

Entrepreneurial Ecosystems and Societal Impact: Opportunities at the Intersection of Place, Sustainable Development, and Technology Management*

Ecosistemas empresariales e impacto social: Oportunidades en la intersección del lugar, el desarrollo sostenible y la gestión tecnológica



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Introduction

A prevalent narrative among academics and practitioners in innovation and technology management is that place is becoming increasingly irrelevant. According to this view, digital advances have enabled technological innovation to be globally distributed, location-independent, and capable of occurring anywhere. While it is true that tools like video conferencing and cloud-based collaboration have made virtual, decentralized, and geographically dispersed interactions

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more convenient, a growing body of research on entrepreneurial ecosystems challenges this “demise of location” narrative. In fact, there is compelling evidence suggesting that “place still matters” for fostering technological innovation.

At the same time, there has been a significant rise in the number of for-profit, not-for-profit, and hybrid organizations introducing technological innovations aimed at achieving both financial sustainability and societal impact. Founders of these socially-driven organizations—often referred to as “social entrepreneurs”—are creating ventures based on new products, services, and business models while addressing critical societal and environmental challenges. Most of these challenges, such as homelessness, poverty, human trafficking, environmental degradation, and animal cruelty, are closely aligned with the United Nations’ Sustainable Development Goals. However, like traditional entrepreneurs, social entrepreneurs are influenced by the specific contexts and entrepreneurial ecosystems in which they operate (Lyons & Roundy, 2023).

This editorial will highlight key research on entrepreneurial ecosystems and societal impact, discuss its relevance for *Revista CEA* readers, and propose a research agenda that explores the intersection of place, sustainable development, and technology management.

The Importance of Context for Entrepreneurship and Innovation

Entrepreneurial ecosystems encompass the actors and factors within specific geographic areas that collectively promote and support entrepreneurship (Stam, 2015). This concept is grounded in earlier research on industry clusters, regional innovation systems, and entrepreneurial communities, which emphasized the critical role of local contexts in fostering entrepreneurship and innovation (Acs et al., 2017). The main insight from research on entrepreneurial ecosystems is that, even amidst globalization and the so-called “digital revolution,” entrepreneurship remains place-specific. Entrepreneurs are deeply influenced by the characteristics of the cities, regions, and territories in which they live and operate.

Studies of highly effective entrepreneurial ecosystems (i.e., those that support high levels of entrepreneurial activity), such as Silicon Valley, São Paulo, and London, as well as research on peripheral ecosystems in small towns and rural areas, consistently demonstrate the importance of local actors, organizations, and community attributes (Roundy & Evans, 2024). Specifically, entrepreneurs are shaped by elements and characteristics of their local ecosystems, including investors, mentors, educators, support organizations (e.g., incubators and accelerators), networks, and the values prevalent in their communities. Although entrepreneurial ecosystems differ in their capacity to support entrepreneurship, every geographic area—regardless of size—possesses an entrepreneurial ecosystem.

Recent research has focused on how entrepreneurial ecosystems contribute to the development of social impact-oriented organizations (Roundy & Lyons, 2024). These studies show that, like other forms of innovation, social entrepreneurship is influenced by the distinctive characteristics of local environments and the degree to which entrepreneurs are embedded in their communities. Nonetheless, despite the progress in understanding the importance of local contexts for ventures seeking both business success and societal impact, much remains to be explored, offering substantial opportunities for future research.

A Call for Research on Entrepreneurial Ecosystems and Societal Impact

Entrepreneurial ecosystems are inherently multi-level, encompassing individual, organizational, and ecosystem-wide dimensions. Opportunities for research exist at each of these levels, and it is essential for scholars to clarify how the micro, meso, and macro levels within ecosystems are

interrelated. In particular, three areas of research on entrepreneurial ecosystems and societal impact offer significant potential.

First, at the ecosystem level, research is needed to identify the unique characteristics and outcomes of entrepreneurial ecosystems that enable entrepreneurs to pursue innovations in technology and business models with societal impact. Previous studies on traditional entrepreneurial ecosystems have categorized their characteristics into social attributes (i.e., an ecosystem's networks and the resources exchanged through ecosystem connections), cultural attributes (i.e., values, norms, and narratives that shape the way ecosystem participants interact and pursue opportunities), and material attributes (i.e., physical spaces like university campuses where ecosystem participants collaborate) (Spigel, 2017). However, entrepreneurial ecosystems that support social entrepreneurs are likely to possess distinct actors (e.g., impact investors and social impact accelerators) and factors (e.g., knowledge) that are unique to entrepreneurs' pursuit of both financial sustainability and societal impact. These unique attributes are expected to influence how ecosystems shape entrepreneurial and venture characteristics and outcomes.

Second, at the intersection of the organizational and ecosystem levels, places differ in the degree to which their local contexts encourage organizations to pursue both economic and social missions. In some places, the creation of businesses that are both financially successful and socially impactful is commonplace. In others, such ventures are rare because social entrepreneurship is not seen as a legitimate activity or is poorly understood. Thus, there is a need for further research to identify the mechanisms that explain why certain areas are more conducive to fostering and promoting organizations that combine multiple institutional logics. Moreover, it is crucial to explore how ecosystem factors influence the performance of these hybrid organizations.

Third, research should explore the characteristics of social entrepreneurs and how these traits influence—and are influenced by—their local ecosystems. For instance, it is still unclear why some social entrepreneurs develop an “entrepreneurial ecosystem mindset,” which leads them to leverage their local ecosystem resources for innovation and technology management, while others choose not to embed themselves in their communities.

Concluding Thoughts

In the context of sustainable development, social issues are often presented as either individual or collective challenges, with solutions viewed as either business-driven or community-based. Nevertheless, research on entrepreneurial ecosystems suggests that academics and practitioners adopt a “both-and” approach. Achieving meaningful progress in leveraging technological innovations to address social problems requires not only individuals with the desire and agency to pursue opportunities for both business success and societal impact, but also local communities that support these efforts. Further exploration of the dynamic interplay between entrepreneurs and their entrepreneurial ecosystems remains a promising avenue for future research.

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