

: *Do entrepreneurs need decision support?*

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According to Joseph Schumpeter (1934, 42), capitalism sparks entrepreneurship and entrepreneurs innovate by figuring out how to use inventions, and by introducing new means of production, new products, and new forms of organization. Schumpeter calls the rare, entrepreneurial leader the "Man of Action", and describes her/him as someone who does not accept reality as it is. Does today's man of action need computerized decision support? She/he does.

Schumpeter writes, "The Man of Action acts in the same decisive manner inside as well as outside the usual tracks in the economy. He does not feel the restrictions that block the actions of the other economic actors (Schumpeter 1911:132)". Schumpeter argued that the innovation and technological change of a nation come from the entrepreneurs, or wild spirits. Schumpeter's theory states that innovation by entrepreneurs leads to "creative destruction" of existing businesses and industries and progress.

Schumpeter explained that the "carrying out of new combinations we call 'enterprise'; the individuals whose function it is to carry them out we call 'entrepreneurs'" (Schumpeter 1934:74). An entrepreneur is able to identify new combinations of ideas and assets or factors of production.

Generally, decision support theory identified bureaucratic managers as the primary business decision makers who needed and wanted computerized decision support. In most cases, decision support users have been operations managers making semi-structured, recurring decisions. As decision support has been expanded to exploit new technologies many new uses and a broader group of targeted users have found a need and use for decision support. New users include staff and marketing personnel in a wide range of industries. Even consumers and customers are now targeted as users of decision support. There is continued skepticism however about the use and need of senior managers for decision support. Entrepreneurs are a special case of users who do not need specific, traditional business decision support, but rather need to be frequent users of more general purpose decision support.

A Schumpeterian entrepreneur disrupts industries and identifies new ways to exploit and utilize innovations and inventions. An argument can be made that a Schumpeterian entrepreneur will be on the leading edge of using decision support no matter in what industry he/she is participating. He/she is also likely to be an early adopter of decision support innovations, including mobile, tablets, embedded, and cloud-based, etc.

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In the pre-startup stage, search engines, social media and tools like spreadsheets provide the entrepreneur with information and decision support. During startup, cloud-based providers like Google and Amazon can provide general capabilities and companies like SAP and Salesforce.com provide more specific applications. For example, Salesforce.com has a sales and CRM application. Application exchanges provide a source for third-party mobile and open source applications. Following successful startup, an entrepreneur can move his decision makers to more custom analytics, business intelligence and decision support from public and/or private clouds.

Today it seems impossible to identify new combinations of ideas and factors of production without frequent and sophisticated use of decision support and information technologies. Technology is often part of new combinations and information technology facilitates identification of new combinations.

Decision support can help the entrepreneur, but the entrepreneur must identify the new combination of factors, promote the vision and take the calculated risks. A schumpeterian entrepreneur can benefit from appropriate decision support and information technology.

References

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