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Alenka Slavec Gomezel

*University of Ljubljana, School of Economics and Business, Ljubljana, Slovenia, alenka.slavec@ef.uni-lj.si*

Rok Stritar

*University of Ljubljana, School of Economics and Business, Ljubljana, Slovenia*

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# An Entrepreneur's Perspective on Entrepreneurial Recycling

Alenka Slavec Gomezel\*, Rok Stritar

University of Ljubljana, School of Economics and Business, Ljubljana, Slovenia

## Abstract

We propose new insights into entrepreneurial recycling, focusing on the entrepreneur's perspective on the role of recycling. We define entrepreneurial recycling as the process by which entrepreneurs share, receive, and transform human, social, organizational, and financial capital throughout the entire entrepreneurial lifecycle: entry, growth and exit. However, research on this topic remains fragmented and underdeveloped. We applied a qualitative, interpretive, and inductive lens to explore the lived experience of six entrepreneurs in order to conceptualize entrepreneurial recycling and understand the implications for entrepreneurial theory and practice. We argue that when entrepreneurs recycle, they trigger a reciprocal trust loop with benefits for receivers and givers involved in recycling and the entrepreneurial ecosystem, the region and the national economy.

**Keywords:** Entrepreneurial recycling, Entrepreneurial ecosystem, Reuse capital, Entrepreneur, Interpretative phenomenological analysis

**JEL classification:** J24, L26

## Introduction

“The majority of the things that I implement, have come from my experiences over the 49 years that I've been in business. And that comes from that I talk to people all the time, I ask good questions, and I also am there as a mentor to other business people.”  
(Peter, an interviewee in our study)

When entrepreneurs channel a proportion of their human, social, organizational, and financial capital into other, often multiple, entrepreneurial activities, they recycle their entrepreneurial capital, making it available to other entrepreneurs in their entrepreneurial ecosystem. Recycling is a vital process of resource flow within ecosystems (Mack & Mayer, 2016; Spigel & Harrison, 2018). In the research to date, there has been consensus on two key facts of entrepreneurial recycling. First, entrepreneurial recycling is one of

the crucial pillars of a strong entrepreneurial ecosystem (Bahrami & Evans, 2000; Mason & Brown, 2014; Mason & Harrison, 2006). Such entrepreneurial ecosystems foster regional development and national competitiveness (DeTienne & Cardon, 2012; DeTienne & Wennberg, 2014; Huggins et al., 2017; Spigel & Vinodrai, 2020) through its outputs (e.g. productive entrepreneurial ventures), outcomes (e.g. creating jobs, new ideas, efficiency), and impact (e.g. value-added growth) (Nicotra et al., 2018). Second, individual entrepreneurs in these ecosystems trigger entrepreneurial recycling. In effect, recycling takes place at the micro level of individual entrepreneurs as they interact with one another (Hessels et al., 2011; Sullivan, 2000); however, the outcomes of that recycling are mainly seen at the macro level of the ecosystems in the form of venture creation, job creation, venture capital funds, innovation activities, high-growth entrepreneurship or scale-up firms, and charitable contributions (Bahrami & Evans, 2010; DeTienne & Cardon, 2012;

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\* Corresponding author.  
E-mail address: [alenka.slavec@ef.uni-lj.si](mailto:alenka.slavec@ef.uni-lj.si) (A. Slavec Gomezel).

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Mason & Brown, 2014; Spigel & Vinodrai, 2020). Given the visibility of these outcomes, it is unsurprising that research to date has offered macro-level views of entrepreneurial recycling.

Crucially, research has yet to uncover the foundations of entrepreneurial recycling on the level of the individual entrepreneur, despite the micro-level origins of recycling and the ample benefits it bestows upon entrepreneurs and their firms (Stam et al., 2008), the entrepreneurial community, industry, and the economy (DeTienne & Cardon, 2012; Mason & Harrison, 2006). There is still limited knowledge about how, when, and why entrepreneurs trigger entrepreneurial recycling and how this process unfolds. In light of this gap, the following research questions guided our study: “What is entrepreneurial recycling, as viewed from the entrepreneur’s perspective?” and “How, when, and why does entrepreneurial recycling happen?”

In this research, we aimed to develop a better understanding of entrepreneurial recycling by taking an individual lens of analysis and studying entrepreneurial recycling at the micro level of the entrepreneur, rather than at the macro level of the ecosystem. It is important to understand the forms and occurrences of entrepreneurial recycling in order to take advantage of its valuable effects on firms, clusters, ecosystems, and nations. By applying interpretative phenomenological analysis as the primary method in our study, we refine the theoretical foundations of entrepreneurial recycling, considering the individual-level perspective. Our qualitative study provides an exploratory examination of new dimensions of entrepreneurial recycling from the lived experience of the interviewed entrepreneurs. Among other facts, we uncover that entrepreneurial recycling occurs in three directions at the individual level: through sharing, receiving, and transforming.

With this research, we contribute to the literature in two areas. First, we contribute to the literature on entrepreneurial recycling by developing a new model to explain the process of entrepreneurial recycling through the three interactions of sharing, receiving, and transforming; the literature to date has proposed only the sharing perspective. We also add new sources of entrepreneurial recycling, new means of engaging in entrepreneurial recycling, and a new way to look at entrepreneurial recycling within the context of the firm lifecycle, as not tied to entrepreneurial entry or exit. We also expand the theoretical foundations of entrepreneurial recycling outcomes, focusing on the individual level of those who recycle and the feedback loop of benefits obtained from recycling. The second contribution of

our research is to the literature on entrepreneurial ecosystems (e.g. Malecki, 2018; Mason & Brown, 2014; Stam & Spigel, 2018). Our research bridges the individual-level perspective of the entrepreneur and the macro-level perspective of the ecosystem to understand entrepreneurial recycling. We highlight that, although entrepreneurs are the heart and soul of entrepreneurial ecosystems, their important role in entrepreneurial recycling has been largely overlooked. From a practical standpoint, our research has substantial and straightforward implications for entrepreneurial practice. Given the centrality of the entrepreneur to entrepreneurial recycling, we suggest that establishing a supportive environment for entrepreneurs is crucial for fostering entrepreneurial ecosystems. It is the entrepreneurs who do entrepreneurial recycling, not the ecosystem by itself. In the final section of our paper, we further discuss the benefits of recycling in terms of building collective trust, commitment, success, and satisfaction in an entrepreneurial ecosystem. We also explain the feedback loop that ensures ample benefits for both the giver and receiver of entrepreneurial recycling.

Following this introduction, we establish the grounds for our research by providing a theoretical overview of entrepreneurial recycling, including key contributions thus far and opportunities for further development. We then describe the methodology that guided our research design and analysis. For our study, we conducted an interpretative phenomenological analysis on entrepreneurial recycling with six entrepreneurs. This section is followed by an in-depth analysis of our empirical and theoretical assessment of entrepreneurial recycling as a three-way process, including several overlooked attributes. In this section, we introduce the propositions of the study. We conclude the paper with a discussion of theoretical and practical implications, and several important areas for future research.

## 1 Literature review on entrepreneurial recycling

The notion of entrepreneurial recycling is not new. In the mid-1990s, Bahrami and Evans (1995) defined “flexible recycling” as the process through which the demise of one firm typically leads to the formation of others, possibly resulting in novel reconfigurations of knowledge and human capabilities, and allowing new firms to rise from the ashes of disengaged enterprises. Analyzing the unique success of the Silicon Valley ecosystem, they provided seminal findings on entrepreneurial recycling. Bahrami and Evans (2010) continued their

exploration of flexible recycling, proposing that “recycling encourages life after death” of a start-up, “giving rise to new enterprises, new innovations, and new teams” (Bahrami & Evans, 2010, p. 11). Bahrami and Evans (1995, 2010) viewed recycling as a consequence of failed pre-start-up initiatives or failed start-up ventures, considering entrepreneurial recycling from a firm-level perspective and as a unidirectional phenomenon, i.e. sharing from one firm to another.

By contrast, Mason and Harrison (2006) argued that entrepreneurial recycling was a consequence of successful entrepreneurial exit, specifically in firm acquisition. They defined entrepreneurial recycling as the process typically triggered by an acquisition “in which the entrepreneurial team leaves their company either immediately or soon after the sale, channeling a proportion of their newly acquired wealth and time, as well as their accumulated experience, into other, often multiple, entrepreneurial activities with clear economic benefits” (Mason & Harrison, 2006, p. 58). The authors considered entrepreneurial recycling from a team-level perspective and also as a unidirectional phenomenon, i.e. sharing from one entrepreneurial team to others in the entrepreneurial ecosystem.

Re-entering entrepreneurship after firm exit (i.e. entering after firm failure or firm sale) is a pervasive phenomenon in the entrepreneurial process, triggered by the knowledge entrepreneurs have acquired through passive and active learning and their entrepreneurial experience. This phenomenon is known as renascent entrepreneurship (Stam et al., 2008) or accelerated repeat entrepreneurship (Guerrero & Peña-Legazkue, 2019) and are viewed from the entrepreneur’s perspective, by which recycling happens as an evolution of one’s own human, financial, social (Stam et al., 2008), and experiential capital (Guerrero & Peña-Legazkue, 2019).

To better understand entrepreneurs’ activity throughout the complex entrepreneurial process (Dimov, 2011) and how they complete entrepreneurial tasks, we first asked the following question: Do entrepreneurs recycle only by sharing their entrepreneurial legacy or are there other ways of recycling? In the literature to date, there has been no attempt to address this question. However, there is reason to believe that entrepreneurial recycling is a process that involves interactions with feedback loops. This means that entrepreneurial recycling is not limited to the enterprising individual, but also occurs through interactions with other stakeholders in the community. The insights from our literature review and empirical research suggest a circular

flow of entrepreneurial capital consisting of (a) receiving and recycling capital from others; (b) evolving and recycling one’s own capital; and (c) sharing one’s own capital and enabling others to recycle. This three-way flow of entrepreneurial recycling offers a new perspective on the social and evolutionary component of entrepreneurial recycling.

We also asked: Do entrepreneurs recycle *only* at the very beginning or end of the entrepreneurial process, or does recycling occur throughout? To date, no research has sought to map entrepreneurial recycling as a process that takes place throughout the pre-start-up phase, the start-up phase, the growth and maturation phase, and the entrepreneurial exit phase. Nevertheless, entrepreneurial practice shows that entrepreneurial recycling is an ongoing process from the inception of a business idea onwards. Indeed, entrepreneurs constantly reuse and evolve (i.e. recycle) previous experiences and other capital, and do not limit recycling to entrepreneurial entry or exit. To date, the research on entrepreneurial recycling has been bound by the view that entrepreneurial recycling takes place either (a) at the unsuccessful start-up stage of the firm (Bahrami & Evans, 2010) or (b) as a consequence of successful entrepreneurial exit, specifically through firm acquisition (Mason & Harrison, 2006) or other forms of entrepreneurial exit (Guerrero & Peña-Legazkue, 2019; Stam et al., 2008). However, after observing practicing entrepreneurs and reviewing the entrepreneurial literature, we realized that entrepreneurial recycling is not specific to entrepreneurial entry or exit alone. Rather, recycling occurs at all stages of an entrepreneurial career. For example, David Cummings, the well-known serial entrepreneur and founder of Atlanta Tech Village, is convinced of the importance of ongoing recycling for successful venturing. On his blog, he writes, “Talent is the most scarce resource anywhere and needs to be recycled in the start-up community to increase the odds of success” (Cummings, 2012).

Our literature review highlighted that entrepreneurial recycling is an underexplored topic from many points of view. In addition to the issues discussed, we know little about what entrepreneurs recycle. Apart from ideas, knowledge, networks (e.g. Bahrami & Evans, 2010), and accumulated wealth and experience (e.g. Mason & Harrison, 2006), is there something else that entrepreneurs recycle? Have other elements of the business process been overlooked? Furthermore, researchers have not examined the means through which entrepreneurs recycle. We know that entrepreneurs and senior managers reinvest their money and expertise as

serial entrepreneurs, angel investors, venture capitalists, board members, advisors, mentors and role models to other (aspiring) entrepreneurs, or they lobby government and establish organizations that support entrepreneurial activity (Mason & Brown, 2014). However, a deeper investigation on precisely how entrepreneurial recycling occurs can highlight other untapped territories of entrepreneurial recycling. Furthermore, the literature has not addressed the reasons for entrepreneurs to engage in entrepreneurial recycling. Do entrepreneurs always see “clear economic benefits” (Mason & Harrison, 2006, p. 58) when recycling? Finally, there is incomplete understanding of the benefits of entrepreneurial recycling, as the benefits to both the receiver and the giver have yet to be explored. While the literature has proposed positive outcomes of entrepreneurial recycling for (a) a firm (Mason & Harrison, 2006; Stam et al., 2008); (b) a cluster, an ecosystem, and a region, such as Silicon Valley or Scotland (Bahrami & Evans, 2010; Mason & Harrison, 2006); and (c) a nation (DeTienne & Cardon, 2012) through venture creation, job creation, knowledge spillover, innovation activities, and charitable contributions (Bahrami & Evans, 2010; DeTienne, 2010; Stam et al., 2008), the benefits of entrepreneurial recycling for the individual entrepreneur have remained vague (except in terms of financial gains).

Based on our literature review, we conclude that, while there is a considerable body of literature on entrepreneurial recycling, the theoretical foundations are fragmented and have not yielded an empirically derived, coherent theoretical framework for entrepreneurial recycling, sometimes even inferred from the entrepreneurial ecosystem literature as “creative reassembly” (Hwang & Horowitz, 2012). We argue that there is a need to develop such a framework. To contribute to this endeavor, we adopted an interpretative phenomenological analysis approach to answer our research questions, responding to the call for more qualitative studies in entrepreneurship research (Gartner & Birley, 2002).

## 2 Research methodology

In this study, we employed an interpretative phenomenological analysis of the lived experience of six entrepreneurs in order to fully understand the concept of entrepreneurial recycling and gradually work toward a generalizable theory of entrepreneurial recycling (Berglund, 2015; Smith et al., 2009). Interpretative phenomenological analysis (IPA) was developed and refined by Smith and colleagues (Smith et al., 1999, 2009; Smith & Osborn, 2008). Due to various calls to apply more qualitative and

rigorous methods to the study of entrepreneurship phenomena (e.g. Gartner & Birley, 2002; Suddaby et al., 2015), this analytical approach has been gaining momentum in the entrepreneurship field (Berglund, 2015; Cope, 2011). Because phenomenology can be used to directly explore associations between meaningful experiences and strategies and different situations in the entrepreneurial process (Berglund, 2007), such as when, how and what entrepreneurs recycle, IPA presented a useful tool to provide answers to our research questions: “What is entrepreneurial recycling, as viewed from the entrepreneur’s perspective?” and “How, when, and why does entrepreneurial recycling happen?”

We framed our research question quite broadly and openly (Smith & Osborn, 2008) to allow for a flexible and detailed examination in the area of entrepreneurial recycling, and to contribute to the further development of the existing theory on entrepreneurial recycling. In doing so, we moved beyond the existing description of entrepreneurial recycling to embrace the theoretical insights derived from the entrepreneur’s perspective on the specific occurrences and characteristics of entrepreneurial recycling. This approach generated a rich thematic description of how and what entrepreneurs recycle.

### 2.1 Sampling and data collection

We combined various forms of sampling (Thorne, 2014): purposeful, convenience, and snowball sampling. We included information-rich cases from our network. The interviewees also proposed others to be included in our research. Since IPA suggests conducting studies on small sample sizes of five or six participants (Smith & Osborn, 2008), our sample included six participants.

The primary methodology we used was phenomenological interviewing. Following the IPA guidelines (Cope, 2005; Smith et al., 1999, 2009; Smith & Osborn, 2008), we aimed at gaining a first-person description of each entrepreneur’s lived experience. Accordingly, the interviews were semi-structured, and we allowed the entrepreneurs to mainly set the course of the dialog. The interviews began with an opening question about the participant’s entrepreneurial story from the very beginning up until the interview date. Then, we sought to investigate when, how, and what entrepreneurs recycle, if not explicated earlier in the conversation. It is important to note that, during the first part of the interview, we did not use the term entrepreneurial recycling. Rather, when conversing about entrepreneurial recycling, we talked about re-using and applying the knowledge, networks, capital, and

so on, the entrepreneurs had accumulated throughout their entrepreneurial journey. This was done as a precaution to avoid distracting the entrepreneurs with our terminology. During the latter part of the interview, we asked entrepreneurs to describe what entrepreneurial recycling meant to them and how it specifically applied in their case. Our interviews collected the interviewees' thoughts, feelings, knowledge, and experience, not only for us, the researchers, but also for them (Patton, 2002).

We asked entrepreneurs for their permission to audio record the interview, and all six participants were willing. We assured their confidentiality and anonymity by changing their real names when reporting the research. The profiles of the six entrepreneurs are included in the Appendix.

## 2.2 Data analysis

We adopted an open-ended approach for the interviews with a flexible interview schedule in order to fully understand when, how, and what entrepreneurs recycle. We recorded and transcribed all six interviews, which lasted 53 minutes on average. We re-read each interview several times to become more familiar with the specific cases and to investigate potential new insights.

Following the IPA guidelines (Smith & Osborn, 2008), we took a bottom-up approach, generating codes from the interview data collected by each of the two researchers of this study. We then cataloged the emergent codes and looked for themes (i.e. patterns of meaning recurring throughout the text). In the end, themes were clustered into superordinate themes and given a name. These superordinate themes were those that most strongly captured the entrepreneur's views of the researched topic.

We formed a list of themes to go with each superordinate theme and linked the themes with identifiers to facilitate finding the original source. During this process, we dropped certain themes, because they either did not fit in the emerging structure or were not very rich in evidence from the transcripts. We repeated the same process for all six cases. We respected convergence and divergence in the data, recognizing both the similarities and differences between each participant's themes and superordinate themes. In the end, five main superordinate themes emerged. We concluded our analysis by translating the superordinate themes into a narrative account, distinguishing clearly between what the entrepreneurs said and our interpretation of it. We also discussed the links to the literature for each superordinate theme.

## 3 Findings

The interviews revealed five fascinating themes that have been under-investigated in the literature. The first theme reveals that entrepreneurial recycling takes place in three directions: sharing, receiving, and transforming. The second theme proposes that entrepreneurial recycling is an ongoing process that appears at all stages of an entrepreneurial career. Additional features of entrepreneurial recycling include the planned and unplanned nature of entrepreneurial recycling, the multiple types of recycling, and the multiple means by which entrepreneurs recycle. For each of the five themes, our discussion begins with a narration of the evidence from the interviews and continues with an analysis and interpretation of the results linked to the relevant literature. Our interviewees are: Christina, Laura, Brigitte, Peter, Steve, and Zack.

### 3.1 Theme 1: Entrepreneurial recycling as a three-way process

The first major and previously unaddressed finding of our study is the three directions through which entrepreneurial recycling unfolds. In his interview, Peter emphasized that he constantly learned and reused his own experiences to develop his businesses. He stated, "The majority of the things that I implement have come from my experiences over the 49 years that I've been in business." We perceive Peter's approach as entrepreneurial recycling by transforming. Peter also made his capital available for other entrepreneurs to use by being "a mentor to other business people." This is an example of entrepreneurial recycling by sharing. In addition, Peter actively sought capital from others as he talked "to people all the time" and asked "good questions", i.e. recycling by receiving. Another interviewee, Christina, recycled by mentoring a young producer. She noted, "I worked with producers my whole life in the music business. I really understand this business and what I do is I act as the voice of the reason for him because he can be very, very all over the place in his decision making and what I'll do is I'll show him the down sides." Christina also shared her human capital with a young entrepreneur from the flower business: "So, when I left my business, I was introduced to a young ... gentleman who was starting a brand new flower design company from scratch ... and he didn't have the experience that I had. So, I worked alongside of him and I advised him." At the same time, Christina is a receiver of recycling from others. When talking about receiving advice from her sister, Christina

explained “she [was] the one that ... grabbed me and ... taught me how to stop micromanaging ... there was a transformation in my management style.” Finally, Christina recycled her own experiences, as she stated, “I use the experience, but I also know that I am not the same person.”

Viewed from the focal entrepreneur’s perspective, entrepreneurial recycling happens in three directions: (a) from the focal entrepreneur to others, i.e. entrepreneurial recycling by sharing; (b) from others to the focal entrepreneur, i.e. entrepreneurial recycling by receiving; and (c) from the focal entrepreneur to the focal entrepreneur, i.e. entrepreneurial recycling by transforming. Fig. 1 represents these three directions of entrepreneurial recycling.

Entrepreneurial recycling can take all three forms or a combination of two of them. However, at the very least, entrepreneurs certainly participate in entrepreneurial recycling by transforming, especially when learning from past mistakes and failures (Cope, 2011; Stam et al., 2008). All of our interviewees recycled ideas, knowledge, experience, networks, and financial capital from their previous or ongoing entrepreneurial endeavors. Since the three directions of recycling comprise a vital and enlightening finding of our research, we analyze each of the three approaches separately.

### 3.1.1 Evidence 1: Entrepreneurial recycling by sharing

Entrepreneurial recycling is all about interaction with other people. Every time entrepreneurs

interact with others, they have a choice to make. They can try to claim as much value as they can or contribute value to others without worrying about what they receive in return (Grant, 2014). Entrepreneurs may share with others for economic and non-economic gain. Christina said that she liked sharing her human and social capital, however, at the time of the interview, she admitted that she could not afford to do it to a greater extent, because of financial constraints. She stated, “I am not in a position financially ... to completely not be working. I have to support my investments, my income, because I had a lot of challenges with this economy and losses. So, I need to be paid for my work; I can’t volunteer completely. I wish I could.”

However, she recalled Score, an organization dedicated to entrepreneurial recycling between generations, which helps “retired entrepreneurs mentor young entrepreneurs.” She continued to explain that “they would recycle us ... for young people that value having an older person. I think ... partnerships between the young and old are really great partnerships. It’s a win–win for both.”

On the other hand, entrepreneurs may get intangible, non-economic, and unexpected rewards for recycling, e.g. feeling good for doing something for others and making an impact. For example, Peter said, “I’ll give you an example of something where it was payback. The payback, not monetary, but you know ... a feel-good feeling.” Peter continued on to explain how he coached a young woman to get a job.

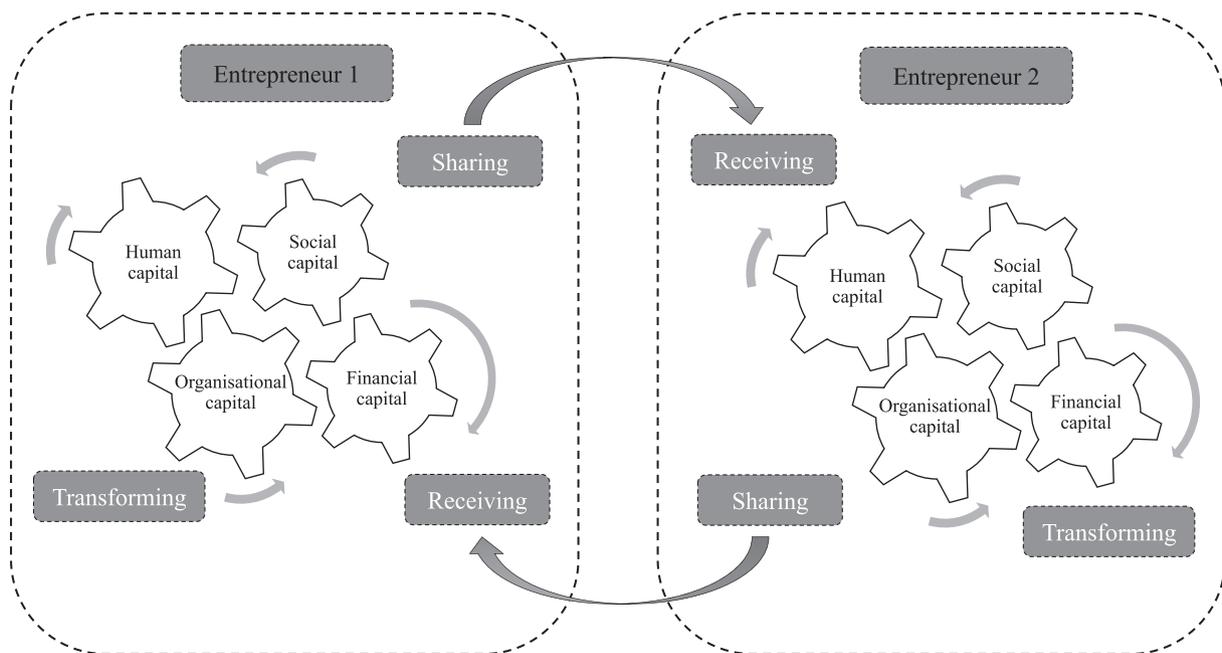


Fig. 1. Representation of the three directions of entrepreneurial recycling. Source: Own representation.

After a while, he received a letter from her in which she wrote, “If you hadn’t shown me the way to do this, it wouldn’t ... you really changed me.” Peter added, “That, to me, is the payback.” Returning to Christina and her intangible goals, she highlighted, “At this point in my life, I am very fortunate. What I want to do in the world is I want to serve people.” She continued by saying that in her new life, she had to give something back. Laura engaged in mentoring, as she explained why she recycles by sharing: “Because if somebody had given me advice that I give to these women or business owners and entrepreneurs in general, then they can grow their businesses faster [and] build a stronger economy ... By growing a business, they will hire more people; we’ll reduce the unemployment rate in America. There are so many benefits in helping entrepreneurs grow.”

When Laura explained why she mentored, we asked her if she wanted to make an impact on the entrepreneurial ecosystem. To this, Laura replied, “I hope so. That’s my goal.” Christina explained why she was recycling by sharing: “I gave back, because I felt I needed to.” Brigitte expressed willingness to recycle by sharing, stating “I would like to be a mentor to a tourism-based start-up, because I feel that people don’t have this specific knowledge. I would love to do that.” Zack also said, “I do that for my employees or for my network contacts. In my network or at different events, I also like to help juniors who are at the beginning of their entrepreneurial careers and don’t have experience in entrepreneurship. Most entrepreneurs I know are like that. It is cool for them to help other entrepreneurs.”

### 3.1.2 Interpretation 1

Previous research on entrepreneurial recycling after exit has proposed that entrepreneurial recycling happens with “clear economic benefits” in mind (Mason & Harrison, 2006). However, we add that non-economic goals may also drive entrepreneurs to recycle, especially when they recycle by sharing their human, social, and organizational capital. Entrepreneurs often share this capital for free, driven by intangible rewards, such as good interpersonal relationships or psychological satisfaction from making an impact, helping others, or gaining recognition in the entrepreneurial community. With financial capital, entrepreneurs recycle for a fee. For example, when entrepreneurs recycle by becoming professional venture capitalists or business angels or by starting a new venture, they want to gain financial rewards for their investments (Mason & Harrison, 2006).

Our finding is related to Grant’s (2014) “give and take” proposition. Most entrepreneurs who recycle by sharing human, social, or organizational capital (i.e. intangible capital) do so from a *matcher* or *giver* perspective. In a business context, matchers are individuals who strive to preserve an equal balance between giving and receiving. This operates on a principle of fairness, in that, when entrepreneurs help others, they protect themselves by seeking reciprocity. Givers operate differently, helping others regardless of whether the benefits to others exceed any personal costs. Givers strive to be “generous in sharing time, energy, knowledge, skills, ideas, and connections with other people who can benefit from them” (Grant, 2014, p. 5). At the opposite end of the continuum are takers, who help others strategically (i.e. when the benefits outweigh their personal costs). The taker’s perspective is especially true when entrepreneurs recycle financial capital.

Just as in sports, where talent recycling between the “donor” and “recipient” sports can involve certain restrictions (Gulbin, 2008; Vaeyens et al., 2009), equal interchange between the giver and receiver of entrepreneurial recycling may not be possible and may depend on the stages of one’s entrepreneurial career. Entrepreneurs who receive capital for recycling may be in an early stage of their career development, at which time they take more than they give. Later on, during the growing and maturation stage of a venture, entrepreneurs evolve into matchers and act based on reciprocity – i.e. giving and receiving capital to more or less the same degree. In the later stages of an entrepreneur’s career and at entrepreneurial exit, the giver perspective becomes more evident, except for when recycling financial capital. Experienced and cashed-out entrepreneurs are likely to give more than they take, as exemplified by Christina, who expressed that “she is proud that [her mentee] is where he is,” regardless of the fact that her own financial condition was not prosperous at the time of the interview.

Entrepreneurs who recycle, especially in the later phases of their careers, strive to support the development of collective entrepreneurial capacity, deepen the entrepreneurial culture, and foster the maturity of entrepreneurial clusters (Mason & Harrison, 2006). As Timmons (1999, p. 575) put it, “Recycling of entrepreneurial talent and capital is at the very heart of our system of private responsibility for economic renewal and individual initiative.” When entrepreneurs interact with others in reciprocity, it fosters success over and above talent (ability), hard work (motivation), and luck (opportunity) (Grant, 2014). When engaging in

entrepreneurial recycling by sharing, entrepreneurs act as givers to create value for themselves and maximize opportunities for the benefit of others (Grant, 2014) – the latter being their primary goal and the former being a kind of side effect. In doing so, entrepreneurs spread their human, social, organizational, and financial capital, and ultimately foster success.

Among our interviewees, Laura wanted to make an impact, which reflects Grant's (2014) view of such an attitude as a giving one. For Laura, the focus was on the people who could benefit from her help the most. Most of the entrepreneurs expressed that they liked recycling by sharing and helping others to develop and grow – again, characteristic of a giver. When commenting on mentoring, Christina said, “That’s probably one of the favorite things that I have ever done.” Based on this discussion, we articulate the following proposition:

**Proposition 1.** One form of entrepreneurial recycling is entrepreneurial recycling by sharing.

### 3.1.3 Evidence 2: Entrepreneurial recycling by receiving

Zack explained that in one of his businesses, Save, he recycled by gaining knowledge from a similar business in Germany, learning from the entrepreneur with whom he talked during seaside vacations. Christina also recycled by receiving, as noted in the following passage: “There were some things that I liked he was showing me and some things that I didn’t like. But I had the benefit of deciding what I was going to keep and what I was going to give away.” Steve was direct in saying, “... sure, if you are in a business such as I am, where you do firm consulting, you can quickly pick, copy, and use anything that you see there.”

### 3.1.4 Interpretation 2

Entrepreneurial recycling by receiving is an important way of recombining human, social, organizational, and financial capital. Stritar and Drnovšek (2015) found that when recycling from others, entrepreneurs discover several opportunity-related components in other entrepreneurs’ prior experience and knowledge. Entrepreneurs creatively combine technology stack, business model, and product and service design architecture. They greatly broaden their resource base by reusing business concepts that have already been proven in previous ventures.

Although the idea of recombining different components can be viewed through the lens of entrepreneurial bricolage (Baker & Nelson, 2005),

entrepreneurial recycling enhances our understanding of the source of the “resources at hand” by emphasizing the importance of experience from preceding ventures. This leads to the following proposition:

**Proposition 2.** One form of entrepreneurial recycling is entrepreneurial recycling by receiving.

### 3.1.5 Evidence 3: Entrepreneurial recycling by transforming

Entrepreneurs can recycle their own resources by transforming their human, social, organizational, and financial resources into something new. This involves a learning process. Christina explained, for example, that “in teaching you learn things.” Steve highlighted that the spin-off company he co-created has been a project of recycling human, social, and organizational capital and transforming it into a new, profitable business opportunity: “We reused the huge amounts of knowledge we had accumulated on software and industry specifics in our first and current business. I also reused a combination of my network relationships to form the spin-off.” He explained that for his first business, Retail, he had recycled the knowledge and experience he had gained by running a student business. He said, “Before Retail, we had a student firm, where I learned something about customer relationships and how to lead project work.” Zack talked about how his human, social, organizational, and financial capital had evolved and been recycled in his subsequent businesses: “Every time there was a new experience. First, you come across a tough business partner and you have to negotiate the business terms. Then, you have to import something from a foreign country for the first time. On another occasion, you have to sell something over the Internet for the first time or you have to build a web page for your business. There were many such things that I reused several times later on in my businesses, because every time there was something new ... I partly reused what I already had.”

### 3.1.6 Interpretation 3

It is clear that entrepreneurs benefit in substantial and multiple ways from recycling by transforming. Underlying this process is entrepreneurial learning from experience. Experiential learning theory has proposed that “knowledge is created through the transformation of experience” (Kolb, 1984, p. 41). This is in line with the argument proposed by Aldrich and Yang (2014), who posited that learning by doing and experimenting (i.e. recycling by transforming) along with learning by borrowing and

imitating (i.e. a form of recycling by receiving) are crucial for creating viable and profitable ventures. Kolb (1984) stressed that there are two underlying dimensions of experiential learning. The first is grasping the entrepreneurial experience that entrepreneurs acquire throughout their entrepreneurial careers. The second is the conscious transformation of these experiences into meaningful entrepreneurial knowledge. Yet, “how entrepreneurs transform their career experience into entrepreneurial knowledge” (Politis, 2005, p. 407) is a fundamental question, if we are to understand how entrepreneurial learning occurs.

The results of our study show that entrepreneurial recycling is a way to transform experience into knowledge. When recycling, entrepreneurs are forced to embrace cognitive activation, because they try to solve other entrepreneurs’ problems, coach them, absorb advice from others, or make sense of their own decisions and ways of doing business. Entrepreneurs can also recycle from their own past experiences. In this context, entrepreneurial knowledge is the result of both grasping an experience and transforming that experience (Politis, 2005). As Holmqvist (2004) explained, in the process of transforming experience, learning is continuously created and recreated; it is not an independent entity to be acquired or transmitted. However, it is important to note that entrepreneurs seldom have time for explicit conceptualization or theorization beyond individual choices (Politis, 2005). Therefore, they transform experience into knowledge in different ways. We propose that one way is entrepreneurial recycling. Following this discussion, we propose that:

**Proposition 3.** One form of entrepreneurial recycling is entrepreneurial recycling by transforming.

### 3.2 Theme 2: Entrepreneurial recycling as an ongoing process

#### 3.2.1 Evidence 4: Entrepreneurial recycling as an ongoing process

The participants in our study highlighted that recycling is something that entrepreneurs do “all the time.” When asked whether they had reused the experience, knowledge, networks, or money that they had acquired from their current or other businesses, our interviewees responded in the affirmative, with Christina saying “absolutely” and Laura “always.” Steve explained, “If you ask me, I do that all the time. I am like that. An entrepreneur always does that. He already has 10 things prepared and when he finishes, he doesn’t ask ‘What am I

going to do now’.” Brigitte stated, “I think that we entrepreneurs have all recycled something.” Zack articulated his view, arguing that, “This happens all the time. You can’t plan it and say, ‘Now I will recycle something.’ You do it all the time. In reality, you always do it in life – you try to use the things that you have and the knowledge that you have.”

#### 3.2.2 Interpretation 4

The studied cases clearly evidence that entrepreneurial recycling happens throughout one’s whole entrepreneurial career from entrepreneurial entry to exit. In addition, entrepreneurial recycling is not tied to either entrepreneurial entry or exit. In the current literature, the missing link between entrepreneurial recycling at the start-up phase (Bahrami & Evans, 2000) and entrepreneurial recycling at the entrepreneurial exit phase (Mason & Harrison, 2006) is entrepreneurial recycling at the growth and maturation phase. These three periods align with the entrepreneurial career stages proposed by Rae (2000): (a) engaging and entering a venture, (b) growing a venture, and (c) moving out and on from a venture.

Bahrami and Evans (2010) extensively analyzed recycling in the first phase of an entrepreneurial career. They argued that entrepreneurial recycling takes place after failed projects at the pre-start-up stage or failed start-ups. This is because the experience from failure can be reused to form new projects and start-ups. Bahrami and Evans (1995) briefly noted that the processes of firm formation, demise, and recycling are continuous, but they did not expand this observation to include the maturation phase. Similarly, Stam et al. (2008) posited that renascent entrepreneurs, who re-enter entrepreneurship after firm failure, do so on the basis of prior knowledge, i.e. through entrepreneurial recycling. Mason and Harrison (2006) analyzed recycling at the entrepreneurial exit stage, specifically after firm acquisition. They argued that cashed-out entrepreneurs reuse the wealth, experience, and time they have accumulated for other purposes with clear economic benefits.

To date, no research has focused on recycling during the growth and maturation phase of a firm. This gap is surprising given that, by this stage, entrepreneurs have already acquired substantial human, social, organizational, and financial capital and have experienced successes and failures, which in turn stimulates entrepreneurial recycling. Nevertheless, the notion of entrepreneurial recycling in the growth and maturation stage is partly implied in the insights into the mentoring of nascent entrepreneurs by experienced ones (Brown &

Butler, 1995; Ozgen & Baron, 2007) or in descriptions of entrepreneurs learning throughout their entrepreneurial careers (Deakins & Freel, 1998; Politis, 2005). Wood and McKinley (2016) recently highlighted the scarcity of research on the ongoing process of seizing opportunities and acting entrepreneurially after venture funding. The authors argued that venture funding marks the beginning, rather than the end, of a dynamic process through which opportunities must be retained, developed, and re-evaluated. We argue that, in doing so, entrepreneurial recycling is instigated. This discussion leads us to the following proposition:

**Proposition 4.** Entrepreneurial recycling occurs at all stages of an entrepreneurial career: (a) engaging and entering a venture, (b) growing a venture, and (c) moving out and on from a venture.

### 3.3 Theme 3: Entrepreneurial recycling as planned or unplanned action

#### 3.3.1 Evidence 5: Entrepreneurial recycling as planned or unplanned action

While entrepreneurial recycling is a continuous process, it can be an unplanned or planned action. Peter admitted that he recycled, but not in a planned manner: “I am sure I did. But it didn’t process that way. I didn’t think to myself, ‘Oh, back in 1972 this happened.’ It just evolves.” Steve explained that recycling is “the most natural thing, because you, as an entrepreneur, live like that.” When we asked Brigitte whether she consciously recycled, she replied, “No, no. I just talk to people. I don’t do that with a plan.” At the same time, most of the entrepreneurs in our sample also engaged in more structured and organized forms of entrepreneurial recycling, such as giving seminars at entrepreneurial conventions, being mentors at start-up weekends, giving lectures at colleges, or nurturing student entrepreneurship talent through organizations such as Junior Achievement or Virtual Enterprise. Laura, for example, was a member of the Women Presidents’ Organization. She explained that she had joined the organization, because “[it seemed] like I could get benefit from that.”

#### 3.3.2 Interpretation 5

The data from our interpretative phenomenological analysis show that entrepreneurial recycling is either (a) an unplanned process, i.e. the entrepreneur engages in recycling without extensive planning, as it seems natural; or (b) a planned action, i.e. the entrepreneur has clear goals when recycling. Our findings reinforce the idea that “some of these

experiences are the result of proactive agency on the part of the person, some come unexpectedly and are uncalled for” (Smith et al., 2009, p. 3). The literature and our research point out that, in many cases, entrepreneurial recycling does not occur independently of the entrepreneur, but is triggered by a course of events that makes it natural for entrepreneurs to recycle. Therefore, we propose a new way to look at entrepreneurial recycling:

**Proposition 5.** Entrepreneurial recycling happens as a planned or unplanned action.

### 3.4 Theme 4: Forms of entrepreneurial recycling

#### 3.4.1 Evidence 6: Forms of entrepreneurial recycling

The entrepreneurs interviewed talked about multiple types of recycling. Laura explained, “There’s nothing in my business that I invented. Everything exists. I read a lot of business books.” Steve recycled in several ways by teaching students, mentoring at start-up weekends, leading a spin-off company, and consulting for other companies. He said, “I argue that on my own I have come up with only a few things. Most of the things are a recombination of other things. Also, for ideas that I regarded at the beginning as being something really awesome and totally new, I then realized that I had read somewhere something about them and then they had grown in me.” Zack explained that his company, PrintPrint, had been established by means of recycling a product: “PrintPrint was formed by the project that my co-founder had done before I joined him. And his project was based on the project carried out by his Italian business partner.” The participants in our study had recycled financial capital to establish subsequent businesses, however, they had not recycled by being business angels or venture capitalists. Laura even said, “I have never invested in somebody else’s business other than mine, but it wouldn’t be ... something I haven’t thought about.”

#### 3.4.2 Interpretation 6

Our research complements the list of recycling forms proposed in previous research (Bahrami & Evans, 2000; Hopkins & Basset, 2015; Mason & Brown, 2014; Mason & Harrison, 2006; Sitar & Mihelič, 2018; Stritar & Drnovšek, 2015): (a) recycling human capital, such as knowledge, experience, skills, abilities and talent; (b) recycling social capital, such as relationships, memberships, recognition and influence; (c) recycling organizational capital, such as (parts of) business models, brands, products, services, processes, space, or offices; and (d)

recycling financial capital in the form of money and wealth.

The multifaceted nature of recycling is evidenced in several research settings. For example, in the study of [Mason and Harrison \(2006\)](#) of entrepreneurial recycling after firm acquisition in the Scottish region, exiting entrepreneurs were found to recycle wealth, networks, credibility, knowledge, experience, and expertise. The authors explicated that the cashed-out entrepreneurs who later became business angels had “been able to pass on their knowledge of how to build technology companies to the next generation of technology entrepreneurs” ([Mason & Harrison, 2006](#), p. 67). A recent report on the recycling of entrepreneurial talent showed that “attracting recycled talent rather than recycled cash and investment was a greater priority for entrepreneurs and companies” ([Hopkins & Basset, 2015](#), p. 4). These studies have evidenced the plurality and priority of recycling in Scotland. [Bahrami and Evans \(2010\)](#) focused on the recycling of entrepreneurial talent and relationships in Silicon Valley, while [Timmons \(1999\)](#) highlighted the importance of recycling entrepreneurial talent and capital. Strong ties bring trust, improve decision making, and strengthen the knowledge base for entrepreneurs and their firms ([García-Meca & Palacio, 2018](#); [Li et al., 2013](#)). These ties can be enhanced through open innovation ([Rangus, 2017](#)). [Belso-Martinez et al. \(2013\)](#) described the strength of the external resources provided to entrepreneurs by knowledge-intensive services in the Valencian region (Spain), proving the benefits of another form of entrepreneurial recycling, i.e. recycling social capital. Using Oxfordshire as a case study, [Lawton Smith et al. \(2005\)](#) explained that talented entrepreneurs are those who initiate innovation, which leads to local and regional development. [Desrochers \(2002\)](#) argued that the inter-industry recycling linkages that result from entrepreneurial actions foster regional development. [Debrulle and Maes \(2015\)](#) added that export intensity is also fostered.

We introduce another form of recycling to this discussion: the recycling of organizational capital. This refers to the recycling of (parts of) business models, brands, products, services, processes, and space. [Miles and Van Clieaf \(2017\)](#) highlighted that organizational capital pertains to tangible and intangible resources, such as business processes, operational excellence, strategies and investment plans in new technology, new products, new markets, and new business models. [Bellman \(2005\)](#) exposed that recycling and reviving old brand names can also be a way to foster entrepreneurial success. Such forms of recycling were highlighted

by participants in our study, and lie at the core of the Schumpeterian view of entrepreneurship as a recombination of products and processes ([Schumpeter, 1934](#)). In addition, [Feldman et al. \(2019\)](#) confirmed that entrepreneurs bring to their venture organization heritage, i.e. organizational practices from previous employment, especially those that are clearly defined and fit into the requirements of the new venture. This leads to improved performance and innovation capabilities. We put forth the following proposition, which sums up the forms of entrepreneurial recycling:

**Proposition 6.** Entrepreneurial recycling involves recycling the following types of capital: human, social, organizational, and financial.

### 3.5 Theme 5: The means of entrepreneurial recycling

#### 3.5.1 Evidence 7: The means of entrepreneurial recycling

Entrepreneurs can recycle by multiple means. All of our participants had been involved in some kind of mentoring, coaching, or teaching. Laura told us, “I do a lot of mentoring,” and Peter explained, “I coach a lot of young people.” Zack and Steve were mentors during start-up weekends and recycled their human capital. Zack also recycled his expertise at workshops. He has facilitated more than 100 workshops and consultancy projects on marketing, sales, new product development, finance, and market research. Peter had also established two think-tanks, i.e. “a group of people that I’ve put together,” through which he recycled his networks and his recognition in the entrepreneurial community. Laura noted that she recycled her networks by “expand[ing] and penetrat[ing] the market through existing customers” and “get[ting] new customers as well.”

#### 3.5.2 Interpretation 7

Building on the related literature ([Bahrami & Evans, 2010](#); [DeTienne, 2010](#); [Hopkins & Basset, 2015](#); [Mason & Brown, 2014](#); [Mason & Harrison, 2006](#)) and the findings of our study, we propose a comprehensive list of the means by which entrepreneurs engage in entrepreneurial recycling: (a) recycling human capital through mentoring, coaching, teaching, and giving seminars and workshops at schools, colleges, business incubators, technology parks, start-up weekends, or accelerators, and through being board members; (b) recycling social capital through building and sharing networks, being involved in policymaking, building local infrastructure based on recognition and

influence, lobbying and connecting with chambers of commerce and craftsmen, establishing think-tanks, building entrepreneurship support organizations, and developing collective entrepreneurial capacity and regional institutional environment; (c) recycling organizational capital through redesigning products, services, processes, and business models; and (d) recycling financial capital by being business angels or venture capitalists, investing in their own new start-ups as serial entrepreneurs, or investing in others' start-ups or grown firms, giving donations and participating in philanthropy, bringing in foreign investments, improving the technological base of the community, and endowing various community activities and institutions (e.g. universities, museums, orchestras). Our last proposition summarizes the different means of entrepreneurial recycling:

**Proposition 7.** Entrepreneurs use different means to recycle their human, social, organizational, and financial capital.

### 3.6 Summary of developed propositions

Table 1 presents a summary of our propositions.

## 4 Discussion

Entrepreneurial recycling is a process by which entrepreneurs channel a proportion of their human, social, organizational, and financial capital into other, often multiple, entrepreneurial activities in their entrepreneurial ecosystem. Entrepreneurs recycle by sharing, receiving, and transforming their capital throughout their entrepreneurial career: through entrepreneurial entry, growth, and exit. Our views on entrepreneurial recycling offer a deeper understanding of how entrepreneurial recycling unfolds and what impact it makes on the community and national economy. With this research, we highlighted the individual-level perspective of entrepreneurial recycling to uncover

the unexplored features of entrepreneurial recycling, such as the three directions of entrepreneurial recycling; the ongoing nature of entrepreneurial recycling, which is not tied to either entrepreneurial entry or exit; the forms and means of entrepreneurial recycling; and the motivations for entrepreneurs to engage in entrepreneurial recycling (planned or unplanned actions). We also contribute to the literature on entrepreneurial ecosystems by focusing on the entrepreneur when talking about recycling in an ecosystem. In the following section, we elaborate on the theoretical and practical implications of our research, the implications for policy-makers, the limitations of our study, and opportunities for future research.

### 4.1 Theoretical implications

Our research demonstrates that entrepreneurial recycling is one of the most natural processes that take place in entrepreneurship. Entrepreneurs see recycling as something they do throughout their entrepreneurial journeys, regardless of the stage of their career development or the stage of the firm (i.e. entrepreneurial entry, growth, or exit). This finding represents an important extension of the current knowledge on entrepreneurial recycling, which to date has covered only the pre-start-up and start-up stage (Bahrami & Evans, 2010) and the entrepreneurial exit stage (Mason & Harrison, 2006).

Our research exposes the overlooked occurrence of entrepreneurial recycling during the growth and maturation stage of a firm. Our interviewees emphasized that they recycled their human capital (e.g. knowledge, experience), social capital (e.g. networks, referrals), organizational capital (e.g. reshaping products) and financial capital (e.g. financing their own or others' projects and start-ups), while being active in their current mature businesses. The literature confirms these findings, although in a more fragmented manner. Different research outlets have implicitly articulated the notion of entrepreneurs sharing, receiving, and

Table 1. Research propositions.

Proposition	Proposition statement
Proposition 1	One form of entrepreneurial recycling is entrepreneurial recycling by sharing.
Proposition 2	One form of entrepreneurial recycling is entrepreneurial recycling by receiving.
Proposition 3	One form of entrepreneurial recycling is entrepreneurial recycling by transforming.
Proposition 4	Entrepreneurial recycling occurs at all stages of an entrepreneurial career: (a) engaging and entering a venture, (b) growing a venture, and (c) moving out and on from a venture.
Proposition 5	Entrepreneurial recycling happens as a planned or unplanned action.
Proposition 6	Entrepreneurial recycling involves recycling the following forms of capital: human, social, organizational, and financial.
Proposition 7	Entrepreneurs use different means to recycle their human, social, organizational, and financial capital.

transforming their human, social, organizational, or financial capital during a firm's growth and maturation stage. For example, [Sullivan \(2000\)](#) demonstrated that entrepreneurs recycle by mentoring upstart entrepreneurs in the growth and development stage of their firms. Similarly, [Ozgen and Baron \(2007\)](#) confirmed the occurrence and value of sharing and receiving human, social, and organizational capital among more and less experienced entrepreneurs. More experienced entrepreneurs also recycle by receiving during the firm growth and maturation stage recycle, because they are strongly engaged in the entrepreneurial community and thus grasp different forms of capital from others ([Brown & Butler, 1995](#); [Ozgen & Baron, 2007](#)).

Furthermore, entrepreneurial learning theory ([Deakins & Freel, 1998](#); [Politis, 2005](#)) posits that entrepreneurs learn throughout their entrepreneurial journey based on their experience, which they transform into knowledge. In doing so, they engage in entrepreneurial recycling by transforming their accumulated non-financial and financial capital into new capital for further use during the growth and maturation phase.

Through interpretative phenomenological analysis, we discovered an important and previously overlooked feature of entrepreneurial recycling, namely that entrepreneurial recycling takes place in three directions. First, entrepreneurs recycle by sharing when they share their human, social, organizational, or financial capital with other stakeholders in the entrepreneurial ecosystem. Second, entrepreneurs recycle by receiving when they draw on the human, social, organizational, or financial capital of other stakeholders in the entrepreneurial ecosystem. Third, entrepreneurs recycle by transforming as part of the learning process by which they change their own human, social, organizational, or financial capital into new capital. We discuss the theoretical implications of this important contribution in the following paragraphs.

Entrepreneurial recycling by sharing is a manifestation of an entrepreneur's prosocial behavior in the entrepreneurship context. Entrepreneurs often care about making a positive impact on other people's lives (e.g. family, customers, younger colleagues) and are willing to share with others in their entrepreneurial community what they have learned or achieved ([Ozgen & Baron, 2007](#)). When recycling by sharing, entrepreneurs act as givers ([Grant, 2014](#)), recycling without worrying about what they receive in return.

As evidenced by our research, this prosocial motivation for entrepreneurial recycling by sharing takes different forms. Sometimes entrepreneurs

want to give back, sometimes they want to help others, and sometimes they want to make an impact. The entrepreneurs in our sample felt that personal success correlated with feeling good by doing good and with a healthy and friendly community. Some entrepreneurs felt that sometimes when they had needed the help or advice of their more experienced peers, they had not received it; accordingly, they wanted to alleviate the same barriers for their peers and help them. Furthermore, some entrepreneurs who had recycled from others wanted to give back and help their entrepreneurial ecosystem. Such altruistic behavior of entrepreneurs forms the theoretical foundation of the giver perspective in entrepreneurship research, as previously investigated primarily among employees and managers ([Grant, 2007](#); [Higgins & Kram, 2001](#)).

In entrepreneurship research, prosocial behavior has been investigated as a characteristic of social entrepreneurs ([Miller et al., 2012](#); [Renko, 2013](#)). However, establishing a business with the motivation to solve a social or environmental problem is extreme evidence of prosocial behavior. This is why such "prosocially motivated entrepreneurs are a rare breed" ([Renko, 2013](#), p. 1047). In recycling among general entrepreneurs, and not necessarily social entrepreneurs, we find that prosocial behavior – as a deliberate choice to do something good for others in their entrepreneurial ecosystem – is not rare at all.

Entrepreneurial recycling by receiving relates to the theory of entrepreneurial bricolage ([Baker & Nelson, 2005](#)). In resource-constrained environments, entrepreneurs make do with what is at hand (e.g. physical resources, skills or ideas), or what is available very cheaply or for free outside the firm (often because others judge this capital to be useless or substandard). Although bricolage and recycling both involve the recombination of resources, entrepreneurial recycling by receiving is about a conscious action and interaction among entrepreneurs and presents the source of the resources at hand. Entrepreneurial recycling also differs from bricolage in that it is often free and occurs through mentoring and favor-giving by those with prosocial natures. It is evident that entrepreneurial recycling by receiving builds upon the theory of entrepreneurial bricolage, but encompasses features that extend beyond the boundaries of bricolage. When entrepreneurs recycle by receiving from other entrepreneurs, they innovatively reuse, adapt, and combine human, social, organizational, and financial capital.

The third form of entrepreneurial recycling is by transforming. With this notion, we push forward the

understanding of the entrepreneurial learning theory. When recycling from their own resources and capital, entrepreneurs do so by reflecting on and making sense of their successful and unsuccessful experiences, thereby transforming experience into knowledge (Politis, 2005). We argue that entrepreneurial recycling is a catalyst that enables entrepreneurial learning, because recycling activates cognitive mechanisms. By making sense of their experiences when recycling by sharing or receiving, entrepreneurs acquire a deeper understanding of themselves, their decision-making processes, the reasons for success and failure, and the nature of their relationships. This knowledge enables entrepreneurs to recycle by transforming. Cope (2011) proposed that entrepreneurial learning, especially from failure, has powerful future-oriented outcomes that increase the entrepreneur's level of preparedness for future business activities.

The framework discovered in this research implies that entrepreneurial recycling is about interactions; it is a social process among stakeholders in an entrepreneurial community with broad benefits for both entrepreneurs and the entrepreneurial community. However, previous research has not accounted for the several individual-level benefits of entrepreneurial recycling, often because entrepreneurial recycling has not been viewed as a process involving interactions in an entrepreneurial ecosystem. To date, research has focused on the benefits for the firm, region, and national development (Bahrami & Evans, 2010; DeTienne & Cardon, 2012; Mason & Harrison, 2006). Our research shows that, by recycling, entrepreneurs gain new knowledge and opportunities, while making sense of their decisions and experiences, yet for conscious learning, they usually do not have spare time. Entrepreneurs then transform their experience into knowledge in disparate ways (Politis, 2005) – one way being entrepreneurial recycling. When entrepreneurs recycle by sharing or receiving, they implicitly recycle by transforming, because they learn from experiences when they share or receive human, social, organizational, or financial capital, and gain valuable capital for their businesses. In the sharing and receiving process of entrepreneurial recycling, both the giver and receiver have the opportunity to transform new information or experiences into new knowledge.

Moreover, the entrepreneurship literature has been silent on the benefit loop of entrepreneurial recycling for the entrepreneurs who do recycle. We argue that recycling brings well-being, trust,

commitment, and satisfaction to those who recycle. On the one hand, those entrepreneurs who recycle by sharing feel good when the human, social, organizational, or financial capital they give leads to their peers' success. This outcome makes them even more committed to recycling in the entrepreneurial ecosystem. On the other hand, those entrepreneurs who recycle by receiving become more confident about their abilities, and develop trust in and commitment to the giver and the entrepreneurial ecosystem. In turn, we argue that those who recycle by receiving will recycle by sharing in the future. This creates a domino effect of sharing and receiving, which boosts entrepreneurial recycling. Such prosocial behavior can be explained by the social effect through which some entrepreneurs inspire many followers in the entrepreneurial ecosystem (Zhang, 2003). In a similar vein, Černe et al. (2014) found that employees who hid knowledge from other co-workers not only lowered their co-workers' creativity, but also hindered their own creativity due to the reciprocal hiding and distrust created among co-workers. Recycling benefits both the giver and the receiver, although the true giver does not enter into recycling with these outcomes in mind; rather, the giver is motivated by wanting to help others. When a routine network is created with regular interactions between the giver and the receiver, the network and ecosystem has a better chance of success (Agostini, 2016).

Underling the process of entrepreneurial recycling for the greater good of the entrepreneurial ecosystem, the region, and the competitiveness of the nation is the premise that entrepreneurial recycling is started by the individual entrepreneur. We add an important caveat to the literature on entrepreneurial ecosystems (Huggins et al., 2017; Mason & Harrison, 2006), namely that individuals are the building blocks of such ecosystems. However, Spigel and Vinodrai (2020) suggested that entrepreneurial recycling can be fostered also by former employees of the collapsed firm, such as in the case of the demise of Blackberry.

A final note regarding the theoretical implications of our research pertains to the utilization of the IPA method. The IPA method proved very useful in our research setting, and we invite other researchers to adopt this approach. As Rae (2000) noted, it was evident from the phenomenological interviews that the opportunity to tell their entrepreneurial story enabled each participant to reflect on, organize, and integrate their account of their entrepreneurial

recycling. This led us to discover features of entrepreneurial recycling that had not emerged previously.

#### *4.2 Practical implications for entrepreneurs and the entrepreneurial community*

Given that entrepreneurial recycling has several advantages on the individual level of the entrepreneur and on the collective level of the entrepreneurial ecosystem, our research provides multiple practical implications.

First, entrepreneurs should become aware that in their daily business activities they engage in entrepreneurial recycling. Engaging more consciously would enable entrepreneurs to participate in building a stronger entrepreneurial ecosystem that would, in turn, yield benefits for them too. It has been argued that givers – i.e. the ones who give to others more than they receive or who give without expecting anything in return (Grant, 2014) – are more successful and satisfied. Therefore, we propose that entrepreneurial recycling works as a feedback loop. In effect, what you put in, you get back.

In giving, people strengthen their commitment to the ecosystem in which they operate (Grant et al., 2008). Therefore, we propose that stimulating entrepreneurial recycling by sharing has the potential to enhance the commitment of entrepreneurs to their ecosystem. Grant and colleagues (Grant, 2007; Grant et al., 2008) argued that many people in a work environment have a prosocial identity, which shapes the important motives, values, and guiding principles of their life. Following the findings from previous research on the giver's commitment to recipients (Flynn & Brockner, 2003; Grant et al., 2008), we argue that when entrepreneurs recycle by sharing, they should make sense of the sharing behavior and deepen their commitment to others. In doing so, recycling will help them to value the recipients and the entrepreneurial ecosystem through the connection, trust, and respect that are built in such interactions.

When looking at recycling by receiving alone, we posit that most entrepreneurs would reciprocate what they receive (Blau, 1964; Emerson, 1976; Homans, 1958), because receiving from others would make them more dedicated to the givers and more committed to the entrepreneurial ecosystem. From a practical standpoint, we suggest a net of recycling that has wide benefits on the regional, national, and global level. Therefore, campaigns should be fostered in local entrepreneurial ecosystems to promote entrepreneurial success stories, highlighting hard work, collaboration, and recycling

from one another, and stimulating entrepreneurs to give back to their society (Walsh & Winsor, 2019).

Finally, entrepreneurs recycle by transforming, which is a kind of experiential entrepreneurial learning. Kolb (1984) argued that experiential learning needs a conscious catalyst for learning to happen from experience. When recycling, entrepreneurs experience cognitive activation when recycling by sharing (e.g. mentoring and solving problems of nascent entrepreneurs by thinking about their own entrepreneurial experiences) or when recycling by receiving from others (e.g. when absorbing advice from a peer and connecting it to their own entrepreneurial experience). Following the propositions of experiential and entrepreneurial learning (Holmqvist, 2004; Politis, 2005), we argue that when cognitive activation is triggered by entrepreneurial recycling (through sharing or receiving) and aligned with the entrepreneur's own experiences, it yields new entrepreneurial knowledge. When recycling, entrepreneurs are able to fill any gaps in human, social, organizational, and financial capital in the service of venture and personal development.

The second practical implication concerns the search for entrepreneurial ideas for business startups or business development. Although it is true that some breakthrough entrepreneurial ideas have radically changed the way we live and disrupted some industries, most entrepreneurial ideas come from recycling and recombining what already exists into new forms and for new purposes. This implies that entrepreneurs should strive to engage more in recycling, reusing, recombining, and drawing from what is already known and in use in order to make something new or modified. Based on the results of our research, we argue that entrepreneurship is more about recycling and less about totally new 'aha' moments. Entrepreneurial recycling offers entrepreneurs the possibility to add new business opportunities to existing ones, or to switch to new business projects as they develop their careers. Entrepreneurs already have a set of human, social, organizational, and financial capital that can be recycled to explore new entrepreneurial endeavors.

Third, conscious entrepreneurial recycling can offer entrepreneurs second-chance opportunities, especially after failure. Entrepreneurs gain valuable human, social, organizational (and occasionally financial) capital when they fail (DeTienne & Cardon, 2012; Singh et al., 2015). By recycling the various forms of acquired capital, entrepreneurs can subsequently use it in a venturing project (Bahrami & Evans, 2000).

### 4.3 Policy and support implications

There are several regional- and national-level implications for policy makers and agencies that support the entrepreneurial ecosystem. By fostering entrepreneurial recycling, increased return on investment is achievable at the macro level. National and regional programs for stimulating and helping the entrepreneurial community invest considerable amounts of money in the promotion and development of entrepreneurship. By fostering entrepreneurial recycling, such programs would gain more from their investments. Research from Silicon Valley and Scotland has shown that recycling has highly beneficial outcomes for entrepreneurial ecosystems in terms of start-up creation, venture capital fund operations, networking, and the prosperity of innovation activities (Bahrami & Evans, 2010; Mason & Harrison, 2006). There are also other benefits to be had, such as job creation, charitable contributions, and enhanced competitiveness of firms, industries, and nations (DeTienne & Cardon, 2012). Other regional and national agencies would do well to take similar approaches to stimulate recycling among entrepreneurs in a community.

Furthermore, financing early-stage entrepreneurial endeavors, reducing taxes for start-ups, and stimulating entrepreneurship and innovation through grants should not be thought of as a waste of money if such projects do not deliver the expected result. The human, social, and organizational capital gained through such projects is invaluable for the sponsored entrepreneurs and will be recycled to some degree in the near future, implicitly providing positive outcomes.

The second implication deals with decreasing the uncertainty in the identification of promising business opportunities. Recycling can increase the odds of selecting the right candidates in national competitions, start-up weekends, grant programs, and other entrepreneurship support activities with national and regional funding. However, the committee has to consist of entrepreneurs who can recycle extensive expertise. In addition, our interviewees exposed that the collaboration between elder entrepreneurs and younger ones is effective at producing valuable results, such as reducing the period from start to success, employing more people, listening better to market needs, and so on. Associations such as the Score Association of counsellors to America's small businesses have already taken such a direction, but more such efforts are needed worldwide.

Additionally, policy makers should promote organized entrepreneurial recycling programs in

which interested entrepreneurs meet and work on creating benefits for others and themselves. An example that was raised in our research was the Women Presidents' Organization started by Marsha Firestone, PhD, a successful businesswoman. More such organizations or communities could enhance the prosperity of an entrepreneurial ecosystem or a nation. Mentoring programs are valuable to recipients, because they learn from others. Mentoring programs also benefit the mentors who gain the opportunity to transform their experience into knowledge (Cope & Watts, 2000; Sullivan, 2000).

Finally, policy makers could benefit from the results of our study through the realization that fostering programs for new business ideas is not all that is needed to enhance the entrepreneurial activity of a nation. It is important to understand the value of combining human, social, organizational, and financial capital. Shifting focus to resource availability and networking so that entrepreneurial recycling by sharing, receiving, and transforming can take place can advance success and entrepreneurship activity. Established or exiting entrepreneurs could nurture a new generation of nascent entrepreneurs or start-ups, boost their own development, and prepare students, pupils, and workshop and seminar participants for their entrepreneurial journey. In doing so, a collaborative entrepreneurship mindset is nurtured, thereby enhancing regional and national development.

## 5 Conclusion

The aim of this research was to provide a detailed phenomenological conceptualization of entrepreneurial recycling. Our interpretative phenomenological analysis of six entrepreneurs was extremely fruitful in providing a number of new insights into this process. Entrepreneurial recycling takes place through sharing, receiving, and transforming at all stages of an entrepreneur's career and firm development. Entrepreneurial recycling is a social process yielding multiple tangible and intangible benefits for all stakeholders in an entrepreneurial context. Therefore, we should promote recycling and foster greater discussion on it so that the unconscious acts of recycling by entrepreneurs become more explicit, planned, and beneficial.

Our study has four key limitations which present opportunities for future research. First, IPA relies on what participants in the study say. Sometimes participants struggle to express what they are thinking or feeling and do not always wish to self-disclose. Therefore, researchers must interpret participants' mental and emotional states from what they say

(Smith & Osborn, 2008). While there is certainly a possibility that we may have misinterpreted parts of the participants' narration, we note that we took great care in our in-depth analysis by following the rules of IPA. Future research could replicate our study to see whether we missed anything.

Second, longitudinal studies over longer periods, ideally over an entire entrepreneurial career, would be of particular value in advancing our understanding of the evolution of entrepreneurial recycling. In doing so, researchers could map the stages and reciprocity of recycling by sharing, receiving, and transforming. A possible discovery could be a chain reaction of giving and receiving that is sparked by an entrepreneur who is willing to recycle by sharing. In turn, the receiver might replicate the sharing, revealing a kind of recycling network that could be investigated for its benefits. We encourage researchers to take such an approach in order to generate a better understanding of the entrepreneurial recycling process and its outcomes.

Third, one could argue that the purposeful, convenient, and snowball sampling we used may not have been sufficient, and that a more thorough investigation into the differences and commonalities between the entrepreneurial activity and entrepreneurial recycling in Slovenia and the United States could be undertaken. However, this study does not make comparisons or macro-level propositions using a narrow qualitative sample. Rather, our aim was to demonstrate that entrepreneurial recycling is shared by entrepreneurs regardless of their location. There may be some attributes of entrepreneurial recycling that are specific to different nations, but such an investigation is beyond the scope of this study. This creates an opportunity for future research.

Finally, our research relied upon narrations of recycling by sharing, receiving, and transforming by individual entrepreneurs in the giver–receiver relationship. While this is an initial attempt to develop a deeper understanding of the entrepreneurial recycling process, future research could investigate the recycling from both sides – from those who recycle by sharing and from those who directly receive the capital from the givers. We believe that investigating the joint effects of recycling by sharing, receiving, and transforming will help to further the understanding of entrepreneurial recycling.

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## Appendix

*Table A1. Description of participants in the study.*

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- Brigitte (Slovenia):** As a student in the early 2000s, Brigitte co-founded a tourist agency in a niche segment for student summer jobs and summer camps in the United States. Such services were not available on the Slovenian markets at that time. From a small start-up, the company grew into a leading Slovenian tourist agency with a branch in Croatia. By recycling her human, social, organizational, and financial capital, recently, Brigitte co-founded a crowdfunding platform for tourism projects. The idea evolved from a desire to combine tourism, crowdfunding, and the knowledge from the tourism sector. Brigitte would love to be a mentor for tourism-related start-ups.
- Christina (U.S.):** Christina is 60 and is currently working as a freelancer in the flower business, specializing in flower decor for weddings. Before that, she owned a flower shop and a flower wholesale business which she sold in the late 2000s, because of the global crisis and the end of her marriage. This experience made her transform her ways of thinking and acting, recycle that experience into knowledge, and share that knowledge. Before entering into the flower business, Christina had worked in the music industry for two start-ups. She considers the owner of the first music start-up to be her mentor from whom she recycled human, social, and organizational capital. She teaches at a college part-time and recycles her human capital by mentoring young entrepreneurs.
- Laura (U.S.):** When in college in the mid-1980s, Laura started her business of selling t-shirts in the college dormitory. The firm evolved and today helps firms to strategically build their brands and drive sales with unique promotional gifts and products in the U.S. and U.K. Her firm employs 35 people and has a turnaround of 18 million USD. Laura is in her 40s and gives lectures, seminars, and coaching to students and small business owners. She is an active member of the Women Presidents' Organization in which she recycles by receiving and sharing.
- Peter (U.S.):** Peter is in his 70s and runs three international businesses and two think-tanks. In his entrepreneurial career, he has recycled by sharing, receiving, and transforming human, social, organizational, and financial capital. Peter does a lot of business with China. He is a coach for young people and nascent entrepreneurs and is on the board of directors for two organizations aimed at nurturing pupils' entrepreneurial skills. He loves to be a coach and loves sharing his experience and knowledge with others.
- Steve (Slovenia):** Steve started the first business of his own, Retail, in the last year of his university studies. The business was based on a research project that he carried out at a research institute with a group of researchers. He also founded a spin-off company from the first company by recycling human, social, organizational, and financial capital. Steve recycles by sharing at start-up weekends, advising other companies, and being a mentor and role-model for young entrepreneurs. Steve worked for several years as a teaching assistant for entrepreneurship courses.
- Zack (Slovenia):** Zack has had an entrepreneurial spirit from a young age. He ran several small businesses before founding his main business, PrintPrint. He recycled human, social, and organizational capital from those small businesses to grow his PrintPrint business to a high level until a successful exit at the age of 33, when he sold his business. Today, Zack works as a professor at a university and is a mentor to young entrepreneurs. He runs several projects for companies focused on human-centered design for building better user experiences.
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