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**Entrepreneurship as if people mattered: Capitalists, community
lifestyles, and cultural pockets**

by

Gregory Alan Peter

**A dissertation submitted to the graduate faculty
in partial fulfillment of the requirements for the degree of**

DOCTOR OF PHILOSOPHY

Major: Sociology

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~~For the~~ Major Program

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For the Graduate College

To Cathy, Jordynn, and Darby; my brother Brian; my parents Richard and Virginia.

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Although I am given credit for having created this dissertation, I am not the sole founder of this enterprise. I am grateful to all of the people in my life that have helped my get here including family, friends, mentors, teachers, neighbors, and the many sociologists that have come before me.

Although this entire document has been in the "I" voice, it is a bit deceiving since this dissertation was not written in a vacuum. I am not the solo entrepreneur. Rather I had much help all along the way materializing this ideal.

When I started this research back in 1997 I really had no idea what I was getting myself into. Doing the snow-ball sample with sociologists working on entrepreneurship for Pete helped me see some of the gaps in the literature as well as the opportunity for a more interpretive approach. Pete was interested in formulating a questionnaire for rural entrepreneurship as the next step for our project. He was also the original founder and financial supporter of this enterprise. It is safe to say this document would not exist without Pete's complete cooperation.

I also talked with Terry Besser in our department about her research and what approach she took on entrepreneurship. Terry's research with Iowa businesses has largely focused on social responsibility of the businesses to the local community. She helped lead me down the cultural path of entrepreneurship. I also talked quite a bit with Steve Sapp about methodology early on.

By this time I had met Steve Carter of the Pappajohn Center and Pete's previous contacts from the College of Business, David Hunger and Howard Van Auken. I asked Steve Carter for a list of high growth companies in Ames. Most of these were research park companies. David Hunger teaches the entrepreneurship courses at ISU and also works for the Pappajohn Center. He was responsible for tuning me into the current business and management literature. He also enticed me to battle RCT and the often functionalist logic of business. The word entice comes from the Latin "to set afire" and David set me off several times in discussions about entrepreneurship. One time he told me that Wal-Mart *encourages* entrepreneurship--I just about fell out of my chair. His argument was that when Wal-Mart comes in the other businesses compete or close up forcing the owners to do something else. To David this was a seamless argument about the rules of entrepreneurship and the survival of the fittest. To me I was ready to wrestle him to the ground. It did really help me understand that much of this business and management material had not only an RCT logic, but a functionalist one as well. The idea that those who succeed in business are the deserving and those that fail did something wrong so too bad for them. Howard Van Auken was interested in community research from a financial capital perspective. He also knew Terry Besser well so he had the community vibe down.

Theoretically what really helped me was studying for prelims. The prelim process forced me to read entire bodies of literature that I never would have picked up before. It forced me to organize and categorize theories by substantive area, unit of analysis, and then try to find linkages between them. I started subscribing to AJS after prelims because I could finally read and understand the articles in it. Imagine that. Unlike ASR which was mostly

methodological (and positivistic at that), AJS was theoretical and very useful for me. In particular Mustafa Emirbayer's work on linking agency, structure, and culture really made sense to me. After I read all of his articles I realized this was a perfect framework for my dissertation and perhaps for my career. I started seeing everything through those three levels of interaction. I also realized that of the three, culture was the most disjointed and perhaps most appropriate for looking at entrepreneurship. Jim Gregory's term "cultural pockets" really fit in well for a community and cultural perspective. After doing more reading I found that the agency-structure thing had been done; the agency-culture thing had been done; the structure-culture thing had been done and now it was time to tie them all up as Emirbayer argued. The only problem with Emirbayer's research was that I needed to apply it; it was pure theory not practice. That was my challenge for this research, one I am still working on.

In fact all academics are expected to be entrepreneurs. As a graduate student I am trained to be able to work on my own someday. We are tested at many levels to see if we can be entrepreneurial. Prelim exams are one of those tests. Our own growth is expected and is on a timeline. My dissertation is the first test to see if I can create my own business. When I get a job as a professor I will be starting my own business in a new place.

There are analogous challenges between academia and the business world. Rapid growth is not only expected but also rewarded structurally and culturally. Indeed, I received an ABD scholarship for four semesters for becoming ABD in less than three years while holding a half-time research assistantship. The truth is I would have never made it without the support and understanding of Neal Flora and Pete Korsching, my assistantship providers during this time period. As I came on the job market several employers mentioned how much

I had accomplished in such a short time period. I would never have accomplished so much without the support of my family, my major professor Mike Bell, and the mentoring from senior graduate students like Jeff Sharp, Lisa Matthews, Peggy Petrzela, Pat Hipple, Sue Jarnagin, and Eric Imerman. I also always felt encouragement from fellow graduate students in the department like Mike C, Mike J, Kyong Hee, Eric S., Nathan, Gayle, Brent, Kerri, Timothy, and the rest. It always takes more than one, yet only one name can be listed as the author of this dissertation.

Academia tends to be a rationalized world creating and maintaining lifestyles of its own. There is great competition on the job market and the successful academic entrepreneur is not always the one with the greatest moral fiber, but the one that played the game well. As in Monopoly there are specific rules to follow in graduate school and in academic life. Although it is difficult sometimes to keep the game on a humane scale, it is not impossible. It is possible to learn from others along the way. It is possible to return the gift by helping others as you proceed. It is possible to strive for local control over your career as well as remaining completely present in the community and at home. My wife Cathy deserves so much credit for what is good in this dissertation, as do our wonderful daughters Jordynn and Darby. I am very grateful for these gifts in my life. Following the words of the Black Elk, the Oglala Sioux holy man, what is good in this work is given back to all.

ABSTRACT

Previous research on entrepreneurship has tended to focus on the levels of individual agency and social and economic structures, effectively holding culture constant. This study of focuses on the socio-cultural processes of entrepreneurship, rather than on the rationalized role of individual actors. I argue that entrepreneurship is best defined as the social process of materializing an idea, and that culture is central to that social process. The distinctions between growth strategies of entrepreneurship, commonly used in the business literature, are as much cultural as economic in nature. All entrepreneurship is subject to cultural elements I call *community lifestyles*, *cultural pockets*, and *the cultural context of community*. Entrepreneurship dynamically creates and maintains culture in a community context. This dissertation illustrates and develops these concepts through a qualitative study of entrepreneurship in Ames, Iowa--an urban community in the Midwest. I interviewed 80 people involved in creating over 30 businesses in Ames. The businesses ranged from small family businesses to large corporations. I not only interviewed the founders of businesses, but also their family members, friends, and others that helped materialize their ideas. I present a historical review of research on entrepreneurship at the levels of agency, structure, and culture. Looking toward the future I hope this dissertation adds to the sociological dialogue on entrepreneurship in a way that is useful at several levels including theory, methods, application, and education.

CHAPTER 1: INTRODUCTION

"I want to be the banker," our six year old daughter Jordynn said, sitting on the living room floor pulling multicolored paper money out of a square box.

"Ok, count out one \$5 bill, two \$4 bills, three \$3 bills, four \$2 bills, and five \$1 bills for each of us to start out with. Those are the rules."

"I know how to do it, Dad."

"Which game piece do you want to be?" I asked.

"The doggy and you be the hat. I go first because I am the youngest and don't you buy any hotels until I have some, otherwise you'll win."

"Ok, that seems fair." As I smile and gaze out of the living room window at the world, I realize we are playing a potentially dangerous game.

Although on the surface Monopoly Junior is a fun game for a six year old daughter and her father to play, it is also a frighteningly powerful social learning tool. One of the deeper social lessons is that competition, not cooperation is the rule. The only way for one player to win is when another loses all his money. Those are the written rules. Another directive is that rapid growth is not only expected, but also rewarded—the faster a player build her properties, the more wealth and status she achieves. A third implicit factor involves values and morality. In a parallel sense to Max Weber's thesis in the Protestant Ethic and the Spirit of Capitalism, the more successful a player is at the game, the better the person he is perceived by many to be (or even perceives himself). Weber's theory explained how early Protestants believed that those who worked hard and did not waste would be successful in

attaining salvation; the parallel idea here is that the player must be a good person if he was able to "win." A final game instruction pertains to space and place. While there are the boundaries of the board, a player buys and sells properties depending on the nature of the game, not on the personal and social attachment to geographic place.

Monopoly Junior may be just a board game, but it is a game with great cultural significance in the United States. It's a game that most of us have played at least once and some of us may have even ventured a guess on what it would be like to start our own enterprise. Indeed, from Ray Kroc and McDonaldization to the Martha Stewart Empire, cultural conversations in the United States frequently celebrate the entrepreneurial spirit of heroic individuals. Ray Kroc's story of moving beyond his lemonade-stand childhood to marketing a new form of consumption and lifestyle is well known and often told in the business world. Martha Stewart has entered our homes and gardens revisiting the high cultures of entertaining, interior design, exotic horticulture, and the culinary arts. Both of these biographies fill media broadcasts as well as make bookstore shelves groan with materials by and about them. Millions of people buy their products, and they have even merited sociological critique of their influence on society (Elgin 2000, Ritzer 1996, and Schor 1998). However, in this dissertation I argue that there is a great deal more to entrepreneurship than just giving credit to extraordinary individuals.

The Entrepreneurial Field

Research in entrepreneurial education is nothing new, much has been written on the topic and many applied governmental and non-governmental agencies have been training entrepreneurs for decades. There are literally thousands of popular press books available on

entrepreneurship. Some of the more recent titles include: *Beyond Entrepreneurship: Turning Your Business into an Enduring Great Company*; *Innovation and Entrepreneurship: Practice and Principles*; *The Entrepreneurial Mindset*; *Growing Pains: Transitioning from an Entrepreneurship to a Professionally Managed Firm*; and *The Street Smart Entrepreneur: 133 Tough Lessons I Learned the Hard Way*.

Although the cultural scales of popular and scientific literature have been historically tipped toward the self-interested individual (the great men and women idea) as the unit of analysis regarding economic processes, the counterweight of the last 15 years is the sociological analysis brought forth by economic and other sociologists (Granovetter, Portes and Sensenbrenner, and Swedburg to name a few). This paradigm shift has changed the basic research question in entrepreneurship from "who is the entrepreneur?" to "how can we understand the entrepreneurial process?"¹ Current research on the entrepreneurial process by business and management scholars builds off the popular literature and applied research programs mentioned above by focusing on three main theoretical elements: the individual characteristics, the business opportunity, and the surrounding environment (Timmons 1999). At the individual or agency level one studies the attitudes, personality traits, and risk-taking behavior of entrepreneurs. At the organizational or structural level one looks at the facilitating/constraining forces of institutions and infrastructure. Giddens (1986) calls the interaction between the two levels a duality of structure. Theoretically, Granovetter (1995) argues that the agency level of analysis often operates under a rational choice theory (RCT) perspective. He uses his own embeddedness perspective to get beyond rationality by

¹ This is discussed in William Gartner's (1989) article "Who is the Entrepreneur is the Wrong Question."

incorporating structure. One caveat in Granovetter's argument is that he claims embeddedness is the opposite of RCT on a continuum (1992). In this dissertation I argue that the actual opposite pole is culture. Margaret Archer, a cultural scholar, argues that there is a fundamental interconnection between the levels of agency and culture. While it may be theoretically parsimonious to separate these elements of agency, structure, and culture, it is empirically inaccurate. Recently the work of Mustafa Emirbayer and Jeff Goodwin (1994) argue that each level of abstraction is interrelated and dynamically interacts with the other. While Emirbayer and Goodwin do not apply their theory to economic processes like entrepreneurship, the multi-level approach provides an opportunity to blend literatures (economic, cultural, and social) as well as units of analysis. In this dissertation I propose building on previous research to view entrepreneurship through the sociological lens of culture while to add to the interaction between the levels of agency, structure, and culture.

Why should I use the cultural lens one may ask? What does culture have to do with entrepreneurship? The long answers to these general questions are the focus of my dissertation. The short answer begins with the roots of the word "culture." As Raymond Williams, a cultural scholar, once wrote, "culture is a noun of process [cultivation]" (Williams 1980). Since the study of entrepreneurship has moved beyond rationality toward a structural/embeddedness understanding thanks to the work of economic sociologists like Granovetter, Portes, and more recently Patricia Thornton, it seems logical to push the research further toward the cultural understanding (meaning) of the process of entrepreneurship.

Perhaps taking a step back to the origin of the word entrepreneurship may reveal more of the cultural and historical significance of this economic phenomenon. Etymologically "entrepreneurship" traces back to the 15th Century French word *entreprendre*, literally translated "to undertake"². Richard Cantillon, an Irishman living in 18th Century France is often cited today as coining the term to mean an individual who bears uninsurable risk (Schumpeter 1949, Kilby 1971, Hoy et al. 1992). An entrepreneur by these early definitions then is the *one* who undertakes and bears risk, conjuring up the cultural symbol of the inventor/genius Thomas Edison cloistered late into the night in his attic lab. However, it may seem strange to recall that Edison did not work alone in his lab, but instead surrounded himself with 200-500 other inventors and technicians (see McGuire et al. 1993). Moreover, not only was the electronic industry itself socially constructed (Granovetter forthcoming) but it was also dependent on the interaction between the "great men" and the social structure (Swedburg and Granovetter 1992)³. Furthermore, the social structure likely influenced the culture (values, ideas, beliefs, and customs) of the time as much as the culture influenced the social structure. A more balanced definition of entrepreneurship then should not only reflect creative as well as rational individuals (the great men and women idea), but also the social factors responsible for their success, including the structures entrepreneurs are embedded in, as well as their cultural context.

With the above framework in mind, I offer a sociological definition of entrepreneurship: entrepreneurship is the creative social process of materializing an idea. In

² Oxford English Dictionary, 2nd Edition, 1989 prepared by J.A. Simpson and E.S.C. Weiner. Clarendon Press: Oxford.

³ For more on the 'great men' versus social structure debate see McGuire et al. 1993/1994 and Swedburg and Granovetter 1992.

other words, entrepreneurship is fundamentally a social act requiring a sociological definition. Although this initial definition is sociological, it requires further clarification of terms and empirical boundaries. Otherwise the creative social process of materializing an idea could include everything from the moral entrepreneurs of the 60s to the quilt and craft making Amish families of the 90s. In order to avoid this tautological swirl and to fine-tune this study, let me be more precise.

First of all, entrepreneurship is a creative process. Creativity can be defined many ways, and this chapter is not the place for a recount of the social history of the term. However, Hans Joas (1996) provides a compelling account of the sociology of creativity in his book *The Creativity of Action*. He traces the roots of the concept and argues for metaphors of creativity: expression, production, and revolution (pg. 71). For this dissertation creativity refers to the social process of bringing together ideas and concepts in a new way or even a new variation on an old theme. This fits within the social process of entrepreneurship, as the root of entrepreneurship is to materialize the idea by bringing together previously unconnected ideas, people, and resources. Sociology also provides the context for better understanding the role of power and influence in having the opportunity to bring together new ideas. As Winslow and Solomon (1993) explain in the *Journal of Creative Behavior* "Successful entrepreneurs have the ability to plan and plan well, but also exhibit creativity in adjusting to and developing alternative solutions to unexpected consequences" (pg. 79).

Next, entrepreneurship is a social process. It is a process, not a static individual event. Entrepreneurship is a dynamic process that involves interactions of individuals embedded within structure and interconnected by webs of culture.

Finally, entrepreneurship materializes an idea in the philosophical sense of praxis. The creative social process of materializing an idea is one of human action. This human action displays itself in the plan of organization observed most often in the sense of a for-profit institution.⁴

However we define entrepreneurship, it is becoming an increasingly crucial area for sociological speculation and investigation. Multiple sociological as well as popular definitions of entrepreneurship manifest its economic as well as cultural importance. There are a growing number of economic sociologists in the U.S., enough now to start a new section in the American Sociological Association in 2000. As of yet many of these researchers have not had a chance to focus on entrepreneurship, nor do they do so from a cultural perspective. For example, in newly published book by Carruthers and Babb titled *Economy and Society: Markets, Meanings, and Social Structure* in the Sociology for a New Century Series, both topics of entrepreneurship and culture are absent.

In addition to the applied research in entrepreneurial education, some of the academic research that helped direct me to this area of study includes the work of Martinelli and Berger. Alberto Martinelli (1994) has written a comprehensive chapter in *The Handbook of Economic Sociology* on "Entrepreneurship and Management" which provides a theoretical overview of previous research and adds his own contribution towards management strategies. However, he does not conduct empirical research on entrepreneurship, nor does he view it through the lens of culture, nor does he use a multi-level analysis approach. Brigitte Berger (1991) has perhaps been the most helpful to me with her edited work *The Culture of Entrepreneurship*.

⁴ Entrepreneurship by this definition may also include non-profits; this could be an area of future study.

She argues that "entrepreneurship produces its own culture" (pg. vii). She views entrepreneurship as "an innovative and value-adding activity" (pg.8). Although she also builds strong theory for the value of a cultural approach in studying entrepreneurship, she does not provide empirical evidence or practical measures. She also focuses solely on the value of created meaning by entrepreneurship at the embeddedness level of analysis. Although there will be more critique of previous research, suffice it to say that I would not have been able to build my own theoretical perspectives, conduct this research, and write these words if it were not for the insightful work previously conducted by my the researchers mentioned above as well as my colleagues at Iowa State University (Besser 1996, Flora et al 1997, Hinrichs 1998).

My own contribution is to provide a cultural critique of the sociology of entrepreneurship using the cultural elements I call *community lifestyles*, *cultural pockets*, and *cultural context of community*. Communities do not have one overarching culture, but tend to consist of interacting *cultural pockets* that form the *cultural context of community*. Cultural pockets consist of formal and informal associations of people who interact to produce and maintain a certain *lifestyle* within the community context. Lifestyle is the meaning attributed to the material and ideological way of living. Many of us often precariously balance our means of materially making a living and ideally living the life we strive for. We often join neighborhood organizations, school groups, and environmental organizations out of the need to reinforce our own lifestyle arrangements. Forming and participating in these associations' forms cultural pockets within the community, or groups of people that share similar lifestyles and values. These cultural pockets may facilitate and support certain types of entrepreneurship, especially if those starting the business also share a similar lifestyle.

Empirically, it is important to look at these interactions holistically. At the individual level, entrepreneurship is one way of balancing the material (money, resources, goods) and cultural (ideology, values, goals) elements of lifestyle. Entrepreneurship at a structural level allows those involved taking part in creating and maintaining institutions and connections within the community. Entrepreneurship at the cultural level creates and maintains cultural pockets within the community. Those involved in entrepreneurship, by interacting with others, also create and maintain the cultural context of community. I will elaborate more on these concepts in chapter 6, but here I would like to briefly sum up the research conducted previously on entrepreneurship. Early research on entrepreneurship focused on the individual as the unit of analysis (Schumpeter 1949, Lamb 1952, and Kilby 1971). Research in the 1980s and 90s progressed to include elements of structure and social organization (Granovetter 1995, McGuire et al. 1993, Swedburg and Granovetter 1992, Thornton 1999). Now at the start of a new century, social scientists are beginning to recognize the value of a cultural perspective on socio-economic processes like entrepreneurship (Berger 1991, Martinelli 1995, Portes 1995).

As I mentioned above this is not another RCT approach, but moves beyond rationality to view individuals as agents embedded within social structures that take place in a cultural context. One way to empirically measure the interaction between agency and structure on entrepreneurship in a community is by bringing on board elements of Entrepreneurial Social Infrastructure developed by Flora et al. (1997), including the existence of an unbiased newspaper, resolution of community controversy, and diverse networks; also elements of social capital (trust, norms, and collective action) are important as well as the organizational

networks that facilitate entrepreneurship within a community. Of particular interest are Molotch's growth machine entities' (developers, real estate agencies, construction firms, bankers, the chamber of commerce, and the local newspaper) role in the political economy of entrepreneurship.

Adding interaction from the cultural level, this approach could help discern the difference between culture as an opportunity or a constraint for different types of entrepreneurship. Ray's (1998) cultural markers (food, historical sites, landscape, and ethnicity) may be seen as opportunities for community entrepreneurship. Granovetter (1995) on the other hand, views culture (in the form of ethnic background) as a constraint to entrepreneurship.

Examination of the interaction of agency, structure, and culture provides insight into how local cultures affect local structures and agents and vice versa. Certainly agency as well as structure affect the cultural context of a community. Ignoring these interactions not only ignores other theoretical contributions, but also may be empirically inaccurate.

The importance of place context may also be a crucial element of the cultural context of community. As I will explain further in Chapter 5, personal identity is often bound up in place and factors into the creative social process of materializing an idea. This cultural connection may also be part of lifestyle. Hoy argues that the mere presence of entrepreneurship in a community is a contributing factor to facilitating further entrepreneurship. He maintains, "It is quite likely that community environments which are attractive for entrepreneurs will, by the sheer presence of entrepreneurial activity, generate start-ups by others who do not fit the stereotype" (Hoy 1987). Again, to make a lifestyle

argument, if people see others making a living that fits with their ideals, it creates a cultural pocket that adds to the supportive cultural context of community. Schumpeter called cultural aspects of place "the social environment" arguing that "...every social environment has its own ways of filling the entrepreneurial function" (Schumpeter 1949).

A multi-level approach usefully moves beyond the atomized and rational individual to notions of embeddedness and culture. The cultural context of community may also contribute to the explanation of the formation of larger cultures (beliefs, values, ideas, and customs).

Building on current research on entrepreneurship, I constructed ideal types of entrepreneurship: capitalist and lifestyle. These are terms widely used in the business and management literature to distinguish between high and low economic growth strategies. The business and management literature does not consider lifestyle businesses that tend to be smaller scale, low growth, promote cooperation, and rooted in the local community to be entrepreneurial, to these scholars, these are merely micro-businesses. To sociologists these micro-businesses are often the heart of local community economic development. It is quite possible that these low-growth businesses are central to community viability. Therefore, I posit that these businesses *are* entrepreneurial under a sociological definition of entrepreneurship: the creative social process of materializing an idea. Moreover, by downplaying the importance of lifestyle entrepreneurship, business and management scholars are enforcing a normative stance that influences policy and resource decisions. Perhaps there is another way.

In this dissertation I argue that these distinctions are as much cultural as economic and in fact *all are lifestyle processes*—the difference lies in social values. One lifestyle type

(capitalist) values the material aspects more and the other (a more community-oriented lifestyle) values the ideal aspects more of the creative social process of materializing an idea.

In order to test the empirical accuracy of the cultural approach and back up my own argument, I conducted an ethnographic study of entrepreneurship in Ames, Iowa from 1997-2000. Ames is a Midwestern community that is not only home to the land grant institution Iowa State University, but also an enormous USDA Animal Disease Laboratory, Iowa State Highway Commission Headquarters, large corporations, medical facilities, and hundreds of small business enterprises. The cultural approach to entrepreneurship could be tested within any community, but Ames is the community my family and I have been embedded in for the last five years, the place where I already have the necessary networks established to do research (through school, work, church, and other interactions), and Ames has its own cultural context, which I will discuss as well as the other theoretical details following my methodological presentation. In the rest of this dissertation, I offer a holistic sociological approach to entrepreneurial research including a comprehensive methodology for studying entrepreneurship, a theoretical framework, my own theoretical analysis, and empirical evidence throughout to back up my explanation and understanding of entrepreneurship in Ames.

While conducting this research on entrepreneurship, I realized that although the cultural currents behind the values and rules in a simple game of Monopoly Junior may seem shallow and innocent to a six year old, they flow from the larger sea of American capitalism and entrepreneurship, where business enterprises often sink or swim. In this light I found

entrepreneurship in Ames, Iowa to be a stunningly complex series of adult games; multi-layered games where the rules change fast and the currents run strong—and deep.

CHAPTER 2: SETTING AND METHODS

"The relationship between a civilization's socio-economic structure and its culture is perhaps the most complicated of all problems for the sociologist." -- Daniel Bell, 1976.

"In perhaps no other substantive area is ethnography more suitable as a method than in studying the dynamics of organizational change." --Calvin Morrill and Gary Alan Fine, 1997

Is the creative social process of entrepreneurship so complex and multi-faceted that it is beyond empirical embrace? The short answer to this question of course is no. The detailed long answer is the methodological focus of this dissertation. Perhaps the story of how I got started on this path is worth telling here.

Ethnography and Entrepreneurship

Previous experience from earlier research suggested to me that the best approach for a study such as I contemplated was an ethnographic one. Ethnography is a way of studying the social world that requires social interaction and participation of the researcher in the cultural context of community. Ethnographers do not send out surveys to their subjects but rather seek them out in person to observe their own social and physical context and to systematically record and interpret the meaning behind social situations. Pursuing this research ethnographically, I took a more inductive rather than deductive approach (although I bounced back and forth between both at different points). In other words I did some initial background research, went into the field and gathered evidence, analyzed the evidence, came

up with more questions, went back into the field, and went back to the library to do more research. I did not initially have specific hypotheses but rather general research questions that helped frame my empirical analysis. Ethnographic techniques such as participant observation, interviewing, and ongoing informal interaction with participants helped me to pinpoint the socio-cultural elements rather than just completing another survey of "great" individuals that founded new businesses in Ames.

Ethnographers often cite Clifford Geertz, a cultural anthropologist, for his application of Gilbert Ryle's notion of "thick description" (Geertz 1973). Thick (as opposed to thin) description as interpreted by Geertz is providing the reader with a sense of being there in the field with the researcher. All the sights, sounds, tastes, smells, and feelings of the field need to be written up in a way that it can 'felt' or even 'relived' by the reader. In this dissertation I strove for thick description of social events. The reader may find some setting details and subject descriptions distracting, but the goal of thick description is to capture the moment in time as well as context so that it may be reinterpreted later by others if needed. In order to accomplish this the researcher must be trained as a methodologist as well as a theorist. Good ethnography for Geertz means thick description but also theoretical analysis. Ethnographers should "...uncover the conceptual structures that inform our subject's acts, the 'said' of social discourse, and to construct a system of analysis..." (Geertz 1973). This can be a challenge as Geertz freely admits that ethnography is a socially constructed and interpreted process. He states "...what we call our data are really our own constructions of other people's constructions of what they and their compatriots are up to..." (Geertz 1973).

Ethnography is a useful tool for uncovering the meanings behind social interactions and social discourse. In this dissertation I use an ethnographic approach to gather evidence on the creative social process of materializing an idea in Ames, Iowa. I have followed the work of Geertz and the many ethnographers like him (Margaret Mead, William Foote Whyte, Howard Becker), but also benefited from studying the classic texts in community studies like *Small Town in Mass Society* by Vidich and Bensman; *Middletown* by Lynd and Lynd; *As You Sow* by Goldschmidt; and *Millhands and Preachers* by Pope. These studies helped me fine-tune my cultural sensitivity as well as prepare for community level analyses of economic processes.

As an ethnographer I realize that my own presence in the field always affects the social interaction of the situation. I have been trained to minimize this infamous Hawthorne Effect by triangulating sources of information, multiple levels of analysis, and using multiple theories. I have also learned that the Becker principle applies to all social situations. Mitch Duneier, an award winning ethnographer, explains the Becker principle: "...most social processes have a structure that comes close to insuring that a certain set of situations will arise over time. These situations practically require people to do or say certain things because there are other things going on that...are more influential then the social condition of a fieldworker being present" (Duneier 1999, pg. 338). In other words the creative social process of materializing an idea is occurring in Ames, Iowa whether I am there to study it or not and the fact that I am there does not drastically alter these macro-processes.

Even with the Becker principle in mind and my years of training as an ethnographer at Iowa State University, I realize that in the postmodern sense of human knowledge I have only

captured partial truths in this dissertation (Clifford 1986). As Clifford argues, ethnographers recreate a world when they write, a world constructed in social interaction and then interpreted through the lenses of the researcher. Historical processes and hegemonic power that are often beyond my own awareness shape the interpretive lenses I wear. As an ethnographer I am aware that my white male middle class background brings cultural and structural opportunities as well as constraints to the field. This does not mean the partial truths uncovered in this dissertation are not useful; I think it helps put the research itself in proper context. As one individual I cannot expect to be the New Columbus discovering previously uncharted territories, nor do I strive for this notion. In this dissertation I seek to add to the already vast knowledge in the areas of entrepreneurship, community studies, and sociology of culture. My own contribution is an ethnographic study of the creative social process of materializing an idea in Ames, Iowa.

Fortunately, this also fits in with the current thrust of organizational research in the 1990s, as Howard Aldrich states, "Entrepreneurship research is still very much a mono-method field, in spite of repeated calls for the field to free itself from dependence on mailed surveys and related questionnaire-based methods" (Aldrich 1992). He continues, "The neglect of ethnographies is particularly troubling in a field whose very *raison d'être* is the dynamic response of creative individuals to turbulent social and economic conditions" (Aldrich 1992). Aldrich argues further that quantitative analysis may not be the most appropriate method for explaining entrepreneurship. He reasons, "First, regression analysis is reductionist, while entrepreneurship is holistic. Also, regression analysis usually generates smoothly changing

analysis functions, while entrepreneurship deals with sudden changes and discontinuities. In addition, regression analysis assumes stable models built with relatively few variables, rather than unstable models with many variables" (Aldrich 1992).

I posit that entrepreneurship can be empirically measured by viewing it as a cultural object. Cultural objects are "shared significance embodied in form" (Griswold 1987, 1994). Griswold argues that "Cultural sociology is concerned, first and foremost, with the relationship between cultural objects and the social world" (Griswold 1994). In this light, entrepreneurship is a cultural object that is created and maintained in the social world. The fuller understanding of entrepreneurship in the cultural context of a community is the objective of my research. Under my definition of entrepreneurship as the social process of materializing an idea, once the idea is materialized it becomes a cultural object to be shared. The difference between a cultural and non-cultural object then is in the shared meaning. Since entrepreneurship is a social process, it is shared with others; in fact it *depends* on others to become successful. Entrepreneurship can be responsible for creating a lifestyle and if this lifestyle is shared with others, it may contribute to creating what I call a cultural pocket within the community that will support the business. Entrepreneurship in this sense is creating culture, but I am getting several chapters (and theorists) ahead of myself here. An important caveat here from an inequality standpoint is the type of culture being created. Ray Kroc created a much different lifestyle and culture with McDonald's than Myles Horton did with the Highlander Folk Schools fostering empowerment in Appalachia. Creating and maintaining lifestyles and cultures can have negative as well as positive influences on society. In taking

this into account I display my own normative stance and bias. By combining economic sociology with the sociology of culture it may be possible to discover elements of why some businesses succeed where others fail and possibly even help explain why some seem to enhance community lifestyles while others detract.

Genesis of the Idea

In the summer of 1997 I had just finished up a project on a grant with Cornelia Flora at the North Central Regional Center for Rural Development (NCRCRD) at Iowa State University when I heard that Pete Korsching in the Sociology department may have a research assistantship for me to apply for. We set up a meeting and he told me about how he was awarded a study in second discipline in Spring 1998 where he met the staff at the Pappajohn Center for Entrepreneurship, and several faculty from the Department of Management in the College of Business at ISU. With his previous background as former director of the NCRCRD he had worked on many projects in the area of community economic development, business retention and expansion, and the like. His new interest was finding out what has been done by sociologists so far in the area of entrepreneurship and where sociologists might lend a hand. This became my new assistantship assignment.

Upon initial study, I realized there was plenty of room to expand the current scope of research within the sociological study of entrepreneurship--enough to do many papers, presentations, and maybe even a dissertation. Also I was building off my previous research

with Mike Bell and wondering how sustainable the ideologies of new business formation might be.

The rest of the summer I conducted telephone interviews with all sociologists in the U.S. conducting research in the area of entrepreneurship, particularly in rural areas--there were only 29 in the snow-ball sample. Pete and I wrote an article from this study and it was published in *Social Insight* (2000), the journal of the Society for Applied Sociology. We found that entrepreneurial education is a key role for applied sociologists working in cooperative extension and other outreach and action organizations. In these organizations, applied sociologists have the opportunity for involvement in training, program evaluation, and curriculum development. Some researchers are actively involved in trying to incorporate the European model of entrepreneurial training and facilitation through community and technical colleges and entrepreneurial network organizations¹. An example of such a program is the focus on business aspects of entrepreneurial training in The Arthur M. Blank Center for Entrepreneurship, a department within the Management division at Babson College in Wellesley, Massachusetts.

Cooperative Extension operates in the land grant institutions to train entrepreneurs including institutions such as: Texas A&M University, West Virginia University, North Dakota State University, the University of Minnesota, University of Nebraska, and the Ohio State University. Although many of these states have extension services with traditional

¹ The European Foundation for Entrepreneurship Research (EFER) was created in 1987 to fill this gap. The Swiss Research Institute of Small Business, St. Gallen Graduate School of Economics, Law, Business, and Public Administration holds an annual conference that is one of the oldest series of entrepreneurship conferences in the world (Brockhaus 1992).

economic development programs, others, with acronyms like MACED, YES, REAL, EDGE, and the Regional Centers for Rural Development, are more community and entrepreneurship focused.

The Mountain Association for Community Economic Development (MACED) started in 1977 as a primarily community development organization that promotes entrepreneurship in the Appalachian regions of Kentucky, Ohio, Tennessee, and West Virginia. MACED to operates on the community *assets* approach, rather than a *needs* based approach. In other words MACED works with communities by helping them build on their own strengths and resources rather than encouraging them to seek externally for resources. MACED promotes community development by decreasing barriers to interaction in the tradition of interactional field theory (Wilkenson 1991). The MACED website explains, "By increasing interaction among entrepreneurs and community leaders in this region, we can also increase the flow of information form one community to another and thus help communities learn what has worked or not worked in other communities."² Early on MACED organizers used their sociological imaginations to integrate elements of community culture and social structure into their programs. They initially expected Appalachians to have norms and values similar to other Americans, that is, to be growth oriented and willing to expand their businesses once they got off the ground. But the Appalachians were more community and family oriented and were not as interested in traditional capitalist business expansion. They were devoted to their businesses, but they also had what may be described as "moral economy norms." In other

² MACED website: <http://www.maced.org>

words, they were not interested in building franchises, the high growth strategy that often defines traditional entrepreneurship. They were more interested in subsistence for their kin and community. So in this case cultural norms influenced their specific concept of growth and entrepreneurial decision making as much as rational economic choice. MACED is one example of applied sociologists and practitioners integrating theory and practice into the study and encouragement of community-based entrepreneurship.

The Youth Entrepreneurial Services (YES) program is sponsored by the Kaufman Foundation with programs in Minnesota, North Dakota, and other areas. YES works with 10-13 year old youth through curriculum development and providing youth hands-on entrepreneurial experience. They also work to reduce the "brain drain" (the out-migration of young people who seek to improve their opportunities through college, business school, or technical school and leave the area for lack of jobs in their chosen field of expertise) often mentioned by rural sociologists. Implicitly supporting YES is community development theory through its focus on social infrastructure. Another important element of YES is socializing youth to the world of work while they are still in the world of education.

The Rural Entrepreneurship through Action Learning (REAL) program focuses on education and training and operates within West Virginia Cooperative Extension. REAL links education and economic development by providing a program for high school, college, and community college students. A project website states, "Through REAL, students research, plan, set up, own, and operate their own small business enterprises." By using the local school system social infrastructure to access students, REAL (like YES) integrates students

into the workplace and helps them find a business niche. Entrepreneurial scholars are unclear on what makes one individual start a business and another not, although socialization seems to play a prominent role. So exposing young people to the business world early in their careers could accelerate the learning curve toward a future as business proprietors.

The Enhancing Development and Growth through Entrepreneurship (EDGE) program at the University of Nebraska-Lincoln, which uses rural entrepreneurial training as a means for building sustainable rural communities. "The Nebraska EDGE program began in 1993 and has assisted more than 850 entrepreneurs, small business owners and their partners start and improve their businesses throughout the state of Nebraska" (EDGE program document). EDGE is the umbrella organization for rural entrepreneurial training programs coordinated by the University of Nebraska Center for Rural Community Revitalization and Development partnered with University of Nebraska Cooperative Extension, USDA Rural Development, and the USDA Natural Resources Conservation Service. The EDGE program encourages networking and interaction. The theory behind the program is interactional field theory (Wilkenson 1991). The EDGE program has found that as opportunities for interaction increase between entrepreneurs, strong ties develop. The program also shows that increased interaction within the community field changes actions from "individual directed" to "community directed." Applied sociologists' integration of practice and theory yields impressive outcomes such as stronger local businesses and sustainable community development.

There are four regional rural development centers that are supported by U.S. Department of Agriculture, the land grant institutions in their regions, and grants and contracts from private foundations. The four centers are: The North Central Regional Center for Rural Development (NCRCRD), The Southern Rural Development Center (SRDC), the Western Rural Development Center (WRDC), and the North East Regional Center for Rural Development (NERCRD)³. In general, the mission of these centers is to initiate and facilitate rural development research and education programs to improve the social and economic well-being of rural people in their respective regions, and to provide leadership in rural development regionally and nationally by identifying, developing and supporting programs on the cutting edge of emerging issues.

The four regional centers have all been involved in initiating and supporting entrepreneurship programs. In 1987 they were on the vanguard in this area by jointly sponsoring a national conference on rural entrepreneurship. Other entrepreneurship related research and educational programs of the Centers included a conference on small business which resulted in the formation of a small business network of professionals to assist small business, the formation of a national business retention and expansion education program based on center supported research, a study of rural business incubators, and a research project on home based businesses.

The main point was that although some sociologists are out there working in this area, much of the research is applied and atheoretical. This encouraged us to start working on our own research in the area. After a summer of interviewing and reviewing the literature, I

³ NCRCRD website: <http://www.ag.iastate.edu/centers/rdev/RuralDev.html>

realized that much of the research previously conducted was at the individual level of analysis and lacked a cultural perspective. I was eager to get into the field to get some hands on experience in the ideologies of entrepreneurship.

Getting Into the Field

One of my first experiences in the field was going to meet Steve Carter, the director of the Pappajohn Center for Entrepreneurship at ISU to find out how entrepreneurs are trained in Ames. I used Pete's name to get an appointment with Steve. I biked out to the ISU Research Park on the South side of Ames, where the Pappajohn Center is located. The ISU Research Park was founded in 1987 and is actually a non-profit corporation that reports directly to a Board of Directors appointed by ISU and the ISU Research Foundation (ISU Research Park website). Here is the mission statement of the Research Park Corporation: "To provide an environment where established technology-related organizations and science and technology entrepreneurial ventures can develop and prosper in Iowa" (Ibid). Currently the Research Park Corporation houses 38 companies.

It was a good bicycle ride from the main campus to the Research Park. When I stopped at the entrance to the Research Park for a breather, I realized that the bike path stopped and there were no sidewalks out here. As I rode up to one of the postmodern-strip-mall-looking building (creatively called "Building 1"), I saw there were no bike racks so I uncomfortably propped my bike up against the outer wall of Suite 1600 and walked into the plush new offices. The Pappajohn Center is located right next to another entity called the

Iowa Small Business Development Center, a part of the U.S. Small Business Administration. I later learned that both Centers work together facilitating entrepreneurship in Iowa. John Pappajohn founded the Pappajohn Center in 1996 with a contribution of one million dollars; a venture capitalist that grew up working in his family's grocery store in Mason City, Iowa and at the age of 32 founded Guardsmen Life Insurance Company in Des Moines. He now owns portions of 38 companies.

In a recent press release he stated "I've made my money by being first in markets. You certainly don't make any money by being involved with mundane companies. What you do is develop a technology and then license it. That's why I'm working with the University of Iowa and Iowa State" (Shors 1997). It is important to get an understanding of Pappajohn's vision because this drives the ISU Pappajohn Center activities and outcomes. "I've always had a dream," Pappajohn says. "And this dream was to help Iowa become the most entrepreneurial state in the country. We have the great working mentality. Now all we need to do is improve our skills and have access to more capital" (Shors 1997).

With this background information in mind, I walked into the Pappajohn Center Suite and introduced myself to Steve Carter's assistant at the Pappajohn Center. She smiled at me and then Steve came out and introduced himself. He was over 6 feet tall, with a neatly trimmed mustache, and a wide smile. We shook hands and he ushered me into his office. His office was full of business and management literature and shelves of three ring binders with computer generated labels on them. I sat down across from him and told him about my dissertation plans and he immediately remarked "You might want to take our Smart Starts

program." He explained how this program was offered in conjunction with the SBDC and ran every Tuesday evening from 6-8 PM. It was a preliminary step for people interested in starting their own business.

"How do people find out about this program?" I asked.

"Oh, usually through the Chamber of Commerce, Banks, or just word of mouth." He answered, "We like to push people through this first, it tends to get rid of the tire kickers."

Although I laughed at the tire kicker remark and thought that it made sense to run people through the class first to see if they are serious about starting a business, the remark itself left me apprehensive of whether I might fall into that group or not. There seemed to be a big difference in Steve's mind between those that actually start businesses and those that *think* they would like to start a business. I also wondered how exclusive this program might be since the main way to find out about it is through the typical growth machine entities. I thanked Steve for his time and signed up for the next Smart Starts session run by Mike Upah.

That Tuesday night was a bit rainy, and even though I arrived this time from the other side of the Research Park, there were still no sidewalks to ride on. I once again parked my bike against the wall again and walked into the building. I found the conference room in the back and realized I was the last to arrive. I apologized and grabbed a seat right up in front of the white board. Mike Upah, a young man in his forties, wearing Dockers and a yellow tie, gave us all a packet of information and a pen. Mike started by introducing himself as an employee of the SBDC and relating his personal stories on getting businesses started. The

class proceeded like any other lecture, but there were quite a few interesting points that provided insight to the social process of entrepreneurship in Ames.

Small Business Development Center (SBDC)

The SBDC is basically a business incubator with connections to professionals and US Small Business Administration loans. It is also connected to the Pappajohn Center for the same reason; the Pappajohn Center has startup grants and also provides technical assistance for individuals interested in generating a business plan for securing a loan. Mike Upah explained to us that might that one of the first steps in starting a business is coming up with a strategic plan and then conducting market research with the Center's help. Conducting market research involves determining what the market capacity is. For example, one could find out how much money there is to be made by running a dog kennel in Ames. The next step is to determine what the market share is. In other words, how much of the total market are you going to get with your business?

"You have two options," Mike told us. "Either you think the market is underserved or you think you can steal it away." From a sociological point of view there was apparent inequality here--there was no in between, no room for cooperation in this scenario. Just as in the board game Monopoly, we were finding out the rules to play by. In fact, Mike went a bit farther to say "The other businesses in your market are not friends, they are competitors." This seemed to me to be the logic of the marketplace and of capitalism in the United States as I understood it and as business professionals in Ames teach it. As a group, we were being

indoctrinated not only in the structural rules to follow when starting a business, but also the cultural norms and values of the grant making agencies and the banker's culture. Mike spent the rest of the night giving us case studies of business successes/failures, and ended with a description of how a meeting with the bankers *should* go. There were no questions for Mike about alternative options, like working with someone that already started a business like the one we wanted to start, nor positive reinforcement that this was the right (or even enjoyable) thing to do. I talked with a few others in the group on break and had the feeling that this was the "real" world of business and finance, not the world of family, emotions, and feelings. It was as if we were being introduced as little fish in a big pond and rapidly on our way to sinking or swimming. As we will see in later chapters, this culture of competition is one of the currents that still runs strong and deep in contemporary entrepreneurship processes. However, one philosophical point worth is worth remembering--even though there are written rules to follow, many of these rules can change and the game can almost always be played in a different way. For example, we may change the rules for our children and family members by giving them extra turns, extra support, a free spin—choices that fit into our lifestyle and the lifestyles of others around us.

Ideal Types of Entrepreneurship

Although this chapter is mostly methodological, it is often difficult to completely separate methods from theory. Often our theoretical approach drives our methodology just as our methodology can sometimes uncover theoretical explanations (Glaser and Strauss 1967).

As I briefly mentioned in the previous chapter, I recognized the distinction between the two types of entrepreneurship often cited in business and management entrepreneurial research: lifestyle entrepreneurship and capitalist entrepreneurship (Litz 1997, Timmons 1999). Carland et al. 1984 (cited by Gartner 1989) make a similar distinction between the personal traits of an entrepreneur and a small business owner. Litz (1997) distinguishes between regular business enterprises and family firms. After the first few interviews and an extensive literature review, I wondered whether capitalist entrepreneurship involved a more rational individual that participated in (and took credit for) entrepreneurial activities in order to capitalize on an idea, sell it, and start another enterprise in compliance with the growth machine model. Lifestyle entrepreneurship seemed to involve what might be regarded as a different form of capitalism that is more cooperative than competitive, involves a different conception of values and morals, as well a different growth strategies, and different time and space orientation. Again, to reiterate my argument, *both types* are lifestyle businesses, one is just more focused on more material values and the other more on ideal (non-material). The outcome of non-traditional entrepreneurship is maintaining a lifestyle and cultural values within a community rather than continually spinning off new business enterprises for the growth machine. These specific grounded theoretical elements will be further explained in Chapter 6. As I mentioned earlier, business and managerial scholars in general only consider high-growth firms "entrepreneurial," but sociologically speaking the creative social process of materializing an idea is entrepreneurship. Although this may be critiqued as over-polarizing the analysis, as is often

the case when constructing ideal types, it may still provide a useful heuristic device for understanding different types of entrepreneurship within a community context.

Gathering Reliable and Valid Empirical Evidence

I took a life-history approach to interviewing persons involved in both kinds of entrepreneurship in Ames. I also focused on the institutional structures they are embedded in and how the structures interact with the local cultures. It was necessary to analyze the oral and written histories associated with economic development in Ames to situate people in their cultural context of their community. Oral histories were taken in interviews and triangulated with written documentation from various media (newspaper archives, historical documents, corporate publications, and websites) as well as with interviews with other family members, friends, and business owners to enhance reliability. Interviews were tape recorded and transcribed with permission of the respondent. Interestingly enough, almost all of the more capitalist lifestyle oriented business respondents requested strict confidentiality while the more community lifestyle oriented business respondents gave permission to use their real names and business information. One group saw it as keeping proprietary secrets safe while the other saw it as sharing (already) public information. I gathered additional evidence over a three year period with follow up questions to track changes via stopping in the business to chat, telephone calls, and email where appropriate (not all respondents had internet connections).

Respondents were asked in face-to-face interviews to describe their perceptions of the cultural context of Ames and whether they took these elements into account in their

business enterprises. Using this research conducted in Ames, I also assessed the interactional effect on entrepreneurship between agency, structure, and culture. Another aspect to the cultural context of Ames I explored is the sense of newness and creativity dynamic Bell (1998) talks about. This material is presented in Chapter 5. Cultural highlights of Ames included new businesses, new construction areas, farmers markets, and community celebrations.

Overall I have interviewed 79 people for this dissertation in over 30 businesses in Ames. However, my goal was not to reach a certain number, but to make sure to get a deep as well as diverse picture of entrepreneurship in Ames. Moreover, I interviewed people with many different types and sizes of businesses including dog kennels, bicycle delivery services, restaurants, nightclubs, an interior design shop, photocopy centers, a photography studio, independent contractors, a veterinarian, a marketing firm, family counselors, shoe repair people, pet store owners, and several research park companies that I will not identify in order to maintain confidentiality. I not only patronized most businesses, but also informally interviewed employees and sometimes other patrons to get a feel for the area. In order to explain the interaction between agency, structure, and culture and its effect on entrepreneurship, I often needed to not only interview the individual "entrepreneurs", but also family members, friends, and support network members.

For further triangulation of data, I also consulted newspaper articles on each business, interviewed members of the Chamber of Commerce, the Ames Economic Development Commission, the Pappajohn Center for Entrepreneurship, the Small Business Development Center, faculty in the College of Business, and a member of the Ames School board. I also

asked business owners and employees for insight into the other businesses in town. This technique led up to as many as six respondents per business. Because of this, I chose to initially locate three stereotypical (according to the business and management literature) community lifestyle businesses and three capitalist lifestyle enterprises to begin interviewing. I contacted businesses with a letter printed on Iowa State letterhead and my business card attached. For the more capitalist enterprises, I mentioned my affiliation with the Pappajohn Center for Entrepreneurship in the letter.⁴ I also dressed up and presented my professional self for the more capitalist enterprises, particularly those located at the ISU Research Park. I had multiple visits with respondents to get an accurate sense of their structural and cultural influences. Businesses ranged from small family run businesses to public corporations started in the last seven to ten years in Ames. I sampled businesses geographically: in downtown and campustown (covering East and West Ames), as well as businesses in the research park (South Ames), and near the North Grand Mall (North Ames). I also tried to take into account gender, class, and ethnic differences in my analyses of business founders, owners, and employees.

Brief Historical Context of Entrepreneurship in Ames

Ames, Iowa was founded in 1864 by John "the railroad king" Blair (Ames Intelligencer 1871, Centennial Booklet 1964, Brown 1993). Located in the heart of central Iowa, Ames was (and still is) the meeting place of several East/West railroad lines, with up to

⁴ Pete Korsching and I have been working on a research project on Rural Entrepreneurship with several faculty in the Business and Management Department that also work for the Pappajohn Center.

70 trains a day rolling through town (Ames DOT). Developing a town around the depot and locating industry nearby seemed a natural progression for the community. This however is only half of the story—the downtown half.

The other half has to do with the history of what is now known as Iowa State University and what later became Campustown within Ames. Prior to the rise of the "railroad kingdom," The Iowa Legislature established Iowa Agricultural College in 1858 and in 1859, the Trustees of the College selected the site in Story County. In 1862 Congress passed the Morrill Act establishing the Land Grant Universities throughout the United States. In 1863 plans for a town to be called "Collegeton" located near the Iowa Agricultural College were discussed but not carried out until later (Brown 1993).

Finally, in 1864 Cynthia and Alexander Duff decided to sell much of the "undeveloped" land they were acquiring from pioneer farmers to the railroad king who platted the town (downtown not "Collegeton") and named it after their friend Oakes Ames, a congressman from Massachusetts. Perhaps this entrepreneurial move of Blair, the railroad king and the Duffs set the cultural stage for the patterning of entrepreneurship for the future of Ames development projects. It wasn't until 1893 that the town of Ames finally annexed the campus area. Certainly further historical analysis could be done, but on first appearances, the entrepreneurial activities in Ames developed rapidly around the railroad and downtown area and not around the university area until much later. Since the land grant was geographically separate from downtown, Ames was (and I would argue still is) culturally split between what is now called Campustown on the West side and Downtown on the East Side.

Ames in the 1900s: Institutional and Cultural Growth

In addition to Iowa Agricultural College, the early 20th century marked important growth of major, enduring institutions for Ames. For instance, in September 1916 Mary Greeley hospital was dedicated and has expanded facilities today in Ames. Also, the Tilden Grocery Store was named *the* high volume grocery store in 1917. The Tilden store "operated on Ames' Main Street for one hundred and two years" (Brown 1993, pg. 149). Another landmark, the Munn Lumber Company also has been around for 100 years. Finally, the Ames canning factory opened in 1918. Although Tilden's and the canning factory have closed, Mary Greeley hospital and Munn's Lumber are still thriving in Ames.

Another large institution in Ames emerged in this time period. By 1923 the State of Iowa deeded a tract of land that became the Iowa Highway Commission Headquarters (Brown 1993). A cultural and recreational landmark that is still a summertime favorite, Carr Pool, was founded [after a community vote against the pool] in 1926 when R.E. Carr announced he would build and manage a pool himself. It was later taken over by the city of Ames. In 1931 Ames Junior Chamber of Commerce was formed.

More recently, in 1961 the large National Animal Disease Laboratory (NADL) opened in Ames. The cultural significance of these institutions and events will be an important part of the discussion in later chapters.

Ames in the 1990s: The Chamber and Ames Economic Development Commission

As an Ames resident I have subscribed to the paper on and off for five years. I became a regular reader in 1997 in order to systematically keep track of events for my dissertation. I was particularly interested in discourse on city growth strategies, community controversies (city and school expansions), and letters to the editor from citizens.

Considerable amounts of ink and city council time have been invested in the decisions of development in Ames. The question is not whether to develop or not, but *where* to develop first. Headlines such as "Discussing Growth;" "Growing Pains: City wants ISU Land, But ISU is Slow to Sell;" "Annexation: Ames Schools Could Lose Out;" and "Growth Plan Endorses North and SW" focused on whether Ames should grow south or north and what the implications may be.

To get an update on the current context of Ames, I conducted an interview with Dave Maahs, executive director of the Ames Economic Development Commission (AEDC) which is an entity of the Ames Chamber of Commerce. The Chamber and AEDC are located downtown on Duff Avenue in a little strip mall site near the railroad tracks. After parking my bicycle, I walked in and introduced myself to the receptionist. She called Dave and told him I was there. She asked me to sit and wait outside Dave's office. While I was waiting, I overheard Dave talking on the phone. He mentioned a five million-dollar expansion project for 580th street and Hwy 30 East of Ames and also mentioned another large development project for South Dakota and Lincoln way on the West Side of Ames. It sounded like he was

talking to a developer or businessperson trying to decide where to locate in Ames. Dave was giving a sales pitch on the benefits of doing business and living in Ames.

After the phone call, he came out to greet me. Dave is a tall man, around 6 feet, around 200 pounds, and is in his forties. He was wearing a white dress shirt, red power tie, dress pants, and black shoes. He wears his hair short and slicked back and it is thinning a bit on top. He was very tan and looked at me with bright blue eyes. As I sat down at his conference table I noticed an aviation poster on the wall, an ISU sports poster, and a large platt sheet that is color coded for the development of property in Ames. I began the interview asking for clarification of the different organizations.

"Could you explain to me the difference between the AEDC and the Chamber of Commerce?"

"Sure," he said as he flipped open a chamber pamphlet he brought for me, "the Chamber of Commerce mission is to promote the long term growth of the community of Ames and also to provide services to our members. So in that we're involved and take a stance on policy issues that we think will be beneficial to the community as a whole and the growth of the community. Whether it be issues on land use, education, and then also providing services to our members. That could be information, or seminars like the TQM [Total Quality Management] workshops, and brown bag luncheons on a variety of general business topics. Lastly we provide some networking functions so businesses can come together and get to know other people in the business community in order to develop business relationships to promote development."

"How is that different from what the AEDC does?"

Opening an AEDC brochure he read, "The AEDC is to promote the growth and development of new businesses, entrepreneurs, assisting business, and attracting business to the area. Also to promote a favorable climate for the discussion of economic development. This may be of more interest to you in your research?"

"Yea it sounds like it, I am just looking at businesses that have been founded within Ames and wondering what kinds of things that can be done to facilitate that."

"Yea, one of the things that we do in our economic development efforts here is we are cognizant of some of the other resources out there in the community so we don't try to duplicate what they do. So if someone is looking for help with a business plan we refer them to Steve Carter at the SBDC and Pappajohn Center those guys do a great job at that and we work closely with Steve in referring people to them.

"One of the programs that we have that can be helpful to startup companies is our Ames Seed Capital Fund. We provide some seed capital for startup companies. Some of the companies that we have assisted recently would be AATI [Advanced Analytical Technologies Incorporated] started by Shelley Coldiron an ISU professor, they received venture capital money from John Pappajohn. Palasades systems, an Internet security software and hardware company, Doug Jacobson at ISU started that company. We invested money in Etrema, which is also at the Research Park, developed Turfenol and other applications for it."

"And they work off of the patents too, right?"

"Right."

At this point Dave was a little more tight lipped about the patents and the ISU Foundation (ISURF). After visiting ISURF on campus I realized the source of this tension (see Chapter 5). Also, following Dave's story so far the only companies that received venture capital were the stereotypical high growth, technology companies where the technology came out of ISU. Also note Dave's reinforcement of the entrepreneur-as-individual perspective with comments like "started by Shelly" and "Doug started that company." I will pick up on the theoretical implications in the next chapter. I wanted to hear what Dave had to say about growth so that was my next line of probing.

"Can I ask you about the growth you were talking about earlier, when you are looking at businesses what are you looking at for growth? Are you looking for fast-growth like Engineering Animation?"

"Yea, in the long term we like to encourage as much entrepreneurial development here in Ames, companies like EAI, companies like Palisades, and AATI. They are going to have more of the corporate jobs, the jobs that require college degrees which makes sense for Ames with a steady pool of potential employees coming out of there [ISU] and also graduates looking to come back to Ames. We see that as a real strength that Ames has to offer that other places don't.

We are also looking to expand the tax base with larger facilities like Barilla [a large pasta manufacturing plant that just opened up in Ames in 1999]. So much of the landmass of Ames, 30 percent to 40 percent is purple color [referring to his color-coded map on the wall, purple is ISU owned land] that doesn't pay property taxes. It is important to expand and have

companies like Barilla that have a significant tax base to provide property taxes and enhance the quality of life for all of us here in Ames."

"You're improving my education here on all this, I am still trying to figure this all out but when you talk about the tax base—don't some of these companies get tax abatements?"

"Yea, in some cases there is some tax abatement like with Barilla's project, part of the whole program of financial assistance that you kind of assemble to see if it is attractive for them to come here. It all depends on how you look at it, either you are giving something up or you are increasing the tax base. They did get a tax abatement schedule and they are starting out the first year paying about 20 percent of the valuation and it slides down to 100 percent over ten years. They and Ball [a large plastic manufacturer in Ames] are the only ones that got the ten-year schedule. Most of the other companies it is like a five year sliding scale."

As I researched further, the tax abatements are indeed common in Ames. In fact, AEDC materials list the "key business factors in Ames." They include: research and development tax credits, single-factor corporate income tax, property tax abatement, venture capital, no personal property tax, no sales and use tax on machinery and equipment purchases (Iowa, The Smart State for Business 2000). The issues were becoming more complex as we went further into the interview.

"We were talking about jobs and job creation, what kinds of jobs are you looking for, jobs that require a four-year degree?"

"Yea, that's kind of the goal is to help those businesses whether it be E-markets that is using the internet to develop markets for agribusiness products and services or companies that

the research park has. Businesses that by and large are hiring people with two-year and four year degrees. As the Tribune and the Register have documented, we have so many college kids leaving Iowa for better jobs, the brain drain, for better careers. I think that has to be one of our emphases."

"What about the lifestyle businesses, the family run businesses here in Ames?"

"They are very important to our community too. They provide services and a quality of life here that is important to the residents here."

"How can the things that we have been talking about help the lifestyle businesses? Are a lot of them Chamber Members?"

"Yea, many of them are Chamber members, I can get you a directory of our members Gregory. I think Big Table books is, Worldly Goods you know is another one, some of those are more non-profit organizations than for-profit and yet still important to the community. They have identified what they see as kind of a void in the marketplace where the market may not be big enough in Ames to support a business like that for-profit. Our involvement in the Chamber helps them in networking. We have a large number of organizations that are like that, that are non-profits. The Octagon [Center for the Arts] is another one of those for example. Let me get you one of those directories [he got up and left the room]."

According to the 2000 list of members of the Chamber, there are 660 individuals and businesses listed. For another study, it may be interesting to find out which members are local lifestyle businesses versus traditional capitalist businesses and how many are non-profits. I tried a different round of questions when Dave reentered the room.

"Do you see Ames as a creative community?"

"Yea, I would say so I mean there are a lot of people involved in Ames that are active in arts and cultural activities."

"I think so too. I am still stuck on this growth idea, is there any differentiation between what the goals are for building businesses within Ames as opposed to ones that are not based in Ames?"

"Well, I mean I guess one of the benefits if you can build the entrepreneurs here is, well I guess it is hard to say. It used to be that if somebody owned their own business that the wealth and profits from it would stay in the community and give back to the community. Well, if you look at Engineering Animation as a case example they had some of their seed capital come from the community but they knew other people outside of Ames that helped them get started. Then they had an IPO and money came in from throughout the world to invest in it so there is still that local flavor to it, but once that business gets established in the capital markets it loses some of that local control." *It loses some of that local control.* This phrase stuck in my mind for the rest of my research. I will pick up on it in the next chapter.

"That happens with companies like New Monics, that has a small operation here but most of it is based in Tucson, Arizona now. It started here; Calvin Nelson was the father of it. He developed the technology, the software products for JavaScript. Venture capital money was raised that came out of California, Chicago, and Milwaukee. They said 'Well, if we want to go public with this maybe a Tucson address is going to look a little better, maybe we can

attract the high tech people to Tucson rather than Ames where it snows in the winter and everything else."

"There are benefits of having a local ownership, but in today's business environment where it takes a significant amount of capital that sometimes isn't always the case. That's why it is important to have companies like Pappajohn, an Iowa-based venture capital company to come in and help. You know it is easy for them to manage a company if it is here in Iowa. They can travel from Des Moines and go to see the company and visit with the management team. I don't think I answered your question though?"

"No, that's fine, it got me thinking about the venture capital thing and that maybe there needs to be more of that..." I attempted to keep him talking.

Dave recovered his original thought and continued, "Some Iowa based venture capital, it's people in Iowa that are investing in these start-up companies. They want to see them succeed here in the State versus that New Monics example."

"Right, and doing that too you could say that if you had the venture capitalists here, people that want to stay in Ames, their kids go to school here, and it may be more attractive for the college kids that want to stay in Iowa?"

This part of the conversation was co-structured, something Mike Bell taught me, where you are still directing the interview, but you are open to new directions the conversation leads to. In the above example I was initially focused on the issue of growth and then Dave brought up the venture capital idea and local control of capital, which lead us in another direction for the conversation.

This interview with Dave Maas deepened my understanding of entrepreneurship in Ames in several ways. First he reminded me of the pro-growth mindset and almost functionalist logic of the business community organizations (Pappajohn Center, SBDC, Chamber, AEDC). It did really help me understand that much of this business and management material had not only a RCT logic, but a functionalist one as well. The idea that those who succeed in business are the deserving and those that fail did something wrong so they failed. He also reinforced my belief that ethnography was appropriate for capturing the culture of entrepreneurship. If the powerful business organizations in a community share (and promote) certain meanings and expectations of entrepreneurship, such as capitalist entrepreneurship, those types become the norm, the model of entrepreneurship. Other types of entrepreneurship are then considered "alternative." Dave also reiterated historic growth in Ames and pointed toward future growth expectations.

In the city of Ames the role of the growth machine certainly seems relevant to entrepreneurship (a point I will elaborate on in Chapter 5). Between the Hunziker real estate firm and the Ames Chamber of Commerce, as well as the local utilities, certain parts of Ames (i.e., North Grand Mall Area and South Duff Area) have really expanded infrastructure and business development in recent years. Downtown has also just finished a revitalization/beautification project. Campustown appears to remain largely the same size.

A final note of gratitude should go to Dave Maas is for his line: Once *that business gets established in the capital markets it loses some of that local control*. This turned out to be a strong current within the culture of entrepreneurship. Ames, Iowa provided fertile ground

for researching the creative social process of materializing an idea. It is a place with multiple meanings, multiple realities, and perhaps multiple forms of capitalism.

CHAPTER 3: CAPITALIST LIFESTYLES

"In the world of capitalist enterprise, the nominal ethos in the spheres of production and organization is still one of work, delayed gratification, career orientation, devolution to the enterprise. The consequence of this contradiction...is that a corporation finds its people straight by day and swingers at night." -- Daniel Bell, 1976

After the Smart Starts class at the SBDC I realized I needed to reconsider my notions of entrepreneurship as only a small family business or an artist's dream. With apologies to EF Schumacher I had to admit that small may be beautiful, but today corporate capitalism is not only *a* culturally appropriate model for entrepreneurship, but it is also more often celebrated as *the* model of entrepreneurship, particularly in the cultural context of Ames, Iowa. Within this model, individual founders are given credit for starting a high growth business and their lifestyles become cultural examples for employees to follow. Capitalist Entrepreneurship is still creating and maintaining lifestyles, it just places more value on the material aspects of business. The cultural currents I keep referring to of competition, rapid economic growth, a business not bounded by place, and a focus short time objectives have become the basis of capitalist lifestyles in Ames. In order to gain a better understanding of this, I did some background research on a highly successful company located in the ISU Research Park I will call Software Inc.

Software, Inc.¹

Five professors founded Software Inc in the early 1990s. They recognized their potential to start a multi-million dollar business enterprise in Ames, Iowa and went public in 1996 to become one of the fastest growing private companies in the United States (Software Inc. document). This company fits the traditional model of capitalist entrepreneurship—highly competitive, rapid growth, and not bounded by geography. It was top on my list of possible interviews and knowing the background of the company, I had a professionally rational plan to gain entry. First, I typed up formal business letters to all founders of Software Inc. on Iowa State University letterhead and included my affiliation with the Pappajohn Center for Entrepreneurship here on campus. I stapled my business card to the letter and stated that I would be contacting them the following week to make an appointment.

I apprehensively called one of the founders, Steve Wenzel that following Monday morning to set up an appointment. His assistant recognized my name from the letter I sent and told me that Steve granted me permission for an interview the following day. I decided that since this was corporate headquarters of Software Inc., I should present my rational professional self—button down shirt, Dockers, yellow power tie, dress socks, and brown dress shoes. Taking my wife Cathy's advice, I also shaved and trimmed my unruly sideburns that morning.

Software Inc. is located at the Iowa State University Research Park, along with dozens of other businesses. I nervously pulled up to the black box-like building in my father's

¹ The names have been changed to maintain confidentiality.

1988 Toyota pickup truck (my bicycle seemed culturally inappropriate) and parked in a spot marked "Software Inc. Visitors." I stepped out with my schoolbag-turned briefcase and walked up to the small double doors at the entrance of the building. I noticed an electronic lock system on the doors. Pushing through to the foyer, I smiled at the receptionist off to my left sitting in what looked like an oversized car U-Joint made of black marble. She was wearing a phone headset and taking a call when I arrived. I waited for her to transfer her call and then introduced myself. She asked me to sign in the guestbook below ten or so other names. She handed me a laminated "VISITOR" necklace with a nylon cord and asked me to sit down and wait in one of the four black leather chairs in the center of the room. I sat with my back to the door looking ahead at a glass partition to a hallway that led to a lunchroom overlooking a garden area. From this angle I could see intricately carved wooden backed chairs with steel frames neatly tucked in next to black metal lunchroom tables. The whole interior of Software Inc. was very industrial: engineered with right angles, corrugated metal, and cold steel cables—a very masculine and rational design that reflected the male founder's personal characteristics.

From my vantagepoint I watched many employees with similar ID necklaces come and go to the lunchroom. I realized that the ID tags were magnetized and used to unlock the hallway doors to the offices and possibly the front door as well. I counted about 20 employees while I was waiting and none of them were dressed in traditional business clothes. In fact, I seemed to be the only person in the whole building wearing a tie. Most employees I saw looked like they were of European American heritage. They all appeared under 40 years old, many men and women had long hair, wore shorts, T-shirts, and tennis shoes—a sharp

contrast to the meticulous structure of the building. This implied a casual and comfortable workplace typical of the organizational culture within software companies in the United States.

Steve's assistant, Mary came down the main staircase from the second floor apologizing for his delay. Unlike the other employees I saw, she was dressed up more traditionally in business attire. Maybe there was a dress code after all, but it depended on status within the company. Mary was extremely polite, calling me Mr. Peter and asking if she could get me something to drink. I declined and she insisted, offering an incredible list of refreshing beverages. I finally just asked for a glass of water. She brought me back a heavy blue crystal tumbler full of ice water and apologized again for the wait. I thanked her and sat down to observe. I listened to the receptionist answer ("Hello, Software Inc. how may I direct your call?") and forward ("Thank you.") many calls simultaneously. Mary came back down ten minutes later and escorted me up the staircase to Steve's office.

Steve was a lot younger than I expected, for a senior vice president and founder of a ten-year-old company as well as someone who was a full professor in a former life. He had red, balding hair and lots of freckles. He wore a green T-shirt, Levi's, Nike hiking boots, and a white gold wedding band. I smilingly introduced myself and he unsmilingly asked me to sit at a large round table made of steel and black marble. Afraid to set my sweating crystal tumbler down on his expensive table, I used my interview protocol as a coaster. Looking around his office I saw beanie babies on his workstation, a desktop computer, flannel boards tacked with pictures of a fishing trip, a string of stainless steel fishhooks, and a 3-D puzzle of Big Ben. One wall of his office is all glass and overlooks the garden, revealing a higher status

view than the lunchroom and other offices have. I imagined the other founders have similar views. His office and attire exuded the appearance of vacationing at work, yet I had the feeling he spent more time in his office than anywhere else (much less fishing in the mountains). This lifestyle is casual in appearance—no suits and ties—but working 70-80 hour weeks can not be much easier in a T-shirt than in a suit.

"Do you consider yourself an entrepreneur?" was my lead question.

"Well," he said sipping from his Software Inc. mug, "certainly that's where I ended up...I don't think that my career path was to make a company at the end of the day." Later in the interview I asked him what it takes to be an entrepreneur and he said "Well, at the end of the day the success of these organizations boils down to a handful of people that have the drive, smarts, and ambition." This phrase "at the end of the day" came up in several of the other founders' conversations and led me to later analysis of the entrepreneurial language of time².

The drive, smarts, and ambition part of his answer led our conversation to the personal characteristics of the other founders including the CEO, Bill. My previous background research on Bill revealed that he was awarded Entrepreneur of the Year by a business magazine in the 1990s.

"Why was Bill singled out as the entrepreneur instead of including all five founders?" I asked to test the creative social process of entrepreneurship idea.

² After talking with Mike Bell I found out that this is a British expression that has surfaced recently in the U.S. It is commonly used like our phrase "the bottom line." In the context of these interviews it seemed to have more of a time referent meaning (how many hours you work in the day etc.).

"Well he probably took the most risk." He replied putting his Nike hiking boots up on his workstation, and twisting his heavily freckled left ear. He continued "Of all of us he took the most risk. There's no doubt. And that's what it is all about, it's a risk-reward thing."

Steve really surprised me here, because I expected him to *take* credit instead of giving it to Bill. I immediately realized that the rational risk taking of the individual is rewarded within the business world, even among laid back software moguls. There is also evidence here of an honor code, of giving credit where it is due. Even though entrepreneurial research has shifted paradigmatic focus to the process, in the corporate culture of business we are still rewarding individuals and granting them the status of entrepreneur. Returning me from those thoughts, Steve was explaining that Bill the CEO attended the prestigious Chicago School of Business and had many job opportunities upon graduation.

"He had huge job offers at Ford, Motorola, and other places" Steve exclaimed while rubbing the white scar on his left arm. He continued, "and he elected to come to a company that only had \$30,000 in the bank."

"But he knew there was potential here, he saw the opportunity" I naively countered.

Steve shook his head, "But there was huge risk. If it flopped two years later and he was looking for a job, he was not going to get those huge offers from Ford and Motorola. Those were gone. You start over again. Whereas I was a university professor on leave, I would just go back to being a professor again...He took the most risk, so he is certainly the one responsible."

He did take risk of that there was no doubt, but he could never have started this company by himself, it took a group within a community context to make it happen, much more than just an extraordinarily motivated and talented individual maximizing his utility.

Rational Choices?

Although there is much more to this story of Software Inc, it is important to take a theoretical breather here and mention that although this rational choice approach is useful empirically and still culturally quite relevant at the individual level of analysis, there are numerous critics of RCT in regards to entrepreneurship and social science, dating at least back to Schumpeter. Schumpeter claims, "As regards economic sociology, utilitarianism can only be described as a complete failure since its rationalistic conception of individual behavior and of social institutions was obviously and radically wrong" (Schumpeter 1954 cited in Swedburg 1991).

Even with Schumpeter's prescient warning, RCT looms large in current sociological research. As Barnes and Sheppard have argued, "Central to the social sciences for a century or so, rational choice theory has taken on renewed vigor in the last decade" (Barnes and Sheppard 1992). Indeed, Randall Collins, author of several sociological theory texts, has even changed his mind about the big three theoretical traditions in sociology (conflict, Durkheimian, and interactionist) and added rational choice theory (RCT) as number four (Collins 1994)³. The origins of RCT in the Western world (or prescient warnings from the East before that) are beyond the scope of this dissertation, but instead my focus in this chapter

³ Thanks to Mike Bell for pointing this reference out to me.

is on the implicit and sometimes explicit use of RCT to explain entrepreneurship found in much of the business, managerial, and entrepreneurial training literature (Birley et al. 1991, Bull et al. 1995, Chu 1996, Lipparini and Sobrero 1994, Szarka 1990). As we saw within Software Inc. and I have seen throughout my research, the RCT approach is still very alive and often celebrated in the business community.

RCT makes certain assumptions about human behavior that are useful for constructing economic models. Ritzer lumps some of those assumptions together to describe the motivation behind RCT: "This work is unified in its methodological individualism and seeks to base sociological theory on a philosophical anthropology (Homo economicus) of rational, maximizing, self-interested actors making the correct, most efficient choices of means to ends on the basis of information available to them" (Ritzer 1992).

Economic models of human behavior operate at the individual level of analysis. For Mancur Olson, focusing on the individual is the beginning of empirical research. "Now, I believe that to make progress in any science, it is best whenever possible to get down to primitive entities, to get down to units so primitive or simple that it is not necessary to go inside of them. I like to get down, whenever possible, to the primitive entity of economic and social life: *the individual*" (Olson in Swedburg 1990, emphasis in original). It is important to pause here and note that Ritzer's statement is misleading--methodological individualism is not the same as RCT. Even Olson, a leading rational choice proponent makes this distinction, "I would not, however, accept the characterization that one always begins with the rational actor. That is to say, the degree of rationality--or for that matter, of self-interest--is not something that is given at the outset" (Olson in Swedburg 1990). Dennis Wrong, discussed

under the cultural approach in Chapter 5, would agree on the difference between these and even asked another contemporary rational choice theorist, James Coleman, about the difference between methodological individualism versus RCT. Wrong admits, "Coleman agreed with me that methodological individualism does not necessarily entail rational choice" (Wrong 1997). I argue in this dissertation that the analysis at the individual level is problematic for presenting a holistic view of entrepreneurship; RCT may distort the picture even more.

Entrepreneurship through the lens of RCT consists of extraordinarily motivated individuals (agents) like Steve and Bill of Software Inc. that use their social, economic, and political resources as means to starting a new business and/or developing, producing, and marketing innovative products or services. According to Peter Abell (1996), a contemporary of James Coleman, the value of viewing entrepreneurship through the lens of RCT is in assessing the personal motivational factors involved in entrepreneurial entry. In other words, entrepreneurs make rational decisions when undertaking a new business.

Relating RCT to entrepreneurship is difficult because founders, like Steve and Bill at Software Inc., are not only making an important decisions that they (self interestedly) share in the cost and benefit in, but the decisions also affect their families, friends, and the community they are embedded in (Granovetter 1985, 1995), as well as contribute to the cultural context they help create (Wrong 1997). Indeed, this is often the gist of the current sociological debate between what Wrong and Granovetter label as the "Undersocialized versus Oversocialized" models (Wrong 1997, Granovetter 1995). Wrong cautions, "At its worst, the debate degenerates into a caricatured contrast between a cold and calculating egoist engaged at the

breakfast table in a cost-benefit assessment of the value of continuing his/her marriage and an oversocialized goody-two-shoes programmed in early childhood to cherish the values and conform to the norms that sustain the social order by serving the common good" (Wrong 1994, citing the breakfast analogy from Becker 1981).

Instead of overpolarizing this rational debate and delving into the age-old tautological debate between the individual and society, perhaps a more useful theoretical solution may come from Robert Lamb, an economic historian at MIT. He reminds economists that they "...must remember, however, that these decisions are most meaningful, and often only meaningful, within their social context" (Lamb 1952). I argue that the social context is not only within the organization, but also comprised of the social structure as well as cultural context of the local community. Lamb continues the argument in the gendered language of the time "...The individual entrepreneur is a mere figment of the theorists imagination; he becomes reality only when he is studied as a member of his society" (Lamb 1952).

Networking for Profit

Another tool useful for studying the societal interaction of entrepreneurs as rational individuals is through egocentric network analysis. The study of networks is well established in entrepreneurial literature and usually operates under the RCT paradigm. Networks are often examined by features such as their size, density, and diversity as related to entrepreneurial success (Aldrich and Zimmer 1986, Johannisson and Nilsson 1989, Birley 1985, Birley et al 1991, Ostgaard and Birley 1994). Network analysis is an important tool for mapping the social connections entrepreneurs like Steve and Bill of Software Inc. rely on.

Organizational scholars Udo Staber and Howard Aldrich recognize that local social ties to geographic place may also play an important role in entrepreneurial networks. They reflect, "In both regions [studied], owners construct their business advisory networks from locally available resources" (Staber and Aldrich 1995).

Maximizing personal networks was integral to the foundation of Software Inc. as I found out in the interview when I asked Steve how all the founders met.

"Well, it's all interconnected. Doc is a professor at Iowa State and he was my professor at Michigan State when I was getting my Ph.D. He was also Bill's major professor, Bill the CEO. I knew Bill at Michigan State; we were getting our Ph.D.s together. Then Doc came to Iowa State to become chairman of the department. I went to the University of Iowa and taught there for two and a half years. I picked up a couple of really good graduate students at the University of Iowa, Tom and Phil. Doc kept recruiting me and finally I came here and was a professor for eight years. Bill had since gone to business school. When he graduated we convinced him to come and that's the five people that really started it."

These connections clearly made a difference for Software Inc., but there are, however, critics of network analysis especially among economic sociologists like Mark Granovetter. He proclaims, "I think that one of the very crucial tasks facing economic sociologists today, if they use the structural approach of the type that I do, is to specify very clearly under what circumstances the social networks approach is not very helpful" (Granovetter in Swedburg 1990). So far we have a brief sketch of the individuals and their networks, but as Granovetter alludes, we seem to be missing the larger organizational and structural elements.

One structural tool that operates in the rational choice paradigm of examining entrepreneurship is using organizational ecology theory to explain firm startups and decline (Aldrich et al 1991, Romanelli 1989, 1991, Bruderl et al. 1992). Organizational ecology theory as applied to entrepreneurship focuses on the effects of opportunities and constraints of the environment on new organizational forms (Romanelli 1991). Findings from the organizational ecology perspective describe how organizational processes operating within regional or national economic and political environmental contexts facilitate entrepreneurship. Perhaps this will help explain more of the story of Software Inc., but these theories do not provide a great deal of insight into the specific reasons why Software Inc. succeeded and similar new businesses in Ames failed.

To help overcome these theoretical limitations of organizational ecology (and RCT), some organizational scholars are now focusing on the role of Granovetter's (1985) social embeddedness model in facilitating the structure of entrepreneurial social support networks (Uzzi 1996, Staber and Aldrich 1995). The embeddedness model helps provide the historical context that is a necessary part of analyzing networks. Organizational studies found "...that network ties tend to age with the owners, creating densely embedded networks which owners and members are reluctant to break" (Staber and Aldrich 1995). Staber and Aldrich continue, "The resulting networks are thus strongly embedded in local social structures, and they do not simply reflect the narrow economic choices of efficiency-minded entrepreneurs" (Staber and Aldrich 1995). It is even possible to extend network analysis past rationalized individuals to the more embedded approach. Embeddedness scholar Alejandro Portes states, "Social

networks are among the most important types of structures in which economic transactions are embedded" (Portes 1995).

Caveat Emptor!

Although RCT is a powerful addition to the entrepreneurial toolkit, its sole focus on agency severely limits our research scope and implications by excluding the important interactions of structure and culture. Joseph Schumpeter, a colleague of Max Weber in Vienna and early pioneer in entrepreneurial research, presciently recognized the challenges of studying entrepreneurship, including the social structural aspects. He stated, "Therefore, the sociology of enterprise reaches much further than is implied in questions concerning the conditions that produce and shape, favor or inhibit entrepreneurial activity: it extends to the structure and the very foundations of, at least, capitalist society or the capitalist sector of any given society" (Schumpeter 1954 quoted in Swedburg 1991). For some economic sociologists like Paul Reynolds, Paul T. Babson Professor in Entrepreneurial Studies at Babson College, research on entrepreneurship calls for a holistic approach. Reynolds argues, "Entrepreneurial activities are complex, multi-faceted phenomena. No one discipline or conceptual scheme can provide an adequate understanding of all aspects of entrepreneurship" (Reynolds 1991). In this spirit I present three analytical approaches to a sociological explanation of entrepreneurship: the rational choice or agency level approach presented in this chapter; the embeddedness or structural approach presented in Chapter 4; and the cultural approach presented in Chapter 5. Chapter 6 includes my own theoretical elements of the cultural approach--including community lifestyles, cultural pockets, and the cultural context of

community. These approaches are arranged specifically in this order beginning with the rationalized individual as a unit of analysis progressing to an embeddedness/structural approach ending with a more "purely" cultural approach⁴. It is important to note that while it may be theoretically parsimonious to separate the levels of agency, structure, and culture, it is empirically inaccurate. In society, each level is interrelated and dynamically interacts with the other (see Emirbayer and Goodwin 1994). Recognizing the interaction between agency, structure, and culture in the context of community may help provide a more fully stocked entrepreneurial toolkit, but the proof lies not in the tools, but how they are used.

Capitalist Lifestyles

Looking around Steve's casual corporate office with his stainless steel fish hooks hanging on the wall made me think about lifestyles and how they fit into business decisions. I turned my head toward Steve who was leaning back in his chair; his Nike hikers propped up on the steel and marble table.

"Ok, what about lifestyle? Are you promoting a way of life with this business?"

"I think in terms of lifestyle, you hire people that are career oriented; who are going to put in a lot of effort; who have a lot of passion for what they do. I know a lot of people who work at large corporations who work 8 to 5 and live for the weekends and retirement. You can't have those people here in this environment. In terms of lifestyle, you look for very motivated, aggressive, passionate people. Their career is a large part of what makes them up. That's the way all of the people are here."

⁴ Although there are some theories that overlap these three approaches.

In this section of the interview with Steve we started getting at the differences in expected behaviors and motivations of employees. This passage also corroborates the research of Trice and Beyer (1993) and Hofstede (1997) who argue that the founders of an organization are in a sense creating the culture of that organization for the employees to follow. I asked Bill Bridges, the CEO of Software Inc. the same question about lifestyle, but first I need to set the stage of this interview.

I interviewed the other four founders of Software Inc. before going after Bill. I followed my same rational plan (ISU letterhead, businesscard, follow-up call etc) but soon found out from his assistant, Lori that he was "out of town" or "unavailable." I persisted for a week with three emails to his assistant as well as two more phone calls. She finally told me "He doesn't like to do interviews, he doesn't have the time for them unless you are the press." I told her how important it was for me to get his version of the story, otherwise I would be forced to just go along and make up my own version. She finally gave in at the end of the week and asked if I would send her some of my interview questions via email for Bill to look at and then decide about the interview.

I got the call from Lori the next Monday. "Mr. Bridges has granted you a half hour telephone interview with him for tomorrow at 10:00a.m. Since he may not be in town you should call me at 10:00 and I will patch you through." It is important to empirically note here that I only had a brief telephone conversation with Mr. Bridges. We could not meet face-to-face so I could not get a full sense of the nuances behind our interaction. Another empirical note is the context of the Software Inc. interviews was work, so it is reasonable to assume that if these interviews were conducted at home or in church the interaction would be

different. This interview can be viewed as a good example of the value but also limitations of telephone interviews.

"Hello Mr. Bridges, I really appreciate you taking the time for this interview. I guess the first question..."

Bill cut me off sharply and said, "I have your interview questions here from your email and I will briefly give you the organic origins of Software Inc."

"Ok."

"We didn't know whether this was going to pay off or not [when we started] just as any other business. You do what you want to do. It doesn't matter what shape the business is in, the biggest payoff for me personally is being able to do what I want to do."

[I tried to give a response here, but he wouldn't let me in and he quickly continued.]

"There is a lot of risk, a lot of stress, I don't know that many people would want my job."

"Uh huh [I managed to break in] So why Ames and not somewhere else for you...?"

Interrupting again, Bill said "You are looking at me through the present Software Inc. lens. You need a different CEO for each organization. Software Inc. had nothing to do with the CEO. Software Inc. was a platform for us to do what we wanted to do...It's all about running your own business, doing your own thing, being independent. At the end of the day, it is about what *you* want to do."

I was getting the impression that "At the end of the day" the important thing was independence. But then realized it was not independence, but *power*. When you start a business, particularly a high growth enterprise "doing what you want to do" also means that

others have to do what you want to do as well. Others 'share your vision' is the proper business language for this, rhetorically shielding the coercive tendencies. Going back to Max Weber's classic elements of bureaucracy, organizations like Software Inc. rationalize the institution and stratify the power with it. Bill continued with his agenda for the interview and I had to let him wind down a bit and then move into the conversation at the first sight of a pause. This was one of the most challenging interviews I have ever done.

Bill continued at a fast pace, "I started in Ames because Steve was here. I was the only person full-time. At the end of the day it really is about people wherever you start. Ames, Iowa is a pretty hard place to start a business, it would not have been our first choice."

[He was ready to quit here, I could tell by his sharp tone and long pauses, but I begged him for a few more questions, unfortunately I found out I asked the wrong ones.]

"If you could change anything about how you started this business what would it be?"

"Ha! Change anything, you can't do that, human life doesn't allow you to go back," he practically shouted into the phone. My answer to that is 'exactly the same given the situation.'

"I'm sorry, I guess that is a bad question" I apologized.

"It's a *typical* question for an interview, one I get asked all the time. It's an example of non-linear thinking, there is no use to that question."

"Ok, what about lifestyle? Are you promoting a way of life with this business?"

"Lifestyle! Lifestyle is a West Coast term, surfing in the afternoon, weekends off. That's not for us. We did it the hard way. You have to sacrifice a lot, plow ahead, get it

done. There's only one lifestyle and that's work. If you really want to take it from a lifestyle point of view I don't think anyone would have started this company."

From a business and management perspective Bill would be right (as I'm sure he learned at the rational Chicago School of Business where he did his MBA)--lifestyle businesses are the micro-businesses, the book stores, restaurants, coffee shops, and hair salons that make up our downtown community. From a sociological point of view, Bill's comments are just as much an affirmation of his (and the corporate culture of Software Inc) lifestyle beliefs. Using his words, "there is only one lifestyle and that's work." There is a sociological connection there that is not often recognized from a neoclassical point of view. Lifestyle is inherently a choice of values, a hierarchy of value-laden decisions that balance materially living a life and ideologically "doing what you want to do." Bill originally associated "lifestyle" with what most of us think as play, but he is reinforcing my argument that it can be work and play, it all depends on the cultural meaning associated with it. Also from Bill's and Steve's perspectives, there are certain types of people that can work at Software Inc. and others that can't, evoking the stereotypically masculine assumption here that there are others who couldn't handle it ("sacrifice, plow ahead, get it done"). Bill continued his monologue.

"I know a lot of people that are very intelligent, but could never work at Software Inc. I also know a lot of people who started when we did; I don't see you interviewing them. They didn't make it."

"You're right," I said surprised I got in and surprised by my own response.

"At the end of the day, you are on your own...we did it harder than anyone else."

"And you have been successful..." I offered.

"Successful at times," he countered. "It's very similar to sports. If you are winning, people support you. Like Michael Jordan, if he gets only 5 points one game, they say 'he's too old, he's washed up.' But if he gets 20 points, then they say he's a god. Who care's about our successful past? You are only as good as today's performance, tomorrow you may tumble. Very few people make it. We are all sitting around here nervous as cats"

I found the sports metaphor interesting. It seemed an attempt to give credit to his teammates, as is becoming more of the norm in corporations (Besser 1996). Bill does also use "we" and "us" a few times in the interview. However, still fitting in with the traditional notions of masculinity and patriarchy he realizes we all know who the star is. Also the idea that they were "nervous as cats" on a hot tin roof could come from the idea that Microsoft or some other large software company may buy them out. I questioned the tenuousness of the situations though, which I will pick up in another chapter.

Bill continued "I like sports, the first thing I read everyday are the sports page and the Wall Street Journal because there is a correlation between winners and losers. I have seen my picture as visionary and I have seen my picture as loser. At the end of the day you put something together that creates value to the outside [world]. Success to me is doing what I want to do. Success to the outside world is winning. It's like those Michael Jordan commercials, have you seen those? [On television in 1999 Michael Jordan talked about discipline and practice and how he hates to miss a shot]."

[There was no pause for me to respond, so he continued]. "I'm just trying to win everyday. Good luck with your research."

"Uh, thank you." I stammered and he hung up. I looked up at the glass through the egress window of our basement office and called Lori back to thank her for everything.

"Oh, did he talk with you this long? That's pretty good for him" she stated.

"I really appreciate your help in getting this interview, it was really important to me."

"Well, I saw that you and I have the same last name and we have to stick together, there's an affinity there." And then the affinity was gone too.

* * * *

In preparing for job interviews for 2000 I gave several job talks about this dissertation research. One of the responses to the presentation regarding Software Inc. was particularly salient. Motoko Lee, professor emeritus at ISU asked me "How can you expect anything else from large corporations when they must be, by Weber's definition, rational and bureaucratic?" This provides an entrée into a discussion of Software Inc. that gets beyond the individual personalities. Perhaps the founders of the company did not envision this current scenario. Steve and the other founders all stated that it was Bill's idea to make this a multi-million dollar operation. Even if it was Bill's idea, once a company gets so large, it not only takes on the culture of the founders, but also creates lifestyles within it and affects lifestyles outside of it. In effect Software Inc. created what I call a cultural pocket within Ames, but I am jumping ahead again. Perhaps there is still evidence for Bellah et al. (1985) and the cultural currents of

American individualism, but perhaps it is also an inherent part of the cultural contradictions of capitalism (Bell 1976).

My argument is that although in the business and management literature new enterprises must go through several stages of growth at a certain rate, sociologically speaking an important element of any new business formation is the cultural element. Lifestyle is that element. Once the founders of a business decide to swim in the larger pool of corporate capitalism, they surrender their community lifestyles to the public market. They are forced to ruthlessly compete for position, answer to stockholders, and materialize many grand ideas. The rewards for this seem unlimited: power, money, resources, and as Bill the CEO remarked "the ability to do what you want to do." But there is a downside.

Business leaders in Ames recognize this tension well. Referring back to our conversation with Dave Maas, the executive director of the Ames Economic Development Commission, Dave remarked. *Once that business gets established in the capital markets, it loses some of that local control.*

Perhaps the problem with unlimited capitalism is just that—there is no limit. Once unleashed, capitalist institutions grow like gazelles and become the enigma my undergraduate sociology students have a hard time grasping—a Durkheimian social fact—external to the individual yet still imposing constraints (stiff competition, continued high growth, no connection to place (or community), and short time windows). Perhaps E. F. Schumacher was right; businesses should be on a human scale. Even if we accept Schumacher's view, it is critiqued as a value-laden decision in the rational world of business. I argue that

entrepreneurship creates and maintains lifestyles whether intentional or not and is value-laden by its very nature. These lifestyles are for others to see and emulate.

From a RCT point of view, there is not always room for others. Yet as social scientists we learn from George Herbert Mead and the symbolic interactionists that we cannot form a self-concept without society and taking into account the role of "others." In fact perhaps Mead's concepts are relevant. The rational actor may be the "I"; unconcerned about society and the community, yet rationally focusing on maximizing her/his own utility to keep swimming in the sea of capitalism. The "me" and the "Generalized other" help integrate us into our human community and make us take into account the culture and lifestyles we create with our businesses.

In this chapter we caught a glimpse of capitalist lifestyles through the lens of RCT and network analysis. We also heard the cultural argument that for some "There is only one lifestyle and that's work." Although this chapter has focused on people who live capitalist lifestyles as agents, there is more to the creative social process of materializing an idea than just individual agency. Agents only operate in interaction within the social structure of society, the institutions, and the ongoing social relations to paraphrase Mark Granovetter. This being said, the question is raised: but how does embeddedness contribute to our sociological understanding of entrepreneurship?

CHAPTER 4: EMBEDDED LIFESTYLES

"Sociology ought to be news that stays news, but few sociologists today extend their imaginations beyond narrow milieus to the biggest questions of social structure, culture, and conflict." –Todd Gitlin 2000.

No one is an island. Even the most creative, ambitious, highly skilled entrepreneur is embedded in social structures and has relied on those structures to make the business successful. Anthony Giddens (1986) calls this interaction the duality of structure. I go as far as saying it would be impossible for the creative social process of materializing an idea to occur without the interaction between structure and agency. Social structure is the interlocking webs of social relationships most often manifested in institutions. Institutions are created and dynamically maintained by individuals in ongoing social interaction. These institutions that facilitate or constrain the process of entrepreneurship could include but are not limited to families, schools, churches, political, and economic entities. Perhaps looking at another one of the research park companies founded in Ames will help make the structural elements of entrepreneurship more apparent.

ETREMA Products Inc.

I interviewed one of the upper level executives at ETREMA to find out who the original founders were and to gain some background information. ETREMA stands for Edge Technologies Rare Earth Magnetostrictive Alloys. This company was founded in 1987 to capitalize on the beneficial social structural elements of Ames. Ames Laboratory at ISU was

working on a government contract involving metal alloys used in sonar technology. So what does this have to do with structure? Iowa State University is a land grant institution founded in 1862. The land grant institutions have a mission to not only conduct research, and promote teaching excellence, but also to transfer technologies and services developed at ISU to the public sphere. Ames Laboratory came up with a patented method of processing the exotic metal alloys during the economically stressful 1980's. A coalition of business leaders, politicians, and academics realized that capitalizing on the patents of Ames laboratory as well as the vast store of other patents at ISU could turn into a fairly lucrative investment for Iowa's economic development. ETREMA was incorporated in 1987 and is now a multi-million dollar business with over 45 employees, all with at least some college training and many with advanced degrees. The interesting part of the story for me is that the original founders were business leaders, politicians, and academics who must all retain some equity in the company, but today still remain publicly silent partners. When I tried to find out who the founders were, I was told that that information was proprietary to ETREMA. Although capitalizing on the social structure of ISU and Iowa industries is a legitimate form of business, one of the underlying currents is kept secret from the public.

Embedded Lifestyles

Karl Polanyi is the entrepreneur credited for using the term "embedded" to refer to the social structural elements of the economy (Polanyi 1957). Granovetter (1985) capitalized on this term and defines human behavior as "embedded in concrete, ongoing systems of social relations" (1985, 1992). More recently he uses this perspective to explain entrepreneurship.

He states, "What we must look for then, in understanding successful entrepreneurial activity, is some combination of social cohesion sufficient to enforce standards of fair business dealing and an atmosphere of trust, along with circumstances that limit the non-economic claims on a business that prevent its rationalization" (Granovetter 1995). Granovetter is more sympathetic to the discipline of economics as he is one of the main proponents of the reemerging discipline of economic sociology. He argues, "It has been an extraordinarily difficult for a discipline whose very conception of itself involves an analysis of rational action to contemplate the inclusion of supposedly irrational motives for its arguments" (Granovetter 1992). Using his own theoretical argument, he contends that many economic researchers use a rational choice perspective for structural reasons. He gives the example of the discipline of economics where the reward structure is not geared toward furthering economic sociology, but economics itself. He admits that sociologists (like himself) that use economics and sociology will not have much problem publishing under the current reward structure within sociology departments (Granovetter in Swedburg 1990).

Granovetter likes to argue that he is no rational choicer: "I don't think these rational choice arguments are going to revolutionize sociology." He continues, "I think the idea that you can incorporate sociology as well as the kinds of subjects that sociology studies into the framework of individual, rational action is mistaken" (Granovetter in Swedburg 1990). Instead his argument is that: "What happens in production, consumption, and distribution is very much affected by people's embeddedness in social relations" (Granovetter in Swedburg 1990, Granovetter 1985).

For ETREMA, Granovetter's embeddedness in social relations, the multiple resources available from local business leaders, politicians, and academics facilitated the successful creative social process of materializing ideas. Moreover, this company will also pave the way for others to explore the options of working with the ISU Research Foundation (ISURF) and the nearly unlimited possibilities of entrepreneurship involving ISU patents.

However, not everyone agrees that a company like ETREMA is a good model precisely because of embeddedness. In one interview with a local venture capitalist, ETREMA came up in the conversation.

"I know ETREMA very well," John said. "Their total investment is probably, I'm guessing now, is 50 million dollars. They don't have business; they don't have a product. There's an ocean of money that has gone in to the company. Fortunately the investors have gotten them to suck off the government teat now so they have got a bunch of government contracts coming in that seem to support them. There's not a real business there. That should be a division of a large company. It should be within a large materials based company that can take that product and do something with it. They wanted to go for the home run. They have sucked about \$25 million bucks from local investors and those investors have not seen any return on their investment. They are not going to do it again."

John knew a lot more about ETREMA than I did, he even knew the proprietary founder information. He said, "The founding entities were Midwest Resources, Principal, Pioneer, and some others that started it."

"And ISU too probably?" I asked.

"ISU hasn't put any money into it, they do own a small piece of it."

"It still seems that some people would point to that and say that is an example of entrepreneurship" I added.

"It is not an entrepreneurial company. It is the antithesis. It is a bureaucratically driven company. It was set up by bureaucratic organization it was not run by entrepreneurs. And their business shows. It's a research project that has kept being funded in the hopes that it would become a business sooner or later."

"That's a very academic kind of thing to do isn't it?" I asked.

"Well it's not so much academic, but it's the long shot."

This long shot continues to be applauded by business leaders in Ames. In the interview with Dave Maas he mentioned several times how the Chamber of Commerce and AEDC helped get ETREMA started with a seed capital fund. Perhaps this is precisely because ETREMA is embedded in relations with ISU and other "bureaucratic organizations" like the ISU Research Foundation.

Secrets of the Iowa State University Research Foundation

I learned more about the ISU Research Foundation (ISURF) and how it contributes to the embeddedness of local businesses in other interviews with research park companies. As I was soon to discover, the ISURF is a bit of a secret at ISU. I tried to look them up on the web and found the ISURF website and newsletter online but there is no general description of what they do other than guidelines on Intellectual Property rights. I decided to go and discover what ISURF was for myself.

I found it listed in the Lab of Mechanics building, room 310. Lab of Mechanics is a small historic looking building with a postmodern interior on the engineering side of campus. ISURF is the only thing on the third floor of Lab of Mechanics. I entered the main office and there was a receptionist on my left and chairs to my right. The wall in front of me was covered with framed patents, perhaps 30 or so. There was a larger room sealed behind glass doors past the receptionist. The back room was filled with cubicles and well-dressed employees.

"Hi, I am doing research in the sociology department on entrepreneurship and was wondering if I could get some background on ISURF?"

"Sure, let me contact Jackie." She called Jackie on the phone and Jackie came through the glass doors to greet me. She was tall with glasses and wearing a business suit and black shoes. I was a bit uncomfortable in there because it seemed that I had stepped out of ISU and into a different business entity.

"Hi, my name is Gregory Peter and I was wondering if you had a pamphlet or something that would give me some background on ISURF and how they helped businesses get started in Ames?"

"Sure, we don't really have a pamphlet, but we do have an annual report. Sharon can you get him one?"

"We don't have any extra," Sharon said.

"Well, call over to Beardshear and see if they have an extra." Jackie directed Sharon.

"What kind of research are you conducting?" Jackie turned to me.

"Well, I am mostly interested in businesses that were founded in Ames and was wondering how many were founded with the help of ISURF?"

"Oh, I don't know how many, but there may be a table in the report."

"Also, I don't know if this is public information or not but I was wondering what happens to the royalties?"

"Sure it is public information. 1/3 of the royalties go to the college inventors, 1/3 to ISU, and 1/3 to ISURF" she answered easily.

"I see," I said. Sharon had finished calling Beardshear and told us I could go get a pamphlet there in 211 Beardshear. I thanked them for their help and walked to Beardshear hall.

Beardshear is one of the historic buildings on campus. It holds everything from financial aid, the registrar, treasurer, to the provost and president's offices. I climbed up the wrought iron staircase to room 211 which had "VICE PROVOST FOR RESEARCH" printed on the door. I later found out that this was also the office for the Coordinating Council on Technology Transfer at ISU. This council was formed in 1993 and oversees all ISURF activities.

I walked in to a suite of offices wrapped in dark cherry and mahogany paneling and bookcases. I was greeted with a blank stare by Marge, who was dressed in a suit, similar to the appearance of the ISURF employees, but her attitude and professional performance were very different.

"Hi, I am looking for a pamphlet that lists the businesses that got started with ISURF's help. ISURF told me to come over here," I said smilingly.

"Ok, I 'll see if we have that in our annual report." She walked into another office and opened up a file cabinet. Apparently these annual reports were not just lying around even though they are public information. I walked over with her. She opened up the document titled "1999 Technology Transfer Accomplishments" to a table on page 8.

"So these are all the companies that ISU has invested in?" I blurted out.

"What do you mean?" she asked looking up sharply from the document.

"ISURF receives royalties from all these companies?" I asked.

"What?!" she said emphatically.

"I mean if a company gets started by an ISU faculty member ISURF receives the royalties right?"

"Who did you talk to over at ISURF?!" she asked looking down at the phone as if she was ready to pick it up and make a call.

"Oh, I didn't get this from ISURF, I heard this from some interviews I did." I said a little too nonchalantly. I did hear this from interviews and realizing how upset Marge was, I didn't want Jackie to get in trouble so I kept her information confidential.

"Well, ISURF does *not* take equity positions in anything" she said defensively.

"No," I said assuredly "but when ISU intellectual property or technology is used ISURF get does get some money from..." I intentionally paused a few seconds here to see what she would say.

"...from the yearly sales of that company" she reluctantly added, finishing my sentence for me.

She referred back to the table I now had in my hands and explained to me "you have to be careful lumping these together. Not all of these companies even have faculty members involved." In fact, the table we were looking at did not differentiate between the companies that used ISU technologies, used ISU technical assistance, or both. These were all lumped into one table perhaps further masking ISU's stake in these companies.

"No, but if they commercialize the technology, then ISURF still gets the royalties right?" I asked.

"If a company commercializes ISU technology then yes." She admitted while escorting me toward the door. We stopped at her desk and she looked down at the phone again.

"What is your name? What are you doing this for?" she asked quickly. I opened my bookbag and handed her my business card. I knew I was on the edge of overstepping my boundaries with her so I tried to put her at ease a bit.

"I am in the sociology department doing my dissertation on how businesses got started in Ames and was wondering how ISURF helps found new businesses."

"Oh, sociology," she said relieved, "well you would be interested in this story then. It's wonderful." She thumbed through the report to page 12 to a story about a wheel chair manufacturer that received ISU technological assistance. She told me all about how wonderful it was and what a great thing it was for ISU to be involved in. At this point I was receiving what seemed to be well-rehearsed public relations talk, but I was happy that our interaction was on safer ground. She also highlighted a few other "human interest" type stories for me and sent me on my way.

"Thank you this has been very helpful. I will look this over and see if I have any questions."

"I would contact Kenneth Kirkland before you go quoting stuff about royalties and ISURF if I were you" she warned.

"Ok, thanks." I said nervously. As I headed out the door I was thinking about her remark about Kirkland, the current ISURF director and legal liaison.

Whew! I felt like I had just jumped out of the frying pan. Walking across the quad back to my office I wondered why the public document that was so hard to get a hold of and why Marge made such a big deal about the royalties information? I started reading the document and found a list of 46 companies on page 8 that have formed since 1990 "due to ISU technologies and/or technical expertise." This did not seem spectacular to me nor the fact that some or even all were generating royalties for ISU and ISURF. I paged through to the back and found more success stories of high growth and high tech companies founded with the help of ISU patents. On page 13, I found what I was looking for. ISU develops new technologies and licenses and options the technologies. "In FY99, 323 new licenses and options were signed." A table then shows that the "Total ISURF Active License/Option Agreements in FY99" was between 800 and 900. Did this mean that ISU was receiving royalties from all 800-900 of these "agreements?"

This event all of the sudden made me feel that this public information was so carefully guarded it was as if I had discovered some secret of an empire. Does acquiring public information from ISU always require ID and disclosure of intentions? Apparently public knowledge about structural supports is not always so public.

"It's like playing poker with your whole damn life."

In each interview I asked the same set of questions regarding different levels of analysis (agency, structure, and culture) and also left room for the interviews to be co-structured (Peter et al. 2000). In this interview I was trying to get at the structural elements that facilitate or inhibit entrepreneurship in Ames, particularly those associated with ISU and ISURF. For this reason, my respondent asked the identity of the business and the employees I interview to be kept anonymous.

"Was Ames as a community supportive of getting your business started?" I asked Sam.

"The research park and the phone system. The phone system and the email system for sure. I guess all states have their structures to do that, but the fact that the Research Park was there. We certainly looked at places other than the Research Park and it wasn't cost [that made the difference]. It was the connection to ISU."

"I see, right."

"To be able to send email and receive email and to have that infrastructure was really important."

"Do you think Ames in general encourages entrepreneurship?"

"No," Sam took a deep breath, "I wouldn't want to focus that on Ames. "How far are you going to quote me on this?" he asked nervously looking down at the tape recorder.

"I'm not going to use your name. I'm not going to use the company's name; I might say something like 'an employee at a research park company said X.'"

Reassured, Sam continued "Ok, I think that, this is not a knock on any one person, but in order to have an entrepreneurial mindset you have to get used to it. I think the people that follow our company are like, have a different milieu, because nobody had any idea what it could mean to them. I don't think anybody could see our potential."

"Right, the Research Park has really brought Ames on the map as far as technology goes" I answered.

Getting back to my original question Sam said "I don't think they were particularly supportive because they didn't understand what it meant...The reason that we did what we did has everything in this world to do with the founders. I'll tell you what if Mark [one of the founders] went into the socks business, I'd sell my Burlington shares," Sam said laughing. It's an anomaly that has to do with the skill of the executives."

"So you think they pretty much could have started anywhere?"

"Near a university, you have to be near a university because there was technical talent that came from here. That was wonderful. The students were also at a great level here. The undergraduates came out to work part time in the early days. If it were in Davenport you wouldn't get ISU students going there. You sure couldn't go there after class and work. So you need a first class university nearby and you need a non-hostile atmosphere-- that helps. And then you need the founders."

"I am still trying to figure out why Ames?"

"Here's the punchline and maybe this fits in how a small town views a big company. Let's say you got a university in town X somewhere out on the prairie. You get these guys that start a company and the company is very successful. There's an IPO that's really, at least

initially, public information. I think you can punch it up on the web, find out how much stock people own, and multiply by the stock price to see what that's worth. So let's say you're out there in Lawrence Kansas and this company starts up. You see some guy that you know is worth X million dollars and you think 'if I hadn't done what I am doing, I could have done that.' And you know that they work real hard. And you say 'I could have done that.' The thing is, and here's where the gut check comes in. At the time you are working 80 hours a week you don't know if you are going to make it. I mean everybody in the whole town would go mortgage their house in a business if they knew they wouldn't lose their house. The thing is when you are doing it you don't know if you are going to be successful. And that's where [it is]. God knows how many times Bill Gates mortgaged the company. It's not like playing poker with the ten bucks in your wallet, it's like playing poker with your whole damn life."

Sam continued "There's only a certain brand of people that can do that and out of that group of people you need a lot of smarts and a lot of luck. But the first thing is the 'chutzpa.' There's an old story I heard the other day. There's a story about being involved and being committed, have you heard that?

"No" I replied.

"You've got this bacon and eggs breakfast, ok?"

"Ok."

Sam delivered the punchline with a smile, "The chicken is involved and the pig is committed." He laughed hard at this story. I chuckled wondering about this morbid analogy. It seemed that this capitalist lifestyle called for a level of commitment that required ultimate

sacrifice. It also seemed to me to reinforce a traditional performance of masculine identity for our interview.

He continued smiling, "Those people at the top levels of [this business] from the beginning were absolutely committed. They weren't saying to themselves 'what happens if this company fails'? It's just walking the wire and they managed to pull it off and more power to them."

Sam seemed to be steering away from the subject I wanted to talk about, but I waited patiently for him to come back to it. "No, we were pretty much on our own. I think when you look back to where we were. I was the guy with the white hair; Joel was the guy with the 'chutzpa'; John was the guy with the tremendous mind, and everybody had a work ethic. The established executives in the Midwest don't have the knowledge for a start-up company. Now, it is important to have an enlightened position on intellectual property and that can drive companies away. I think ISU is getting better but it is not that good yet. When I see companies springing up now...in the best of all universities you would take an equity position in a spin-off company and not a royalty position. Because you can't pull cash out of a start-up company. The point is this: I'll be ISU and you be a start-up company ok?"

"Ok," I said excitedly, we were finally getting somewhere.

"I say to you 'what's fair?' and you say 'how about 5 percent of gross?' Two years out you gross a million dollars and you lose 200,000 dollars, plus 50,000 dollars for me. You have a gross but not a profit. And start-up companies do not have a profit for a long time. So if you negotiate a percentage of gross as a university, it's like pissing in the well for the start-up company. Young kids come out of here and they don't know any better if you insist

on that position. The last thing a start-up company wants is to owe somebody. It's not even because VC [venture capitalists] don't like it, it's because you die before you get to the VC. You give them that 5 percent of a million bucks when you already had to borrow 100,000 dollars to meet payroll. The 50,000 dollars can put you out of business. That's why equity positions are wonderful. Because if you wanted to find a non-gifted university executive they might say 'well, what if they fail? I might not get anything, at least with the royalty I get my money.' I would say you might as well just put a bullet in them."

He continued "It's better to get equity, I mean how would you like to own 2 percent of Microsoft? There are things that the university can do in terms of IP [intellectual property] management that's a tough spot for the university, because they have to be very sophisticated."

Sam took a breath and continued, "For instance, when you deal with Pioneer seed and you got a faculty member putting out a certain kind of seed. You got to protect that faculty member 'cause Pioneer is a capitalistic company. They want it all and they don't want to pay. It is important to take some sort of stake. Some royalties that when they use it they pay you. That's fine for Pioneer, but you can't do that with a startup. Pioneer is not cash flow stung; technology is what they want. So somehow a different mindset for start-ups is in order."

I thought I was getting the hang of his argument "So wherever it is, a university that would take an equity position would help foster entrepreneurship?"

Sam nodded, "It helps because you are not taking cash out of the company. Now there may be other issues that I am not sophisticated enough to see. I don't know what happens if the university takes a position in the company and the company misbehaves

somehow. If we get a company that starts a web company, the university says it will take 2 percent, and then I go and start selling pornography out of the Research Park. It is not as simple as that. But what I am dead sure of is that royalty positions are a poison for start-up companies."

"Now you said that wasn't a problem for your business, how did you swing that?" I asked.

He shook his head, "You better talk to the founders about that. The long and short of it is that ISU held that royalty position and in spite of that we were successful. And none of us knew better. There's a saying that good judgement comes from experience and experience comes from bad judgement" Sam laughed at this. "At the early time when ISU took a royalty position I thought it was fair. And they didn't know and I didn't know. It may be fair, but it is counterproductive. I never would say that it wasn't fair. It's just that I've learned over the years to not take royalty positions.

"This is not a speech about our company. I gave a keynote talk at big deal at Kansas State for all their IP people. 'Don't take royalty positions' and they said, 'Oh? How come? I said 'Cause you'll put your young guys out of business.' Its something you got to learn and I think they probably know that out at Stanford because they have done it 27 times."

Growth Machine in Ames

Another influence on embeddedness and entrepreneurship is the growth machine, discussed by Logan and Molotch (1987). In Urban Fortunes, they focus on the role of power in community economic development and the commodification of place. Known as the

"growth machine" model, it suggests that developers, land speculators, real estate agents, construction contractors, bankers, local newspapers, and others that are pro-growth aim to intensify local development through investment in growth inducing resources (Molotch 1976). Although Logan and Molotch may not consider their approach embedded, I have evidence for the networks, power differentials, and pro-growth ideals that affect entrepreneurship in Ames. A recent test of the growth machine model in rural Wisconsin resulted in some evidence of its effect on entrepreneurship. "Where a locality's influentials, people who tend to be local bankers and other businessmen with a strong interest in the growth of the locality, have business and other ties to the broader society, they appear to be more effective in generating and attracting new businesses" (McGranahan 1990, pg. 165).

As I mentioned in Chapter 2, Ames has grown considerably since the early days of the Railroad King and the Duff family. The question until recently has not been whether to grow or not, but where to develop *first*.

In order to reach an understanding of the characteristics of the growth machine in Ames, I interviewed an independent housing contractor. Dave runs his business out of his home on the south edge of town. He was wearing his work uniform and work boots when I met him. He had a firm handshake and sandy blond hair with a mustache. We sat down at a table in the company shed. I asked him to tell the story of how he started what I will call Ames Contractors.

"I came to Ames in 1981 to go to ISU. I didn't like it, so I decided to learn a trade. That's the advice I give these young guys these days, learn a trade. I'm a licensed master plumber and a licensed master in HVAC [heating/cooling]. I know I'll always have a job."

He continued, "I was working for ISU and started doing other contract work on the side. It got busier and busier. I worked for many contractors in town and I figured if these jerks could make it so could I. I couldn't believe how they did business; some of these guys don't even show up when you call them. I figured if you are straight with people and do top quality work, you will succeed. We are not the cheapest guys in town. We don't try to be—we do quality work."

"So why stay in Ames?" I asked.

"Ames has always kind of been a booming town; there's lot's of government money. Even in the 80s when everyone was having a hard time, Ames always had enough to keep you going. Now Waterloo did not. My wife is from there and we get over there a lot. They are still coming out of the 80s recession. Ames has ISU, the DOT, and Ames Labs—lots of money. We started in 1994 with 2 employees and had 150,000 dollars in sales the first year. Then the next year it doubled. In 1999 we had over 750,000 dollars. I think we will break one million in 2000."

"What do you think about the growth in Ames?"

"The last ten years have been really good. I don't know, how old are you?" Dave asked me.

"I'm 29."

"Ok, so you've seen recession" he said. "I've been through three recessions in my lifetime. The growth of the market in the last ten years has been unprecedented and I think that is going to change soon. I think we are overbuilding in Ames. [At Ames Contractors] we avoid new constructions. I know how they work. I worked with [a major realtor in town]

and we quit those contracts because they don't care about quality. They want it up fast and they want it done."

Dave continued, "We focus on the old, established homes. That's a sure thing. That's more recession proof. We can pretty much fix anything in your house. We're more valuable than any accountant or lawyer. Those guys get 120 dollars an hour and what do they do for you? We fix things you cannot live without. Can you live without a toilet or heat these days? I get so mad when people call up and bitch about the hourly rate [\$60]. I figured it out, and with 12 employees, and I treat my guys well, I give them full benefits, paid vacations, new trucks, the works.

"I have 13 trucks with 6000 bucks each in inventory because people expect you to have the part right there or they have a cow. It costs me 90 dollars an hour and I only charge 60 because even at 60 people have a cow. The only way to make that up is on bid jobs. It's still hard to hire anybody decent these days, these younger guys haven't been through a recession."

"Did Ames help you get your business started?" I asked.

"The city of Ames is not going to help you. It doesn't do much for you. Ames is very strict. We get contractors in here from out of town building hotels and they can't believe how strict they are here. Now I believe in doing everything to code, that's what it is for, and I get permits for *everything*, but that's not the case all over town. Legally you can't fix a toilet or replace a faucet without a license. You have to be a journeyman plumber to do that."

Dave explains, "Sometimes I get a call from the inspectors when my apprentices are out there fixing stuff. I tell them—go after those realtors. Those maintenance guys [employed by the realtors] don't know what they are doing. None of that is up to code, but they don't listen. You can't fight the realtors in this town. They run this town, man."

It is interesting to note that although Dave originally started his business in Ames because it was pro-growth, "a booming town" in his words. Yet once he became more established he realized some of the downsides of the growth machine. He was forced to specialize the focus of his business on older homes because he would not bid cheap enough for the new constructions in town. He maintains a strong oath of quality mentioning it several times in the interview as a personal contrast to the large contracting and real estate firms in Ames. Also, he recognizes the power that the real estate companies have and their interconnection to the social structure. In his words to me "they run this town, man."

Social Capitalists

Social capital, the theoretical zeitgeist of the 90s for sociologists and political scientists alike, can also fit under the embeddedness approach, but similar to network analysis, it is another example that overlaps categories. Social capital (like entrepreneurship) is tautologically plagued with many definitions ranging from the rational individual level to the more embedded approach. Wall et al. (1998) call for recognition of the unit of analysis and theoretical lineage when using the concept of social capital.

Social capital has theoretical roots in the rational choice tradition. Under RCT, social capital "...constitutes a particular kind of resource available to an actor" (Coleman 1988).

Under the rubric of entrepreneurship, the creative social process of materializing an idea is accomplished by capitalizing on social cohesion. Entrepreneurs at this level of analysis could be seen as social capitalists, maximizing their own utility. As we proceed towards a network and more embedded approach, social capital can be defined as "...the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition..." (Bourdieu 1986). Using this definition, the denser the networks an entrepreneur has, the more social capital she/he will have. A broader definition of social capital is the "...networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit" (Putnam 1995). To an entrepreneur, this may sound like a definition of a politically supportive community.

Social capital has been critiqued by many for its tautological definitions and its empirical measurement (Fernandez Kelly 1995, Portes and Landolt 1996, Waquant 1997, Foley and Edwards 1997, Portes 1998, and Woolcock 1998). In this dissertation it is not necessary to add to the discourse on social capital; it may be enough to merely recognize the value of the concept at different levels of analysis to researchers and the value of social capital for entrepreneurs. It was also interesting to note the underlying current of RCT regarding social capital. Even though it can fit under the embeddedness perspective, at this level it does seem to miss some of the more important issues of values, ideology, and norms we might find at the cultural level in the next chapter.

An example of social capital and entrepreneurship comes from campustown businesses (two nightclubs and a liquor store) all founded by a small group of friends. I had

been trying for this interview for a year and finally got an interview with one of the founders, Joshua Wilton. I couldn't find a place to park my bike near his building in campustown so I had to attach it to a chain link fence in the parking lot. Josh was a bit delayed from the commute from Des Moines but had no way of contacting me. I waited by the front door in full view of a security camera wondering if there was anyone watching.

Josh rolled up in a mini-van and apologized for being late. Josh was in his late 30s, wearing a baseball cap, long shorts, t-short, and had several days stubble for a beard. We went into his business and sat on metal barstools. Eager to get going I started the tape recorder and set it on the counter.

"Tell me how you got started?" I asked.

"I went to school here [ISU]. I was in electrical engineering for three years and got tired of it. I decided to take a break from school because I really wasn't enjoying the engineer thing. I moved out to Denver and had an internship with Merrill Lynch out there doing some computer work. They got me doing some research for them and stuff. It really got me interested in the financial field. I decided when I came back to school that I was not going to go back to engineering so I switched over to finance. Two days after I got back [here] to go to school one of the brokers called me. He was one of the second largest brokers in Denver. He said his assistant was leaving for maternity leave and he wanted me to come out for a semester.

"I came back to school the next semester and switched into finance. A friend of mine and I were approached by a guy that owned one of the buildings that the bars were in here in town. It is now called Sips. At the time it was the Cave-In. It was right at the start when

people were starting to open non-alcoholic nightclubs. Everybody thought that was such a great thing to do....

"We just started looking around for an empty building to do it in. We found what is now Lumpy's, which at the time was called Burger Baron. We moved in there...and that lasted a semester," he said laughing. "We decided we are going to get our beer license and have local live music. It really caught on like wildfire. At the time there were some really popular local bands. So then we started working into more regional stuff."

"Had you always wanted to start your own business?" I asked.

"Yea," Josh said nodding, "My parents...bought the local hardware store so I kind of grew up in that environment. I put bikes together, fixed screens, put windows together, put gas grills together and stuff..."

"And it worked out even though you started out doing the engineering thing and then the finance thing" I added.

"I'm glad I didn't do the engineering thing. I just knew that I was not going to be happy with that kind of lifestyle. I'm too much of a people person to just sit and work on stuff." Interesting choice of words for a former finance major and successful entrepreneur, *lifestyle and people person.*

"Why Ames, why stay in Ames?" I asked.

"I was here and mainly because I had the town figured out. I had been in and out of here with my Denver deal for six years. I had the town figured out kind of: "

"What about Ames as a town supporting you as an entrepreneur?"

"No," he said laughing. "You know, the worst thing about it is I have never had any conflicts with the city council, but they have never really supported me either. One of the things is I have been trying to get this theater opened forever and all that has been stalled by bureaucracy: ordinances, building codes, and stuff. If they wanted to they could say 'you could do this instead and we'll let you go and be open.' But they absolutely won't bend anything.

"The thing I find ironic is they like to use me to use [his businesses] as a selling tool. I am involved with the Ames Convention Visitors Bureau and they are always hounding more for what concerts I am bringing in. It's a big selling point when they are out there selling conventions and all that. Yet whenever I want to try to achieve something they don't want to have anything to do with it. That's a little frustrating for me."

Joshua recognized the importance of social capital for starting his business. He established the networks and support systems necessary to get his businesses off the ground. He also realized the power of the governing structures like the city council and the Ames Convention Visitors Bureau. But how was the social capital mobilized into action in the first place?

Entrepreneurial Social Infrastructure

Entrepreneurial Social Infrastructure (ESI) is "a format for converting social capital into organizational forms that facilitate collective action" (Flora et al. 1997). ESI by its very definition may facilitate entrepreneurship. ESI provides a method of measuring social infrastructure "that contributes to the effective use of community-level social capital" (Flora

et al. 1997). These measurements fall within three groupings: legitimacy of alternatives (accepting controversy, depersonalizing politics, and a focus on process); mobilizing resources (both individual and collective investment in community); and network qualities (diverse, inclusive, horizontal and vertical links, and broad boundaries). This approach could be used to assess the viability of entrepreneurship within a certain community. I would expect that the more elements of ESI, the more entrepreneurial activities generated within a community. The further my interview with Josh went, the more relevant ESI seemed to be in helping explain the structural challenges for entrepreneurship in Ames.

"Is there a part of town that has more culture in Ames?" I asked Josh.

"Campus town could be where the culture is at. Besides them putting in lampposts that block the streets from being plowed, and the clock tower, you know the big phallic symbol at the top of the hill that no one seems to like. They really have done nothing with campustown to make it a cultural center.

"Another part of the problem is a lot of the businesses in campustown come and go. We have campustown Action Committee that is a group that I have tried to be involved in a couple of times. Every time that I have tried I have gone to the meeting and tried to participate with them. There are like five people in this group that are running the whole group. They don't want anyone else involved with it. 'We are doing things our way.' But you are not involving the important business in campustown. Last weekend they had the Dog Days of Summer and everybody was supposed to have sidewalk sales and stuff. They didn't even contact places that weren't in their little group. If you are going to have an event, get everybody in the campustown business community involved in it. Get the restaurants out

there. They have this tunnel vision, 'we are doing things this way and we don't care if this is successful or not.'

Bringing on board elements of ESI, it is clear from Josh's view that politics are still personalized, networks are closed and not diverse, and as he continues, we will see more about mobilization of community resources for Campustown.

Josh also had advice for entrepreneurs regarding building social capital. "You also need to make some contacts. Do some networking. Make friends with people in the area. And as much as I hate to say it you have to befriend the city council and all that. Because at some point in your stay here they are going to be involved in something that you are doing whether I want to put up a new sign on the front of my building and the ordinance says it is too big and that I can't do that. There are all sorts of stuff that you have to deal with in that way. It is better to make friends that way than to blow smoke and make enemies."

"Yea, it's real political, " I said "it's kind of a game."

"Very political. Yea. Whether it is my luck or by uncalculated conniving I have gotten in with some of these people by using them. The mayor is my insurance agent. I didn't know he was going to be mayor at the time, but it doesn't hurt. It's just little things like that can really help you along."

Josh continues, "You know now that we are on the mayor subject. You were around when Larry Curtiss was mayor. I was so sad that he didn't win reelection. He was so progressive thinking. He was for the town. He was no nonsense—he would see bullshit and call it bullshit, ya know? And just dispel with it. He did not let the city council push him around. And now we have a very, very conservative mayor that is calling the shots on this

whole twelve violations thing [referring to the twelve violations and a nightclub gets shutdown for good]. Sure the city attorney may have been the one that said it, but that came from the mayor. He is trying to make this conservative town even more conservative. When Larry was here, he was for the students. He looked out for the students and campustown. He wanted to make this community and campustown a cultural hotbed. As soon as he was gone, it went completely the other direction."

Josh recounts some political history, "Before him we had Father Goodman as mayor, a Catholic priest, he was more progressive than Tedesco! I really liked him as mayor. He was very fair about things. He wasn't as student oriented as Larry, but he saw the value of that synergy between community and university. I just think Ted doesn't see it and is pretty bull-headed about things. He thinks his town of Ames is going to be fine and he's going to operate it on his own."

"Right, and campustown will be fine too." I chimed in.

"Yea, if campustown burned down one day, rebuild something else the downtown Ames community can enjoy instead of the students," Josh said sarcastically.

But he had a good point, so I said "But that really affects businesses down here, that's really going to affect if you have kids graduating here that want to stay here and start their own business...why should they stay here in Ames?"

"Absolutely, " Josh agreed, "I have always looked at other communities. Now that I live in Des Moines, my fiancée and I bought a house down there. She works for Channel 13 so I am kind of commuting back and forth a little bit. But now that I have hung out in Des Moines a lot more, I realize that Des Moines is out there looking for me to come down there.

The city of West Des Moines is offering me some incredible stuff to open up a place down there. Whereas Ames is trying to get rid of me, or so it seems like on the surface anyway."

"Or at least not giving you any incentive to stay?" I offered.

"Exactly. Even the difference forty miles down the road between Ames and West Des Moines is incredible on the political end of it."

Given the story that Josh just told, Ames does not appear to score very highly on the ESI elements. Josh argues that the community of Ames does not accept controversy and even appears to be tightening the reins on Campustown in general. Politics appear to be personalized to the extent that it is necessary to befriend members of the city council and in the mayor's office. As Josh said, "little things like that can really help you along." To further the analysis using ESI, the networks are inclusive for the growth machine entities and large corporations, but appear exclusive to Campustown businesses. It is also a concern for future business vitality when a major owner of businesses in Campustown does not feel welcome or appreciated and is considering moving when his leases are up.

Unlike RCT, the embeddedness approach stocks our toolkit with most of the basic sociological instruments necessary for studying entrepreneurship. This approach provided evidence of how some companies like ETREMA were formed to capitalize on the structure of ISU. ISURF showed that sometimes elements of social structure are not as publicly displayed as we thought they were. Also, the legal aspects of intellectual property rights and who benefits are included in elements of the structure of entrepreneurship. From a contractor's point of view, the growth machine is alive and strong in Ames. From a Campustown perspective, elements of ESI and social capital are useful tools for exposing the

interlocking webs of embeddedness among institutions. These are all necessary elements for our entrepreneurial toolkit, but not sufficient. They still do not explicitly take the broader cultural aspects of the community into account. To that we now turn.

CHAPTER 5: CULTURAL LIFESTYLES

"As Adam Smith well understood, economic life is deeply embedded in social life, and it cannot be understood apart from the customs, morals, and habits of the society in which it occurs. In short, it cannot be divorced from culture." -- Francis Fukuyama 1995.

Culture is one of those terms, like community, that is difficult to define; yet many people are adamant that the comparative "feeling" of one culture is remarkably different from another. For some, culture consists of norms and values (Parsons 1968), is an all encompassing way of life (Geertz 1973), is "a guide for social action" (Kane 1991), is "a toolkit of symbols, stories, rituals, and world-views" (Swidler 1986), and is "a social structure" (Hays 1994). This last definition strikes me as incorrect. How can culture be a structure? Following the work of Pierre Bourdieu, culture means "cultural field" (Bourdieu 1983). This perspective also focuses more on the structures of the performing or visual arts, classical music, or going to the theater. So Hays and Bourdieu are really more structuralists than culturalists. In this dissertation I have argued that we not only need to get beyond the agency-structure duality, but also beyond structure itself. Culture to me is the meaning human beings attribute to the material and ideological way of living social life.

Regarding entrepreneurship, I am more interested in the cultural element of *community lifestyles*, how these help create *cultural pockets*, and contribute to the *cultural context of community*. These elements will be further discussed in the next chapter, but first it may be useful to explore some aspects of the cultural context of Ames.

Venture Capitalist Culture

In an interview with a local venture capitalist, the topic of culture kept popping up even without my probing. I initially found out about John from a friend who knew about my research interests. I left a phone message at John's home number and asked for an interview. He called me back the next day and we set up a meeting. Before the meeting, I went to the public library and did a search on the Ames Tribune to see if John was ever mentioned in the paper. I found his name several times in articles and a few letters to the editor. This gave me a good background on him as well as photos of him so I could recognize him on the street. We were meeting at the Stompin Grounds coffeeshop in Campustown. I got there early and attached my bike to an ill-designed bike rack. I walked into the little shop and smelled strong flavored coffee. I found a table with a good view of the door and ordered a small latte. We were supposed to meet at 8:00 am. It was already 8:45 am and my latte was long gone, leaving an empty ceramic cup. I started walking around the shop and introducing myself to people that resembled John's photograph to make sure he was not already there. He finally rushed in apologetically, introduced himself, and went up for a cup of coffee. John is a slight build, is in his early 50s, with blond hair, a boyish face, and gold-rimmed spectacles. He was wearing a white button down shirt with the sleeves rolled up, dress pants, dress socks, and black shoes. Add a tie and coat and he would slip by unnoticed on Wall Street. He has worked for the Pentagon and has founded businesses on both coasts as well as here in Ames. He has capital to invest and also has visions for Ames and for Iowa in general. He and his wife have two children in Ames High school. Since we were running late, I hurried into my questions.

"What about the process of entrepreneurship?" I asked early on.

He set his paper cup of coffee on the table and crossed his arms, "The process is one of mobilizing a lot of resources and that is where Iowa comes really short. The resources aren't there and it's a very frustrating process. I kind of went through an epiphany in San Francisco. The culture there is very entrepreneurial and I decided to see what I wanted to do. For family reasons we moved to Iowa and I decided I would continue this out here. It has been a lot harder out here," John said. He had a relaxed presence in the interview and chose his words carefully (one could even say rhetorically) enough that I recognized he has been interviewed many times before.

"What are the differences, aside from the major metropolitan area?" I probed.

"There are major cultural differences. Despite what people say entrepreneurship is not really encouraged out here. There is a social stigma to failure. There is a social stigma to wealth and success. There is a tendency toward averaging down to the mean. There is a culture here of, 'Iowa is an above average place from which all people with neurosis or ambition have been extracted,'" he said without smiling. He continued, "So what you have left is people who are pretty satisfied with the way things are. And that's the antithesis of entrepreneurship. Business creation involves the element of 'I'm dissatisfied with the way things are,' they can be better, or you want to improve it or whatever."

He went on this time bringing in his educational background, "There are other issues regarding the whole concept of agglomeration economies. In that things tend to happen where other things are happening and they tend to happen in the same vein. Industries grow up because for whatever reason, a particular technique, or technology, or a skill set is

entrenched. The machine tool industry in New England for example is a case in point grew up in the late 18th, early 19th century. It was the leading industry in New England and it still is to some extent."

"And here we have agriculture," I chimed in trying to bring us back to Iowa.

"Yes, and in fact there is an agglomeration economy in agriculture here. In Des Moines for example there is a growing collection of seed companies conducting fundamental seed research. And that came out of Henry Wallace and Pioneer to his great credit. But agriculture is a commodity that is low margin, low value added business. Its tendency is toward *conglomeration* and growth through acquisition, not through the products being developed [his emphasis]. Iowa has been conspicuously lacking of the culture of post-agriculture entrepreneurship. If you look at the impact of the milling industry in Minneapolis and the merchant culture that arose up there and the food processing culture that came out of that—there is a substantial food processing industry in Minnesota. There isn't in Iowa. "

I thought John was making a really salient point regarding the economic and cultural development of Iowa. He was also articulating sophisticated political economy arguments often discussed in sociology. Although John struck me as leaning towards a strong capitalist lifestyle, he often surprised and impressed me with his cultural and structural awareness.

To show I was listening to him, I added, "If we did then it would be more value added rather than just producing raw materials."

"Right."

"Can you tell me about creativity and entrepreneurship?" I asked changing the subject.

"I think that creativity is an incremental process," John said taking a sip of coffee from his paper cup. "Very, very seldom do earth shattering ideas come down the pipe. Usually things are incremental improvements on what has already been done. I think neurologically speaking there seems to be some developing theories about how the brain works. We do imitate things. We do look at good ideas and make slight deltas from them and improve them. For example, the thing I am working on now is using an existing technology and just very cleverly repackaging it in a elegant way that makes it better, faster, cheaper. Its use is well timed for a market that needs it better, faster, and cheaper, because the throughput is increasing substantially. The last idea we had was using the internet in agriculture."

"That was the internet business?" I inquired showing I had done my homework on him.

"Right. That has been a very frustrating experience because to some extent agriculture is not ready for the internet. We were ahead of our time by three years. There is a substantial fear out there of new developments. We have had a terrible time getting traction in the marketplace, getting people to sign deals. We were the first in the market and now we have about three competitors, who can be classified as competitors. Two of them will be gone by the end of the year for that very reason. Agriculture is not an area that is full of early adopters. It is not an area where people can do anything more than small incremental changes from what they are already doing."

Although John may be too tough on agriculture and Iowa farmers here, it was interesting to me that he knew the adoption/diffusion terminology and that he was willing to

try out a new field of exploration. He is still into high technology and rapid growth, but is now admirably trying to fit that model into the current structure of agriculture and meeting significant resistance.

John Allen, a sociologist and colleague at the University of Nebraska, has presented more positive preliminary research on the community level entrepreneurial effects that support sustainable agriculture. He explicitly uses Wilkenson's field theory to explain the link between entrepreneurship and rural community development. Interactional field theory is taken from the work of Wilkenson (and his mentor Kaufman) and promotes community development by decreasing the barriers to interaction (Kaufman 1959, Wilkenson 1991). Indeed, even Mancur Olson, who others and I often paint as a rational choicer, may even support interactional field theory. "I am struck with the tremendous amount of goods that are produced by relatively stable, non-fleeting social interaction; the goods that families, friends, and social groupings produce for one another" (Olson in Swedburg 1990). Perhaps this type of interaction could help support the culture of entrepreneurship in Ames, Iowa.

John the local venture capitalist seems to suggest that the problem in Ames is a cultural resistance as much as a structural one. He continued, "Now this culture here, there are some real advantages. It's a leveling culture. It's egalitarian. It's a culture of kindness and sensitivity. It's kind of America's version of Ireland, a green and pleasant little land—from which most people emigrate. A very pleasant place nonetheless.

"But the downside of that is the stifling of creativity and the discouragement of an entrepreneurial culture in which people do succeed and they do pretty well. I have heard many, many people talk about 'oh moneybag so and so' with a real sense of resentment. One

of my partners in business heard that I had done very well on a stock that I invested in and it was a source of some real resentment on his part. And my unspoken response was 'Larry, why don't you get off your ass and do the same thing I did? Ok, don't hate me for what I have done, why don't you do it yourself?' But he comes out of the Midwest, prairie populist culture—farm culture."

"Maybe it's a risk thing?" I probed.

John shook his head, "It's a philosophical thing more than anything else. My wife comes from a farming family and we are basically here because of them. I have seen it many times as we spend Christmas and Thanksgiving with them. There is a sense of fatalism. There's a sense of things happen *to* you, not *by* you. There's a sense of timelessness, the rhythm of life. There's also a tremendous sense of being aggrieved. There are huge impersonal forces out there that determine your fate in life, whether they are pricing mechanisms or the grain companies or capitalism. There's that philosophy of fatalism and passiveness that breeds a lot of odd behaviors and Iowa is the sum and substance of all that."

John continued with more cultural talk, "Will this culture change? Yea I think it will as agriculture declines. As the average age of the Iowa farmer gets to 55 to 65, as the farmers consolidate and go away. As these small towns realize that agriculture is taking them on the road to nowhere, this culture will change. Will it lag the rest of the country? Absolutely, it will never catch up. They are so far behind."

Trying to bring him out a fatalistic funk, I asked, "So you don't think that the Research Park or 'Software Inc' are going to make a difference?"

"Oh no, I give them great credit. They have a major impact on the state. But let's look at the research park ok? Take a trip to Davis, California; take a trip to Madison, Wisconsin. Madison is my best example. Of course it is bigger than Ames and the State Capital is there but there are hundreds of businesses that have sprung out of the University of Wisconsin. Wisconsin is an active, industrial economy and an active investment economy and there is a lot going on up there. And then I look at here and we have what? Two buildings? I look at the University of Iowa and they have two buildings. The average company size is about 30 people and few of them are making any money."

Although I did my undergraduate work at UW-Madison and lived there 8 years total, I did not really start comparing Madison to anywhere else until I came to Ames. After informal conversations with ISU graduate students in economics I realized that John was right: Southern Wisconsin does have more industrial clusters, even in rural areas. Madison as a city has over 250,000 people, and many surrounding bedroom communities, so it is really more like Des Moines in size than Ames. Again, John's comparison seems unfair from this view. A recent study of Madison residents found that strong community integration (what sociologists might call social capital) in Madison was a result of the relationship between local media, local political interest, and community participation (McLeod et al. 1996). I still think that Ames does very well considering the size and location of the community in the state, so I attempted to see what John thought about this.

When I mentioned Software Inc in Ames, he was familiar with it. He said, "We have Software Inc, but it will be sold. It won't be around forever. The Ames presence won't be

here forever. So they are going to go back to doing what they are doing. But they are so far behind."

"So there's no one that will be attracted to what we have here to come in and try and do things different?" I asked hopefully.

"No, it will be homegrown. Nobody will be attracted to it. In our business we have a tough time hiring people to Ames who have an agricultural focus. The dot.com glitz got us a long way, but that's gone now. "

I decided to try my Ames question on him, "Was Ames as a community supportive of your new business ventures?"

"Not at all. No not at all. They didn't have a clue what we were about. Supportive from the point of view of talk is always there. 'Like oh we think it is just wonderful what you are doing with agri-businesses that come here.' It is to the extent that there is a little switch that I turn off [in my head] when I get the Chamber of Commerce pitch with the Iowa Department of Economic Development. Supportive in terms of 'Yea, we looked at it. We are willing to take a risk. We are willing to put a million dollars into it,' No there wasn't that."

"Are you involved in the SBDC, the Pappajohn Center or anything like that?"

"No."

"Do you see them as being supportive and would you encourage others to go there?"

"Yea, I would encourage them, there are some parochial political problems with the Pappajohn Center though. The SBDC is principally oriented toward micro-businesses. They do a good job with micro-business because a lot of people walk in without a skill-set of cash

flow, inventory, and all that. They do a good job with people like that. I am a minor partner with Big Table books here in town [a co-operatively owned bookstore downtown]. We shipped the manager over to the SBDC and they taught her how to use a spreadsheet and actually have worked quite well. They do a good job with micro-businesses. Micro-business is actually very important in terms of a source of employment. Most businesses are micro-businesses. From the point of view of gazelle type companies, high growth, high intellectual input, they [the SBDC] do not really serve that market. The Pappajohn Center has a problem because it is indelibly tied to John Pappajohn and he has his own problems."

So it is clear from John's perspective (as the business and management literature states) that there is a difference between "micro-businesses" and the "gazelles." My argument is that this is merely a lifestyle difference, a difference of values and culture. The founders of Big Table books were not interested in developing Amazon.com, in fact quite the opposite. For lifestyle reasons, balancing the need to make a material living with ideologically living a life and running a business that promotes education, community, and environmental awareness leads to a very different, but just as important type of entrepreneurship. It is still the creative social process of materializing an idea, but it does not gain the status or prestige of a "gazelle" type company. There is much more to the cultural context of entrepreneurship in this community.

"So what would you suggest that they do different, do you think the community could do something different to foster entrepreneurship?" I asked John.

"Yea, I think there are already doing something different. One thing is to mobilize a lot of the capital out there in ways that it can be put to better use. I was stunned about seven

or eight years ago to read about a bank in Eastern Iowa where 75 percent of the assets were in government notes and bonds and only 25 percent were in commercial loans and then of course they had some cash. I thought 'my gosh!' this is indicative of the problem of the state. They can't even *lend* money let alone invest money! Not even the banks function well here. So you have people who have practically a fair amount of cash and a lot them fairly illiquid in farmland and so on. They have managed to collect some cash, but most of the credited investors, which means net worth of over a million dollars, how do you persuade them? Give them a mechanism by which they can invest, let's say 25,000 dollars in small deals, and diversify the risk so they aren't faced with significant loss on one deal? The state has been doing a pretty good job of putting together angel capital networks. Actually with this new venture we are going to present to Venture Network of Iowa in the hopes that we can get something started. Those are still getting off the ground and very slowly."

"Is that something that is more common in San Francisco?"

"It's common in the Midwest, in Minneapolis. The seed investing market is a group of people for example who are high volume dealers. They get together and they might even hire an adviser to work with them. They look for deals. Guys who make money doing other things, doctors and dentists believe it or not, which is a horrible place to get money. But those guys get together to invest. In Iowa that doesn't happen, in San Francisco that's quite frequent." Another critical point here is that comparing San Francisco to Ames is maybe not the most appropriate analogy; they are completely different in many dimensions.

From my thesis work on gender, I have been sensitized to gendered language, particularly when it comes from someone who has several degrees and chooses his words

carefully. Notice the seed investors are "guys who make money doing other things," then he mentions doctors and dentists, but those are "guys" too. It's quite possible that although there are many women doctors and dentists out there, not many women are involved in the "high volume" deals that John is talking about. Is it only a man's game to play? I wondered.

John continued, "There's a whole network of people out there, but it's informal."

"But in Des Moines there must be plenty of companies that have the capital to invest?" I asked.

"Well, to some extent it's a burned over district. Another tendency of Iowans is to go for the Music Man phenomenon. And that's tied to what I call 'waiting for the home run before you swing and hoping that it hits.' Ames had a bunch of boosters who pushed Visionaire for example and I was invited to participate in that. They Hoovered out of this community between \$15-\$17 million dollars with arguably a crackpot scheme."

"Wow!" I exclaimed

"It's incomprehensible that anybody could propose making airplanes in Ames. It's beyond comprehension. It has no merit whatsoever. I sat there with one of the key honchos and I said 'Fred, you know I used to be at the Pentagon and I used to estimate the cost of airplane construction. I know this business. You are telling me that you can get this aircraft off the ground for \$60 million dollars and I am telling you're off by a factor of four.'"

"And sure enough I later had lunch with one of the directors and he said 'we were off by a factor of 4-5.' And they are all getting hosed. It really affected the investment in Ames because they took people for \$2-3 million dollars each who are now really soured on the experience. They went for the gold instead of incrementally building the small seed funds. I

told somebody else this recently, that \$15-\$17 million dollars would have funded an entire venture capital fund for Ames and we would have 25 businesses ongoing right now. But why did you guys go for the moon shot? One wrong glitch and it ends the whole thing and indeed it is gone."

John's account of Visionaire reinforces the interaction between the social structure and culture of Ames. There were behind the scene negotiations, well-connected power brokers that "Hoovered" capital and cultural trust out of Ames and are now "all getting hosed." John felt this was a cultural thing, "Iowa has a tendency to do that. There is some feeling in the culture here that 'we have to get something big and flashy in here.'

"Like Barilla, it is still kind of smokestack chasing that we did in the 80s," I added.

"It is, and I don't see that elsewhere. San Francisco is a lot more conservative; there is no need to do that. They have got their flashy stuff out there."

"Do you think the political climate has anything to do with that?" I asked building off his statement and trying to bring in some structural interaction.

"To some extent Iowa's tax code is a strange conglomeration of accumulated politics of the last 100 years. Iowa has among the higher tax rates on accumulated capital. Capital gains rates and tax rates here are very, very high. I have a house in San Francisco and tax part of my income in California. My capital gains rate in San Francisco on much of my investments is 2 percent. Here it is about 8 percent. You to think real hard about sitting around Iowa and getting taxed."

John had an interesting anecdote that explained another cultural and structural element of Iowa. There is an increasing older population in Iowa, as in the trend in the U.S.

in general, and with that more retirees on fixed incomes. The tax structure then plays a large role on where retirees live¹. John has his own cultural housing anecdote.

"I have a Volvo car and I was down at the dealer in Des Moines getting it fixed. A guy gave me a ride downtown and there was this sign that said 'Store your car over the winter here.' And being the stupid idiot that I am, I said 'Well, who stores cars? Don't you need you car over the winter?' He said 'Oh no, no we have a lot of people here that have houses in Texas and the lower tax states and so they go there for winter and then they get taxed down there. I thought 'Of course!' that's how all this wealth is saved around here—nobody pays taxes around here. They declare residency out of state."

"And then there is less support for the schools, the businesses, and the community," I added.

"I have seen this time and time again," John said adamantly, "when Gary Gerlach and Michael Gartner sold the Ames Tribune [the long standing locally owned Ames newspaper], I said to my wife 'watch, one of those two guys will leave the state.' And sure enough Gary is out of state. When Robert Waller up at UNI made a lot of money on that stupid book and movie thing he did, he went to Texas. And it wasn't because they gave him a hard time about the crappy book he wrote; it was because of the taxes." He continued more seriously, "So you get these people who do succeed and then they leave the state and the wealth leaves with them."

Certainly John is not arguing that there is a mass exodus of older people from Iowa to states with lower taxes. As previously mentioned, Iowa has an increasing older population.

¹ The people that bought our house -in Ames have a place in the Bahamas where they winter.

The important structural note here is that taxes and political decisions regarding certain segments of the population such as the elderly affect the cultural context of local communities, and this affects the business climate as well. Perhaps demographic factors could help explain some of John's opinions about Iowa culture.

These structural factors also echo the point Dave Maas of the AEDC made earlier. "It used to be that if somebody owned their business that the wealth and profits from it would stay in the community and give back to the community...*but once that business gets established in the capital markets it loses some of that local control.*"

Dave Maas also added a cultural point here in the interview that echoed John's sentiments, "I mean you want to encourage people to take those risks. I think with your research that's going to be something interesting to study is the whole entrepreneurial development in Ames and Iowa versus other places. Typically by and large we are a very conservative state. In other areas of the country there is a lot of prestige associated with starting your own business. People encourage that and if you fail well that's ok you just do it again. I think we need to develop that culture here in Iowa that encourages entrepreneurship development."

Another body of literature with cultural aspects that helps explain what John and Dave are getting at is the community of place literature (Bell 1997, Orum 1995, Lobao 1994, Cuba and Hummon 1994). In this literature, place is not only a physical construct, a geographic location, but also a socially constructed identity and sense of attachment. Even among the rationalized network approach, there is evidence of the importance of place in entrepreneurship, perhaps at the community level of analysis. Entrepreneurial researchers

recognize the importance of place. Reynolds states, "The strongest evidence supporting the importance of social networks is that most entrepreneurs start new firms 'at home'; at home in familiar geographical contexts--same community and political jurisdictions--as well as industry contexts" (Reynolds 1991). Place is not limited to geography and personal identity, but may be expanded to include a sense of community attachment or a community cultural element. Reynolds furthers the argument, "One of the most common findings is that those starting new firms do so in a familiar location" (Reynolds 1992). Organizational scholars Udo Staber and Howard Aldrich recognize that local social ties to geographic place may also play an important role in entrepreneurial networks. They conclude, "In both regions [studied], owners construct their business advisory networks from locally available resources" (Staber and Aldrich 1995).

Many community scholars have usefully moved beyond RCT, especially in the sense of place and rural entrepreneurship literature. Hobbs argues, "Few entrepreneurs make the decision to begin a new enterprise and then proceed through a rational decision process to choose an optimum location. They generally try their idea close to home" (Hobbs 1986). The problem with RCT, these scholars contend, is that it ignores and abstracts social actors from the geographical place, interaction, and the historical context that helps construct their identities (Barnes and Sheppard 1992, Miller 1992). In other words, place remains a physical as well as cultural context to be taken into account in entrepreneurial research. I have wondered how this fits into the current trend of e-commerce.

I asked John about this to see what a venture capitalist thought.

"What do you think of ecommerce and connection to place?" I asked.

"The internet allows you to be much more place independent. On the other hand the skills sets required to implement the internet are still place dependent. You still find the people that know how to make that happen in the Bay area, in Seattle, in NYC, in Boston. The key question is where is the talent?

"It's not a function just of money, it's a function of intellect. We are living in a knowledge rich age and the intellect is almost more important than money. Money is becoming more of a commodity. It never was before."

"So even though Iowa values education, it's not the right kind of education for entrepreneurship?" I asked.

"No, it is the right kind of education of entrepreneurship. But the question is what is the person going to do with it when they get out of school? Where are they going to work? Are they going to work for the average Iowa small business? The average Iowa employer is typically a large insurance company around here. That is the very antithesis of entrepreneurial culture.

"We hire a lot of people out of insurance and data management companies and they were in tears walking into our business. They said 'I can't believe I found a company like this in Iowa.' These people were willing to take pay cuts, they were begging to work at programming. So we created a nice entrepreneurial culture here. Unfortunately it is not sustainable here given some of the other business problems we have had."

John continued our coffeeshop conversation. "The essence of a capitalist economy is that you recycle intellect and you recycle wealth. It's an accumulating function and here lose on both accounts; the intellect leaves and the wealth leaves too. And why is that? I think in

part it is because of the legacy of the extraordinarily conservative agricultural economy. I also think it is because of the prairie populism of the late 19th and early 20th century did not serve this state well. It has to this day a residue in Des Moines that is full of distrust. I have heard this many times down there and spoken with people about it. I served on Governor Vilsack's 2010 Tax Force to look at designing a new tax code for Iowa. I sat next to a guy, the research director for the AFL-CIO, and a whole spectrum of people. We all admitted that the political situation was impossible. We did come up with some ideas, but there were some legislators down there that said 'we are just going to stick it to the rich people.' Well, guess what? Rich people will go somewhere else."

"Do you see entrepreneurship as creating a lifestyle?" I asked.

"Oh yea sure. I have often said that what Iowa State needs is a few more Engineering Animations and a couple of those guys to get really flashy in the process—go buy a red Porsche and drive it through campus and the windows go up and people would say 'look at Dick over here, he got a red Porsche.' As much as I hate to admit this, there are some advantages to basic human instincts. Greed and envy. That culture of greed and envy is what we need more of around here. We need people to say 'I am dissatisfied with my current status in life with my associate professorship paying 70,000 dollars a year by God I am going to do better.'"

The "culture of greed and envy is what we need more of?" This statement definitely reflects a capitalist lifestyle, the stereotypically successful entrepreneur driving fast cars, making fast deals, spinning the company off to another capitalist, and starting over again.

John continued to explain the capitalist lifestyle, "We were just out in California with

my father, I grew up in California. My son and I were driving around out there and my son, Peter said 'Dad, look at all the cool cars out here. And I said 'Well Peter, that's because the people in California have more money than they have in Iowa so they can afford a Mercedes 600. They can't do that in Iowa because you can't buy a 90,000-dollar automobile on the income base here. It's self-defeating."

Again the sheer demographic, structural, and cultural differences between Davis, California and Ames, Iowa are too numerous to explicate here. But the important point is that this comparison is how John views culture. Even with all the differences between these areas of the country, what John sees as a supportive and encouraging culture in Davis or Madison, he does not see in Ames. It is almost as if he is pining to move back to the big city, as if Ames is somehow beneath his lifestyle.

As I previously mentioned regarding John's gendered language on who the entrepreneurs are, John's other opinions can be critiqued from a feminist perspective. Standpoint epistemology is the study of knowledge from a certain perspective. Patricia Hill Collins explains standpoint epistemology as a challenge to what she calls "Eurocentric, masculinist knowledge validation" (Collins 1991, pg. 2). Applying this to John's account of entrepreneurship in Ames, one can see his own class privilege and masculine biases. Standpoint epistemology could also be a sociological link to the importance of place context in starting new ventures in Ames. The success or failure of the businesses has as much to do with the hegemonic culture of the community as the individual characteristics of the founders.

John certainly furthered my education on what a venture capitalist thinks of the culture of Ames. At this point of the interview he also ruffled my feathers a bit as I used to hear growing up in Wisconsin. For a white male in his 50s who is soundly and profitably invested, thanks as much to his cultural capital and privileged class background, it may be easy to make suggestions about how Ames and Iowa in general should go about changing the capitalist culture to facilitate more gazelle type of entrepreneurship. Of course with these statements, I am starting to show my own cultural judgements and prairie populist upbringing regarding issues of social inequality.

Culture as a Constraint or Opportunity

Social inequality, as an approach to entrepreneurship begins to move beyond RCT and social structure by including culture. This perspective concentrates on the relationships of race, ethnicity, and gender with entrepreneurial success (Light and Rosenstein 1995, Zhou and Bankston 1995, Green and Pryde 1990, Waldinger et al 1990, Horton 1988, Light and Bonacich 1988). Findings in this perspective tend to focus on entrepreneurship stimulated by factors of immigration and ethnicity, rather than the development of sociological theory behind entrepreneurship. The inequality approach is a reaction to past entrepreneurial research from a psychological standpoint that focused on personality traits and had a tendency to be elitist (Light and Rosenstein 1995).

Under the inequality approach, culture can also be viewed as a constraint for entrepreneurs. "The dominant theme for explaining minority entrepreneurship is as a response to the lack of opportunities in the dominant culture" (Reynolds 1991). Perhaps

from John's view, the gazelle type of entrepreneurship is in the minority in Ames. In this sense the culture of Ames is operating as a constraint to entrepreneurship.

Portes addresses the difficulties or challenges that ethnic enclaves face by stating "Tightly knit groups stand or fall together and while their solidarity contributes resources to individual entrepreneurship, it also imposes definite limits on personal initiative. This is why ethnic entrepreneurial communities tend to specialize in a few niches of economic activity and remain there across generations" (Portes 1995).

Economic sociologists have also started to realize the value of the cultural approach. Richard Swedburg (1991) mentions that the role of culture in economic life has been studied since the 1980s. Although he is not comfortable taking the role of culture too far, he does admit "that economic sociologists need to take culture into account..." (Swedburg 1991). So the role of culture is at least as important as agency and social structure included in the other approaches to entrepreneurship. But like the others, it can not stand-alone. Granovetter is even less convinced of culture's efficacy: "If groups really did behave in ways so closely determined by their cultures, it would indeed not be necessary to pay attention to the evolution of institutions over time; there would be little such evolution so long as the culture remains stable" (Granovetter 1995). Critically, I wonder how stable culture really is, as it appears to us to be dynamic, rather than static. Bell (1998) responds to this claim: "Strong arguments for the significance of culture can be made with such an approach, emphasizing culture's stable influence across a period of change. But we should also consider the possibility that cultural *change* makes a teleological contribution to the dynamics of social life" (emphasis in original). Bell continues the argument, "it seems to me that we have been

so worried about establishing culture as a thing, a matter worthy of scholarly attention, that we have emphasized its stability, its dull compulsions, over its social creativity" (Bell 1998).

To continue the critique of Granovetter in the light of Bell's argument, Granovetter also appears to operationalize culture as a *constraint* to economic growth. In Granovetter's words, entrepreneurs may only be successful to the degree they can also provide for the family, and/or community in which they are embedded. For example, Granovetter maintains, "Thus, any cultural device that can decouple one group from another may facilitate commerce" (Granovetter 1995).

Christopher Ray (1998) presents what he calls the culture economy approach to rural development that may add to our understanding of entrepreneurship. Unlike Granovetter, Ray views culture as an *opportunity* for social and economic growth and development. This is the approach "...in which local cultural resources are seen as the key to improving the social and economic well-being of local areas" (Ray 1998). In his article Ray calls for more research on the role of culture in economic development activities. He requests, "We need to look more closely at the processes whereby territorial/cultural identities are constructed, promoted, and protected" (Ray 1998). By focusing on the opportunities of culture Ray is not merely commodifying it for growth, but also providing a way for communities to preserve their cultural identity in an increasingly globalized economy. He is also highlighting the important interaction between culture and agency.

Going back to the interview with Josh in Campustown, there was plenty of opportunity for entrepreneurship in Ames, but there are also many structural and cultural constraints.

I asked Josh about how he viewed the culture of Ames. "Do you think Ames is Creative community?" I asked

Josh looked me in the eye and said, "You know what, I think there is a lot of creativity here but I think it is stifled. And it all comes down to in my opinion the city council. Obviously with the university here there are a lot of people here with a lot of good ideas. Yet a lot of them are not even brought forward because they know the answer before they even ask the question. If you look at Ames versus Iowa City, Iowa City is a very creative, very progressive city. Iowa City realizes the values of the university and the students. They cater towards that. Ames would just as soon secede from the university. They would just as soon have two separate towns. They don't want to screw with anything going on in campustown yet they want to put all these restrictions on us. If they could just have their little downtown area they would be happy as pie."

As with John, Josh is now trying to describe the culture of Ames by comparing it to another community. This time Iowa City is used as a comparison. Iowa City has a slightly larger population than Ames and a big ten university, but according to Josh it has a very different cultural and political feel. A visiting poet from Israel wrote in 1984, "If Iowa is the leading U.S. hog producer, Iowa City can be described as pearls before swine. It is an oasis of culture" (Megged 1984). Indeed, in my own visits to Iowa City, I could see that structurally the city integrates the university with the downtown area more than Ames does with ISU. There is also a downtown mall area for pedestrian traffic only, similar to mall areas in other college towns like Madison, Wisconsin and Charlottesville, Virginia. Also, the Self-Employment Investment Demonstration was started in Iowa City in 1988. This program

helps Aid to Families with Dependent Children (AFDC) recipients start small businesses, and has been very successful in Iowa City (Else and Raheim 1992). Perhaps these structural differences contribute to the cultural differences as well.

Historically the city of Ames developed downtown first and Campustown was added later. Yet it is interesting the relative cultural weight that most business owners like Josh give to ISU.

Josh continued, "What they don't realize is this town would be nothing without the university. There would be no income in this town. All these industries aren't here because Ames is so great, they are coming in because the university is here and they have instant employees and all that."

"Can you tell me more about the culture of Ames?" I asked Josh.

"It has become more and more conservative as has the nation I think with alcohol... From the time that I came to school here and now there is a huge difference. When I was in school we had unlimited kegs at dorm parties and stuff like that. When you tell kids that today they say 'you have got to be kidding, I can't even have a beer in my room.' The climate is definitely become more conservative. I would say that Ames itself has become more conservative than nationally. It's kind of the wave on college campuses."

Of course Josh's businesses all rely heavily on the structure of laws and regulations regarding alcohol consumption, but is this any different for nightclubs in any other college town? It seems the cultural economy of Ames is different than Iowa City or Madison, Wisconsin.

Clare Hinrich's research on the cultural economy of maple syrup production provides insight into some dimensions of a cultural economy including: risk management, seasonal work, identity, and connection to community (Hinrichs 1998). Rural entrepreneurship under the cultural economy approach takes into account social and cultural as well as natural resource issues. Hinrichs hypothesizes, "The cultural significance of rural work may even increase as the available roles and identities in rural areas undergo change" (Hinrichs 1998). This research stresses the interaction between individuals, structure, and culture.

Meridith Ramsay's (1996) analysis of two small communities in Maryland concluded that the local values and norms of the communities determined the type and amount of economic development that occurred in each. She contends "Social structures that are rooted in particular places tend to generate local culture" (Ramsay 1996). Culture and structure are "...closely-linked processes that continuously shape and perpetuate a community's way of life" (Ramsay 1996). So as a community's structure is changed so is its culture.

Although Ray, Hinrichs, and Ramsey do not make this argument explicitly, I extend their work to argue that there are actually interactions and influence between the agents, the structure, and the culture of the community that influence entrepreneurship. The causal arrows go all ways in the interactions between these three elements. This is an important aspect of what I will call the cultural context of community.

Dennis Wrong's work on the influence of cultural norms may also be useful for the study of entrepreneurship. Although Wrong is not overly deterministic (unlike Parsons), he is very critical of RCT. He argues that the "expectation of others" carries a normative weight or obligation to others that we all have been socialized to take into account. He continues,

"But we cannot even possess a self and differentiate between its interests and those of other selves, or between self-serving and self-denying normative prescriptions, without having undergone a process of socialization. The ignoring of this and the drawing of an artificial distinction between self-interest and both the interests of others and normative demands are fundamental flaws of all rational choice theories" (Wrong 1997)

In his book The Problem of Order, he presents his arguments against RCT. "All purposive or goal-directed action is indeed action *of* a self, but that does not necessarily mean that it is action serving only the interests of the self and remaining indifferent or oblivious to the feelings of others" (Wrong 1994). He concludes, "Yet in starting from the basic premise of the instrumental rationality of human actions in the service of strictly egoistic ends, it projects an individualistic bias that ignores the fundamental role played by cognitive and emotional identification with others in shaping the very self whose interests become the mainspring of human motivation and action" (Wrong 1994).

Wrong's position on RCT is quite right. It provides a theoretically solid critique of RCT and helps build the cultural argument without falling into the snare of unyielding functionalist explanations for social behavior. For our entrepreneurial toolkit, the challenge to the work of Wrong and other cultural scholars is in integrating, applying, and specifically determining in an empirical study of what the norms, values, and beliefs within the community context encompass.

In this chapter I have discussed cultural elements of Iowa in general and Ames in particular. The "stifling of creativity" and "prairie populist culture" that John the venture capitalist finds so challenging. The different cultural feel of places like Boston, Madison,

and San Francisco and how that affects ventures. There was also a repetition from John of the sports metaphor that echoed Bill the CEO's views in Chapter 3. John talked about "waiting for the home run before you swing and hoping that it hits." He also brought up the cultural fact that these large ventures that fail forever color the landscape of entrepreneurship in this area. They are seen as the only culturally appropriate models further stifling new ideas and the creative social process of materializing an idea.

Culture can be viewed as a constraint as well as an opportunity. It is important to understand the inequality created from business ventures, but it is equally important to realize the potential for cultural change as well. Scholars are pointing the way toward integration of various levels of analysis that leads toward more creative opportunities (Ray 1998, Hinrichs 1998, and Ramsey 1996). It appears that now I need to look at how entrepreneurship creates community lifestyles and cultural pockets within the community.

CHAPTER 6: COMMUNITY LIFESTYLES AND CULTURAL POCKETS

"We talk a great deal about the idea of lifestyle, but rarely, in a conscious way, do we study it empirically, and even more rarely do we study it ethnographically." --Robert Stebbins

"To say the least...we must thoroughly understand the problem and begin to see the possibility of evolving a new lifestyle, with new methods of production and new patterns of consumption: a lifestyle designed for permanence." --E.F. Schumacher

I have argued in this dissertation that while it may be theoretically parsimonious to separate elements of agency, structure, and culture, it can also be inaccurate. Each level is interrelated and dynamically interacts with the other (see Emirbayer and Goodwin 1994). In order to combine approaches I offer three concepts: community lifestyles, cultural pockets and the cultural context of community. *Community lifestyles* contribute to the production of institutions. Those institutions create *cultural pockets*¹ that, in turn, contribute to the surrounding community environment or the *cultural context of community*.

Lifestyle is a 20th Century word first used to describe a way of living according to the Oxford English dictionary. In sociology we trace the word back further to Max Weber's *Lebensstil* literally 'lifestyles' (Abel and Cockeram 1993). Weber used the concept to explain how the rationalization of society was a change in the way of life. From the popular press of the 1960s and 70s I reviewed several monographs treating lifestyle in the sense of communal

¹ This term cultural pockets came from an interview with Jim Gregory and Joan Stein of Bikes at Work Inc. I am forever indebted to them for pointing out the value of lifestyles in entrepreneurship. They have also seen the drafts of this manuscript and have provided very insightful critique.

living, alternative communities, and contemporary studies of sexual orientations (Kanter 1972, Hardy 1979, Mills 1973, Schumacher 1973, Selth 1985, Seidman 1995). I gathered enough background material for an entry in the Reader's Guide to the Social Sciences titled "Alternative Communities and Lifestyles." Perhaps the most comprehensive sociological treatment of lifestyle I found was a 1997 article by Robert Stebbins titled "Lifestyle as a generic concept in ethnographic research." Although he traces the history of the concept from leisure studies the article has more of a methodological focus on the importance of lifestyle analysis in ethnography.

For my research, lifestyle is the meaning attributed to the material and ideological way of living. Many of us often precariously balance our means of materially making a living and ideally living the life we strive for. We often join neighborhood organizations, school groups, and environmental organizations out of the need to reinforce our own lifestyle arrangements. Others form their own institutions and start businesses for the same reason, to maintain lifestyles.

The concept of lifestyle came up in my interview with Joshua Wilton in campustown.

"Are you creating a lifestyle with your business?" I asked him.

"For my employees it has been. 'Joshua's' is kind of everybody's family away from home that works there. There are a very tight knit group of kids. Just like this employee reunion thing [ten year anniversary] we have already had 300 old employees respond that they are coming for it."

"That's incredible. Not many places could say that," I replied.

"My general manger down there has worked for me for 9 years. I've got two bartenders that have been with me for 7 years. I've got some long term people there. Just the

whole family atmosphere while they are working there. It becomes a lifestyle for 90 percent of the employees. I would say that it even becomes a lifestyle for the customers--the regulars that go in there. They center their identity around it. I think in some weird way it had created an identity for some people."

It is important to look at these interactions holistically. Communities like Ames do not have one overarching culture, but tend to consist of interacting cultural pockets that form the cultural context of community. Cultural pockets consist of formal and informal associations of people who interact to produce and maintain a certain lifestyle. Forming and participating in these associations creates and maintained cultural pockets within the community. By this definition cultural pockets are place-bound. Cultural pockets are created and dynamically maintained in and around businesses like Joshua's in Campustown.

Theoretically, cultural pockets appear to have resonance with population ecology models of organizations. Organizational ecology theory as applied to entrepreneurship focuses on the effects of opportunities and constraints of the environment on new organizational forms (Aldrich et al. 1991, Romanelli 1989, 1991). Findings from the organizational ecology perspective describe how organizational processes operating within regional or national economic and political environmental contexts facilitate entrepreneurship. But they provide no insight into the specific reasons some entrepreneurs succeed where others fail. To help overcome these theoretical limitations of organizational ecology, some organizational scholars are now focusing on the role of Granovetter's (1985) social embeddedness model in facilitating the structure of entrepreneurial social support networks (Uzzi 1996, Staber and Aldrich 1995).

The population ecology perspective also assumes that organizations must be effective in order to survive. Environmental factors are a determining factor for whether groups of organizations succeed or fail (Robbins 1990). Population ecologists often include the idea of environmental niches in their models. Environmental niches are defined by the organization and still operate under the traditional umbrella of capitalism. This is where the resonance between cultural pockets and population ecology becomes more faint.

It seems to me that population ecology theories take a Darwinian survival-of-the-fittest approach to entrepreneurship. In the sociological sense, these notions use a functionalist logic. That is to say there is the underlying assumption that although all organizations are interconnected to their environments, they are somehow controlled or coerced by that environment. There does not seem to be room for the agency of the organization. As I have stated earlier, I do not believe that cultural is static, nor do I advocate the idea that culture is deterministic. Cultural pockets, then, are the formal and informal associations of people that interact to produce and dynamically maintain certain community lifestyles. Certainly the businesses themselves benefit from environmental niches, but they also create their own subculture around the business. All organizations have their own internal culture; but that culture is never purely internal. It connects to, and also helps create, its subcultural setting. These cultural pockets may facilitate and support certain types of entrepreneurship, especially if those starting the business also share a similar lifestyle. Another distinction between organizational ecology theories and cultural pockets is that organizational ecology theories tend to hold competition as a given part of the environment. As I will show in the next sections, not all business ventures set out with competition and market domination as their driving values.

At the individual level, for Joshua Wilton, entrepreneurship is one way of balancing the material (money, resources, goods) and cultural (ideology, values, goals) elements of lifestyle. Entrepreneurship at a structural level allows Wilton's employees and customers to take part in creating and maintaining institutions and connections within the community. Also Joshua has the opportunity to network with other campustown businesses, the city council, and the chamber. Entrepreneurship at the cultural level creates and maintains cultural pockets within the community. 'Joshua's' has a reputation in campustown and within Ames. The reason why it is so popular is because of the cultural pocket it creates. By interacting with others businesses and cultural pockets Joshua's also creates and maintain the cultural context of community.

In theory, this cultural context of community may be a reinvention of the other tools in the entrepreneurial toolkit. It is not a new concept: I am not the new Columbus discovering new territory. The cultural context of community is a repackaging of previous sociological concepts in a way that applies directly to the creative social process of materializing an idea. In practice, more real world examples may make the value of this new approach more apparent.

"I set out to make the world beautiful"

Linda Glantz runs an interior design store in downtown Ames. I had been in her store before I started my dissertation work and recently heard that she was a guest speaker in an entrepreneurship class at ISU. I called her at work and set up an asked for an interview that she happily granted. When I got to her new location on Main Street, she and her associates were moving furniture around. There were many partitioned walls in the room; each station

had a different design element and cultural feel. Linda is tall and had her dark hair pulled back into a bun that day. She was wearing a black dress with a purple scarf around her neck. She welcomed me in and I introduced myself. She motioned me over to one of the big green couches and we sat down. I asked if I could tape record the interview, she agreed, and I set the tape recorder between us.

"So how did you get this business started?" was my lead question.

"I had been working as an interior designer out of my home because I had a new baby and I lived on a farm south of Nevada. I went in to have my yearly taxes figured by an accountant. While we were there the phone rang and he turned to me and said 'The local furniture store is being locked up by the SBA. You used to work in that store why don't you buy it?'

"That was Monday. By Friday at 4:00 PM, I was sitting behind the big desk at the old furniture store in Main Street in Nevada. It was January 1980. We had paid 962 dollars. There was no inventory taken it was very poorly handled. It was 1980 the height of the farm crisis. We made one payment and assumed all of the debt that was about 100,000 dollars. I think the SBA was going to get nothing. By spring all the farmers were buying down all their loans. I think there was at least a 50,000 dollars buydown and we had very poor legal advice. That's all long ago paid, long ago paid.

"I had worked in that store and had talked about owning a store someday. We had plans drawn up to build a big studio addition onto our farmhome because I was just working out of a closet. And then this store was available...all of the sudden we had a furniture store. But there was no planning and very poor financial advice."

"Do you have entrepreneurs in the family?" I asked.

"My Dad was a farmer and always at the mercy of the weather and livestock pricing. I thought if I had a furniture store I would be able to set my own prices. Then I wouldn't be at the mercy of what was happening. I don't think that's true.

"Today's consumer has gotten bolder and bolder. Most of them will tell me what they will pay. The client that is our target is very mobile and very educated. Now they are on the internet in Minneapolis or whatever. So it's kind of like being a farmer. My knowledge of watching my Dad trade for combines helped me deal with the local farmers when they came to me."

The idea that today's small town retail was like yesterday's farm is an interesting analogy. The farm crisis as well as the increasing pressure of chain stores like Wal-Mart affected local downtown businesses like Linda's². Perhaps downtown businesses in small Iowa towns have the same genesis as many family farms—they were created for lifestyle reasons. These lifestyle businesses were not necessarily created to compete in the larger pool of capitalism, but still face the same strong undertow, just as family farms face today.

Linda continued with her family background, "The family legend would be that I am like Uncle Ed who sold trainloads of cattle during the depression. It must have skipped a generation. My Mom is so conservative; she is scared of buying coffee in Veteran's Auditorium because it is too expensive. Do you understand?"

"Right," I nodded.

"Because in the depression they lost the farm I think it skipped a generation. I had the verve or the nerve of Uncle Ed, my grandma's brother. So if you are looking for roots of

² Ken Stone at ISU has published extensively on the effects of large retail chain stores on downtown businesses.

entrepreneurship...but you see I couldn't even *spell* entrepreneurship" she emphasized. "I had never even heard of it. I had no idea I was one."

"So did you go to the SBDC later on for assistance?" I asked looking for structural supports.

"See none of that existed and in 1980. I was a woman who did not inherit it. Frankly I don't think it is politically correct, but I wasn't Jewish or from a family of long term merchant retail skills. I had seen none of that.

"You see I started calling it Linda Glantz Interiors because it was in a closet on the farm. Then the store I bought was going bankrupt and I bought it for one payment. All of the sudden I had this business. That Saturday was the big furniture market of the year in Dallas. Friday night in *celebrating*" she said gesturing Nixon fashion, "at Aunt Maude's [an upscale restaurant in Ames] it dawned on me that the big market is in Texas tomorrow. So I went to the phone, got a plane ticket, and the next day I got on an airplane to fly to Dallas. And that was before credit cards.

"I took a friend with me, just a lady I played bridge with. A lawyer's wife. We got to Chicago and we decided that instead of a drink we would have a hot fudge sundae. And I didn't even have any money. I had a dollar. Here's the big furniture entrePERner," she said smiling and announcing, "trying to buy a hot fudge sundae in an airport to celebrate. I didn't even have any money.

"I was just out there off and running because I had nothing to lose. The financial statement for the store showed grains and hogs because my husband at that time farmed."

"So why do it? What was your motivation for doing it?" I probed.

"I don't know. I can say that probably there was a real personal motivation and probably that helped me stay married for seven years. If you came in and said 'I love your front window! Your draperies are beautiful. I love your outfit. The painting is pretty with the sofa.' That was feeding me and I didn't know that I was so discontent at home. I frankly could not have verbalized that to you at all."

Linda is foreshadowing the fact that although her business life kept her happy, her marriage did not and later ended in divorce.

She continued, looking back I could say that I was seeking some kind of recognition and approval. I took the Meyers--Briggs test and it said that I was a total introvert and completely reclusive."

"But you are also an artist and I think that is very common for artists" I added.

"I had to learn to work trade shows like they were cocktail parties. I developed it as a skill, some kind of showmanship. I built it all to make Linda Glantz a personality like Betty Crocker or something. I set out to make the world beautiful."

Linda was creating a lifestyle not only for herself and her family but also for anyone that patronized her business. She realized that her business would create what I would call a cultural pocket. As the founder she needed to represent and promote that image. Borrowing a page from Erving Goffman's work, Linda recognized the need to set up a front stage performance of the interior design entrepreneur for others to see and ultimately reinforce. She worked "trade shows like there were cocktail parties" swimming with the big fish in the larger pool of capitalism. Off stage she maintained a more local, community lifestyle.

"Mary Harms is one of my very best friends," Linda explained to me, speaking of a marketing instructor at ISU. She continued, "I learned at one point when she started talking

to me about her teaching and entrepreneurship. She said 'Linda, you have total tolerance for ambiguity.' And I said 'Excuse me, I don't have a dictionary with me.' I found out that I could keep going and not have a clue about where I was going to get the money, how I was going to eat anything. I didn't know that was a tool that I had to have to be an entrepreneur. I had no idea I just did it."

As an ethnographer I have been trained to notice what Geertz calls the difference between a wink and a twitch (Geertz 1973). The difference, of course, is that one is intentional and one is an involuntary response—that is, the wink is meant to convey meaning. In this interview with Linda, I sometimes felt like she was intentionally telling her story as a naïve and disadvantaged person in the business world. Yet by interacting with her and analyzing her life story, I came to recognize the intelligence, strong will, business experience, and social connections that helped her stay in business through the rough spots in her life. I returned to the conversation from this perspective.

"Do you see yourself as creating a lifestyle with your business?"

"I think it pretty much consumed me, it became a significant other to me. There were times when I really tried to kill it or divorce it but the store was always there. I could never get rid of the store. In 1985 I took my daughter and my clothes and left the farm. The farmhouse was sold with everything in it. The candles were on the table; the flowers were on the mantle. I never went back for anything but Lisa and my clothes. Lisa was 6 years old.

"I knew I could make it because for my birthday or Christmas or something my Mom would give me a one hundred dollar bill and I had saved seven one hundred dollar bills in July of '85. I knew Lisa and I would make it. We came here [to Ames] and lived up in that

old building by the library. There were little things wrong there like no heat. See the business was downstairs and we lived upstairs. All Lisa had to do was walk downstairs.

"And then I called up Friedrich Realty and asked them if we could live in their model home. We signed a contract saying they would have a model home setup for a year. Every Sunday from 1-4 PM we had to leave. Every realtor that worked for Friedrich's had a key to our home. Every morning we had to clean the sink, the counter, and had every bed made. We could have no pets. When we came home at night there might be realtor cards, but we lived free.

"Then we house-sat for some people that went to Kansas City for a year. We moved six times in seven years, my daughter and I. We were in total survival mode. I didn't get any money from Lisa's dad. I had to figure out how we were going to live. At one point one of the bankers said to me 'You are not a good manager.' And I shook my finger at him and said 'You have NO IDEA how I manage!' I went out to my car and called someone at the SBDC and told them that the banker really came at me. By that time I was crying. They said 'Did the banker know he got to you?' I said 'No, I shook my finger right back.' They said 'He will probably never come after you again like that.'"

In rational, business terms Linda "had total tolerance for ambiguity" and was "not a good manager." Yet from a lifestyle perspective she was taking care of her daughter the best way she knew how. She was balancing, as we all do, the means of materially making a living and ideally living the life she wanted for her and her child. It may have been easy for a male banker with class privilege to point the accounting finger at Linda. As Mike Upah from the SBDC warned us, there is a certain language and culture to dealing with the bank and deviance from this is not appreciated. My argument here is that these "rational"

decisions are just as cultural and lifestyle oriented as the decisions Linda made in her life. She was committed to her community lifestyle and was not going to conform to another model.

She continued her story, "At one point someone at the SBDC said 'Linda, can you run a business that doesn't cash flow?' and I said 'Oh yes, I do that.' And he said 'Linda, the correct answer to this question is no. You cannot run a business that doesn't cash flow.' I told him I have been doing it for over ten years" she said smiling.

"What do you think of the culture of Ames?"

"I have gone down and visited friends down at Iowa City and it definitely feels different. I have had people walk into my store and say 'How come you are not in Kansas City?' and 'How come you are not in Minneapolis? If you had everything that you have here setup, you would be making a fortune.'"

"Are you still connected to Ames? If you find some place in Minneapolis or Kansas City will you move?" I asked wondering about her sense of place.

"Probably not. At this point my daughter is here, my family ties are here. I think I would keep this as a home base."

Right now I am starting to do some work with the national home furnishing association. I am going to a market show in North Carolina here in September and they have a television show called Haven. I am going to appear on eight segments. Then the National Home Furnishing association is geared for Consumer Advice that is another TV show. I am going to try to be a consultant and work with them. By having a smaller location here in Ames I can do those things and not be so stressed."

Linda set out to make the world beautiful, but not at the expense of her family and community. She refused to conform to the rational business lifestyle and instead created a business that maintains her own lifestyle. In fact, she went a bit further and is actually creating a cultural pocket with her business. She is committed to this place and is creating a way of living that is aesthetically coordinated. In a sense she is actually selling lifestyle in her store. In a way she is Ames' version of Martha Stewart, but unlike Martha she has not been striving for a capitalist lifestyle. With a community lifestyle commitment, she can still "do those things and not be so stressed."

Bikes At Work Inc.

I was eager to interview Jim Gregory and Joan Stein because I felt like I already knew them through my major professor Mike Bell and having seen them pulling trailers around town by bicycle. I called the number from the business section of the phone book and Jim answered. He was positive and energetic on the phone. I asked him for an interview and he was very open to me coming over that week. He gave me the address, 216 North Hazel, so I wrote that down and hung up with him.

I was wearing my Tevas, my Irish Pub T-shirt from Madison, jeans shorts, and I hadn't shaved in the last two days or so. This was all purposeful just as my appearance was different for the research park companies. I had biked by their house the day before the interview and thought I missed it. I rechecked the address in my pack because the building with their address looked about the size of my garage. I thought this must be their working area/warehouse garage, but it was actually their house. It's a little white rectangular shaped

building located in an older neighborhood of Ames, almost in between downtown and Campustown. They are not far from the railroad tracks and 6th street.

I pulled up to the house and saw several bicycle trailers outside. There was also landscape bark down for parking the bikes and trailers. There was no rack or fence, so I just leaned my bike up against the building. I wasn't really sure if I should go to what looked like the front or approach the back. There were square stepping cement/stones to the door, so I approached the back. Jim saw me coming through the window and opened the door. I introduced myself and shook his hand.

Jim is lean, with unruly sandy blond hair, penetrating blue eyes, and was wearing cutoff jean shorts and an old white undershirt with the sleeves cut off, and tennis shoes. He is around 5' 8" tall. As I walked in through the small kitchen and dining room, Joan was sitting in a rocking chair in the living room. She got up to shake my hand. They were both smiling when they greeted me. Joan was wearing running pants and a tank top and sandals. Her hair was brownish red and cut short in front and back and longer over her ears on the sides. They were both quite tan and athletic with sinewy muscles. They seemed to be somewhere in their 40s. Jim sat down at the computer desk that was in one corner of the room. Joan sat in her rocker across from him in the other corner and I sat down across from her.

Joan asked if I wanted anything to drink. I asked for water and thanked her. As I got the tape recorder out of my bag on the floor I started talking about my research intentions. They asked if I was working on my masters or Ph.D. They were savvy to academia that immediately put me at ease from a class standpoint; understanding how the degrees work and how long it takes to complete them.

I want to take a brief methodological pause here to say that I think because Jim and Joan are such public figures (they have been interviewed by many people, appear in several books, the Ames Tribune, the Iowa State Daily) that I had more trouble establishing rapport with them. Toward the end of the interview we hit it off much better. They seemed initially very careful with what and how they said things. They mentioned being misquoted and quoted out of context in the local papers.

"The first thing I would like you to tell me all about is how you got this thing started?"

Jim was responded to this. "I guess there are a few things. I've always liked to bicycle a lot. And I always thought that the bicycle is a very efficient, very simple machine. That's been attractive to me for a number of years. I came here from St. Louis to go to school. Back in St. Louis there is a lot of suburban sprawl. So when I came to Ames, I started to see that on a smaller scale, but still continuing to occur.

"So I wanted to try to do something that I thought might divert that in a small way. And so I thought, ya know, what do people drive around for? Some people drive to get to work and I can't really have much impact on that. But a lot of people drive around to do the things they need; especially to go grocery shopping. So I thought I would offer a grocery delivery service which is how I got started. I bought a small baby trailer, a small Burley. I started that way. I didn't have enough customers to make a living that way so I started delivering pizza about the same time too for a place here in town."

It is interesting to note that Jim performed the initial trial with his bike and then reinvented it. He kept with the technology of the bicycle, but started changing what he carried on it. He stuck with the ideology that the bike business was right, just that he needed

to change the product he delivered. In other words he was so committed to the sustainable transportation lifestyle that he was going to make it work no matter what. Others may have scrapped the bike and bought a car for the grocery service or tried to market the grocery service more. He definitely had a lifestyle orientation for his business.

Jim continued, "When summer came around, visitors dropped precipitously. I could see that coming and so I had to find something else to do to make enough money to make this work. And so, do you know Starr Ranken here in town?"

"Yes I do," I said. She is on the public access channel in Ames quite a bit with her partner and is very involved with establishing a green party in Ames.

Jim nodded, "She didn't have a car at the time, and asked me to take her recyclables to the recycling center about once a month. So I thought well if she wants it, there might be enough demand for it. I thought it's certainly a very benign way to recycle stuff. It can't get any more efficient than that. We started running ads in the paper at that time and gradually it took off by itself.

Here again we see the lifestyle argument. Jim found people with similar values who asked him to do them a favor. Even though Starr and her partner live alternative lifestyles for Ames, Jim thought there might be more people like them in town who might want the same service. This was a big assumption for Ames without much evidence.

There's a guy by the name of Bryan Burke who used to be also in the department of sociology. If I recall he was a master's student?" Jim asked Joan.

Joan nodded, "Ya, another one of Mike Bell's students."

Jim continued, "So I hired Bryan to help me out. Then Iowa State was going to have a fair for businesses to try to market to students in the recreation center. I got a flyer in the

mail about that. I said 'Bryan should we do that?' and He said 'Yea, let's do it.' So he and I went there and we found students in the dorms that wanted to have us pick up pop cans and also pick up recyclables in the dorm as well.

"I guess about a year or two later Iowa State decided they wanted to have dorm wide recycling program. They was some debate on the ISU recycling committee, 'should we do this all in-house, should we contract this out?' There were some students we had dealt with on the ISU recycling committee who were already using our service and they persuaded the administration to contract it out; preferably, to contract it out to us. The contract was written so they gave preference to alternative environmentally friendly forms of pick-up. So we got that contract and we are at the tail end of that three-year contract. And that's how things have grown."

I telephone interviewed Bryan Burke who now lives in Pullman, Washington to get his side of the story. He had an interesting take on the interaction between agency, structure, and culture that helped get Bikes At Work off the ground.

"Were there supportive elements in Ames?" I asked Bryan.

"There were several structural elements particular to Ames," he said. "The resource recovery plant prevented the city from implementing a curb-side recycling program. I remember talking with the Interim Director of Public Works for my thesis research and he said 'For everything we burn it costs us money.' There was also a well-educated crowd that could afford to pay for recycling pickup and the city of Ames is reasonably liberal for Iowa. It would have been hard for Jim to set up in another community without these elements.

"I was the first person Jim hired," he stated. "I used to do 35 mile routes in about four hours. I made good money, between 6 and 12 dollars an hour working for Jim. He showed

me what he made for profit after hiring people and it was about 5 cents a recycle bin. He was making nothing. No profit. He was just hiring people and getting the work done for Ames."

Again, this echoes the work of Linda Glantz. This was not profit-oriented business logic, but a community lifestyle choice. A choice of green values and social responsibility.

"Do either of you have a business background? I asked Jim and Joan.

"No, not at all," Jim said.

"No," Joan added.

"What made you think of running your own business without prior experience?"

Jim responded first, "Well, I came to Iowa State to do a master's degree and I was just about ready to graduate and I started that [bicycle delivery business] on a part-time basis while I was a student here. My future didn't look very bright in terms of things I wanted to do after graduate school. It just didn't appeal to me. So I thought well if I wanted to do something I just gotta go out and do it myself. Nobody's going to hire you to do that kind of thing. The unique things that are really good jobs worth doing are either incredibly hard to get or else you gotta make them yourself. And so I decided to try to make it myself."

Here Jim is really talking like any other entrepreneur out there. He is a risk taker, a doer in life, and not a poser. He has all the individual traits we talked about in chapter 3, but also recognizes some of the other social structural and cultural elements out there that helped him get there such as the connections to ISU; friends like Bryan Burke and Starr Ranken; a well-educated population; and a "reasonably liberal" town for Iowa.

"And this has expanded now into the trailer business, right? You make your own trailers?" I asked.

"That's right," Jim said putting his hands behind his head and leaning back in his chair "we manufacture trailers and sell them. We sell those all over the country," he said looking to Joan. This was the first time he used "we" in the interview.

"And how did that start out then?" I asked accidentally knocking my coaster off the table with my glass of water. I picked it up as Jim answered.

"Well, I originally had to build them for myself because for that that Burley ride deal it just wasn't adequate it was too small for carrying groceries. Burleys don't really work all that well, because they are not watertight. So I started making them for myself. When we got into the recycling business it was imperative that I build them myself because the other ones weren't big enough to do that kind of work by themselves. So I thought after that 'If I have a difficulty like this, maybe other people do too.' I think we pretty much started out selling them directly over the internet?" he asked Joan.

Joan shook her head, "We had a brochure first. I guess most of our early trailer sales were gained by doing a little bit of advertising in alternative transportation magazines. People found us that way. That was just prior to the takeoff the large takeoff nationally of the internet. Since then the internet has been a wonderful way to advertise."

Jim added, "I think the alternative listgroup helped too, people would ask questions over the internet. We sold a trailer up in Portland one time--up to that guy in Oregon. The guy with the tandem that time?" he said looking to Joan.

"Oh ya." Joan nodded.

"I think that's before we got our website put up. I don't think he saw us in a magazine. There are a couple magazines available, there's one called *Auto Free Times*, that's out in California. We've advertised in there on and off over the years. There's another one

called *Sustainable Transport*, which is more of a kind of a world focus. We advertise in there as well."

Joan added, "We are looking for people who are very concerned about transportation issues and concerned about the way cars have kind of dominated the culture these days."

"What made you decide to stay here? Why Ames and not somewhere else?"

Jim responded first, "For this kind of business, Ames is really set up pretty well. It's a fairly small town [currently about 5 square miles]. You can pretty much reach all areas of town without too much difficulty on a bike. It has a fairly progressive biking system, a fairly progressive planning community, and I think they have built up some fairly reasonable bicycle paths. Traffic is not too bad yet. I guess I have the impression, tell him what you think about this (he said to Joan) that public work staff is pretty progressive also. The city council though is not necessarily too progressive."

Joan replied, "By and large I think city staff we have found is more willing to step out on a limb and try some new things, like perhaps on street bikeways. Like they have more in Madison, Wisconsin?"

"Ya, right" I nodded.

"But the city council is very hesitant to do that, because of the perceived threats to younger riders or less experienced riders. But I just don't think perhaps in that situation that the city council has made themselves as knowledgeable perhaps as they could be on that issue" Joan said carefully as she looked down at the tape recorder.

"Or because none of them ride bikes." I joked.

Joan was laughing hard. Jim said with a smile, "Many city staff do things because they don't want to do other things."

"What about other organizations within Ames?" I asked changing the subject.

"Wheatsfield has been helpful in that sense" Jim replied. Wheatsfield is a co-operatively owned grocery store in downtown Ames. Jim continued, "I guess just the general people who hang out at Wheatsfield are people who...the general type of people who are a little bit more environmentally conscious are more prone to patronizing a recycling by bicycle sort of business."

Also, as Bryan Burke mentioned, there are social class issues here. Most people that shop at Wheatsfield are college educated and financially secure enough to afford a half-gallon of organic milk for \$2.75. It is also likely that Wheatsfield formed a cultural pocket around the business that also supports Bikes At Work. This cultural pocket consists of formal and informal associations of individuals interacting to support and maintain green lifestyles similar to Jim and Joan's own lifestyles.

Jim continued answering my structural question, "The student environmental council has been very helpful too. They have either lined up work for us or have gone to bat for us in certain situations that we needed them."

Joan nodded, "Right, for example as they were getting their newspaper recycling up in six of the buildings. They were very, very proactive in consulting us on what kinds of bins would work and what kind of rates we would charge. So I would say student environmental council have worked with us both on residence hall recycling, newspaper recycling, and have also been very supportive of our business."

This network of social capital to the Student Environmental Council (SEC) at ISU was really crucial for the foundation of Bike at Work. The original connection was largely due to Bryan Burke which Jim and Joan recognized in the interview rather than taking

individual credit for it. There was a mixture of individual attributes, structural supports, and cultural pockets in Ames that helped make this creative social process of materializing an idea a success.

Jim noted, "I was thinking Bryan Burke with the SEC was the one who originally contacted me about the various things we've done. You're right (to Joan) that was certainly an important part there. We couldn't have done things without it. As people have become involved with the SEC over time some have gotten busy, some have graduated, others have come in. We always seem to keep a pretty good connection with them."

Joan added, "I just think the organization and what they are doing is a group of people who are very environmentally conscious. They are just very, very supportive of a business like this with the values that we operate under." In other words the SEC not only shares similar values, but also is willing to support the community lifestyles that Jim and Joan promote through their business.

Spinning off the Business

"What about banks and finances?" I asked.

Jim replied, "Well, one of the nice things about a business like this is that it has really low capital requirements. No storefront is required. No land required; no big equipment required. So we haven't ever really had to seek financing anywhere. Most of the time we just set up an account at the ISU credit union, a separate business account. This year we incorporated for the first time and so now we are trying to seek out a bank that would handle a corporate account. Which is different because from what I understand if you have a

business account then banks start to charge you for every check that goes through your account."

"So how many people work for you all now?" I asked.

"At this time, we just have one," Jim said laughing. "During the school year we have about fifteen. We were up to 24 at one time. Our residential recycling service got to be too much to manage with everything else, so we sold that to Spenser Villwock. He now operates a company called Second Generation Recycling. He does the same kind of work we do by bike, but he just serves all the residences here in town by bike. We now just serve Iowa State."

"I see, so there is no competition with him starting his business?"

"No, we sold to him outright and I think there was just a general agreement 'we take Iowa State and you get everything else.'"

"And he is not planning on doing a delivery service?"

"I don't think so, I think his hands are pretty full right now," Jim said smiling.

Spencer's hands are really full as I discovered when I interviewed him. Spenser grew up in Campustown and went to ISU for a degree in English. After graduating, he worked for a local coffeeshop while still living at home with his parents. Jim and Joan sent out a flyer to all their customers explaining how they could no longer continue the residential recycling service. Spenser and some friends decided to talk with Jim and Joan about it. Spenser was the only employee of Second Generation Recycling so he puts on at least 50 miles a day in pick-ups.

Jim continued, "It was a bit touch and go for a little while because we originally shut down the residential recycling service. Spenser and some of his friends stepped in a few

weeks later and bought our mailing list and everything. So they had to rebuild the customer base. And now he is actually above where we were before."

Joan added, "We were so happy to have someone who was interested in continuing that service, because like Jim said we felt since we had too much and it was just an Act of God. We were happy the customers could keep their service if they wanted to rather than have to do it themselves." It really was a pleasant surprise to Jim and Joan that this happened. It was also news to Bryan Burke when I told him what happened. He was not aware of the spin-off to Spenser. He said to me over the phone: "If you told me Jim cut off his right hand I wouldn't be more surprised. He must have been really burned out."

This spin-off is remarkable in many respects. Jim and Joan not only helped Spenser get started but have also mentored him through the business. They are all friends and run businesses that in the rational sense have the same market share. There is nothing keeping Spenser from capitalizing on this concept other than his own commitment to community lifestyles. Just as I was getting ready to leave Iowa in the summer of 2000, I found out that Spenser passed the Second Generation Recycling baton to another avid environmentalist, Stig Palmer. Spenser left a note for his customers. It read: "Thanks to all of you for everything, and this has certainly been an experience to cherish. Keep on recycling, for we certainly are making a difference!" Interestingly enough this was not the only business where I discovered a cooperative rather than competitive spin-off.

Sally's Travel Service

Although Cathy and I have used Sally's Service to board our dogs when we go on vacation I really had not talked with Sally much about her business. Dropping the dogs off

and picking them up was always a hurried affair. I finally called her up one day and asked if I could interview her. She agreed. Sally lives with her family on the edge of Ames. They have a ranch style house that sits on a few fenced in acres with two horses roaming around. Driving up the gravel driveway you see the house and a newer looking rectangular building out front. Sally welcomed me into the house. It was spotless and decorated with antique furniture and crafts. We sat down at the kitchen table. Sally is in her late 40s, with short brown hair and a wide smile. She was wearing jeans, work boots, and a T-shirt. There were two golden retriever puppies sitting under the table at her feet.

"So did the idea come first or were you looking for something else to do first?" I asked.

Sally said, "Actually what I wanted was I knew I had to work but I also wanted to be home when my son was home. The only way you can do that most times is to have your own business and that's what I decided."

"So what are you thinking for the future of it then?"

"Hopefully when the loan is paid off I am planning on closing and going into full time training; using the facility for training. If we go away, you cancel the lessons for that amount of time and you have weekends free. At this point that is my plan."

"What do you think of Ames as a community?"

"I used to think it was liberal and I really don't anymore. I think, this is terrible, who all is going to be listening to this?" she asked me. I assured her confidentiality. "I have a feeling that there are too many chiefs in this town, too many white collared professors who are know-it-alls. I can say that my husband is one," she said laughing.

"I am training to be one!" I said joining her.

"They interfere with school boards they interfere with lots of things; interfering with teachers. That bothers me a lot. I mean I set in my ways, but sometimes I am much more open-minded than some of the people like that. And it bothers me. I also used to think that because it was a college town that we were very open and not prejudiced, but now that I have a kid in high school, that was at Ames high--it is a very prejudiced town. Regardless of how many foreign students are here, it is a very prejudiced town."

"I heard that you helped Windancer get started?" Windancer is another kennel just outside of the other side of Ames. I found this out when I interviewed the owners of Windancer.

"Yes," Sally nodded.

"Did you know them before?" I asked.

"No," she shook her head, "she called one day and wanted to know if she could speak to me. We hit it off wonderful. She wanted the same type of setup as far for the cleanliness and I knew that she was going to be as picky as I am. We just became very good friends. Where they messed up on my kennel I made darn sure they didn't on her kennel. We have just been very good friends. Actually her kennel is even nicer than my kennel."

Sally not only mentored the founders of Windancer, she worked with the building contractors, helped with designs, and offered business advice. Windancer is another kennel run by a woman who wanted to be home with her children and still materially make a living. In an informal conversation with her husband, he told me "When we bought this place, they had hogs here. There ain't no money in hogs these days so my wife said 'Let's board dogs, people will pay good money for that.'"

The important point for entrepreneurship is that both kennels have the same market share and yet again.cooperation not competition is the rule. Both owners have become friends. Sally even admitted with a sense of pride that Windancer is even nicer than her set-up. As opposed to the models that I have read and heard about from the business and management centers, cooperation can be a valid model for entrepreneurship and community lifestyles.

"If Ames was a little more green"

"If you could change things what would you change?" I asked Jim and Joan in their living room.

Jim replied, "You know, if Ames was a little more green I think it would make our work a lot easier. I think simpler things like slowing traffic down. You never see people discussing the traffic problems here in town. It sure would be a lovely place to get around with a bike."

"What do you think of the cultures in Ames? Is there a certain place for culture in Ames?"

Jim took a moment to think and then said, "There is I think definitely some geographic areas in town that I think are more cultural. There are certain cultural pockets in Ames I think."

Joan agreed with Jim, "I'd say the close to downtown neighborhood association is a particularly strong organization and group of people that is into the community thing. I would say is a definite culture at least trying exert a little bit of influence around the city."

This was a crucial part of the interview for me. Not only did Jim introduce the term cultural pocket, but also Joan backed it up with a sociological example. Joan also is bringing in the idea that culture has an integral interaction with structure and is of course made up by individuals in social interaction. The downtown neighborhood organizations produce and create cultural pockets that in turn create the cultural context of Ames. This cultural context has been essential to the success of Bikes at Work Inc.

Jim and Joan were avid bicyclists and environmentalists, developing a lifestyle they preferred by combining what they do for a living with their own personal values of how to live their lives. Although they took initial action and risk, several different elements contributed to the possibility of materializing this creative social process. Socially, Jim and Joan were supported by some environmentally conscious friends in town (who recycle, organic garden, and choose not to own a car). Structurally, Ames provided much support with multiple bike paths, a large university population, and no existing curbside recycling program. Also, although the growth machine of Ames did not overwhelmingly boost this new venture, Jim and Joan did get initial support from the local paper, the Chamber of Commerce, and a local credit union. Culturally, Jim and Joan's friends were associated with the cultural pocket surrounding the Wheatsfield Co-op. Also, as Bryan mentioned, Ames has a cultural feel as a "liberal" town (for Iowa) with plenty of people sharing an environmentally conscious lifestyle and acted accordingly. The cultural context of Ames and community lifestyles within it were supportive of this unique business, one that may not have been as successful in other Iowa communities. They also helped a business just like their own get started, just like Sally did with Windancer. The social bonds between the owners keep it cooperative, rather than making it competitive. As in Parker Brother's game of Monopoly,

we discover that the game can be played many different ways depending on our lifestyle decisions.

Jim and Joan created this lifestyle business that merged their ideal and material goals. In the process they were supported by a cultural pocket within Ames, and at the same time contributed to and reinforced that cultural pocket. This, in turn, contributed to the overall cultural context of Ames so that most residents now view a bicycle delivery service as commonplace. Jim, Joan, and Spenser are pro-growth not in the sense of economic capital, but in the sense of green values—they want to see more people using their bicycles instead of their cars for transportation, business, and recreation. They are also committed to geographic place. They have not franchised the businesses nor have they sold out their trailer idea to a big manufacturer. To this end, they promote their lifestyles as much as possible locally—creating supportive cultural pockets within Ames. This promotion is expanding beyond Ames, as they are all avid internet users. Also, Jim wrote a book titled *Cycling for Profit: How to Make a Living With Your Bike*, that was published in 1999. Although Bikes at Work, Inc. may not be the traditional model of capitalist entrepreneurship in the United States, it is none-the-less still a successful model of the creative social process of materializing an idea. It also is a successful model of a business strongly rooted in a community of place with proprietors who are active in community affairs, and want to live and promote an environmentally, socially, and economically sustainable lifestyle. As Jim states in the preface to his book, "Commercial cycling is by far the best job I have ever had. I get plenty of exercise, work outside in the fresh air every day, and above all, feel like I am making a positive impact on our community and the environment."

CHAPTER 7: SMALL CAN ALSO BE BEAUTIFUL

"Man is small, and, therefore, small is beautiful." –E.F. Schumacher

Entrepreneurship is the creative social process of materializing an idea. By socially redefining the rationalized roles of founders of enterprises, we open the door for more sociological dialogue regarding economic processes. Throughout this dissertation I have argued that business and management scholars have usefully moved beyond methodological individualism towards more structural analyses. However, they often still view entrepreneurship through the lens of methodological individualism. Sociologists have entered the discussion adding the interaction of structural embeddedness to that of agency. Now we realize that the causal arrows go all ways in the interaction between agency, structure, and culture. I have introduced the elements of community lifestyles and cultural pockets to expand the understanding of cultural interactions in economic processes. By viewing entrepreneurship as a lifestyle process, one is able to have a clearer notion of agency of individuals to change or alter the structures and cultures they create. It also may help to get at some of the causal elements behind why people start certain businesses. Some of these elements surfaced toward the end of my interview with Jim and Joan of Bikes At Work.

"So where do these ideas come from for both of you doing what you do?"

Joan responded first to this, "It comes from so many places. Partly I think from our family's influence. Also, I think just watching what goes on around us; you know, everybody

running here and there in their cars. For us, I don't know, I think both Jim and I are both very interested in the voluntary simplicity movement and just have that kind of a lifestyle."

"Right, I am interested in that too," I said. The voluntary simplicity movement is the idea of living a life that is outwardly simple and inwardly rich (Elgin 1981). The concept broadly covers people that have made decisions to materially and ideally simplify their lifestyle including working fewer hours, consuming less (in terms of resources as well as material goods), focusing more energy on community service, social interaction, and personal development. However, this is not a new concept. Rather, it is a revisit of a very old trend. In fact, the Taoists in 5th Century BC wrote eloquently about living the simple life as many religious traditions do. Certainly ancient Western civilization has also touted similar tenets of a balance between the material and the ideal world. The historian David Shi traces the roots of living a simple life in North America through the Puritans, the Quakers, the Amish, the Shakers, the experimental utopian communities of the 1830s, the hippies of the 1960s, and the back-to-land movement of the 1970s. Now this trend has reemerged in the 1990s.

Jim added his thoughts to Joan's, "I think one thing that really affected me was the two oil crises in '73 and '79. Plus the fact that I got my undergraduate in mechanical engineering. In my field at the time, I graduated in '87; still there was a big concern about trying to make everything more efficient and less polluting. I give credit to that as well."

Joan nodded, "Yes, that's right. I think the voluntary simplicity movement; it's a neat thing. It's worth exploring. I don't know what kind of directions are you exploring it from?" she asked me.

"I was planning on doing my whole dissertation on that." I replied. "Then I thought I would have to get a grant which seemed wrong for the topic. I thought I might have to wait until I get a real job. It seems to me a lot of what we talk about in the voluntary simplicity movement is a choice¹. There is some kind of class thing that is going on with voluntary simplicity. We all have four-year degrees and are able to make these choices, so I guess that is something I am trying to figure out. Because I don't like to think that we all have to get four year degrees to make the world a better place."

Of course, here I was showing my own bias toward the simplicity movement. But to me, the purpose of applying sociology is not to be a detached, unemotional observer². The reason why some sociologists study what they do is exactly because we care about the topic and may be striving toward intervention in that area. This of course is not the mainstream approach to sociology, but a path less traveled. And it is the reason why I wrote this dissertation in a more popular press voice and conducted the research the way I did. I do not believe that I am striving for positivist notions of "objectivity," but rather striving for critical distance in my research. I know that my presence in the field affects the social interaction, but I have also been trained as an ethnographer to keep my theoretical arguments in mind to interpret the social world I observe and necessarily participate in.

Jim continued my line of reasoning, "I think college does have that advantage though. It does take you out of what you are used to and expose you to new ideas. I think if I had to

¹ Involuntary simplicity is poverty. There are social class issues here again. The fact that I choose to ride my bike everyday is much different than my neighbor down the street who rides his bike because he can't afford a car.

² For more of a theoretical argument regarding sociology as intervention see DuBois and Wright 2001.

stay where I was, I would have just kept thinking the same things that happened to everybody every once and awhile. It does kind of get you thinking."

"I think it does too," I agreed. "I am trying to be critical of it because only 20 percent of the population has a four year degree³. I also think it is cultural, like when people see you guys driving around on your bikes. I think that might change kids minds."

Jim liked this, "Well, that's our hope. That's what we are trying to do here."

Joan put in, "That's right, broaden the perspectives a little bit."

"Ok," I said feeling like I had spoken a little too much, perhaps crossing the critical distance line. I needed to get back to my research questions, "were there any mentors that you had that have helped you make these decisions in your life?" I was still searching for answers to what I might call a "causal multiplexity of entrepreneurship."

Jim said, "I guess the only real mentor I can look toward is my father. He taught me just a lot of basic skills when it comes to tools, metalworking, and just kind of taking care of something on your own. My father was actually a professor down in St. Louis in Electrical Engineering. Overall his common sense has been valuable."

"How about you Joan?" I asked.

Joan thought a moment and said, "I think probably the closest thing I can call to mentors are people I have read. Their ideas have spoken to me. The one book that I have really loved a lot is *Small is Beautiful* by EF Schumacher."

"That's a great book," I said.

³ I later checked the 1990 census data and this number represents 20% of the population that is old enough to have a college degree, not the whole population of the United States.

"It is a good book. It talks a lot about businesses in there: small businesses, local businesses, and economies. It just makes sense I think. Also Gandhi's ideas about simplicity had kind of an influence on the values that I have chosen. The values that I think are important. The values that I just want to be a part of both my work life and my personal life. Everything, it's the way I live.

She continued, "I am just happy that my work doesn't have to be different from the way that I live. Meaning that I might have to dress up lot to go to work and then come home and be simple," she said laughing at this. Jim and I laughed too. Joan finished her thought, "It's just nice to be able to have kind of a simple job that you can just be simple all the time; just kind of live the way that feels right to you both in your work and in your play."

This was the most open Joan had been in the interview so far. I think that since I added my own thoughts so much before this maybe she felt more comfortable saying what she felt. We had shared values and cultural taste in this interaction. Joan's comments on books reminded me of Yi Fu Tuan's line "A person's biography is as much what he has read, heard, and thought about as what he has done and where he has been" (Tuan 1986: 11). This pointed me to the power of books in a literate society, but also the power of ideology in changing lifestyles. This is particularly salient in an age when your lifestyle can be your business as well.

Jim agreed with Joan, "That is a very good point. I think about people who we have met in other cities who work like that. That's something uncommon here. That's what that guy we met from Germany said, exactly that. He said 'Most people have to live two lives:

their work life and what they believe in." Jim paused and said spreading out his hands, "Here, I can do both, no problem."

A critique from the business school regarding this logic may be the fact that Jim, Joan, and Spenser operate "micro-businesses." However, as I have argued throughout maybe the small businesses can keep capitalism on a human scale as Schumacher intended. This being said, does it seem impossible for high growth businesses such as Software Inc or other research park companies to retain this human scale and local control?

Capitalism and Human Scale

Although the last chapter of a dissertation is the worst place to add new evidence, I offer this as hope toward revival of a Schumacherian entrepreneurship. Again, I am not arguing that small is the only way businesses should be, but rather that small, place-based businesses tend to promote community lifestyles and perhaps community development in a more economically, socially, and environmentally responsible manner.

Perhaps this case study will help make my argument more clear.

Biotechnologies Inc. was founded in 1990 by a few faculty at ISU. The business is located at the research park and is well-known for creating an innovative food supplement for athletes that want to gain muscle mass and lose fat. In a feature quote in an Ames Tribune article, the Associated Press states "The demand could create millions of dollars in royalties for the Iowa State University Research Foundation, making it the biggest moneymaker since the fax machine." So, just like Software Inc, I was excited to get an interview with one of the

original founders, Matt Morgan. I made another trip out to the Research Park for the interview and again had to lean my bike against the outer wall of Biotechnologies Inc. I walked in the door and saw a receptionist sitting behind a carpeted divider in front of a computer terminal. I introduced myself and she told me Dr. Morgan was not in yet and that I could have a seat. I sat down by the window in a black plastic chair with a metal frame. Looking around the large, open room I saw a few more dividers, but no internal walls. It was like sitting in a warehouse with a drop ceiling. There were boxes of envelopes, packing materials, and a large bag of Styrofoam peanuts in one corner of the room and what looked like a lab in another corner. There was a conference room to my left and a few offices along that wall. The receptionist got up and I noticed she appeared college age and was wearing yellow flip-flops, faded jeans, and a T-shirt. The general atmosphere in here was very casual. I counted about six people in the office total. There were a few guys in their 30s walking around the offices wearing shorts and T-shirts. One woman went behind a divider to get a cup of coffee; she was wearing shorts overalls. This business felt more like an informally run family store than a multi-million dollar business.

Matt was a bit late for the interview. He drove up in black Volvo convertible. As he got out with his miniature cell phone in hand, I saw he was tall, around six feet. He came up the stairs to the door and came in. He was very tan with short white hair. He was wearing shorts, sandals, and a button-down shirt. He shook my hand, apologized for being late and ushered me over to the conference room. I sat down and he went to get himself a cup of coffee and then sat across from me.

"I guess my first question for you is do you consider yourself an entrepreneur?"

"I don't know," Matt paused. "I mean it's kind of hard to answer. I guess in the classic sense, I never really think of myself as that personally."

"So it wasn't what you always wanted to do?"

"Oh no, never. I was always science driven for most of my life. Everything I did was a step to improving my ability as a scientist."

I asked him my standard questions about the support of Ames, ISU, and the SBDC. He said they were not too helpful for this business because it was such a specialized technology. Matt did have an interesting take on investors though. He said "We used to have 150 investors and now we are just down to three. I didn't like them telling us how to run the business." This was interesting because although he relied on investors to initially get off the ground in 1990, he did not need or want them anymore. Possibly because he wanted to regain some local control Dave Maas told me about. *Once that business gets established in the capital markets, it loses some of that local control.*

I decided to ask Matt about the culture of Ames and how it compares to other places in Iowa. "Why do you think Iowa City and Ames are different culturally?" I asked.

"I don't know, you know I wonder about that too. You know part of that is the integration of Iowa City and the University at Iowa seems to be more of an easy thing. Here it's always felt like we sit out in the cornfield almost and then downtown is way over there.

He took a sip of coffee and said, "I don't know if that is all of it, but that's a little bit of it. More of liberal arts versus agriculture is what you always hear. I don't know if that is true

or not. There are pieces of it that all somehow fit together to really make it different. I am just amazed every time I go over there in the middle of the day to the mall area downtown. There is not a street vendor in the whole city of Ames! I can't even think of anybody sitting around in this whole place playing a guitar for quarters. I have never seen anybody around here doing that. You go to Madison, Wisconsin or Iowa City and hell they are all over the place."

Matt was articulating some of the structural and cultural differences between Ames and Iowa City that most people recognize. Perhaps street vendors and street musicians could be what Christopher Ray calls "cultural markers" of a community. They may also be indicators of multiple cultural pockets in a certain part of a community. A downtown mall area is a place in a community that is constructed to be pedestrian friendly with a dense concentration of established businesses and room for street vendors, street musicians, and children to play. It consists of multiple cultural pockets producing an inviting cultural context for citizens. Perhaps Ames could benefit from the example of many other college towns (Madison, Iowa City, Ann Arbor to name a few).

"Do you see this business as creating a lifestyle?" I asked.

"Absolutely. It sure has given me a lot of flexibility. That has probably been my overall satisfaction with this. Not that we have sort of made it or whatever. I have tremendous flexibility right now. I am half time at the university and half time here. I make more money than I ever thought I would. There are just no limitations right now. I can pretty much manufacture what I want to do and I think that is what most people want.

Explaining what he meant by that Matt said, "We have tried to do things right. This whole business of nutrition, there are so many dirtbags...most of them are, even the big companies are. They are just market, market, market. No truth, no science, no research. Here we are trying to do the research first to prove there is something there and then do the market. I truly believe we are going to succeed because of that. The consumer is going to be fed up with crap and is going to come back to what is real."

"So you are saying that even with people with cancer and AIDS some companies are just marketing to these people but there is really no basis?" I asked clumsily.

"No there is no data," he replied.

"That is pretty scary," I said.

"Well yea, it probably won't do them any harm, but it sure as heck won't do them any good. You know we spend a lot of time and money on this. This AIDS study took a year and a half. There's a year and a half of lost opportunity if you are a marketer. Well, we didn't sell anything for a year and a half (they would say). I think that's been the foundation for success in the future. Hopefully the consumer will understand that these are real products and not concoctions that are dreamed up."

"And appreciate your values," I added realizing that perhaps yet again I was overstepping my critical distance boundaries.

"I hope so," he nodded.

"You are not just trying to make money, you are trying to help people," I said, honestly agreeing with him and also trying to show him that I was actively listening and taking into account what he had to say.

"It is pretty satisfying. We are doing well. There are always people criticizing you for making money off of AIDS and that's a hard one. We realize that and we have to tell them the story of how you got to have money to do the research before you put it on the market."

Initially Matt seemed to be following what I have called a capitalist lifestyle, but as the interview progressed, I was starting to reconsider. Getting rid of the 150 investors was a big step in the community lifestyle direction. Rather than continually expanding and being driven by the market, Matt had reigned in some traditional capitalist tendencies. Another step was the new line of research with the protein supplement. Initially the supplement was marketed to athletes and bodybuilders. Now, Matt wanted to help more than athletes. I looked at the company brochure and the research they conducted on their own before marketing the product. AIDS and cancer patients frequently suffer from unwanted weight loss and have trouble maintaining muscle mass. The protein supplement was tested and both AIDS and cancer subjects regained lost muscle with the product. Again, rather than boosting sales for a year and a half, he spent money on research not wanting to market a product without data. He also feels guilty about making money off AIDS and cancer patients. Up until this interview I have not met any capitalists that expressed emotions and sentiments in their business decisions. Perhaps this was an example of capitalism on a more human scale.

Applied Implications for the Future

This dissertation points to several policy and re-education ideas for the future. At the agency level it would be useful for individuals to recognize the businesses they create are *all* lifestyle businesses. They promote and maintain a way of life for the founders, the employees, and the customers. From a normative stance this should lead to socially responsible businesses. Also, since many entrepreneurs often start their businesses close to home, they could recognize this place connection and view place as an opportunity not a constraint. In this sense people that want to start a business in their rural hometown or urban neighborhood can. This message is not often reflected in the business and management literature.

Philosophically, realizing that there is more to entrepreneurship than RCT would keep the dialogue open for creative ways to materially make a living without compromising personal and community values in the process.

From a structural perspective, business coalitions, neighborhood organizations, and entrepreneurial training centers could provide support and encouragement of local lifestyle businesses as well as the gazelle type growth businesses. Instead of trying to hit the home run each time, perhaps Ames could start with a few base hits. Once a few runs are brought in, the bases could be reloaded and this may generate more sustainable development. The political economy of the growth machine entities is also a concern for new enterprises, particularly in downtown and in campustown. If the elements of ESI were more diverse, more inclusive, and more depersonalized in Ames, it would be a more attractive place for the creative social process of materializing an idea. It may take a structural place built downtown and in

campustown like Iowa City's mall area to help create the cultural context that promotes social interaction and community vitality. A place where individual agents that are willing to sell and buy street food, merchandise, and listen to musicians on the street. It may take more neighborhood and community celebrations like the Ginkgo festival and concerts in the Bandshell Park to change the cultural context of Ames.

Currently the context of Ames tends to be perceived as conservative politically, economically, and socially. Social creativity is not often rewarded or reinforced in interaction. Perhaps as more cultural pockets are created by new businesses in Ames, more citizens will adopt community lifestyles to support and dynamically contribute to the cultural context of Ames.

Certainly it will take a combination of all of these elements to change. None of these ideas will happen without social interaction and community support. They will also take time, personal commitment, and perseverance, but then striving for ideals usually does. As Victor Hugo suggested in his *Essays on Humanity*: "It is by the real that we exist; it is by the ideal that we live."

Those who Undertake

Growing up I always heard of how my great grandparents and their families on my mother's side came from Germany in 1847. I recently found out from my mother that my Great Grandfather Frank founded the Frank Nett Company in the rural town of Peebles, Wisconsin. She sent me a recent business article that stated, "The Frank Nett Company was

founded in the late 1890s by Peter Nett and later sold to his brother Frank Nett around 1916. In the early 1900s, their main business was as a grain elevator, serving local farmer with grain storage, grinding, and mixing animal feeds." They later diversified into a John Deere dealership, building materials and lawn and garden supplier (Business and Finance Magazine 1998). According to family history what this rational article missed was the same thing that is often missing in the business and management literature--the cultural elements.

Great Grandpa Frank was not only a rational businessman, but also a socially responsible brother-in-law helping to provide care for a widow and 8 children (my Grandmother, my Mother, and my Aunts and Uncles). In fact, the business was not only run by my Great Grandfather, but was a traditionally run family business. It created a cultural pocket in Peebles that still exists today. Great Grandpa Frank also operated his business under the rural cultural norms of the time, which included extending credit to customers, welding machinery for neighbors, and helping local farmers as needed. This bit of nostalgia is yet another reminder for me of the complexity as well as indispensability of the cultural community context of entrepreneurship in the United States, particularly in rural areas like Peebles, Wisconsin.

Although there are limitations of sociological research so far, I am confident that the sociology of entrepreneurship will not only add to the understanding of entrepreneurial activities but may also add to the understanding of different approaches to sociology depending on unit of analysis and theoretical background. Sociologists seem to be on the right track regarding entrepreneurship, even according to rational economists: "So the amount

of production (if I may use an economic term) that is done through close social relationships is enormous. Though I don't know enough about sociology to say for sure, I have the impression that sociologists are attuned to this; they are alert to this; and they are less likely to forget or ignore this than other people" (Mancur Olson in Swedburg 1990).

One prominent researcher on the social aspects of entrepreneurship felt even stronger than Olson on the significance of entrepreneurial research. He stated, "Never in the history of mankind has there been more need to understand entrepreneurship than today" (Bygrave 1995). Basic and Applied sociologists as well as practitioners in the field need to accept this challenge and in the process socially reinterpret Cantillon's early (rationalized) definition of *entreprendre*, the *one* who undertakes, to the more socially embedded and cultural definition-- *those* who undertake. Perhaps in order to keep swimming in the strong cultural currents of capitalism, we need to take this definition a step further following Victor Hugo's advice. Entrepreneurship is the creative social process of those who undertake to materialize an *ideal*.

APPENDIX : INTERVIEW PROTOCOL

I. Individual level (agency) questions

- [1] How long have you had this business?
- [2] When did you first come up with the idea for this business?
- [3] Do you consider yourself an entrepreneur?
- [3a] Have you always wanted to start your own business?
- [4] Tell me the story of making that idea work/happen.
- [5] What were the challenges you faced starting this business?
- [6] What helped you get started?
- [7] Did your family help? Friends? Other Businesses?
- [8] What are your personal life goals?
- [9] Are these different from your business goals?
- [10] Do you feel connected or attached to Ames?
- [11] What would you change about Ames if you could?
- [12] (if not native to Ames) Where are you from originally?
- [13] Are there other entrepreneurs in your family?
- [14] How did you learn how to run your own business?
- [15] Can you tell me about a decision you made that was more because of your personal beliefs and not necessarily a rational business decision?
- [16] Is there anyone else who contributes to your business decisions?
- [17] Are you creating a lifestyle with your business?
- [18] If you could change anything about your business what would it be?

II. Structural questions

- [1] What local organizations do you belong to ?**
- [2] What national/int'l organizations do you belong to?**
- [2a] Why Ames?**
- [3] Do you have business partners/connections outside of Ames?**
- [4] Who are your business connections/colleagues in Ames?**
- [5] Is trust a challenge for your business?**
- [6] Do you have a good relationship with a bank in town?**
- [7] Are you a member of chamber of commerce?**
- [8] Is the Tribune supportive of your business?**
- [9] Do you think the Tribune is biased/unbiased ?**
- [10] Do you have an advertisement in the Tribune?**
- [11] How well does Ames handle controversy? Diversity?**
- [12] Does your business support local celebrations (Ginko, 4th of July, etc)?**
- [13] Do your business support community projects?**
- [14] Do you think there barriers to interaction (getting involved in the community)?**
- [15] Do you consider Ames a creative community?**
- [16] What does creativity mean to you?**
- [17] In general, is Ames more conservative or more liberal town?**
- [18] Is the chamber of commerce more conservative or liberal? The City Council?**
- [19] How do you think the political climate of Ames affects your business?**

[20] Have you ever had assistance from ISU? Extension? Pappajohn Center? Small Business Development Center? Small Business Administration?

[21] Are you involved in the local schools?

[22] Are you involved in churches?

[23] What is the market for your business? Local? Regional? National? International?

[24] How do you handle the risks in your business?

[25] Does Ames have a supportive environment for your type of business?

[26] Is Ames supportive of entrepreneurs in general?

[27] What encourages entrepreneurship in Ames? Discourages?

[28] Why did you start your business in Ames and not elsewhere?

[29] All communities have a different feel to them, what makes Ames different from other towns in Ames?

[30] Is there a division (other than geographic) for you between Campustown and Downtown?

[31] Does the presence of ISU in Ames help your business in any way?

III. Cultural questions

[1] What is your definition of culture?

[2] What do you consider to be the cultural resources of Ames?

[2a] Where is the culture in Ames if you had to pick a place?

[3] Are there many opportunities to be involved in cultural events?

[4] How important is it to you to be involved with the Ames community?

[5] Are there barriers to cultural participation?

[6] Do you use the public library?

[7] Do you attend events at the auditorium?

[8] Have you ever gone to the free Thursday concerts at the bandshell park?

[9] Is Ames known for a particular food? Crafts? Arts? Historical Sites? Landscape?

[10] If you had to choose a part of town that has the most culture, where would that be?

[11] What makes Ames unique?

[12] How does the culture of Ames help your business?

[13] Is culture really that important to your business? Does it hurt business?

IV. Demographic questions

What was your age at your last birthday?

Length of Residence?

Highest attained Education level?

Ethnic background?

Do you consider yourself to be of a certain social class (working, middle, upper) ?

Parting questions:

Are there others involved in your business that I could talk to?

In your family?

Anyone who helped mentor you?

Thank you very much for your time!

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