



**SEJ Special Issue Call for Papers**

## **Strategic Entrepreneurship in Craft-Based Ventures**

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### **Background and Special Issue Purpose**

Strategic entrepreneurship (SE) is entrepreneurial action with a strategic perspective (Hitt, Ireland, Camp & Sexton, 2001). It captures firms' efforts to consider both *opportunity-seeking* (i.e., exploration) and *advantage-seeking* (i.e., exploitation) behaviors to create value and a sustainable competitive advantage – end goals of both strategic management and entrepreneurship (Hitt, Ireland, Sirmon & Trahms, 2011). Traditionally, it was argued that large, established firms were challenged to be more entrepreneurial, while smaller, entrepreneurial ventures were challenged to be more strategic. Ongoing research has demonstrated that SE is a nuanced concept that plays out differently beyond the large/small, young/old divide. Indeed, significant gains in our understanding of SE – its value and complexity – have been found by examining a range of organizational forms (e.g., public, private, family) and contexts (e.g., institutional development, technological intensity). However, these treatments have largely overlooked a historically critical type of venture that is becoming increasingly relevant once again – the craft-based venture (e.g., Cattani, Dunbar, & Shapira, 2017; Kuhn & Galloway, 2015; Mathias, Huyghe, Frid, & Galloway, 2018).

While craft-based ventures have often been used as an interesting context to advance established theories, recent research has argued that craft deserves more dedicated attention (Bell et al., 2018;

Kroezen, Ravasi, Sasaki, Żebrowska, & Suddaby, 2021). Following popular philosophical work (e.g., Adamson, 2018; Bennett, 2010; Crawford, 2009; Sennett, 2008), scholars have argued that craft is associated with a fundamental alternative approach to learning, working, producing and consuming that prioritizes materiality and skillful human engagement which sharply contrasts with conventional norms and initiatives driving most organizations (Bell & Vacchani, 2019; Kroezen et al., 2021; Suddaby, Ganzin, & Minkus, 2017).

Indeed, despite craft-based ventures being common in certain parts of the world, the economic and social impact of craft in industrialized nations is reaching a critical threshold. For instance, in 2020, Etsy.com, an online retail platform of crafted goods, reported sales greater than US\$11 billion. Impressively, Etsy's sales revenue is estimated to still be less than 1% of the global market share of manufactured craft goods. Even more, whole sectors are now being reshaped through the resurgence of craft. Examples of industries being affected include beer brewing (Kroezen & Heugens, 2019), watch making (Oertel & Thommes, 2018; Raffaelli, 2019), fashion (Korica & Bazin, 2019), and agriculture (Weber, Heinze, & DeSoucey, 2008). And craft-based ventures are offering non-trivial solutions to the problems of environmental sustainability (Sikavica & Pozner, 2013) as well as opening alternative paths to entrepreneurship (Stinchfield, Nelson, & Wood, 2013; Kuhn & Galloway, 2015).

While craft is often intuitively associated with artisanal forms of manufacturing that appear inherently backward-looking, a closer look at the literature reveals that the concept has always had much broader applicability, such as in Mintzberg's (1987) use of craft to capture a distinct approach to the making of strategy or in the example of the popular notion of "software craftsmanship" that laid the foundation for the "agile" movement (Beck et al., 2001; McBreen, 2002). Indeed, many contemporary craft-based initiatives are highly innovative and forward-looking (Browder, Aldrich & Bradley, 2019). For instance, the whole mechanical watch industry had to accelerate the rate of innovation in both organization and methods of production to survive the quartz crisis, which led to a surprising reconfiguration of the sector (Raffaelli, 2019). As of 2020, crafted mechanical watches comprise 86% of the Swiss watch industry's export value.

However, compared to the impressive contributions of craft-based ventures to society, our knowledge of SE in craft-based ventures is very limited. As such, the purpose of this special issue is to extend our understanding of how craft-based ventures conduct SE. That is, how, if at all, they combine "both effectiveness and efficiency-oriented forms of newness" to explore tomorrow's opportunities while exploiting today's competitive advantages (Ireland & Webb, 2007: 52). And indeed, there are a number of unexplored or underexplored areas of research at the intersection of SE and craft-based economy that can illuminate our understanding of entrepreneurship and strategic management in craft-based ventures (Shepherd, Wennberg, Suddaby & Wiklund, 2019). For example, with the rapid advance of internet technologies and platform economies, craft-based ventures that had to traditionally rely exclusively on local consumers received sudden access to world markets. This has led to the increasing internationalization of craft-based ventures which now face unique opportunities and challenges as a result (e.g., Sasaki, Nummela, & Ravasi, 2021). These advances appeared to have played an important role in the survival of particular craft skills and associated ventures that had been on the brink of extinction. Another example is our lack of knowledge of the interplay between family dynamics and craft philosophy in craft-based ventures, which appears relevant as many craft-based products and services result from the lasting and dedicated work of generations of families that traditionally have substantially contributed to local economies (Hoskisson, Chirico, Zyung & Gambeta, 2017). Yet, apart from a few recent exceptions (e.g., Erdogan, Rondi, & De Massis, 2020; Sasaki, Ravasi, & Micelotta,

2019; Thurnell-Read, 2021; Ruef, 2020), there has been little cross-fertilization between craft-based research and the family firm literature (cf. Suddaby & Jaskiewicz, 2020). Other underexplored areas include, among others, the interplay between craft and tradition in the construction of authenticity, the interplay between craft and innovation in the context of the rise of artificial intelligence (cf. Murray, Rhymer, Sirmon, forthcoming), craft-approaches to engaging with various stakeholders (cf. Hitt et al., 2011; Murray, Kotha, & Fisher, forthcoming), the more general evolution of craft-based ventures, as well as the role of craft forms of strategic entrepreneurship in the informal/illegal economy.

With useful research linkages and contrasts between the SE and craft-based venturing literature, we highlight several specific research questions, that when addressed quantitatively, qualitatively or conceptually offer exceptional potential to contribute to our understanding of SE in craft. These are meant to provide inspiring examples for new research rather than a fully exhaustive list of research topics for the special issue:

1. *Reconceptualizing craft-based SE.* How do examples of craft-based SE challenge our conventional conceptualization of the “craftsman entrepreneur” (Smith & Miner, 1983)? To what degree can SE in craft-based ventures be illuminated by referring to recognized configurations of craft—traditional, industrialized, technical, pure, and creative (Kroezen, et al., 2021)? What types of strategic actions are craft-based ventures more likely to pursue and why? How do these strategies differ based on internal (e.g., financial distress) and external (e.g., Covid-19) shocks? How do ventures outside of traditional craft industries use craftsmanship and craft-related elements in their products and in their organizing principles to attain competitive advantage and explore entrepreneurial opportunities?
2. *The evolution of craft-based ventures.* How do craft-based ventures emerge, evolve and erode? How do resources and ownership transitions – e.g., sale, merger, succession (Hitt et al., 2011), affect the development of craft-based ventures? How do firms uniquely maintain their craft base or craft approach as they grow (Bell, Dacin, & Toraldo, 2021)? How does growth impact their branding as craft masters?
3. *Craft and family firms.* How are craft skills and attitudes intertwined with the family, such as in cross-generational relationships (Chirico, Sirmon, Sciascia, & Mazzola, 2011)? What role do families play in the maintenance or reinvigoration of craft skills (Sirmon & Hitt, 2003)? How does the value and meaning of craft change in family-owned firms? How does adherence to a craft approach affect the ownership structure of a craft-based family firm and *vice versa* (Akhter, Sieger, & Chirico, 2016)? Relatedly, how do craft-based family firms frame the risk associated with their activity, and what are the performance consequences (Lumpkin, Steier & Wright, 2011)?
4. *Craft, tradition, authenticity, and innovation.* How can craft-based ventures leverage tradition, authenticity and innovation simultaneously (Kuhn & Galloway, 2015; Kroezen & Heugens, 2019)? Relatedly, how do they manage the balance between conservative and progressive attitudes toward craftsmanship? How can craft-based ventures use tradition and authenticity as resources to attain forms of competitive advantages?
5. *Craft and internationalization.* How do craft-based ventures pursue internationalization strategies (Sasaki et al., 2021)? What roles do internet technologies and platform usage play in craft-based ventures’ opportunity exploration, exploitation and growth? Relatedly, what roles do IT, AI, Big Data analytics and robotization play in the craft-based economy and how they are helping or hindering their firms’ expansion?

6. *Craft and inherent tensions.* How do craft-based ventures uniquely navigate the institutional complexity stemming from the tensions between craft and market logics? How do they mitigate, leverage, or utilize inherent tensions stemming from this complexity? Relatedly, how do environmental factors, industry characteristics and competitors' actions drive or influence craft-based ventures' strategic choices? How do craft-based ventures manage current non-financial wealth preservation versus future financial growth? What are the related trade-offs and challenges?
7. *Craft and the informal economy.* A gap between what is legal in a society and what some large groups consider to be legitimate in that society allows an informal economy to emerge (Webb, Ireland & Ketchen, 2014). Webb et al. (2009: 492) define "the informal economy as the set of illegal yet legitimate (to some large groups) activities through which actors recognize and exploit opportunities." This is highly common among craft-based ventures (e.g., masterful tailors from Naples in the Southern Italy, or designers from urban Istanbul neighborhoods in Turkey; Kaya & Yagiz, 2011). How do craft-based ventures within an informal, or even *illegal* economy, pursue opportunity-seeking and advantage-seeking strategies while competing with actors operating in the formal economy?
8. *Craft and stakeholders.* Craft-based ventures are known for being deeply embedded in communities (Sasaki et al., 2019), and their actions are often either direct reflections of, or responses to the structures, rules and the customers located in the community (Browder, Aldrich, & Bradley, 2019). Thus, do craft-based ventures face different challenges in addressing demands from community or other stakeholders? How does a community (either online or local) both support and limit a craft-based venture? If so, how does the craft-based venture explore opportunities beyond the boundaries of their community?
9. *Craft and the greater good.* Many craft-based ventures rely on differentiation and conspicuous consumption to sell their products at premium prices. Thus, some have argued that craft-based production and consumption in high income economies or regions is only accessible to the wealthy (Ocejo, 2017). At the same time, in lower income economies or regions (e.g., India, Mexico, or some regions of Southern Italy), craft-based ventures often appear to fill more fundamental or utilitarian needs in the absence of an industrialized alternative. Similarly, craft-based ventures often draw on imaginaries of more ethical or more sustainable production and consumption to distinguish themselves from their industrialized counterparts (e.g., Woolley, Pozner, & DeSoucey, 2021). Yet, craft-based economies are not naturally more virtuous than more industrialized systems (cf. Fischer, 2021). This raises interesting questions about when and how craft-based ventures contribute to the greater good. When and how do craft-based ventures help to address social or environmental ills and when do they fall short? What role do craft-based ventures play in advancing the 'greater good' across different sectors, economies and regions? How does the meaning of craft change when the products are produced by elite actors as compared to when they are produced by marginalized actors? What are the dark sides of craft? When are craft-based ventures truly transformative and when do they simply maintain the status quo or benefit elites? Does the allure of craft imaginaries put us at risk of losing what is good about efficiency-based systems?

#### **Deadlines, Submission and Review Process**

Please indicate that the manuscript is for consideration in the Craft-Based Ventures special issue when submitting your manuscript online. Contributors should follow the directions contained in the SEJ manuscript submission guidelines: [http://sej.strategicmanagement.net/submission\\_guidelines.php](http://sej.strategicmanagement.net/submission_guidelines.php)

Submissions can be made via the SEJ website at <https://mc.manuscriptcentral.com/sej> from **October 15, 2022 to November 1, 2022**.

All papers will be reviewed according to the standard policies of the Strategic Entrepreneurship Journal. It is anticipated that the special issue will be published in September 2024.

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