Organizing Vision & Institutional Entrepreneurship

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Collaboration with E. Burton Swanson

Institutionalizing IT Innovations

Hype Cycle

Performance S-curve

Adoption Curve

Launching   **Sustaining**

Time
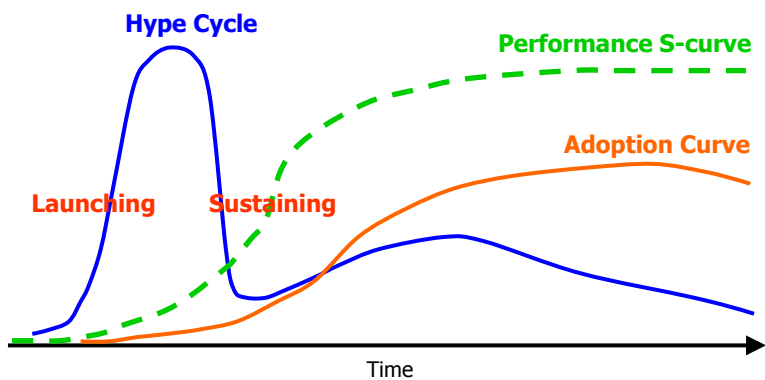
Linden & Fenn, 2003

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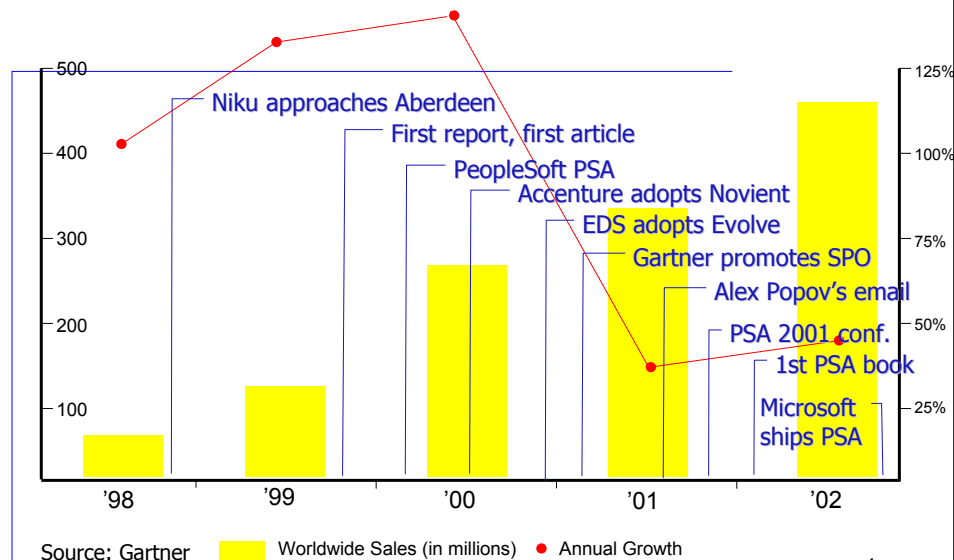# Institutional Entrepreneurs Launch New IT

- Challenges
  - Distributed agency
    - Actions guided by self-interests
  - Lack of legitimacy
    - Lack of knowledge
    - Lack of shared assumptions and beliefs
- How do IE meet (or fail to meet) these challenges to launch new IT?

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PSA Events, Market Size, & Growth

Niku approaches Aberdeen
First report, first article
PeopleSoft PSA
Accenture adopts Novient
EDS adopts Evolve
Gartner promotes SPO
Alex Popov's email
PSA 2001 conf.
1st PSA book
Microsoft ships PSA

Source: Gartner   Worldwide Sales (in millions)   Annual Growth

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Organizing Vision in Launching

- Institutional entrepreneurs struggled to disseminate PSA vision in order to legitimize PSA.
- Cognitive legitimacy relies on coherent vision. However,
  - PSA label fragmented.
  - PSA vision fragmented.
- Sociopolitical legitimacy relies on vision of success. However,
  - PSA success stories were rarely heard.

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Institutional Entrepreneurs Sustain Momentum

- Challenges
  - Alignment of interests may be ephemeral.
  - Attention attracted may fall away rapidly.
- How do IE meet (or fail to meet) these challenges to sustain momentum?

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BusinessWeek Special Ad Sections

Organizing Vision for Sustaining

- Institutional entrepreneurs exploited momentum already acquired.
- They shaped CRM vision to extend legitimacy of CRM.
- CRM vision accentuates evolution & progress of the CRM technology.
- CRM vision points to new development:
  - New underlying technologies, business functions served, functionality, adopter segment …

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Conclusion

- IE can be much more than the strategic activity of but one or a few actors.
- OV shapes and is shaped in both launching and sustaining stages, but in different ways.
  - Dynamic character of the IT: a liability in launching, but an advantage in sustaining.
- IE adds insights of institution-building to innovation diffusion theories; OV is useful tool.

For paper, questions, and suggestions, please email
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