

Entrepreneurial support organization (ESO) narratives and transitional entrepreneurship in Detroit

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Abstract

Purpose – To understand how narratives used by entrepreneurial support organizations (ESOs) in Detroit's growing entrepreneurial ecosystem shape transitional entrepreneurs' social reality. We offer theoretical and practical insights to elicit critical support, formulate policies and programs and guide ongoing empirical examination of transitional entrepreneurship.

Design/methodology/approach – We adopt a multi-case study approach, looking at two ESOs in Detroit: one focused on promoting high-growth entrepreneurship and securing financial capital for technology entrepreneurs, the other focused on promoting everyday entrepreneurship (especially among underserved communities) and amassing a more diverse array of resources. We conduct a thematic analysis of organizational texts and interview data with ESO leaders.

Findings – ESO narratives shape Detroit's transitional entrepreneurs by constructing entrepreneurs' social identity, orienting them to the ecosystem and envisioning a collective future in which transitional entrepreneurs are key.

Originality/value – This study offers insight into the definition of transitional entrepreneurs by extending existing conceptions by highlighting the role of institutional actors, like ESOs, and the narratives they adopt in shaping opportunities and challenges for transitional entrepreneurs. Moreover, we push the boundaries of transitional entrepreneurship, including technology start-up entrepreneurs in the definition and call attention to the role of transitional entrepreneurs in post-industrial cities by showcasing their role in community and urban development.

Keywords Transitional entrepreneurship, Narrative, Entrepreneurial ecosystem, Entrepreneurial support organization, Case study

Paper type Research paper

Postindustrial cities in the United States (US), like Detroit, Kansas City and St. Louis, have strategically foregrounded entrepreneurial startups as key to their socioeconomic revitalization (Berlin, 2018). Many of these startups are founded by transitional entrepreneurs, often regarded as including veterans, immigrants and refugees, women and other social minorities and folks from economically distressed communities who have overcome adversities in pursuit of entrepreneurial ventures (Nair and Chen, 2021; Pidduck and Clark, 2021). Moreover, the COVID-19 pandemic exacerbated underlying stressors affecting this group of entrepreneurs, further widening the gap in resources and opportunities between them and entrepreneurs who do not encounter systemic marginalization (Bach, 2020). Given this situation, it is crucial to study how transitional



entrepreneurs may perceive their social and institutional environments as enabling and/or restraining their ventures. While researchers have paid attention to more prevalent and developed ecosystems such as Silicon Valley or those in tech-heavy Boston and/or Austin, not much attention has been given to less developed, postindustrial cities like Detroit.

Known internationally as the Motor City because of its association with the “Big Three” automotive companies, Detroit is one of the largest postindustrial cities in the US with a long history of manufacturing and innovation (Hernandez and McCluney, 2020). It is a majority-Black city that is home to several thousand refugees and immigrants, has many neighborhoods characterized by economic distress and systemic poverty and has a fraught history of race relations and socioeconomic inequality despite recent revitalization (DFC, 2021; Rencher, 2012). It is thus an ideal site to better understand how transitional entrepreneurs may perceive their entrepreneurial ecosystems (Spigel, 2017) in terms of enabling and/or restraining them.

Since entrepreneurs do not exist in a vacuum but must rely on an underlying system of actors and programs, understanding the role played by entrepreneurial support organizations (ESOs) in the broader ecosystem is vital. Our paper examines the role played by ESOs in shaping transitional entrepreneurs’ social reality, focusing especially on the narratives adopted by ESOs in the entrepreneurial ecosystem. Specifically, we use a multi-case study approach (Stake, 2005), examining two prominent ESOs that target neighborhood-based and technology-sector entrepreneurs, respectively, in Detroit, MI. The narratives adopted by these ESOs, we argue, are especially crucial since they convey the possibilities of success for transitional entrepreneurs, potentially shaping both their identities and actions (Roundy, 2016; Roundy and Bayer, 2019).

Our paper contributes to scholarship on transitional entrepreneurship in several ways. Even as Bruton *et al.* (2021) argue that “this form of entrepreneurship is defined by the circumstances in which the entrepreneur finds themselves, more so than their goals and ambitions in the way a high growth technology or venture capital backed entrepreneur would” (p. 3), we call attention to how sociohistorical context and institutional networks constituting entrepreneurial ecosystems shape possibilities for transitional entrepreneurs. Building on past research indicating the efficacy of entrepreneurial narratives (e.g. Rae, 2005; Vanevenhoven *et al.*, 2011), our paper focuses on how ESO narratives may shape social reality for transitional entrepreneurs. We seek to avoid dualistic traps, such as seeing technology startups and transitional entrepreneurs as mutually exclusive. We note, for instance, how Omer Kiyani developed “smart gunlock” technology motivated by his experience of gun violence in Detroit (Smith, 2016) and how Darren Riley launched JustAir, a tech company that monitors air quality data in neighborhoods because he and his family suffered from asthma (Cwiek, 2022). Finally, we hope that our findings can be used practically by policymakers and ESOs to design ecosystems that are more inclusive and offer vital support to transitional entrepreneurs in postindustrial cities like Detroit.

Literature review

We first discuss the emerging research on transitional entrepreneurs and then argue why it is crucial to examine the influence of ESOs in the broader ecosystem. Next, we address the role of entrepreneurial narratives in shaping individual and socioeconomic outcomes, especially through narrative functions, before describing the Detroit entrepreneurial ecosystem in more detail.

Transitional entrepreneurs

In their Editors’ Note to the Special Issue on transitional entrepreneurship in the *Journal of Developmental Entrepreneurship*, Nair and Chen (2021) used the term transitional

entrepreneurship “to focus on entrepreneurship among members of communities who overcome significant adversities to launch ventures that are pathways to substantive life transitions” (p. 2). The special issue emerged from the first colloquium organized around transitional entrepreneurship, sponsored partly by the Ewing M. Kauffman Foundation, indicating the increasing attention of policymakers, funders and academics to inclusion/exclusion and entrepreneurship. Its contributors focused on entrepreneurs who are veterans, immigrants and refugees, women and members of other social minorities, individuals hailing from economically distressed communities “and other historically marginalized groups” (p. 3). Their admitted goal in keeping the definition of transitional entrepreneurship broad was “to ensure a vigorous debate among scholars about its scope” (p. 3), even as they argued that focusing attention on the common experiences of marginalization of some entrepreneurs would open a new line of inquiry in mainstream entrepreneurship research.

Nevertheless, [Bruton et al. \(2021\)](#) argued in the same special issue that it was vital to impose some boundaries onto the term “transitional entrepreneurship,” lest it include everyone and everything, and thus be rendered meaningless. They pointed out, for instance, how all female entrepreneurs were not necessarily marginalized nor were all immigrant entrepreneurs, especially those who immigrated with large financial savings and with the specific purpose to start a business. They argued that only entrepreneurs who “sought to overcome dire/desperate conditions in mature economies” (p. 1) could be considered transitional entrepreneurs; thus, “transition entrepreneurship refers to the change an individual makes from one state of affairs in their life to another through entrepreneurship” (p. 3).

This definition has similarities with but also diverges from that proffered by [Pidduck and Clark \(2021\)](#), who coedited another Special Issue on transitional entrepreneurship in the *Journal of Small Business Management*. For them, transitional entrepreneurs are “actors socially, institutionally, culturally, or resourcefully marginalized by virtue of community membership pursuing new ventures as a vehicle for positional advancement” (pp. 1081–1082). Pidduck and Clark thus offered more detail on what “significant adversities” ([Nair and Chen, 2021](#)) might mean, even as they opted for the term “marginalization” that historically represents structural discrimination, stigma and erasure. In contrast to [Bruton et al. \(2021\)](#), they included entrepreneurs from marginalized backgrounds in both developing and mature economies; for instance, included in their special issue was a study on how female entrepreneurs in Ethiopia cope with conflict ([Hundera et al., 2021](#)), alongside research examining the economic development potential of transnational Latina entrepreneurs in the US ([Fisher and Lewin, 2021](#)). By focusing on marginalization, they also drew a distinction between transitional entrepreneurs and entrepreneurs in transitioning economies (e.g. [Tanas and Audretsch, 2011](#)).

Importantly, empirical research has highlighted how transitional entrepreneurs are influenced by external actors, both individuals and institutions. For instance, family ties are invaluable in shaping entrepreneurial identity, ethnic identity and work ethics for Chinese immigrant entrepreneurs in the Netherlands, empowering them to set up less traditional businesses ([Tao et al., 2021](#)). Since transitional entrepreneurs are often disconnected from strong formal institutions (e.g. lacking credit history for raising capital), trade credit relationships with a variety of customers, suppliers, trade associations and other stakeholder groups are vital; [Amoako et al. \(2021\)](#) found that “Trade credit varied from delaying payments for goods to the advancement of smaller amounts of cash loans toward capital investments” (p. 1110), which were often governed by adherence to family/kinship norms, trade/industry norms, religious norms and reputation. Furthermore, in the absence of formal institutions, informal systems like a culture of innovation and entrepreneur-friendly soft laws can fill the void to help promote transitional entrepreneurship ([Khosravi et al., 2023](#)). Incubators are vital to providing transitional entrepreneurs access to human capital (viz.,

skills training), social capital and financial capital, although [Newman and Christensen \(2021\)](#) found that many of these organizations' programs, while well-meaning, fall short because they do not take into consideration the contextual challenges facing transitional entrepreneurs. Finally, macro-level environmental forces are recognized to serve as "external enablers" for transitional entrepreneurs, although they may help some more than others, as with the case of strong and reliable internet access disproportionately aiding male entrepreneurs more than female entrepreneurs in research conducted across 61 countries ([Manocha et al., 2021](#)). Our study extends this work by considering how these external actors operate together as an interconnected entrepreneurial ecosystem, rather than as standalone supports.

Entrepreneurial ecosystems and ESO narratives

Proponents of the entrepreneurial ecosystem approach argue that entrepreneurs do not act independently but rely on an intricate *system* of material, physical, social and cultural actors and programs that operate synergistically to promote entrepreneurial behavior, enhance entrepreneurial performance and strengthen regional economies ([Alvedalen and Boschma, 2017](#); [Audretsch and Belitski, 2017](#)). From such a perspective, entrepreneurship is an embedded and contextualized process that cannot be disconnected from the social, political and economic frameworks within which it operates. Rather than a mere assemblage of institutions, the entrepreneurial ecosystem also comprises the relationships between institutions and the norms, values and discourses that underlie such relationships ([Donaldson, 2021](#); [Spigel, 2017](#); [Theodoraki and Messeghem, 2017](#)). It is the network of regional businesses, institutions and governments, as well as the laws and policies, universities, networks of mentors, the culture and other forms of human and social capital within a location that comprise the entrepreneurial ecosystem. Perhaps most influential of all is the category of ecosystem actors known as ESOs, defined as "organizations explicitly founded for the purposes of catalyzing entrepreneurial activity and providing entrepreneurs with support" ([Bergman and McMullen, 2022](#), p. 689). Nevertheless, most empirical research focuses on five major types of ESOs—incubators, science parks, accelerators, maker spaces and co-working spaces—while ignoring many others. Moreover, [Bergman and McMullen \(2022\)](#) found through a systematic review of 377 peer-reviewed articles that "support" was conceptualized in predominantly instrumental terms (e.g. coaching, sponsorship and skills development) and rarely considered relational or identity-based meanings.

We adopt a narrative approach to understanding how entrepreneurial ecosystems shape transitional entrepreneurship in postindustrial cities, by focusing on the discourses adopted by key ESOs. Narratives are communicative devices that denote a meaningful sequence of events, often through "temporal chains of interrelated events or actions" ([Gabriel, 2000](#), p. 4), rather than an isolated text or image. By positioning actors, institutions and events as "part of the complex and shifting social terrain of meaning that make up the social world" ([Mumby, 1993](#), p. 3), narratives thus help both narrators and audiences make meaning in/of the world. Scholars of organization studies have found narratives and storytelling to be critical for sensemaking, identity construction, knowledge dissemination, control and resistance within and across organizations (e.g. [Abolafia, 2010](#); [Mumby, 1993](#)). In the specific context of entrepreneurship, for instance, [Rae \(2005\)](#) concludes that entrepreneurial narratives enable individuals to recognize and seize startup opportunities, by identifying some conflict or dissatisfaction with the status quo, even as they then enact a new entrepreneurial identity that takes "responsibility for shaping future events" (p. 328). Accordingly, [Roundy \(2016\)](#) advocates for a narrative approach to understanding how entrepreneurial ecosystems work, paying particular attention to the "cognitive and cultural processes" (p. 233) at stake (see also [Roundy and Bayer, 2019](#)). For him, entrepreneurial ecosystem narratives serve at least six

interrelated functions. First, narratives transmit culture by promoting vicarious learning amongst ecosystem actors and by spreading knowledge about the rules, values, norms and best practices. Second, they facilitate sensemaking of past, present and future, so that ecosystem actors can comprehend and operate within the complex networks of events, institutions and experiences around them. Third, they aid in constructing identity, both for individuals and the ecosystem, by stipulating boundaries and unique or definitive characteristics. Fourth, narratives can legitimize entrepreneurial ecosystems by making it difficult to imagine “actions or events as being anything different than they are” (p. 240) and by increasing the ecosystems’ “taken-for-grantedness” (p. 240). Fifth, they help garner attention to the ecosystem, which can in turn promote tangible resources, like financial capital and talent. Finally, narratives align and coordinate stakeholders, catalyzing collective action toward some shared vision.

Nevertheless, this body of work focuses on how narratives construct the broader ecosystem, rather than probe how constituent ESOs might adopt narratives about the same ecosystem that may be in tension with each other. For instance, even when [Roundy \(2019\)](#) examines how “Rust Belt or revitalization” narratives compete in the US Midwest, he compares how the broader narratives of entrepreneurial success emerging in three communities—Warren OH, Youngstown OH and Chattanooga TN—fare against negative narratives of regional economic decline, rather than how the entrepreneurial success narratives themselves may be fragmented and tensional. This may be explained, in part, because the entrepreneurial ecosystem literature generally promotes a cooperative vision of interrelated actors ([Alvedalen and Boschma, 2017](#)), rather than how different actors may be driven by varying interests and stakeholders of their own. In contrast, our study examines two ESOs that operate within the ecosystem but might be regarded as serving different entrepreneurs—technology startups and neighborhood small businesses. We are interested not so much in unearthing a shared discourse of entrepreneurial success, as in tracing how ESO narratives might both converge and diverge as they serve different entrepreneurs, many of whom are marginalized, transitional entrepreneurs. By calling attention to these tensions rooted in power disparities among entrepreneurial categories, we center the complex social realities that transitional entrepreneurs in Detroit encounter and call attention to how the process of their transition is shaped by ecosystem narratives.

Our goal is to avoid dualistic traps, such as overly neat distinctions between technology startups and neighborhood small businesses. Although tech startups are more often associated with a high-growth, venture capital backed trajectory, rather than transitional entrepreneurs from marginalized backgrounds who have overcome adversities, we note that several tech entrepreneurs in Detroit (and elsewhere) have done so ([Cwiek, 2022](#); [Smith, 2016](#)). Moreover, with many neighborhood small businesses adopting advanced technologies for their sourcing, accounting, scheduling, marketing, delivery and other needs, long before the COVID-19 pandemic accelerated this process, definitional boundaries for “technology entrepreneur” continue to be pushed (e.g. [Gill and Larson, 2014](#)). Nevertheless, power disparities endure—especially in a majority-Black city-like Detroit—so that minority entrepreneurs encounter systemic roadblocks with capital access, government support, tax relief, access to growing markets and hiring, for instance ([DFC, 2021](#); [Hernandez and McCluney, 2020](#); [Rencher, 2012](#); [Sands, 2022](#)). Moreover, scholarly and policymakers’ attention is dominated by a relatively small group of high-growth, high-value startups in the technology, biomedical or service sectors, rather than most “everyday” entrepreneurs ([Welter et al., 2017](#)), who engage in myriad pursuits across industries, scales and ambitions and may be small- or family-owned businesses, community retailers, service providers, local restaurants or neighborhood-based artisans.

Given this brief review of the relevant literature, the research question guiding us is: *How do ESO narratives shape transitional entrepreneurship in Detroit?*

Methods

Adopting a social constructionist view of entrepreneurship, which examines the role of everyday texts and subjective interactions in shaping entrepreneurial practices and behaviors (Lindgren and Packendorff, 2009), our paper is a multi-case study analysis (Stake, 2005, 2008) of two prominent ESOs in Detroit—RegionalESO and TechESO (pseudonyms).

Data collection

For Stake (2008), a case study is both a process of research as well as the eventual product of inquiry; it is geared toward producing an in-depth account and analysis of a single object—an individual actor, enterprise, program or “whatever ‘bounded system’ is of interest” (p. 7)—not to provide generalizations to the broader population but to compare against similar such objects (see also Stake, 1978). A multi-case study analysis compares two or more sites to better understand similarities and deviations between them and to theorize their underlying assumptions as well as limiting conditions (Stake, 2005). Case studies can be helpful in seeking a deeper comprehension of under-examined phenomena (Yin, 1994). Examples of past case studies that have explored entrepreneurial phenomena include Wanyoike and Maseno (2021), who studied the motivations of social entrepreneurs in East Africa, and Lechner and Schmidt (2002), who analyzed how German soccer clubs seize entrepreneurial opportunity amidst a transitioning industry.

For this paper, we selected RegionalESO and TechESO as our two cases because, despite sharing some resources and having a mutual goal to help Detroit’s young entrepreneurial ecosystem mature, they differ in terms of scope and target audience in important ways (see Table 1). RegionalESO is focused on promoting entrepreneurship among local community members, especially in underserved communities, whereas TechESO is geared toward high-growth entrepreneurship, primarily in the technology space. Importantly, both RegionalESO and TechESO are different from the five major categories of ESOs that most entrepreneurship scholars have focused on (viz., incubators, science parks, accelerators, maker spaces and co-working spaces; Bergman and McMullen, 2022). While we focus on their

	RegionalESO	TechESO
Origins	Philanthropy-led entrepreneurial development initiative formed in 2007; currently homed within a single organization but created via collaboration among regional organizations	Formed in 2018 as a standalone nonprofit, by a single founder, to generate research on entrepreneurial ecosystems
Regional focus	SE Michigan with strong Detroit focus	US Midwest with strong SE Michigan focus
Mission	Socioeconomic empowerment and community development for the region; entrepreneurship is one of the ways to accomplish this mission	Grow entrepreneurship in the state of Michigan, and particularly attract venture capital and angel investors nationwide to hi-growth opportunities and entrepreneurs in the region
Scope of activities	Makes grants to other ESOs and partner organizations, makes grants directly to entrepreneurs, offers programming for entrepreneurs, offers technical training to partner organizations	Conducts research, develops data-driven programming for ESOs and partner organizations
Support to entrepreneurs	Direct and indirect	Indirect

Source(s): Table by Lucas and Mitra

Table 1.
Key differences
between RegionalESO
and TechESO

work during 2020–2021 in this manuscript, the data is part of a larger ethnography of Detroit’s entrepreneurial ecosystem, and we have worked with key actors in various roles throughout our fieldwork.

Particularly important for the RegionalESO case study was its 81-page “annual report” from 2020, a 34-page “opportunity report” from 2020–2021 prepared by a related organization, CityESO (using data collected and funded by RegionalESO) and in-depth interviews with both its chief executive and communications director (amounting to 128 min, 42 pages, single-spaced transcripts). Relevant data for the TechESO case study included its 28-page “ecosystem report” published in 2021, the 2021 “research report” published by an allied organization named VencapESO (and coauthored by TechESO) and an in-depth interview with TechESO’s founder and chief executive (amounting to 66 min, 17 pages, single-spaced transcripts). Thus, for both cases, we analyzed the institutional discourse aimed at key stakeholders, discourse prepared with or for some of these stakeholders (e.g. CityESO, VencapESO), and interviews with key actors within the ESOs. This varied data corpus not only allows us to see how these ESOs characterize the entrepreneurial ecosystem but also to trace the narrative logics guiding their characterization. Interview data was approved by our university’s Institutional Review Board as an exempt study, requiring all identifying information to be anonymized.

Data analysis

We analyzed the data corpus using qualitative thematic analysis (Braun and Clarke, 2006), which can be used for both realist and constructionist studies. Our approach was more “contextualist,” which sits “between the two poles of essentialism and constructionism, and characterized by theories . . . which acknowledge the ways individuals make meaning of their experience, and, in turn, the ways the broader social context impinges on those meanings, while retaining focus on the material and other limits of ‘reality’” (p. 81). For Creswell and Poth (2018), theories are sets of “interrelated concepts, variables, and propositions . . . [that] serve to explain, predict, and provide generalizations about phenomena in the world”, which are “based on empirical evidence” (p. 328). We used both inductive and deductive approaches to coding, identifying themes grounded in the data while comparing these emergent themes with prior research on transitional entrepreneurship and entrepreneurial ecosystems. We engaged in the six phases of analysis suggested by Braun and Clarke (2006)—viz., familiarizing ourselves with the data and context, generating initial codes, searching for themes, reviewing these emergent themes, defining and naming themes and writing the report—although we note that “analysis is not a *linear* process of simply moving from one phase to the next. Instead, it is [a] more *recursive* process, where movement is back and forth as needed, throughout the phases” (p. 86). Moreover, we privileged a semantic level of analysis, wherein “themes are identified within the explicit or surface meanings of the data, and the analyst is not looking for anything beyond what a participant has said or what has been written” (p. 84), and in our team discussions sought to connect the themes from mere description to interpretation, “where there is an attempt the theorize the significance of the patterns [identified] and their broader meanings” (p. 84).

Braun and Clarke (2006) defined codes as “identify[ing] a feature of the data . . . that appears interesting to the analyst” (p. 88) and suggested a combination of data-driven and theory-driven tactics to identify codes. This is similar to Saldaña’s (2013) “first cycle coding” stage, a transitional process of linking data to theoretical ideas that requires looking for repetition in patterns within the data, for which he prescribes a variety of tactics. Given our contextualist, inductive-deductive and semantic-level commitments, our coding of the ESO case studies involved coding for attributes, contrasts, magnitude or frequency, evaluations, unique *in vivo* terms, key concepts, espoused values, domains and causation rules (pp. 82–194).

Take for example, the following excerpt, which we coded as *people like me*: “How do we make it real to that young person who’s like, ‘Well, where’s my future in the city?’”. Here, we used an attribute coding to identify a bottom-up code that emphasized the need to make entrepreneurship “real” for young people from underserved neighborhoods. Similarly, the sentence, “There’s no city like Detroit, with its mix of muscle and brains . . . that kind of momentum, it’s a testament to the city and the culture of creativity, determination, and grit” was coded for the values “creativity, determination, and grit,” and the emergent code was subsequently renamed from *grit* to *resilience*, once we identified several in vivo references to *resilience* in the data corpus. Because Roundy and Bayer (2019) suggested studying ecosystem narratives “in their entirety” rather than “word-level features” (p. 204) alone, our unit of analysis was variable—comprising words, phrases, sentences and even whole paragraphs at times. We sometimes found several codes within a single sentence.

The subsequent phases of searching for themes from within generated codes, reviewing themes to ensure they form a coherent pattern and defining themes with a “story” (Braun and Clarke, 2006, pp. 89–92) occurred simultaneously as we went back and forth through the data, scholarly literature and codebook. During this process, some codes were discarded, some were combined into single categories, while yet others were split into new codes. For instance, codes related to how the ESOs saw themselves were discarded from the codebook for this paper because they were not relevant to the theoretically-driven RQ; codes *grit* and *resilience* were combined into *resilience*, which was renamed *resilience stories*; we distinguished between *resilience stories* and *success stories*, which did not describe stories of struggle to be surmounted to achieve success; and we split *shortage of capital* into two codes that looked at past events (*historical shortage of capital*) and made future plans based on this shortage (*need for future capital*), respectively. This process ensured minimum overlap among codes, as we grouped them into themes based on overarching patterns and defined them accordingly. This refinement prompted further changes, for instance, renaming *need for future capital* and elevating it to a sub-theme called *need for accelerated investment*, then grouped under the theme *envisioning a collective future*. Sub-themes, for Braun and Clarke (2006) “are essentially themes-within-a-theme. They can be useful for giving structure to a particularly large and complex theme, and for demonstrating the hierarchy of meaning within the data” (p. 92).

Our resulting thematic map is shown in Figure 1. In Figure 1, we show each of our initial codes, followed by the name of the ESO where each code was featured more prominently; however, as we elaborate on below, we note that many codes were found across both ESOs. We ended with 23 distinct initial codes, eight sub-themes and three themes. In the following section, we provide an “analytical narrative” (Braun and Clarke, 2006, p. 93) with key examples from the data corpus, in response to the RQ.

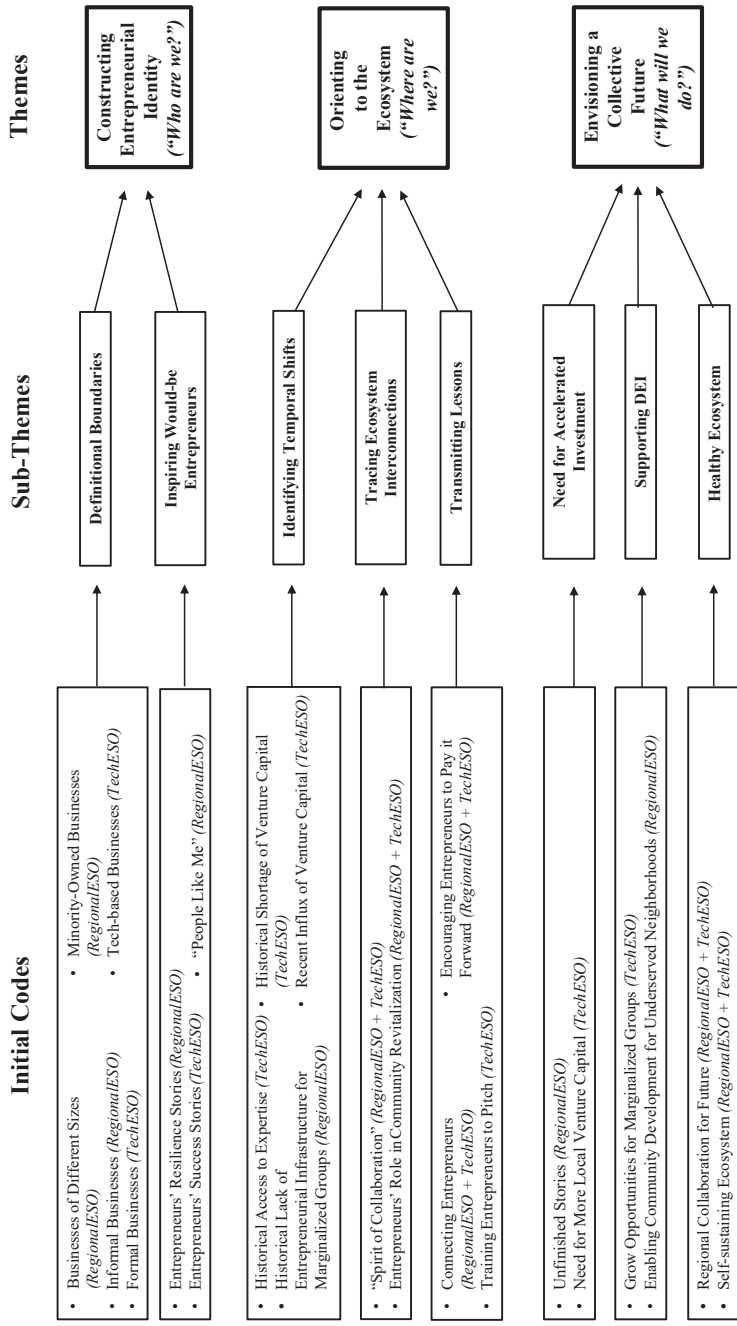
Findings

Our RQ asked, *how do ESO narratives shape transitional entrepreneurship in Detroit?* This occurred by constructing entrepreneurial identity, orienting entrepreneurs to the ecosystem and envisioning a collective future.

Constructing entrepreneurial identity

In constructing an identity for entrepreneurs (viz., “who are we?”), the ESOs provided definitional boundaries and sought to inspire would-be entrepreneurs.

Definitional boundaries. Boundary definitions were crucial to helping everyday Detroiters see themselves as a part of the entrepreneurial ecosystem, even as they sometimes reified traditional meanings. As the CEO of RegionalESO noted, “a lot of people in the neighborhoods don’t see themselves [in] the pictures that we always show when we talk



Source(s): Figure by Lucas and Mitra

Figure 1.
Coding structure and thematic map

about entrepreneurs.” That is why, she continued, RegionalESO has “been working really hard to change that narrative with purpose.” *Business size* was repeatedly brought up, with RegionalESO and its CityESO partner describing entrepreneurship as inclusive of small, micro and family-owned businesses. It also expanded the boundaries of entrepreneurship to *include those working in the informal sector*, which is particularly relevant to low-income immigrants. In its report, CityESO (2020) pointed out that “most Detroiters think of entrepreneurs as people who are self-employed or open a family-owned business or franchise business” (p. 13), and that “more than 40% of city residents consider themselves entrepreneurs” (p. 4). In other words, these ESOs sought to incorporate lay meanings of entrepreneurship, especially among low-income, precarious and marginalized communities, into their policy reports.

Often, these boundary definitions co-occurred, as when they explicitly highlighted the important role of Black and other *minority-owned* small businesses alongside their inclusion of micro-businesses. For instance, RegionalESO’s (2021) report noted, “Today, [RegionalESO] has sharpened focus to preserve and strengthen the network of support for smaller small businesses—those with 2 to 50 employees—with an emphasis on microbusinesses led by people of color and women in Detroit and Wayne County” (p. 45). In another example, CityESO (2020) defined entrepreneurship in its report as, “People who own, manage, or invest in a business of any size, including informal businesses that may be temporary or may not be licensed (such as providing lawn care for neighbors for cash). An entrepreneur can also be a person who is addressing challenges within their communities” (p. 17). This excerpt showcased the commingling of business size and operations in the informal sector in expanding definitional boundaries, even as it aligned with emergent definitions of transitional entrepreneurship (e.g. Nair and Chen, 2021).

However, there were limits to this rhetoric of boundary expansion that was mainly embraced by RegionalESO and its partners, who targeted “everyday” entrepreneurs (Welter *et al.*, 2017) more than entrepreneurs in the STEM sectors. In contrast, TechESO defined entrepreneurship in terms of *high-tech, high-growth businesses* that were *formal* and could not operate in the informal sector; nevertheless, it emphasized ensuring that Black and other minoritized would-be entrepreneurs had access to networks and resources (more detail below).

Inspiring entrepreneurs. Both RegionalESO and TechESO narratives sought to inspire would-be and fledgling entrepreneurs by featuring entrepreneurs’ resilience stories, their success stories and emphasizing solidarity (*viz.*, entrepreneurs are “people like me”).

Resilience stories were most often deployed by RegionalESO, so that local entrepreneurs were positioned as being steadfast and persevering through crises, such as the COVID-19 pandemic. Its report (2021) highlighted, for instance, Danielle North, a Detroit resident who opened a children’s play center, Kidz Kingdom, in her community because the closest indoor playground for her son (and others like him) were in the suburbs and not within walking distance. After starting her business, North surmounted both pandemic-imposed restrictions and landlord disputes, to eventually secure financial support through the Small Business Administration and receive loan and rent forgiveness. RegionalESO (2021) highlighted her resilience through a series of quick pivots and strategic decisions; as she “continues her mission to support children and families in her community, she has no doubt that she will keep pivoting to meet needs as they arise” (p. 41). Stories such as these provided both an inspirational model for other transitional entrepreneurs and emphasized the role played by ESOs in their transition journey.

Meanwhile, TechESO primarily featured *stories of entrepreneurs’ breakaway success*, in line with the so-called “unicorn” myth of highly successful and scalable startups (Kuckertz *et al.*, 2023). For instance, it highlighted StockX, a live online marketplace for luxury and exclusive apparel, that in 2020 “raised \$275 million, one of the largest rounds of venture

capital funding in Michigan history” (TechESO, 2021, p. 9). Importantly, this group of unicorns also included several transitional entrepreneurs, such as the Detroit Maid Group, an online marketplace for on-demand cleaning services, noting that “their growing success earned them recognition in *Fortune* and on *Good Morning America*” (TechESO, 2021, p. 19). The company’s founder, Danielle Smith, worked in her parents’ pizza shop growing up and “learned a lot about entrepreneurs: the good stuff, the bad stuff, the ugly stuff” (Haimerl, 2015, ¶. 10). She went on to learn the technical side of her business from another Detroit ESO, where most of the clients were Black women and other transitional entrepreneurs from underserved neighborhoods. Like the story of Kidz Kingdom, Detroit Maid was widely feted to underline how ESOs were inspiring transitional entrepreneurs by building a “pipeline of people getting their feet wet with a bakery or craft entrepreneurship . . . to build companies and create wealth” (¶. 7). These examples also emphasize the theme of how ESOs transmit lessons to entrepreneurs, particularly through *training* and *encouraging them to pay it forward*, which will be addressed later in this section.

Finally, the ESO narratives—particularly from RegionalESO—underlined “everyday entrepreneurship” to emphasize how entrepreneurs were not elevated individuals but, in fact, ordinary “*people like me*.” RegionalESO’s communications director noted that its narrative strategy had shifted over time, so that “the goal is to make everyday Detroiters or to help everyday Detroiters see their city as a place of opportunity for them through the lens of entrepreneurship.” Crafting narratives that enabled local people to see themselves as “entrepreneurial” inspired transitional entrepreneurs who might not have otherwise considered setting up a small business:

In *The New York Times*, you’ll get that cursory story about ‘People are starting businesses in Detroit.’ But what does it mean to the person at Six Mile [Rd.] and Schaefer [Rd.]? How do we make it real to them? Through showcasing the Lush Yummy Pies Company, or the other neighborhood-based entrepreneurs who are having success, who are from Detroit. How do we make it real to that young person who’s like, ‘Well, where’s my future in the city?’ So, that’s something we’re working on now.

This narrative device—foregrounding specific neighborhoods in the city—thus made the prospect of entrepreneurship “real” to people from underserved neighborhoods around the city, so that they might then be able to visualize their own “future in the city.” Importantly, this excerpt also nods to the theme of *envisioning a collective future* described in-depth below.

Orienting to the ecosystem

A second way that ESO narratives shaped transitional entrepreneurship in Detroit was helping orient entrepreneurs to the entrepreneurial ecosystem (viz, “where are we?”), by identifying key temporal shifts, tracing interconnections within the ecosystem and transmitting key lessons to entrepreneurs.

Identifying temporal shifts. The ESO narratives identified temporal shifts in the entrepreneurial ecosystem by noting the *historical access to expertise in the region*, *historical lack of entrepreneurial infrastructure for marginalized groups*, *historical shortage of venture capital and the recent influx of venture capital*. Reflecting the obstacles facing this fledgling ecosystem, only two of these temporal trends were positive for entrepreneurial success (viz., access to expertise and recent influx of capital). For example, TechESO (2021) noted that despite the history of intellectual and social capital in SE Michigan, the long-term lack of financial capital handicapped many past startups:

A look at the past half-century of high-growth entrepreneurship in Michigan demonstrates that the region has always had the essential factors of talent and research to support new companies, but has also consistently experienced a shortage of risk capital. As a result of this shortage, too many

promising young companies have either never gotten off the ground or have moved to more venture capital-rich regions of the country to attract the needed capital (p. 18).

The ESO's founder further noted that the “extremely high number of invention patents, extremely high number of graduating PhDs and researchers . . . [and] amount of dollars invested in research, when you compare that to the amount of venture capital, or angel investment, or number of venture capitalists, or angel investors in Michigan, there's a huge disparity.”

Nevertheless, the recent influx of venture capital suggested that historical trends were amenable to change. [VencapESO \(2021\)](#) noted in its report, “In Michigan, 88 startups received more than \$257 million in venture capital investment in 2020; this is a 19% increase over the last five years in the amount of venture capital invested in Michigan startups” (p. 16). In a nod to the subtheme of need for accelerated investment described later, the report also observed, “With Michigan venture investors backing 96.4% of all Michigan venture-funded startups, our state's entrepreneurial economy hinges on our ability to consistently provide high-growth, high-potential companies with access to capital” ([VencapESO, 2021](#), p. 16).

While TechESO focused on issues of expertise, venture capital shortage and investments, the Regionaleso narrative foregrounded the historical lack of entrepreneurial infrastructure for marginalized groups—which directly impacted transitional entrepreneurs. Profiling the Guadalajara-born founder of a marketing firm, Juan Carlos Dueweke-Perez, the [Regionaleso \(2021\)](#) report observed

Dueweke-Perez noticed that a large section of the city's existing entrepreneurial infrastructure had been ignored in the shuffle . . . As a kid, he helped his mother bake cheesecakes, which they would then sell by going door-to-door throughout the neighborhood. But stories of small-scale, neighborhood businesses like his mother's were almost never highlighted. (p. 30)

Not only do transitional entrepreneurs from marginalized backgrounds and underserved neighborhoods lack the networks and access to capital to build their businesses but these also often translate to under-developed marketing and operating strategies that are essential for them to stay afloat. As [Regionaleso \(2021\)](#) noted, “Without the capital needed to hire a top-dollar PR firm or the literacy around what an effective marketing strategy can achieve, Black, Brown, Indigenous, and queer-owned businesses are more likely to fail” (p. 30). Reports such as these helped transitional entrepreneurs understand the gaps facing their professional development, while pointing them to resources that could help them achieve this at relatively low cost.

Tracing ecosystem interconnections. The ESO narratives traced interconnections within the entrepreneurial ecosystem, so that entrepreneurs could better understand their positionality, by emphasizing the spirit of collaboration among ecosystem actors and by underlining how entrepreneurs were crucial to revitalizing their communities.

“*Spirit of collaboration*” was an in vivo code that emerged in several instances where Regionaleso (especially) emphasized how entrepreneurial ecosystem actors were most effective when they worked together. Describing a Fellowship for some of its grantees, “Regionaleso partnered with [Media] to publish a series of stories celebrating the fellows of the 2019–2020 cohort, as well as a special report of the program. These stories highlighted the spirit of collaboration and community between the fellows and how they sustained their projects through COVID-19” ([Regionaleso, 2021](#), p. 50). In an earlier section of the report, the ESO noted, “We have been amazed at the many and varied ways that the network, along with our funders and our colleagues, worked together with speed and resilience to provide vital support through grants” (p. 9). It noted that many of the ESOs had themselves emerged from difficult socioeconomic conditions, and thus saw it as vital to come together “to provide some level of relief to [others] in their time of crisis” ([Regionaleso, 2021](#), p. 9). Nor was this spirit of

collaboration restricted to RegionalESO; TechESO (2021) also underlined in its report how collaboration among various actors in the entrepreneurial ecosystem was a key strength, despite the obstacles facing startups.

Detroit has created a robust entrepreneurial ecosystem, and a key part of its success is its ample community support. As entrepreneurs are growing their businesses, they have access to a network of resources including mentors, research institutions for product development, and funding to reach their next critical company milestones (p. 6).

The excerpt here thus alluded to the historical drawbacks referred to earlier.

The ESO narratives also positioned *entrepreneurs as vital to the revitalization efforts of their underserved communities*; primarily through the spillover effects of job creation and building wealth among marginalized groups. RegionalESO's communications director noted that the organization "has reevaluated strategy over its lifespan, understanding the role that the main street entrepreneurs and social ventures . . . play in a robust economy." In its report, it also emphasized "the importance of neighborhood small businesses to the stabilization and revitalization of the commercial corridors in our city" (RegionalESO, 2021, p. 11). Moreover, "Small businesses and entrepreneurs are a driving force of job creation and economic growth. Providing accessible capital, support, and resources to underserved small businesses can change the trajectory for struggling neighborhoods, build wealth among entrepreneurs of color and women, and improve the economy, overall" (RegionalESO, 2021, p. 47). Transitional entrepreneurs were particularly crucial for breaking the cycles of unemployment and generational poverty among low-income communities of color, given the historical lack of infrastructure and failure of mainstream governance to provide for these groups. Although this theme was especially strong in RegionalESO's narrative, TechESO (2021) also noted how entrepreneurs occupied a vital position in the broader socioeconomic ecosystem, noting that "data shows that, in Southeast Michigan, about 10% of scaleups create more than 74% of the jobs in the community . . . Civic leaders can learn a great deal from experienced founders by creating forums for open dialogue" (p. 19).

Transmitting lessons. The ESO narratives demonstrated how key lessons are transmitted to aspiring entrepreneurs in the ecosystem; specifically, by connecting entrepreneurs to other ecosystem actors, by training them to pitch effectively and by encouraging them to pay it forward.

Both ESOs emphasized their role as connectors and conveners for helping transitional entrepreneurs, especially because of the historical lack of entrepreneurial infrastructure for marginalized groups resulting in severe network disparities. *Connecting transitional entrepreneurs to resources and influential ecosystem actors* was key for RegionalESO. It stated, "Now more than ever, [RegionalESO] is dedicated to connecting small businesses and future entrepreneurs to people and resources that can support their growth and goals" (p. 54), particularly given that "existing small businesses led by people of color, immigrants, and women are disproportionately disconnected from capital, resources, and strategic social networks that provide them an equal opportunity to start, grow, and thrive" (RegionalESO, 2021, p. 54). Similarly, for TechESO (2021), building and preserving a robust entrepreneurial ecosystem required work to "bridge connections between local organizations and the entrepreneurial community" and "encourage people to recommend diverse talent for employment, speaking, and networking opportunities" (p. 13).

A key lesson to be transmitted to entrepreneurs was *training how to pitch* their small business to influencers, once they were connected to them via the ESO networks. Pitch training was especially important for transitional entrepreneurs who often lacked the educational pedigree favored by venture capitalists or knew how to speak their language, reflected TechESO's founder:

“Making sure people are networked in so that they can know a guy, have a chance to know a guy who knows a guy, and then making sure that when they get to the guy that knows the guy, that they’re prepared to actually pitch a company or prepared to actually articulate what the value that they bring in order to get access to the opportunities.”

She underlined that the main weakness of transitional entrepreneurs, from marginalized communities, was not the feasibility of their project, but rather how to “articulate” the “value that they bring.”

The last mechanism used by ESOs to transmit vital lessons to entrepreneurs was *encouraging them to pay it forward* to other would-be and up-and-coming entrepreneurs themselves. This emphasized the interconnections among ecosystem actors, by promoting the “*spirit of collaboration*” explored earlier. Across each of the reports, stories of entrepreneurial success were paired with anecdotes of those who supported other founders; for instance, [TechESO \(2021\)](#) noted, “When successful entrepreneurs support earlier stage founders, it increases the likelihood that those businesses will succeed. Influencers should build networks to help founders share knowledge, social connections, and financial capital” (p. 19). Thus, by paying it forward, entrepreneurs were not only helping others (especially from marginalized backgrounds) achieve their entrepreneurial goals, but also helped share knowledge across the ecosystem, making it more robust. In its annual report, [RegionalESO](#) noted how its grantee Juan Carlos Dueweke-Perez (mentioned earlier) helped local restaurants retool and pivot during the COVID-19 pandemic to stay in business. In addition, he “assist[ed] his clients in accessing the same kinds of resources that he received. He wouldn’t simply settle on grabbing the type of exposure that better-resourced ventures benefit from, but to help his clients navigate an ecosystem that they might not otherwise know about” ([RegionalESO, 2021](#), pp. 30–31). In fact, he ended up providing technical support to several large ESOs in the ecosystem, not just to other transitional entrepreneurs, showing how transitional entrepreneurs often support the broader institutional infrastructure.

Envisioning a collective future

Finally, the ESO narratives helped envision a collective future for the entrepreneurial ecosystem and transitional entrepreneurs (viz., “what will we do?”), comprising three sub-themes—accelerated investment, supporting diversity and inclusion and a healthy ecosystem.

Need for accelerated investment. While noting that recent years had seen an improvement in capital and other resources for entrepreneurs, the ESOs emphasized that for a collective vision of prosperity to come to fruition, much more was needed in terms of accelerating the pace of investment. One way this was achieved was by *framing transitional entrepreneurs’ stories as unfinished*, requiring the need for greater capital infusion to realize their full potential. [RegionalESO \(2021\)](#) featured Sisters on a Roll Mobile Cafe, describing both the social value it contributed and the struggles it faced

Chef Bee believes she can generate enough revenue to create new jobs by adding four people to her team. Sisters On A Roll has seen success in that regard . . . Still, the business has a long way to go. ‘On the low end it will take another \$25,000 to outfit the truck and trailer to remain stationary and serve food,’ Chef Bee says. ‘At the high end, which is the goal from the very beginning, we still need \$58,000 to refit our food truck so that it’s a fully operational mobile cafe, where we bring the flavor of love to you.’ (p. 26)

In this retelling, [RegionalESO](#) was strategic in framing it not as an uncomplicated success story but one replete with struggles faced by transitional entrepreneurs like Chef Bee, who lacked generational wealth and access to key networks and resources. She started the business to be able to provide healthy food to her beloved neighbors and community members in need, but to continue to share “the flavor of love,” the business required additional investment. Her story was one of several others that the ESOs prominently featured as unfinished and in danger of unraveling, without sustained infusion of investment.

The ESOs also *called for more local in-state venture capital*, especially pushing for local venture funders to increase their risk appetite, to accomplish the collective vision. Specifically oriented toward the future (rather than the recent past), this code emphasized local capital rather than from the east or west coasts (where venture funders tend to be concentrated). For instance, [VencapESO \(2021\)](#) reported that “\$1.2 [billion] of additional venture capital will be required to adequately fund the growth of Michigan’s 165 startup companies in the next two years” (p. 14). It also quoted one leader of a Detroit-based venture capital firm saying that Michigan startups “need longer runways and local investor support. Fundraising success of our local VC firms is critical to the state’s continued growth of its innovation sector” ([VencapESO, 2021](#), p. 15). Noting that “the conservative nature” of venture funders in Michigan was a major obstacle to the continued growth of local entrepreneurs, the CEO of TechESO said this created significant tension:

We’re finding that’s causing a rift between entrepreneurs and investors, and our entrepreneurs are like, “You’re treating me like shit. I found it so easy to go outside Michigan to raise capital because what I’ve got is good, but you act like what I’ve got is just horseshit!” I can’t necessarily blame the investor community for that; increasing the capital availability for entrepreneurs in Michigan is a big concern of a broad constituency of people, whether it’s better fundraising by venture capital firms, state investment in venture capital firms, [or] state investment in programs that are investing directly in startups.

Rather than entirely blaming risk-averse investors, she framed this as a collective problem that required a collective solution with various stakeholders, so that the local pool of venture capital might increase. This, in turn, would potentially retain entrepreneurial talent (and profits) in-state rather than migrate to the coasts.

Support DEI. The ESO narratives envisioned a collective future for the ecosystem that is supportive of diversity, equity and inclusion (DEI) initiatives. Key to accomplishing this was *growing opportunities for entrepreneurs from marginalized groups*. [TechESO \(2021\)](#) noted that:

The Black population makes up 78% of the total population of Detroit. However, across Michigan, the startup and venture capital communities are comprised of approximately 65% White men. In order to preserve diversity within the City of Detroit, leaders in Detroit will need to ensure existing residents are gaining access to the funding and economic opportunities of the emerging high-tech economy (p. 13).

The ESO thus envisioned a future with more parity between the proportion of Black residents in the city and Black entrepreneurs, pushing for enhanced programs that prioritized Black and Brown entrepreneurs. Its leader emphasized growing the entrepreneurial ecosystem “in an inclusive manner so that it’s not just the existing community, existing majority, existing networks that are gaining access to those resources being created.” The entry barriers for transitional entrepreneurs in the technology space had to be addressed, she argued

Not enough organizations are building easy pathways for people to get into this community; the networks are very siloed . . . people who have not gone to college versus those who have, Black versus white, female versus male . . . There are not enough organizations focused on bringing those together to create easy entry into the community; that’s where TechESO comes in.

Addressing these barriers was crucial for the future, because “there is a significant correlation between a more diverse team and higher financial performance,” [TechESO \(2021\)](#) stated in its report (p. 12). This was echoed by [VencapESO \(2021\)](#), which acknowledged that despite the “success from startup companies that have more diverse leadership teams” (p. 22), “there is clearly work to be done” (p. 3). Similarly, the CEO of RegionalESO emphasized, “Inclusion isn’t only about the cupcakes and the coffee shops. Inclusion is also about people

that are cut off from getting access to capital and networks that have all the intellectual capacity and have all the ideas to create high-tech and high-growth businesses.”

Another element for this DEI-focused future for the ecosystem was *enabling community development in underserved neighborhoods*. For RegionalESO’s CEO, this goal was driven by its “value for inclusion”: “Innovation-led stuff was good, and we can talk about how to make sure that it’s inclusive for the people in that space, but it still wasn’t enough for communities like this [Detroit], with the amount of unemployment [and] education attainment.” Recognizing the challenges and opportunities afforded by Detroit’s social and political histories was an eye-opener for the ESO to design equity-minded programs serving transitional entrepreneurs and to encourage its ecosystem partners to also adopt them. RegionalESO (2021) described a path forward in which “underserved small businesses are served by a strong, inclusive, networked set of supports so the local economy and neighborhoods continue to grow and prosper” (p. 43), while CityESO (2020) urged working on “many points within the system that can be sharpened and refined to help build a more inclusive Detroit and ensure that entrepreneurial and small business resources are being focused to overcome the financial challenges that many Detroiters face” (p. 31).

Healthy ecosystem. The ESOs’ vision for the future also hinged on creating a healthy entrepreneurial ecosystem characterized by regional collaboration and that was self-sustaining.

Both RegionalESO and TechESO emphasized the *need for more cohesive regional collaboration*. For instance, TechESO’s CEO said,

Having a vibrant Detroit will have a very positive impact on the entrepreneurial community just from a talent attraction side! Same with Ann Arbor; having a vibrant Detroit will have a positive impact on Ann Arbor, on Grand Rapids, all of that! . . . From attracting conferences here, businesses to open here, better transit, all the things that come with a vibrant urban core are what the entrepreneurial community needs to continue to be its best. Certainly, density is a big issue in building the entrepreneurial ecosystem that can really make an impact on the economy of a state . . . Creating that density of talent and research, it’s really helpful to the ecosystem functioning efficiently and effectively.

Accordingly, she envisioned a more “vibrant urban core” that was connected to neighboring cities to map out a statewide entrepreneurial ecosystem. She highlighted the benefits of “density,” but noted that the larger “positive impacts” stemmed from regional interconnection across—not just within—cities. Similarly, the Communications Director at RegionalESO advocated collaboration not only among SE Michigan stakeholders but also with Canadian groups given Detroit’s international border with Windsor, Ontario. He said,

So, we do nothing to connect with Windsor, and we should be thinking about the economy as it actually exists and functions. We could do better to ignore political boundaries that are not only here in this region, but international, because our economy encompasses those areas. There were some efforts; there’s a med-health cluster out of [UniversityESO] that’s one of the few and I would like to see more.

Pointing out that the “economy as it actually exists” is trans-border, he called for regional collaboration across both geographical and political boundaries to create a more cohesive and inclusive entrepreneurial ecosystem. Later in the interview, he used the example of the US–Canada Great Lakes Water Compact to illustrate what could be accomplished.

Both ESOs thought of a healthy ecosystem as one that could *sustain its own growth* without relying existentially on state or philanthropic support. TechESO mainly focused on the need for more local venture capital to create a self-sustaining ecosystem without investment from the east or west coasts. Meanwhile, RegionalESO sought to create programs that would support existing small businesses (“been-ups”), not just new ventures, and pushed

for strategic investment in communities that could symbiotically support entrepreneurs. Its CEO noted that the organization had, in fact, coined the term “been-ups” to describe an important group of underserved entrepreneurs who were vital for the ecosystem’s long-term health: “At the fourth year of our Small Business Plan competition gala, that birthed out of the thinking—we’ve got to do something for the been-ups! So, we started thinking of start-ups and been-ups, and dedicating our gala toward businesses being three years and over, because nothing was happening with existing businesses prior to that!” RegionalESO thus noted that transitional entrepreneurs (especially in poor neighborhoods) continued to face challenges long after their launch, so that the ecosystem’s health depended on ensuring they were still able to access resources and in turn support their communities.

Sustaining community development for the sustainability of the entrepreneurial ecosystem was a key concern at RegionalESO during the time of data collection, with the organization winding down its grant-making over the next year. The CEO noted,

Now we’re concerned that we’ve activated so many different types of programs, so we need to make sure we go out of business carefully, and don’t break things! . . . We want to do more in the neighborhoods because, through the years, we shifted our strategy in terms of how we focused . . . For us, we could *not* support small businesses in the neighborhoods because they are just as critical, maybe more so, than high-tech and high growth. They reinforce each other; all the young, talented folks that come here with high-tech, if there’s not small businesses that can service them, then they will leave; but then also the small businesses need them in order to be in business.

Thus, RegionalESO noted the symbiosis between community development and entrepreneurs for a sustainable ecosystem, and saw itself as diverting even more resources toward strategic community initiatives rather than only supporting entrepreneurs directly.

Discussion

Our research examined the role of ESOs in an entrepreneurial ecosystem in shaping the possibilities for transitional entrepreneurs in postindustrial cities. Specifically, we adopted a multi-case study design (Stake, 2005, 2008) to trace the narratives of two ESOs based in Detroit, MI—TechESO and RegionalESO. Our findings indicate that when it comes to shaping Detroit’s transitional entrepreneurs, ESO narratives constructed an identity for entrepreneurs (viz., “who are we?”), they oriented entrepreneurs to the broader entrepreneurial ecosystem (viz., “where are we?”), and they envisioned a collective future for the ecosystem and transitional entrepreneurs (viz., “what will we do?”). In this section, we consider some key implications for the emerging research on transitional entrepreneurship.

This paper adds to the scholarship examining the social processes and institutions that enable transitional entrepreneurs to overcome adversities and marginalization, by focusing on two key issues—the impact of entrepreneurial ecosystems and ESO narratives that shape social reality for transitional entrepreneurs. First, while some researchers have addressed the role of “external enablers” (Manocha *et al.*, 2021), social institutions (Amoako *et al.*, 2021; Tao *et al.*, 2021) and even ESOs like incubators (Newman and Christensen, 2021) in enabling and/or restraining transitional entrepreneurs, our study goes a step further by taking an ecosystem approach that notes the intersection of multiple ESOs in these contexts. We note that transitional entrepreneurs may emerge in multiple economic sectors—both neighborhood small businesses and high-tech, high-growth areas—and, moreover, because they are served by several ESOs, with different mission statements and social histories, the narratives they encounter and, the functions these ESO narratives serve, may be both competitive and cooperative with each other.

The ESOs we selected for this multi-case study are much broader than the incubators and maker spaces that most entrepreneurship scholars have studied till date (Bergman and McMullen, 2022); both RegionalESO and TechESO are involved in research, policymaking, grant-funding and providing indirect support to other actors in the entrepreneurial ecosystem, rather than only direct help to entrepreneurs. The kinds of support they offer entrepreneurs are also broader than merely instrumental (e.g. training, grants), and encompass identity work, understanding of broader trends in the ecosystem and economy and connections with vital customers and peers for tacit knowledge that they might not otherwise have access to, and helping them envision a collective future in which they play an important role. These forms of support are particularly crucial for transitional entrepreneurs, who emerge from underserved and marginalized circumstances and lack generational wealth, social capital or institutional knowledge that others may be able to access (Bruton *et al.*, 2021; Nair and Chen, 2021).

Second, our study suggests both convergences and divergences across the two ESOs in terms of how their narratives shape transitional entrepreneurship. Although both RegionalESO and TechESO sought to push the definitional boundaries of *who* are explicitly or implicitly included and privileged as “entrepreneurs,” there were some clear limits, especially for TechESO (in that it did not include informal startups in its definition, but focused on technology-centered businesses that required founders to have a college education). Both ESOs also emphasized inspiring would-be entrepreneurs, although their preferred narrative devices differed, so that RegionalESO (serving everyday entrepreneurs) was more likely to employ resilience and solidarity, which might appeal better to transitional entrepreneurs, whereas TechESO (serving technology firms and focused on venture funding) emphasized narratives of breakaway success—the proverbial “unicorns.” While both ESOs identified key temporal shifts in the entrepreneurial ecosystem to help orient transitional entrepreneurs, focusing on both positive (e.g. historical access to expertise) and negative (e.g. historical lack of infrastructure for marginalized groups), TechESO seemed more likely to emphasize the recent influx of venture capital compared to RegionalESO. Moreover, both ESOs emphasized the “spirit of collaboration” and the role transitional entrepreneurs played to revitalize their communities, even as both highlighted connecting entrepreneurs, training them on how to pitch their business and encouraging them to pay it forward to would-be founders; all of these were crucial to help transitional entrepreneurs understand how the ecosystem was interconnected and cultivate the transmission of key lessons. When it came to the last theme of helping envision a collective future, both ESOs underlined the need to build a self-sustaining healthy ecosystem, although they differed in how they addressed the need for accelerated investment and supported DEI. When advocating for greater investment, RegionalESO was more likely to highlight stories of entrepreneurial success as “unfinished” and in need of support, whereas TechESO addressed investors’ risk appetite and called for concerted public-private investments. Meanwhile, when pushing for more attention to DEI, RegionalESO was more likely to design policies for community development in underserved neighborhoods (populated by potential transitional entrepreneurs), whereas TechESO emphasized expanding resources to directly aid transitional entrepreneurs from marginalized backgrounds. While our qualitative comparative case study is not meant to be generalizable, future research should examine whether this pattern of convergence and divergence plays out in other contexts, for ESOs similarly focused on everyday entrepreneurs and tech entrepreneurs.

Third, we call attention to the ways that in postindustrial cities like Detroit, the roles of transitional entrepreneurs and those of social and institutional entrepreneurs are often blurred. Whereas transitional entrepreneurship is primarily “concerned with how, why, and when entrepreneurial actors from a given marginalized group may discover, enact, evaluate, or exploit opportunities because or in light of their position/s of adversity” (Pidduck and

Clark, 2021, pp. 1082–1083), social entrepreneurs are typically in pursuit of a broader social mission or social good, and institutional entrepreneurs work to redefine and recreate institutions (see also Bruton *et al.*, 2021, for their discussion of social versus transitional entrepreneurs). In this study, we showcased transitional entrepreneurs not only pursuing personal development but also contributing positively toward community and urban outcomes. In doing so, these transitional entrepreneurs also challenge—and eventually transform—the roles of existing institutions, like the ESOs and other ecosystem actors. For instance, both RegionalESO and TechESO were compelled to shift their strategies over time—RegionalESO to focus on neighborhood small businesses and transitional entrepreneurs, and TechESO to become a strident advocate of diversity and inclusion in funding startups. Moreover, our study pushes back against narrow conceptions of who might be categorized as a transitional entrepreneur. Although we recognize the virtues of meaningful categorization (Bruton *et al.*, 2021), recognizing that not all entrepreneurs hailing from traditionally marginalized minorities might have overcome significant adversity, we caution against overly rigid categories that might erase or ignore the complex tensions of American urban life and minority experiences.

While much scholarship, including ours, has focused on the type of adversities faced by transitional entrepreneurs, future research should look to uncover the temporal aspects of those challenges. For instance, scholars might inquire about the timing of those adversities in relation to the pursuit of transitional entrepreneurship. Others could explore the role of both individual and social memory in shaping those traumas that may trigger transitional entrepreneurship. Future research should also go beyond questions of what differences in narrative function exist within entrepreneurial ecosystems to questions about how narratives are prioritized and emphasized by ecosystem members, with concomitant impacts for transitional entrepreneurs and marginalized communities. Finally, while this paper has addressed the narratives emanating from only two ESOs in an ecosystem, studies adopting a semantic network analysis or broader discourse analysis of multiple ecosystem actors might yield additional insights into how ESOs shape transitional entrepreneurship.

Despite these limitations, our study contributes to understanding how transitional entrepreneurs can perceive the environment in which they operate. We extend existing notions of transitional entrepreneurship by showcasing the important role of narratives, which are often tensional and fragmented. How ESOs talk about entrepreneurship matters; there is power in the stories we hear, see, tell and retell, and they can influence the future of an entrepreneurial ecosystem, shaping what is possible.

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