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# Rogue Entrepreneurship

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## Abstract

We suggest a new category of “rogue entrepreneurship,” that describes entrepreneurial activity where the core business idea violates established or expert consensus, to be contrasted with “conforming entrepreneurship,” where it does not. There are large entrepreneurial rents hidden behind a bulwark of expert consensus that predicts doom for a venture based upon a rogue and unlikely claim. The “rogue” cases, where the predominant assessment context is different from the entrepreneur’s, result in broad skepticism against the entrepreneurial claim. We explain what rogue entrepreneurship is and how it works.

## Keywords

entrepreneurship, uncertainty, counter-claims, assessment, decision-making, philosophy, representations

“What important truth do very few people agree with you on? A good answer will take the following form: ‘Most people believe in  $x$ , but the truth is the opposite of  $x$ .’”—Thiel and Masters, 2014, p. 5–6.

## Introduction

In entrepreneurial action theory (e.g., McMullen, 2015; McMullen & Dimov, 2013; McMullen & Shepherd, 2006; Packard, 2017; Wood et al., 2021), the most interesting cases of entrepreneurship involve a rogue idea that violates prevailing wisdom. The history of entrepreneurship is filled with fortunes that have been made (and lost) on idiosyncratic, uncertain, and implausible claims. Jobs’s claim that the personal computer would become a household item contradicted the experts of the time—like the 1977 CEO of Digital Equipment Inc. who said, “There is no reason anyone would want a computer in their home.” Gary Dahl’s claim that people would be willing to pay for a pet rock confounded

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the assessment of every MBA graduate with a heartbeat. AirBnB couldn't get investors because "no one will want to sleep in some stranger's home." Some of these implausible claims, of course, never amount to anything. Others, like Jobs's and Dahl's claims, seem to be fascinating examples of entrepreneurial vision through what is no more than the fog of an unknown future (Knight, 1921) to the rest of us. These are *rogue* ventures because they were built upon divergent *rogue claims*. They differ from *conforming* ventures (e.g., opening another laundromat) that conform to the prevailing professional assessment about their viability.

The literature has not fully acknowledged rogue entrepreneurship as an independent topic of research, distinct from innovative (Burgelman & Hitt, 2007; Chatterji et al., 2009; Freeman & Engel, 2007) or destructive entrepreneurship (Lachmann, 1986; Schumpeter, 1934, 1942), in part because it has not fully acknowledged what makes the most interesting cases of entrepreneurship interesting—the very irrationality and assessed impossibility of those ventures. Any robust entrepreneurial framework must not only admit the existence of these bizarre, expert-conflicting rogue cases but also provide an explanation for where they come from, what happens when they come into conflict with the real world, and how intelligent, rational stakeholders are persuaded that the experts are wrong. How does one build a venture and fight against the tide of expert "facts" and consensus when domain experts confirm it to be hopeless? Standard theories of persuasion, like storytelling, narratives, sense-making, and social framing (Gartner, 2007; Garud et al., 2014a, 2014b; Garud & Giuliani, 2013; Martens et al., 2007) typically presume a neutral assessment context and don't work very well in an environment where experts have already "established" the stupidity of the entrepreneur's idea.

Rogue entrepreneurship is important. It describes a category of entrepreneurship with many of the most consequential ventures with the highest visibility, most significant economic effects, and largest payoffs. It is the responsibility of entrepreneurship scholars, then, to individuate and explain these large entrepreneurial rents in the socio-economic landscape so that, among other things, policy-makers can encourage them and the healthy growth of the economy. Generally, scholars suppose that the largest entrepreneurial rents are hidden behind the biggest barriers to entry—established competitors (Keyhani et al., 2015), missing value and technical knowledge (Alvarez, 2007; Alvarez & Barney, 2004), and valuable/rare/inimitable/non-substitutable (VRIN) resources (Barney, 1991). Our primary argument is that there exists another orthogonal, large, and mostly unacknowledged barrier to entry—prevailing expert consensus. Antagonistic consensus can stop entrepreneurs from ever starting their venture (e.g., "no one wants a personal computer in their home," "no one will sleep in some stranger's home"). Isolating and explaining the phenomenon of rogue entrepreneurship sheds light on this large entrepreneurial rent source. In what follows we offer an introduction to rogue entrepreneurship and how it works.

## Knowledge Claims

An entrepreneurial venture is built upon a value proposition (Bruyat & Julien, 2001; Bylund & Packard, 2022) or theory (Felin & Zenger, 2009; Zellweger & Zenger, 2021), which, in the language of philosophy, is comprised of one or more *knowledge claims*—propositions understood as (or intended to be) true—one or more of which can be considered core claims in that they are essential to the venture. The claim that individuals will want and find value in a personal home computer is essential to the business model of any personal computer firm, and one rejected by experts in the early 1970s.

There are many kinds of knowledge claims. “There is a \$1.2B market for my new product,” is a knowledge claim, as are everyday claims like, “that is a tree branch.” To understand a rogue venture, we need to first isolate *the rogue claim* at the heart of a venture’s value proposition, strategy, or business model that makes it (or its product, service, or functioning) rogue. The rogue entrepreneur has divergent thoughts about that claim from the prevailing opinion, so we need to understand how such entrepreneurs think differently. To do so we turn to cognitive science, and to a recent breakthrough in philosophy that solved an ancient problem posed by and unresolved since Aristotle, on the nature of *knowledge claims*. This allows us to describe the structure of cognition at work and the cognitive–social interplay of rogue claims. An assessment that some claim is true or false, does not arise *ex nihilo*, but is part of a larger knowledge framework (Fillmore, 1976, 1982; Lakoff, 1987) from which a conclusion naturally follows. We leverage this work on *knowledge frames* and *assessment contexts* (especially MacFarlane, 2003, 2014) to explore how rogue venture ideas are seen, understood, and assessed by others.

A rogue entrepreneur has a knowledge framework, which leads to conclusions about the future that conflict with the established “expert” knowledge framework and its conclusions. Assessed from the expert’s context, the entrepreneur’s rogue claim is false. But assessed from the entrepreneur’s alternative assessment context, it is true. The core task for an entrepreneur, then, is to use the expert’s weight of opinion against it, as in judo, to “flip” the prevailing assessment context, and therefore render the previously “false” rogue claim “true.” In what follows, we will first unpack the cognitive structures at play in the rogue and expert knowledge assessment frameworks, and then the mechanics of this judo flip.

The category of rogue entrepreneurship describes an important category of entrepreneurial activity distinct from previously identified categories such as destructive or innovative entrepreneurship. This category serves to explain how and why “radical” entrepreneurs are seen as radical—in the process of establishing an innovative new market, or destroying an adjacent market, the entrepreneur advances a claim that runs afoul of consensus opinion. Rogue entrepreneurship is not just an important topic of socio-economic study but also a vital topic within the field of entrepreneurship because this is often where the most surprising and largest entrepreneurial rents lie—hidden behind the daunting entry barrier of “expert” assessments that the entrepreneur’s idea is false (or utterly lacking any supporting evidence).

Before we can describe the cognitive science behind knowledge claims and their assessments, we will define the key terms and concepts that we will rely upon in our discussion.

### Key Terms and Concepts

**Entrepreneurship.** We define entrepreneurship as taking action with the intention to generate economic value (or social benefit in the case of social entrepreneurship) in ways that are novel, and hence uncertain, for the agent. This is consistent with a long line of scholars in assuming a definition of “entrepreneurship” that incorporates uncertainty for the agent (e.g., Busenitz, 1996; Cantillon, 1755; Kirzner, 1979; McBride, 2018; McMullen & Shepherd, 2006; Mises, 1951; Packard, 2017; Simon, 1996). Opening one’s first laundromat might be uncertain *for the agent*, and hence entrepreneurial, but less uncertain (or not at all) for someone with prior experience. Within this view, entrepreneurship is *relative to the agent’s* history and knowledge, and need not be innovative, require a new venture, nor be successful so long as the individual acts with the intention of generating economic value in domains novel to him or her.

**Knowledge Claim.** A knowledge claim is a representational statement in the form of a claim that is justified by means of positive evidence or reasoning, and (implicitly or explicitly) asserted to be true (veridical). Historically, such claims are often referred to as a “justified true belief.”<sup>1</sup>

**Knowledge Frames.** Knowledge frames are organized collections of knowledge claims within individuals that determine how we think about and interpret things (Barsalou, 1992; Lakoff, 2014; Lakoff & Johnson, 1980a, 1980b; Lakoff & Wehling, 2016). Lakoff (2014, pp. 13–14), one of the world’s preeminent cognitive scientists, defines and explains knowledge frames this way:

Frames are mental structures that shape the way we see the world. As a result, they shape the goals we seek, the plans we make, the way we act, and what counts as a good or bad outcome of our actions. In politics our frames shape our social policies and the institutions we form to carry out policies. To change our frames is to change all of this. Reframing is social change.

You can’t see or hear frames. They are part of what we cognitive scientists call the “cognitive unconscious”—structures in our brains that we cannot consciously access, but know by their consequences. What we call “common sense” is made up of unconscious, automatic, effortless inferences that follow from our unconscious frames.

These individual-level frames are partially shaped by wider, social knowledge contexts. But individual knowledge frames are subjectively unique and are affected by personal historic experience and other individual differences. Thus, individual knowledge frames can diverge from even a strong socially dominant knowledge framework.

**Assessment Contexts.** These are knowledge frames put to a specific use. Societies organize around pervading social and institutional beliefs and values (Berger & Luckmann, 1967; Meyer & Rowan, 1977; Scott, 2014). Within these broader habits, values, and beliefs are more integrated and specialized collections of knowledge within fields of study (Fichte, 1868; Hyman, 1999; Kuhn, 1962; Nersessian, 2010). These are the knowledge frames mentioned above. But knowledge frames can also be referred to as “assessment contexts” when they are put to use with the goal of assessing some claim about the world.

We will be particularly interested in the *dominant assessment context*, which is usually governed by society’s “experts” (Suddaby & Greenwood, 2005). An expert is a person who has special influence on institutional beliefs on the grounds that they have demonstrated superior or accredited knowledge of a particular topic. Experts are trusted and, thus, given greater say in the development of a social consensus in establishing what is “known” (Hogarth, 1978; Rescher, 1993; Walton, 2010). We would trust, for example, a physicist’s assessment about the possibility of a new type of fusion reactor or a historian about what actually happened during the French Revolution, more than a random guy at a bar (unless that random guy happened to be a physicist or a historian).

**Expert Consensus.** An important question lingers about what exactly counts as an “expert consensus.” Alas, there is no precise ratio or number that Kuhn (1962), Nersessian (1992), or any other philosopher of science has identified, and neither will entrepreneurship scholars be able to easily quantify “consensus.” Most consensus scholarship rejects definitions that rely on full unanimity of opinion in favor of a “soft” consensus that refers to a level

of agreement (and dissension) among experts (Kacprzyk & Fedrizzi, 1986). While a “consensus” may be (and has been) empirically identifiable (e.g., Ahlim et al., 2022; Wang et al., 2021), we simply note that, as with many fuzzy concepts, scholars (and entrepreneurs and their stakeholders) will choose cutoffs and measures suited to their research questions for methodological purposes. We also note that assessments of consensus can refer either to a degree of agreement (determining if consensus exists), as we do above, or it can refer to the distance of an opinion from the consensus (e.g., Chiclana et al., 2015), which correspond to our notion of “how rogue” an opinion or claim is. In the latter case, consensus measures are based on distance/similarity calculations, such as Euclidian (Chiclana et al., 2007), Cosine (Deza & Deza, 2009), and Jaccard (Salton & McGill, 1983) distance/similarity functions.

Within any field there is usually a dominant assessment context about what “counts” as a true claim given the state of the knowledge within that field at any point in time, and of course this assessment context changes as science progresses, new discoveries are made, and better models or reasons evolve. Experts, of course, are not perfect and they will sometimes make erroneous assessments about things both within and outside of the purview of their expertise, or base their assessment on a hunch rather than the evidence from their knowledge framework. Moreover, the expert-generated assessment context is not always correct, as the history of scientific advancement clearly illustrates. It is these spurious expert assessments that are our focus here—a dominant claim within the dominant assessment context that for any variety of reasons is ultimately proven wrong. A problem remains: How one can possibly know when the leading experts have got it wrong when their job as the field experts is to get it right?

**Rogue Claims.** A *rogue claim* is a knowledge claim that violates, in the sense of contradicting or simply not following from, the established assessment context. It is a *counterclaim*—a knowledge claim that contradicts or is orthogonal to expert consensus. Perhaps it conflicts directly or perhaps it is merely so unrelated to the established assessment context that it is entirely irrelevant or speculative. In either case, it is “rogue” because it does not cohere with (it violates or is orthogonal to) the prevailing expert opinion.

We are not interested in counterclaims that are non-essential to the venture (e.g., that employee parking spots should be painted the same color as the pavement, making them difficult to see. This would be a strange, “rogue” idea, but to be a rogue claim, it must contradict or be orthogonal to the established expert assessment *and* it must be essential to the core strategy, business model, or value proposition of the entrepreneurial venture.

In short, a genuine rogue claim is embedded within and follows from an internally coherent knowledge frame, one that is inconsistent with the pervading assessment context and critical to the value proposition. The contextual beliefs that the computer could be a multi-purpose tool for everyday tasks and be accessible to non-programmers naturally leads to the conclusion that an affordably priced personal computer would have broad appeal and demand. But this conclusion was rogue in the 1970s, when prevailing expert opinion held that computers were mainly for long, complex mathematical calculations needed only by large businesses or governments. Hence, the dominant assessment context held that a personal computer firm would fail. As noted, each knowledge framework can serve as an assessment context within which a claim relevant to that field (like a rogue claim) can be assessed.

**Rogue Entrepreneurship.** Rogue entrepreneurship is an entrepreneurial venture activity premised upon a rogue claim. From the perspective of the established assessment context, it is reasonable to assess the rogue claim as false, and hence to conclude that the venture built around it will assuredly fail. We will use the terms “rogue ventures,” “rogue products,” “rogue ideas,” “rogue services,” or “rogue entrepreneurship,” etc., to refer to entrepreneurial activities premised upon a rogue claim.

**Conforming Entrepreneurship.** In contrast to rogue entrepreneurship, conforming entrepreneurship is entrepreneurial activity that conforms to a more-or-less established venture recipe (e.g., opening another laundromat, produce stand, or real estate brokerage), which leads to uncertainty only in a narrow sense, that is, about the *execution* of a well-established idea, strategy, or business model. Both rogue entrepreneurship and its opposite, conforming entrepreneurship, involve actions taken under uncertainty but of different kinds and magnitudes. In the case of conforming entrepreneurship, the uncertainty of the venture is simple and small, entailing uncertainty only about the specific application of the new venture idea to a different context (e.g., a new produce stand on a different street corner). In the cases of rogue entrepreneurship, social consensus or expert opinion says that the viability of the rogue idea (e.g., the personal computer or a pet rock) is at the very least unknown, and it is this deeper uncertainty that entrepreneurs must swim upstream against (Trost, 2019).

It is important to note that conforming entrepreneurship overlaps with (but is distinct from) imitative entrepreneurship in much the same way that rogue entrepreneurship differs from innovative or disruptive entrepreneurship. There are cases of ventures that conform to expert assessment about their viability of some innovative technology and so are not imitating prior ventures because there are no such prior ventures. The ventures that sprung up around 3-D printing are just such cases. Neither *rogue* versus *conforming* entrepreneurship has been explicitly individuated to date.

### ***The Cognitive Science of Assessments***

It is by now virtually unanimous within cognitive science, anthropology, psychology, and philosophy that humans (and other advanced animals) form mental representations of things in the world that allow us to reflect upon them without those things needing to be present (Chomsky, 1980; Deacon, 1998; Dretske, 1969; Fodor, 1975, 1981, 2001; Pylyshyn, 1984). Even firsthand experience is experienced through the various representational “filters” of the mind, where the initial sense stimuli is but a trigger for what is consciously experienced.<sup>2</sup> Representations are essential to our interactions with the world and our reflections about it. All modern fields that study human behavior and knowledge begin with the assumption that humans exist in a real world and form mental representations of reality to better navigate and interact with it (Deacon, 1998; Dretske, 1969).

The core insight we want to highlight is that these representations are regularly and often instinctively *assessed*. There are myriad assessments one can make of representations: esthetic attractiveness, desirability, and morality (rightness or wrongness), to name a few. Additional assessments are possible when a representation takes the form of a knowledge claim—Is the claim relevant to my concerns now? Is it logically coherent? Is it comprehensible? Is it advanced by those I trust? Is it interesting?

Beneath the choppy waters of this wide assortment of assessments is the most important assessment, deployed in an attempt to solve what is perhaps the central problem that

humans' advanced cognitive systems are burdened with: separating fact from fiction. First and foremost, we probe and assess a representation for its *veracity*—its truth and accuracy in depicting reality. Veracity assessments are made for a specific type of cognitive structure, that is, knowledge claims. Although all representations can be embedded within a particular psychological attitude—for example, “I *fear* that is a snake,” “I *hope* it is a tree branch”—veracity assessment requires that the representation attempt to represent reality as it is—for example, “That is a branch, not a snake.”

We assess knowledge claims consciously, unconsciously, and semi-consciously all the time. And, of course, the professional study of the truth or falsity of any claim is the work of science itself, with formalized procedures, methods, and the technical application of previously established knowledge (Feyerabend, 1993; Lakatos & Feyerabend, 1999). Assessments of any claim are made using the knowledge that is *relevant* to the claim at hand (Dreyfus, 1972, 1992, 2007; Wilson & Sperber, 2002, 2012), whether it is an everyday question or a question of professional scientific interest and inquiry. The point for entrepreneurship scholars is that entrepreneurial claims embedded in a knowledge framework are also assessed. Entrepreneurs assess their own entrepreneurial claims in the entrepreneurial judgment process; prospective partners and investors assess that claim as part of their investment decision; and consumers assess the claim in their purchase decisions. Understanding *how* such claims are assessed, then, underlies all entrepreneurial activity.

### *Aristotle's Problem and the Revolutionary Solution: The Assessment Context*

The theoretical recognition of representations and their assessments has proven to be a major advance in linguistics and philosophy. A representation in the form of a prediction is known in the fields of linguistics, semantics, and philosophy of language as a “future contingent.” These future contingents (predictions) have fascinated scholars going back at least to Aristotle and his attempt to understand the truth value of predictions, like “there will be a sea battle tomorrow” (see Hasle & Øhrstrøm, 2015 for a technical overview).

After more than 2000 years, Aristotle's problem of how to assess the truth or falsity of some prediction about the future has recently been resolved (MacFarlane, 2003, 2014) with the surprisingly straightforward answer that it *depends on the knowledge context within which it is assessed*. Assessed the day before the battle, it is uncertain. Assessed after the battle has begun to rage, it is clearly true. A future contingent, such as “crude oil prices will rise at least ten percent next month,” is rarely true or false when assessed at the time of utterance. But assessed ex-post when, a month later, it is trading ten percent higher, we can then say that such a statement was definitively “true.” Moreover, this offers us a solution to the idiosyncratic heterogeneity of such assessments—because knowledge is individual (Hayek, 1937, 1945), the knowledge context within which claims are assessed can vary. Even if a month has passed, if the actor is not in a position to know the real new price of crude, the relevant knowledge context has not changed, and the status of the claim remains uncertain for the actor.

This solution to the problem coheres with common sense and, so, is easy to appreciate. *The truth value of a claim must be understood relative to the knowledge context of the assessment*. In other words, when, where, and by who the assessment is performed are central to the assessment process (Egan et al., 2005; Lasersohn, 2005; MacFarlane, 2003). This simple solution eluded thinkers for millennia because it was presumed that every knowledge claim must have a precise and objective truth value (the logician's “law of the excluded



middle”—every claim is either true or false). But truth is established by humans and different humans often have different assessment contexts and processes.

For our purposes here, the point is not to explore the details of truth-value semantics or the technical details of some esoteric problem from linguistics and the philosophy of language, but rather to appreciate the basic shape of the solution as it applies to rogue entrepreneurial claims—the *assessment context is crucial to determining the veracity of any representational claim*. Insofar as the context of assessment changes, so can the assessment itself. If there are different contexts of assessment, then the different implications that follow from them can conflict. What is assessed as an utterly insane rogue claim within some expert’s knowledge framework might seem perfectly sane and true within some entrepreneur’s knowledge framework.

## Entrepreneurship as a Rogue Activity

### *The Rogue Versus Conforming Entrepreneurship Distinction*

We will clarify the distinction between rogue and conforming entrepreneurship. This distinction overlaps with, but is definitively distinct from, the distinction between innovative versus imitative entrepreneurship (Cheah, 1990; Keyhani & Lévesque, 2016; Thiel & Masters, 2014), the distinction between radical versus incremental entrepreneurship (Dewar & Dutton, 1986; Marvel & Lumpkin, 2007), and the distinction between disruptive and sustaining entrepreneurship (Christensen et al., 2015; Reinhardt & Gurtner, 2015).<sup>3</sup>

While the distinction between “innovative” and “imitative” is theoretically important, the rogue/conforming distinction is different in that it is characterized by the assessment context, whereas the innovative–imitative distinction is determined by its origination process. There are, in other words, entrepreneurial ventures that are original *but not rogue*. Entrepreneurship is rogue when it violates (or is orthogonal to) consensus, and not because it is innovative. For example, Shane (2000) examined the case of 3D printing ventures, all of which were original but not rogue because the established consensus was that 3D printing was the next obvious technological step. Similarly, entrepreneurship is conforming when it conforms and coheres with expert consensus, not because it is imitative. For example, one can start a venture selling Rolodexes, imitative of the many businesses from the 1950s into the 1990s. But given the current environment, where contacts are managed digitally, this venture would be considered rogue given the current consensus that few consumers would want physical Rolodex cards anymore. That is, this would be a case of rogue entrepreneurship that is also imitative. There is some overlap but the set of rogue cases does not equal the set of innovative cases, nor does the set of conforming cases equal the set of imitative cases.

The radical versus incremental distinction is also worth differentiating. Intuitively, we know that there is a difference between a radical and an incremental entrepreneurial idea. But when pressed, scholars tend to define the difference superficially, for example, according to “the degree of newness.” Theoretically, scholars have partially grasped that “rogue-ness” often underlies these categories. For example, Dewar and Dutton (1986, pp. 1422–1423) observe that radical innovations “represent clear departures from existing practice,” while incremental innovations “are minor improvements or simple adjustments in current technology.” But these definitions exhibit no solid grasp of the underlying constitution of a “major” or “minor” change in technology—an innovation is radical or incremental merely if it is believed to be so. This intuition-based categorization has been empirically satisfactory, but for reasons left unspecified. In fact, respondents’ judgment of

an idea's radicalness is often apropos because, on average, they are intuitively sensitive to the degree to which the idea violates expert's consensus (i.e., to its rogueness). But this was not previously understood. As a result, *why* radical innovations were so challenging was not fully appreciated. We supposed it to be a cognitive bias, a "liability of newness." Stinchcombe (1965) first argued that this liability was because radical innovations required the creation of new organizational roles, which would underperform due to their unfamiliarity. But others have found that external legitimacy is really at the heart of the liability of newness (Singh et al., 1986). That is, newness is not a liability because it is *radical* but because (and when) it is *rogue*.

Finally, the disruptive/sustaining distinction is different from the rogue/conforming dimension. "Disruptive entrepreneurship" (Christensen et al., 2015) characterizes the type of entrepreneurship by its outcome effects—did it disrupt adjacent markets? In contrast, rogue cases are assessed *a priori*—does the claim violate established expert consensus? Definitions using *post hoc* criteria are often helpful, but are generally scientifically unsatisfactory for various reasons (e.g., they do not afford predictive understanding). Instead, the rogue-conforming distinction is helpful in explaining when and why an innovation becomes "disruptive"—successful rogue entrepreneurship caused a paradigmatic shift in the assessment context.

So, not only is the rogue-conforming dimension new and distinct, but it underlies and explains *why* there is a difference between those more superficial categories. Traditionally, entrepreneurial action theory has supposed that entrepreneurs' pursuit of radical or disruptive opportunities arises from their idiosyncrasies—heroic entrepreneurs "see" such opportunities where others do not because they are more "alert" (Kirzner, 1973, 1999; Tang et al., 2012) and/or take entrepreneurial action where others do not because they are more willing to bear the absolute uncertainty (Knight, 1921; McMullen, 2015; McMullen & Shepherd, 2006; Packard et al., 2017). While useful shorthand, these explanations are simplifications of more complex intersubjective processes—they do not clearly explain the hesitancy, skepticism, and even outright hostility from market actors that entrepreneurs face and how entrepreneurs overcome (or fail to overcome) these obstacles.

### **Rogue Ideation**

At the core of a rogue venture exists a rogue *counterclaim*. A venture built upon a rogue counterclaim is the newsworthy kind of entrepreneurship where the entrepreneur believes that s/he understands a truth about a product, a market, customer demand, the technological landscape, or forthcoming changes that others, even the experts, do not. As Thiel and Masters (2014) asked, "What important truth do very few people agree with you on? A good answer will take the following form: 'Most people believe in *x*, but the truth is the opposite of *x*.'" (pp. 5–6) Such rogue entrepreneurship requires skills and aptitudes different from the safer, well-trodden path of conforming entrepreneurship, where the strategy, theory, and model of the proposed business venture are all well known (opening, e.g., another mortgage brokerage or lawn-mowing business) and consistent with the prevailing assessment context.

When Ken Olsen, founder of Digital Equipment Corporation, expressed the dominant opinion held by experts of the time to the World Future Society in 1977—that "there is no reason for any individual to have a computer in his home"—his belief was shaped by a dominant assessment context that included facts about how only governments, universities, and large businesses had been using computers, that computers were far too expensive for

personal use, that they were big and bulky, and that only large organizations required the advanced mathematical computations that they were designed for (like rocket trajectory calculations by NASA). Steve Jobs, in contrast—a regular of the Homebrew Computer Club—was operating under a very different and minority assessment context that included the knowledge frame that computers were universal Turing machines capable of doing far more than just advanced mathematical calculations, that they would soon be much smaller, and that many others would benefit from having those capabilities in their homes. Olsen's assessment context ultimately lost ground, and Jobs's assessment context (in part due to Jobs's own efforts) eventually became the dominant assessment context, rendering the personal computer a viable product and his rogue claim true, *ex post*.

Here is where the conceptual groundwork laid out above pays dividends for entrepreneurship theory. We know that different assessment contexts will deliver different results about the truth of a claim. If Ken Olsen's context continued to prevail, Jobs's claim would have been falsified. The dominant assessment context changed, however, rendering Olsen's claim false and Jobs's true. We will explore how entrepreneurs can shift assessment contexts in the next section after summarizing the benefits of the rogue category.

### *The Four Benefits of the Rogue Category*

The four benefits are, first, that it circumscribes a unique and interesting kind of entrepreneurial activity which forms an important category of entrepreneurship. The rogue divergence between the entrepreneur and the general consensus bifurcates existing assessment contexts. The rogue entrepreneur's core claim is uncertain precisely because it runs orthogonal to (or without support from) expert assessment. The implication is that rogue entrepreneurs violate the experts who see its core business idea as uncertain or outright false, therefore also rendering the execution of it uncertain or unlikely. The less challenging conforming entrepreneurship operates within a friendly assessment context, only confronting execution uncertainty.

Second, it explains an underlying feature of many of the innovative, radical, or disruptive cases. Specifically, those cases that are seen as more innovative, radical, or disruptive are often so because they violated expert consensus. And it is often this contrarian aspect of them that makes them fascinating case studies.

Third, it points to a new category of entrepreneurial rent hidden behind an entry barrier constituted by the mass of countervailing opinion. Might entrepreneurs generate economic value more easily by operating within the purview of well-established consensus and opinion? Maybe, but little more than competitive rents are available in conforming entrepreneurial opportunities, where most readily agree about their value, since these have already been recognized and their "entrepreneurial rents" expropriated (Alvarez, 2007; Alvarez & Barney, 2004; Barney, 1986; Kirzner, 1973; Knight, 1921). Large-scale entrepreneurial rents can be captured through entrepreneurial divergence or uniqueness—for example, by deploying unique resources (or use mundane resources in unique ways). There are many ways to be unique, but most paths are fraught with difficulty and nonconformity, challenging consensus with counterclaims. Large entrepreneurial rents are often left on the table because the tide of expert opinion undermines the rogue entrepreneur's claim as "unreasonable" and its pursuit as "irrational."

Fourth, rogue cases demand an examination of the techniques such entrepreneurs use to successfully swim against the tide of expert consensus against them (or the lack of expert

support). It is this question—How do rogue entrepreneurs fight the bulwark of expert consensus?—that we now turn to.

## Persuasion and Performance in Rogue Entrepreneurship

Conflicting knowledge frames are not uncommon, of course, as philosophers have long recognized (e.g., Dilthey, 1989; Hegel, 1830/1991), and have been widely understood by scientists since before Kuhn's (1962) work on scientific revolutions—the manifesto on assessment context change (“paradigm shift”) within the natural sciences. The entrepreneurial flip, reflective of the paradigm shift, entails a broad assessment context shift. Nersessian (1989, 1992, 2002, 2010) and others (e.g., Andersen et al., 2006) build on Kuhn's work to better understand the conceptual foundations of how paradigm shifts occur. In the context of, for example, science education, “students come to science classes with intuitive conceptions that differ fundamentally from scientific conceptions” (Nersessian, 1989, p. 163). Students' cognitive structures must therefore be fundamentally shifted in order to allow a comprehension of the scientific concept. In much the same way, rogue entrepreneurs must fundamentally alter the preexisting cognitive structures of consumers and other key stakeholders to facilitate the Gestalt switch necessary for the entrepreneur's success.

But in this task rogue entrepreneurs face a glaring problem: how do they deal with the communication gulf between two starkly different and often conflicting knowledge frameworks? To achieve success, the rogue entrepreneur must flip the assessment context and persuade market actors that their rogue counterclaim is in fact true. *The handling of this challenge to flip the dominant assessment context in the minds of stakeholders is the rogue entrepreneur's single most important activity.*

### *Flipping the Assessment Context*

Some entrepreneurs' incongruous claims, of course, are little more than marketing hyperbole. A genuine rogue claim is seen by the entrepreneur as true, not hyperbole or a distortion of facts, while the prevailing view is seen as mistaken or poorly supported. Seen from the prevailing assessment context, a rogue entrepreneur's claim appears deeply uncertain or even definitively false. Seen from the entrepreneur's perspective, the prevailing opinion is misguided and blind. This presents the entrepreneur with a challenge. A successful new venture is never built alone—at a minimum it requires customers, and typically also includes a management team, employees, investors, partners, suppliers, and many others. But these stakeholders are unlikely to approve or contribute if they hold the prevailing consensus view, since that assessment context concludes that the entrepreneur's venture will fail. They would be boarding a sinking ship. Thus, the critical task facing the entrepreneur is to recontextualize or reframe the counterclaim to make it more plausible while at the same time rendering the dominant assessment less plausible. This is a goal of persuasion.

Altering an assessment context to one that supports the rogue counterclaim can be done by making each piece of the knowledge framework seem more plausible, thereby making the collective context more so as well. Here, the literatures on persuasion (Cialdini, 1987; O'Keefe, 2016), negotiation (Bazerman et al., 2000; Thompson et al., 2010), storytelling (Gartner, 2007; Garud et al., 2014a, 2014b; Lounsbury & Glynn, 2001; Martens et al., 2007), and rhetorical skills (Billig, 1996) are all relevant. But most of the work here assumes a relatively neutral expert assessment context rather than one that directly violates the

entrepreneur's claim of venture viability. The skepticism and lack of legitimacy of the venture is sometimes ascribed to the liability of newness, with no firm grasp on how or why the venture may seem initially illegitimate.

For Steve Jobs, flipping the assessment context meant starting with fellow renegades (like Wozniak), who were already convinced of the counterclaim, and using rhetorical skill to convince others of the various components of the “rogue” assessment context—for example, that there are important things you could do with a computer other than large mathematical computations, rendering the claim that regular people will want a personal computer more plausible—then later following up with demonstrations on prototype computers to prove the point. With enough persuasion and evidence, the expert tide of opinion that computers would remain useful only for mathematical computations became less plausible, while his counterclaim became highly plausible and later “obviously true.”

Plato complained that poets can not explain how they make poetry and artists can not explain how they make art. The same can be said of rogue entrepreneurs—they seem to be unable to articulate the mechanism of their paradigm shift. Yet, this is fundamentally necessary to enable the rogue venture's success. We feel that the most often mentioned techniques—narratives, negotiation, and social frames—are important, but less important in expert conflict situations. We will review research on techniques that rogue entrepreneurs may use to flip the dominant assessment context and win over stakeholders next.

### *Tools and Techniques to Flip the Assessment Context*

Early work on entrepreneurial narratives focused on how they enable the social legitimation and stakeholder buy-in of a new venture idea (Garud & Giuliani, 2013; Garud et al., 2014a, 2014b, 2017; Lounsbury & Glynn, 2001; Martens et al., 2007; Suddaby & Greenwood, 2005). Much of this research has focused on the idea's “optimal distinctiveness”—the maximal level of novelty that sufficiently distinguishes the new value proposition from familiar products while maintaining a level of sufficient familiarity to permit social legitimation (Barlow et al., 2019; Navis & Glynn, 2011; Tauscher et al., 2021; Van Werven et al., 2015; Vossen & Ihl, 2020).

Entrepreneurial action theorists have also turned their interest toward the importance of these narratives for the entrepreneurs themselves. Opportunity recognition entails the construction of a compelling personal narrative (Cornelissen & Clarke, 2010), and entrepreneurial judgment entails an appraisal of the validity and value of this narrative. Some have recently elaborated on the temporal aspects of this narrative (Rindova & Martins, 2022; Wood et al., 2021). Others have pointed to the role of demand-side narratives in formulating this entrepreneurial narrative (Nambisan & Zahra, 2016; Packard & Burnham, 2021).

Despite these important developments, generally speaking, this research has merely elaborated the importance of narratives to the legitimation process. So far, it has not fully expounded *how* this occurs, and the role of perhaps the most important narrative framing technique, the metaphorical frame, has remained underappreciated. We lack a fundamental conceptual framework through which to understand the underlying mechanisms of social acceptance or rejection of a new venture idea. In particular, it is not clear how “rogue” entrepreneurs, such as Steve Jobs and Gary Dahl, were successful despite institutional frames and expert narratives contradicting their own. While there is some research on entrepreneurial persuasion and argumentation (e.g., Van Werven et al., 2015) toward the “emancipatory” processes of breaking free from a prevailing sociological frame (Rindova

et al., 2009), these have not been sufficiently developed or elaborated to cover cases of rogue entrepreneurship.

**Creating a New Language.** What differentiates entrepreneurs' rogue counterclaims about the socio-economic future, the viability of a product, or future market conditions from the ramblings of a madman is that such claims are often embedded in a compelling knowledge structure that reframes the claim from something that would otherwise be definitively false or highly uncertain to something plausible, even insightful, given their premises. Adopting the standard knowledge frame of the expert consensus only serves to reinforce and undermine the entrepreneur's alternative frame so this must be avoided. Merely telling someone not to use the standard frame is also unhelpful as it simply triggers its cognitive reinforcement, as Lakoff's (2014) titular request, *Don't Think of an Elephant*, illustrates (though you are told not to, you cannot help but do so).

To flip the assessment context, a new knowledge frame must be created, established, and propagated. This is done by changing the language. Lakoff (2014, p. 14) explains:

We also know frames through language. All words are defined relative to conceptual frames. When you hear a word, its frame is activated in your brain....  
When we successfully reframe public discourse, we change the way the public sees the world.  
We change what counts as common sense. Because language activates frames, new language is required for new frames. Thinking differently requires speaking differently.

**Narratives and Metaphors.** That entrepreneurial counterclaims are embedded within a larger context of understanding, and that a compelling narrative can persuade stakeholders are not new concepts (e.g., Aldrich & Fiol, 1994; Fisher, 1984; Gartner, 2007; Garud et al., 2014a, 2014b; Hjorth, 2007; Hjorth & Steyaert, 2004; Lounsbury & Glynn, 2001; Martens et al., 2007; Von Burg & Kenney, 2000). Scholars have argued that stakeholder support is "evoked in the articulation of an entrepreneurial narrative" (Garud et al., 2014a, p. 1183) and that entrepreneurs "must convince investors that their vision of the future has the possibility of being actualized" (Von Burg & Kenney, 2000, p. 1152). They do this by telling an internally coherent story (Fisher, 1987), structured or framed to support the core business model advanced by the entrepreneur. A great deal of progress has been made in the scholarship of storytelling that provides insights into different ways that a rogue entrepreneur combats the dominant assessment contexts—namely by constructing a rhetorically powerful story that ultimately makes the venture more plausible in the eyes of others.

However, while compelling narrative has the power to immediately restructure the reasoning context, it may be less effective in the case of rogue entrepreneurship than it is for conforming entrepreneurship. Narrative storytelling typically begins on a neutral (rather than conflicting) assessment context, can be less compelling insofar as it appeals to more conscious deliberation, is often slower in its effect, and opens itself to dispute at any point in the causal chain it describes. When it does work, it often does so by means of a hidden engine—an embedded metaphorical frame. Rhetorically, metaphor tends to do much of the real lifting.

The rhetorical frames and framing described by Lakoff are often built around the use of metaphors, which offer a pre-built structure that provides a rapidly delivered conceptual system within which a reasoning "path" is naturally established (Barsalou, 1992; Lakoff, 2014; Lakoff & Johnson, 1980a, 1980b; Johnson, 1990). If an entrepreneur pitches her venture idea as, "the Apple of cat toys," the investor immediately understands that she is

offering high quality cat toys with a higher price point and profit margin. The “Uber of X” phrase that entrepreneurs (over-)used in their pitches employed Uber as a metaphor to suggest that the entrepreneur would revolutionize their market with a crowd-sourced sharing model, just as Uber had. Metaphors are powerful because they immediately reset the frame and place the listener into an entirely new mode of reasoning that makes possible a different kind of rapid and intuitive reasoning. They establish as possible, and legitimate, different ways of getting to a desired conclusion.

In a 2011 interview, Jobs described a study of animal locomotion efficiency, where humans have relatively unimpressive performance until you put them on a bicycle, at which point they catapult to the top of the efficiency rankings. Jobs then declares his metaphorical frame: A computer “is the equivalent of a bicycle for our minds.” Note that Jobs completely avoided the dominant knowledge frame, which assumes that computers are the tools of big organizations. He simply offers an alternative knowledge frame with the powerful implication that anyone can catapult their mental efficiency with a computer, just as they can catapult their locomotive efficiency with a bicycle. Perhaps Jobs’s most famous framing was his introduction of the iPod as “1000 songs in your pocket.” Again, here he did not mention the dominant competing portable players or try to appeal to reason through an itemized list of the technical specifications of the iPod. He deployed the new frame in a pithy one-liner to tactically establish a new assessment context, rendering the other not so much defeated as simply irrelevant.

**Framing Contests.** Per standard “social framing theory,” new social movements, such as new ventures, begin as framing contests, which are typically described as the mobilization and countermobilization of different ideas and meanings (Benford & Snow, 2000). Snow and Benford (1988) and Benford and Snow (2000) describe three kinds of framing: *diagnostic*, *prognostic*, and *motivational* (or mobilization).

A diagnostic framing technique would point out the failings of and assign blame to the dominant assessment context (Suddaby & Greenwood, 2005) that is incongruent with the entrepreneur’s rogue claim. John Paulson and Michael Burry explained to investors that Moody’s and Standard & Poor’s ratings of mortgage-backed bonds were flawed, that housing prices in the United States were on an unsustainable rise, and that even a small increase in the foreclosure rate could pop the bubble (Lewis, 2010; Zuckerman, 2010). They faced difficult framing battles, with investors questioning why a bonds specialist (Paulson) and an equities specialist (Burry) were worth listening to about the workings of the housing market.

Prognostic framing presents one’s own alternative as superior to the dominant assessment context. Paulson and Burry’s theory that the housing market would collapse was bolstered by prognostic elaborations, pointing to a wave of interest-only adjustable-rate housing bonds coming due in late 2007 that would spike foreclosures, that the collateralized debt obligations contained a huge number of risky mortgages, and that insurances (in the form of credit default swaps) required tiny premium payments in exchange for the possibility of enormous returns.

Motivational (or mobilization) framing acts to persuade the listener to take action (Klandermans, 1984). If Paulson and Burry’s frame was accurate, one could make a killing by shorting the housing market. This is sometimes presented as a distinct frame, but for entrepreneurs, motivational frames are typically woven into prognostic frames. In many cases, like the Paulson and Burry example, a single narrative is framed using all three types. The typical rogue entrepreneur will need to frame the context to reduce uncertainties

about the venture and to motivate prospective stakeholders to take on duties on behalf of the venture to advance its progress.

Social framing theory has been more widely utilized in the management and entrepreneurial literature, but metaphorical frames are more widely deployed in the real world, we suggest, and are more powerful for rapidly flipping assessment contexts.

*Using Experts and Emotions.* It is important to note that logical persuasion accounts for only a part of the assessment context. A stakeholder is also prone to be persuaded by a wide assortment of logically irrelevant factors, like whether the entrepreneur shares common interests and backgrounds, or has a similar culture, common friends, and respected associates. Though logically irrelevant to their business' rogue claim, BrewDog drove a tank through West London (Henley, 2016). Such marketing stunts obviously do not appeal to carefully crafted and sound logical arguments. Reasonable or not, a vast assortment of "irrational" features embedded into the context can influence actors' assessments and, hence, their conclusion about a rogue claim.

When confronting a knowledge claim that is particularly uncertain, actors (e.g., prospective stakeholders) may appeal to expert authority to assess the claim (Engel, 1976). Of course, because the dominant assessment context is typically shaped by experts, it is likely that such appeals will end in rejection. Many investors were unpersuaded by hedge fund manager John Paulson's prediction of an impending housing market crash because they could not find experts who would confirm Paulson's view. Instead, they heard from the experts: "Housing can never crash and everything will continue to be great!" (Zuckerman, 2010). To counter this, the entrepreneur may find heterodox experts willing to legitimize their claims against the dominant assessment context. The legitimation effect of this would then hinge on the reputation of these experts and whether they are perceived as real experts or "quacks."

Rogue ventures are not altogether unlike cults. A cult "is characterized by the following psychological elements: members (1) have a *shared belief system*, (2) sustain a high level of *social cohesiveness*, (3) are strongly influenced by the group's *behavioral norms*, and (4) impute *charismatic* (or sometimes *divine*) *power* to the group or its leadership" (Galanter, 1999, p. 4). Rogue ventures, to achieve success, must similarly get at least a subset of the market to abandon shared norms and beliefs to follow the rogue entrepreneur into activities widely considered strange or even wrong.

### **Changing Behaviors**

How does one know the "shift" has worked? Once the institutional context of assessment shifts, the values and deontics through which individuals govern their behavior also shift (McBride, 2021; McBride & Wuebker, 2022). This is where the "entrepreneurial flip" can be tested. If a shift occurred, then the behavior of stakeholders will change in line with deontics (duties and rights) that benefit the venture. Customers and investors will adopt *duties and rights* in the form of entering into transactional relationships that advance the venture—customers will buy, investors will invest, employees will join, and partners will agree to partnerships. If they remain unpersuaded and within the sway of the dominant knowledge frame, they will not engage in such agreements (which are always comprised of rights and duties) (McBride, 2021). Rights and duties are therefore a litmus test for whether or not the entrepreneur's metaphors and other persuasive tools have actually worked.



## Discussion

We have suggested a new distinction between rogue entrepreneurship and conforming entrepreneurship. Rogue entrepreneurship involves a rogue claim, which resides within a knowledge framework that conflicts with a distinct, dominant knowledge framework. The immediate implication of the rogue distinction is that the entrepreneur is forced to turn the dominant social beliefs and expectations on their head using tools like argumentation, narratives, or social frames, or more powerful tools like metaphors and rhetoric. When executed successfully, a rogue entrepreneurial claim—that is, a radically new value proposition that cuts against the prevailing assessment context—that at first seems highly dubious if not outright false, is rendered plausible and true. There are many historical examples that we could point to as clear illustrations of this process: the personal computer and the pet rock were already mentioned, but also the tablet computer, ride- and home-sharing, the smartwatch, autonomous vehicles, commercial space travel, and many more.

### *Theoretical Implications*

What we have suggested is a fundamental revision to how we think about the entrepreneurial journey within a particular category of entrepreneurship. There are important theoretical revisions that this framework implies. We will describe some of these by way of concluding.

*Entrepreneurship as Social Reification.* Recent scholarship has advocated conceiving of the entrepreneur as a theorist (Felin & Zenger, 2009). This “scientific” entrepreneurship framework has strong intuitive appeal. But entrepreneurial theorizing differs from scientific theorizing in at least one key way. Felin et al. (2020) suggest that the more novel strategies are not readily subject to verification through experimentation, while less novel, conforming strategies are easier to test. Where that novelty is also rogue, the rogue/conforming distinction explains why. Testing a divergent product in a population conditioned by the established assessment context produces assessments coherent with that context and not a product that is rogue. It is, for example, easier to send questionnaires to a neighborhood to check the demand for a new laundromat than for a completely novel product the consumer cannot readily understand—a point Jobs repeatedly made about innovative products, famously remarking that “people don’t know what they want until you show it to them” (Isaacson, 2011). The “experiment” (by way of a public demonstration and announcement) that “tested” the market viability of the iPad tablet computer was a failure by any metric, with experts proclaiming its immediate demise and the stupidity of not including a USB port. But it is easy to be wrong about rogue products because most of us adopt the dominant knowledge frame as our own assessment context rather than the one within which the entrepreneurial claim is made. The iPad continues to lead the large market category that it established.

Thus, while a scientist’s counterclaim is tested through falsification techniques, the entrepreneur’s rogue counterclaim is *reified* through metaphors and rhetorical skill. The entrepreneur’s counterclaim is essentially a claim about value. Because value is subjective (Bylund & Packard, 2022; McBride, 2021; McBride & Wuebker, 2022), the claim *becomes* true only if and when others accept the claim as true.<sup>4</sup> Thus, while others wait for the future to emerge, the entrepreneur must work to persuasively shift the context of

assessment so that the core claim of her business model no longer feels uncertain (or false) but follows naturally from this alternative assessment context as something “obviously” true. The founders of Airbnb had to convince not just the key stakeholders but an entire population that it was safe and sane to spend the night in a stranger’s house.

*The Role of Rhetoric.* Relatedly, our research highlights and begins to unpack the mostly underappreciated role of rhetoric in the entrepreneurial process. This is not to say that rhetoric has been altogether ignored, but it has played a background role in theories of entrepreneurial action, which have focused instead on the roles of, for example, alertness, innovation, or judgment. If rogue entrepreneurship operates without support from the prevailing expert assessments (either because there are none or they are incongruous), then *the core activity of entrepreneurship is assessment context development through framing (mostly metaphorical) and rhetorical proselytizing.* But this is difficult work. Showing that  $2 + 2 = 4$  is trivial; persuading others that  $2 + 2 = 5$ , even if somehow true, requires an enormous amount of work, persuasion, proof, a widespread change of beliefs, change in the context of assessment within which those beliefs reside, and a change of the rights and duties (deontics) absorbed by shareholders (Folger & Whiting, 2020; McBride, 2021).

*Implications for Entrepreneurship Theory.* We have positioned our theoretical framework within entrepreneurial action theory (McMullen & Shepherd, 2006; Packard, 2017). Entrepreneurial action is taken within the context of radical uncertainty (Foss & Klein, 2012; Packard et al., 2017)—indeed, its primary economic function is to bear this uncertainty. But our understanding of what this uncertainty is, why it exists, and what it means to bear it remain incomplete. A lack of attention to these questions has impeded progress. Our assessment context framework makes progress here in a few ways. For example, it explains *how* and *why* entrepreneurship is innately uncertain—a rogue entrepreneurial claim is a *counterclaim*, and is thus seen *by others* as false, dubious, or uncertain (Trost, 2019). It also more fully explains entrepreneurs’ propensity for “overconfidence.” Entrepreneurs are seen as overconfident because confidence is assessed from two distinct assessment contexts. From the “objective” observer’s perspective, relying on evidence of high entrepreneurial failure rates, confirmation from experts about the counterclaim’s implausibility, and other “objective” criteria, the entrepreneur’s beliefs are overly optimistic. From the entrepreneur’s unique vantage, however, their assessment is that success is quite plausible, or even likely. Other ways in which entrepreneurial action theory is augmented include more clearly articulating the types of actions needed throughout the entrepreneurial journey over time (McMullen & Dimov, 2013). The successful entrepreneur will acknowledge the rogue nature of her counterclaim, rather than, for example, pretending that there is nothing unusual about it, and will deploy metaphors to reframe the assessment context, leverage rhetorical skill, and sometimes build a compelling narrative, deploy social framing techniques, and build shared beliefs and deontics in support of the venture.

Beyond entrepreneurial action theory, our work also significantly revises how we might think about the opportunity discovery versus creation debate (Alvarez et al., 2014; Shane, 2012). It suggests distinct domains of application for discovery opportunities versus creation opportunities. By definition, rogue opportunities are a violation of reasonable options and since only plausible opportunities exist on an already crowded landscape, rogue opportunities are not even on the landscape anywhere to be discovered (McBride & Wuebker, 2022). They cannot be “found.” Conforming opportunities, and minor

variations of them, do however, and so can be discovered. Facebook and TikTok were both variations of pre-existing social media platforms that offered an improvement in the form of better, different, and more desirable implementations than prior platforms. Such platforms conformed to beliefs about the market need for such platforms and were readily “discoverable.” Rogue opportunities, as orthogonal or contradictory businesses and beliefs, are creatively imagined into existence. Neither can succeed without extensive implementation, of course, but rogue, creative opportunities confront a significant hurdle that conforming, discoverable opportunities do not.

The theory behind rogue entrepreneurship also provides nuance and understanding to the advantages and disadvantages of the effectuation framework. It explains in part how and why collecting stakeholders, even before finalizing a value proposition, is useful—it ensures that the value proposition has broader consensus and more immediate appeal. But this also implies that an effectual approach may be more likely to push the entrepreneur toward conforming value propositions, as rogue ideas are likely to be pushed out in discussions with stakeholders. This and other assessment context factors will be important to explore in the future.

In addition to these, we remind readers of the four benefits of the rogue/conforming distinction:

- (1) It identifies a unique kind of entrepreneurial activity, perhaps the most interesting kind.
- (2) It provides an explanation of the “radicalness” in certain cases of innovative and destructive entrepreneurship.
- (3) It allows us to delineate some of the tools used by rogue entrepreneurs to fight the battle against countervailing assessments.
- (4) It identifies a new and often significantly large entrepreneurial rent source hidden behind the barrier of those countervailing assessments.

### **Future Research**

While we have already introduced avenues for future research, there are others also worth exploring. For example, social institutions are highly constraining “iron cages” and institutional theorists often take a deterministic view wherein the agency of the actor is downplayed, ignored, or outright rejected. Strict top-down determinism leaves little theoretical room for rogue entrepreneurship (Aldrich, 2010, 2011; Battilana et al., 2009; McBride & Packard, 2021). The essential point here is about the need to acknowledge *countervailing entrepreneurial activity* both within and outside of institutions. We agree that such activity is often the more interesting and important economic activity in reshaping the social institutions and preferences that lead to a higher economic value state (Packard, 2019). Thus, by introducing the assessment context framework as the theory behind rogue entrepreneurship, we achieve a more realistic and theoretically tenable balance in the agency versus structure debate that explains counter-conformist activities, including those which have the propensity to produce significant economic growth.

Future research should also work to refine, clarify, and extend this assessment context analysis. We have simplified the discussion of assessment contexts as if there were only two—the entrepreneur’s assessment context and a dominant context of assessment determined by experts. When they diverge, there is rogue entrepreneurship. When they converge, there is conforming entrepreneurship. But we acknowledge that the field of assessments is

often, in reality, much more complex, with competing groups of experts who hold different views within and between them, or a large band of non-experts holding the majority view, and various other possibilities. As we have side-stepped these possibilities for the sake of parsimony, these possibilities are important avenues for future work.

There are a number of additional research questions that rogue entrepreneurship leads to. For example, do successful rogue entrepreneurs possess a special form of insight, social skills, or different way of thinking (beyond their different knowledge frames) that enables them to see and execute “against the stream,” and if so, what is it? Or are the successful instances just examples of dumb luck (Barney, 1986)? In either case, if the entrepreneur knew she was right, how did she know she was right and the experts wrong? In cases where the experts were actually correct about the low viability of the venture because of an unsolvable problem, how exactly did the rogue entrepreneur still somehow outperform the experts and solve what was deemed an “impossible” problem? And is there a way to distinguish failed rogue entrepreneurship as a result of the entrepreneur’s erroneous knowledge claim (the experts were actually right) versus cases where the masses erroneously sided with the experts?

Rogue cases force upon researchers the deeply irrational nature of this kind of entrepreneurship that has not always been fully appreciated. It provides a tighter bridge to work in philosophy of science (e.g., Kuhn, 1962, among many others) that looks at how paradigm shifts in assessment contexts occur. In both rogue entrepreneurship and science, often the evidence is ambiguous and can be interpreted in multiple ways. Unlike the natural sciences, however, the “proof” of the rogue entrepreneur’s claim is not in isolated pieces of supporting empirical evidence but in his or her ability to change minds, ultimately.

## Conclusion

We have described a new category of entrepreneurial activity and described the theory behind it. The abbreviated and relatively simple solution described here is that there are *different knowledge frames* which, when used for assessing claims, become *different contexts of assessment*. Assessed from a broadly accepted knowledge frame, or assessment context, a claim like “the personal computer will be wildly popular,” was false. Assessed from an alternative knowledge frame, it was true. Recognizing that there is always a context of assessment within which any statement is evaluated is to also recognize that there must also exist diverse and sometimes incongruous assessment contexts. Truth assessments are thus subjective and tied to the knowledge frame under deployment. This way of understanding rogue entrepreneurship resolves the same problem that had blocked progress in understanding truth values in philosophy—that there is and can be only one objective truth value for any assessed knowledge claim. In the end (though there are objective facts about many matters) it remains the case that human agents are the ones who assess such truth values and they, for better or worse, in reality do it through the lens of some knowledge framework or other. Successful rogue entrepreneurs implicitly understand this when they deploy powerful metaphors, social frames, narratives, or rhetorical techniques to flip stakeholders’ knowledge frames.

The rogue versus conforming entrepreneurship distinction was offered as a way to cull away the less interesting conforming entrepreneurship cases as well as those innovative and destructive cases for which there was conforming agreement. Rogue cases involve a deeper kind of uncertainty and unique “irrationality” and, as such, demand a distinct analysis to explain what is unique to them. We hope that the distinction between rogue and conforming entrepreneurship will prove useful in future research.

We observed that the battle for assessment contexts is, perhaps, the key activity of the rogue entrepreneur. And we have only scratched the surface on the compendium of

“irrational” forces that drive assessment context change. Much more work is needed to shed further light on the shaping, utilization, and leveraging of assessment contexts by entrepreneurs. Entrepreneurs leverage the protection and barriers provided by established contexts to hunt for profits hiding behind “irrational” counterclaims. This is where large entrepreneurial rents are to be found—not in the conforming entrepreneurial ventures, but by the rogue entrepreneurs who have found a rogue truth that violates established wisdom.

Our goal has been first and foremost to isolate the rogue phenomenon, but we hope that insights from future research can inform better policy decisions that many countries make in an attempt to enhance the rate and success of entrepreneurship. From the interest of policy generation, part of that future research must find some kind of reconciliation between the inherent irrationality of rogue entrepreneurship on one side with the reasonable policy constraint to only allot funds for “rational” efforts on the other side.


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### Notes

1. Philosophers have spent thousands of pages debating the definition of “knowledge” as justified true belief after a short article by Gettier (1963) unleashed a torrent of counterexamples. We shall not wade into nor attempt to adjudicate such discussions here and simply assume that justified true belief is a good enough approximation of a legitimate knowledge claim for our purposes.
2. This is the founding axiom of cognitive science. In Kant’s (1788/2003) terms, we must distinguish the *noumena* which we can never experience directly, from the *phenomena*, which is what we experience after it is filtered and processed through our various cognitive systems.
3. Note that even Thiel & Masters (2014) confound the distinction between rogue entrepreneurship and innovative entrepreneurship—their book title is, “Zero to One,” but their quote describes rogue entrepreneurship.
4. We do not mean to imply that a physical product is subjective, just that the value it has and the perceptions and assessment of it is.

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