epistemology. In other words, students' learning occurs through their construction of entrepreneurial knowledge based on their efforts in developing an idea into an opportunity. These efforts are facilitated through experiential teaching and learning approaches where students learn by doing entrepreneurial activities and exercises as they attempt to solve real problems. Experiential learning helps students

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create meaning from experiences (Merriam & Bierema 2014) and creates active student-centered learning opportunities fit for an ever-evolving world that relies less and less on knowledge transfer.

Active student-centered learning, requiring students to assume responsibility for the exploration, adaptation, and transitioning of ideas with unknown outcomes (Kolb & Kolb, 2008). Students learn through developing their entrepreneurial orientation and self-assessment of their experiences in the entrepreneurial iterative journey. Giving students agency in their entrepreneurial development counters the prevailing top-down approaches that position the students as empty vessels and which the professor must fill courses with pre-determined knowledge and outcomes. The DYME methodology adds to the other research on moving away from teacher centered entrepreneurship education and moving towards a more valuable student-centered way of teaching and learning that can bolster creativity and innovation.

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