Study of the use of effectual logic in the co-creation of innovative business models

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In today's global socio-economic landscape, marked by instability and complexity entrepreneurs face unique challenges. These markets are characterized by volatility, regulatory unpredictability, and diverse socio-cultural dynamics. Navigating such an environment demands robust entrepreneurial strategies, one of which is effectual logic—a decision-making framework introduced by Sarasvathy in 2001. Effectuation describes a series of behaviors that aim to simplify the rationally intractable entrepreneurial situation by breaking down the task (Sarasvathy, Simon, 1998) and creating precedents through actions (Sarasvathy, Dew, 2005).

Entrepreneurs can no longer rely on market and trend predictions to innovate and create their companies. They are led to develop their ideas on the basis of their own resources and by starting with what they already possess, i.e. their personality, their know-how and their networks (Sarasvathy, 2001). According to Sarasvathy and Dew (2005) entrepreneurs appear as *Simonian decision makers*, i.e., they are of limited rationality and docility. They live in a "*Marchian world of goal ambiguity*", where predicting and anticipating is not a sign of a positive outcome. (Sarasvathy and Dew, 2005). This requires the development of the *Technology of Foolishness* (March, 1978) that allows us to understand how entrepreneurs can make decisions in ambiguous contexts.

My research contributes by responding to different literature gaps. Mckelvie et al., (2020), Karami, Read (2021) and Saravathy (2022) highlight the need for future research to focus on clarifying more the processes of each effectuation principle. Researchers encourage especially to study further the crazy quilt or principle (Karami and Read, 2021; Van Mumford and Zettinig, 2022; Sarasvathy and Botha, 2022) and the lemonade or flexibility principle (Dew et al., 2015). Other researchers explain the need to study effectual reasoning using strategic tools such as the business model (Chesbrough, 2007; Servantie, 2012).

Therefore, the primary research question driving my thesis is: **How does the use of effectual logic in the co-creation of business models improve the capacity for innovation of expert entrepreneurs?**

To answer this, I am to investigate several key dimensions such the process of cocreation between different stakeholders, the entrepreneurial scripts used by entrepreneurs to navigate contingencies and construct their business models and how these efforts lead to forming innovative firms.

To gain deep insights as well as providing different contexts as a terrain for my research about effectuation other than the United states of America and Europe (Mckelvie et al., 2020; Kerr and Coviello 2019), my research focuses on serial entrepreneurs in the Moroccan context who have extensive experience, having led multiple entrepreneurial ventures over at least a decade. I am employing semi-structured interviews that utilize storytelling and incident methods to capture the nuanced lessons learned from their entrepreneurial journeys.

Additionally, I am using the think-aloud protocol developed by Sarasvathy (2001) to analyze their decision-making processes. This approach will help uncover how these entrepreneurs employ effectual logic during critical moments in their business development. The significance of this study lies in its potential contributions to the existing literature on entrepreneurship and business model innovation. By examining the strategies and decision-making processes of expert entrepreneurs, this research aims to highlight the practical applications of effectual logic in challenging markets. It will provide insights into the mechanisms through which effectual co-creation fosters innovation and resilience in the midst of uncertain markets. Moreover, it seeks to offer actionable strategies for novice entrepreneurs operating in similarly unpredictable environments, emphasizing the importance of adaptability and relationship management.