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Evolution of Serial Entrepreneurship Strategies in Unstable Markets

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Abstract

The article offers a comprehensive analysis of the evolutionary trajectories of strategies adopted by serial (multi-entrepreneurial) economic actors operating in environments marked by high uncertainty and structural instability. Its objective is to identify, classify and theoretically substantiate the adaptive mechanisms employed to maneuver effectively within chaotic market conditions. The methodological foundation rests on a review of scholarly publications in the field alongside pertinent statistical data. Empirical and theoretical examination reveals that leading entrepreneurs have rejected any single strategic blueprint, instead demonstrating a high degree of flexibility. They cycle through various managerial logics according to the phase of the market cycle, the availability of financial and non-financial resources, and the prevailing level of systemic risk. Drawing on these empirical insights, the study describes a cyclical model that highlights key triggers and the chronological replacement of dominant managerial approaches—from bricolage during resource-scarcity phases to causal, plan-oriented management in periods of relative stabilization. This theoretical and applied outcome delivers practical value for current and future serial entrepreneurs, venture capital investors, and scholars focused on strategic management and the exploration of adaptive business strategies amid systemic crises.

Keywords: *Serial Entrepreneurship; Unstable Markets; Effectuation; Causation; Bricolage; Strategic Flexibility; Antifragility; Project Portfolio Management; Market Turbulence; Adaptive Strategies.*

INTRODUCTION

The modern global economic system is experiencing extreme instability, exacerbated by a combination of geopolitical conflicts, the aftermath of the global pandemic, rapid technological progress, and escalating climate risks. According to the International Monetary Fund, economic uncertainty in 2024–2025 will remain at record highs, imposing new and previously uncharacteristic tasks on all market participants [1]. Under such conditions, classical paradigms of strategic management—focused on detailed forecasting and the formulation of long-term goals—prove insufficiently flexible and lose practical relevance.

The phenomenon of serial entrepreneurship, in which a single individual sequentially creates and develops multiple legally and organizationally distinct ventures, has come to the forefront of contemporary business practice. Equipped with accumulated experience in risk mitigation and reflective analysis of both successes and failures, the serial entrepreneur demonstrates a high level of adaptability. Data from the Global Entrepreneurship Monitor indicate that roughly one-third of all venture founders belong to this category, and their firms, on average, exhibit higher survival rates than one-off start-ups [2, 3].

Nevertheless, despite a substantial body of empirical and theoretical work on the personal characteristics and financial returns of serial entrepreneurs, a gap remains in understanding how their strategic orientations evolve under continuous turbulence. Most studies treat the choice of entrepreneurial logic—such as effectuation versus causation—as a static alternative, whereas in reality strategic decision-making constitutes a dynamic, iterative process that responds to a full spectrum of external signals and triggers.

This study aims to analyze phase transitions in the strategic behavior of serial entrepreneurs operating in highly uncertain markets and to systematize their adaptive mechanisms and behavioral patterns.

The scientific contribution of the work lies in proposing a cyclical model that captures sequential switches among different strategic logics—bricolage, effectuation, and causation—in response to specific market stimuli and levels of external turbulence.

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The author's hypothesis posits that the principal determinant of success amid persistent instability is not adherence to a single "optimal" strategy but rather the capacity for meta-strategic maneuvering—conscious and timely transitions among project-management methods, contingent on the prevailing balance of uncertainty and resource constraints. This perspective transcends the classical view of entrepreneurial strategy and opens new avenues for the practical application of flexible management approaches, thereby substantially enhancing business resilience in the twenty-first century.

MATERIALS AND METHODS

In contemporary literature on the evolution of serial entrepreneurship strategies under conditions of market instability, five interrelated thematic blocks are distinguished.

The macroeconomic background and characteristics of unstable markets are analyzed in several large-scale reports and studies. According to data from the International Monetary Fund, global recovery after crises remains uneven across regions: GDP growth rates vary due to structural characteristics of national economies and differing levels of access to capital [1]. The Global Entrepreneurship Monitor report emphasizes that entrepreneurial activity requires adaptation to the "new normal" and more flexible survival strategies in a changing environment [2]. Similar conclusions are presented in the World Bank's report on global economic prospects, which notes that local shocks can exert long-term influence on entrepreneurs' willingness to undertake new projects and expand their portfolios [9]. The McKinsey guide to business resilience highlights the importance of developing crisis-management strategies and mechanisms for rapid operational restructuring to minimize losses during periods of high uncertainty [10].

The logic of decision-making plays a central role in the strategies of serial entrepreneurs. Boonchoo P. [3] investigates the influence of causal and effectual logics on de-internationalization strategies of small and medium-sized export firms, finding that an effectual approach facilitates flexible withdrawal from foreign markets, whereas a causal approach leads to more predictable contraction of operations. Galkina T., Atkova I., Yang M. [4] demonstrate that shifting from contradictions between causation and effectuation to their synergy enables serial entrepreneurs to optimize the sequence of launching new ventures amid cyclical crisis waves. Shir N., Ryff C. D. [12] propose a dynamic approach to entrepreneurship, linking self-organization and eudaimonic well-being with strategy resilience, which is particularly important for maintaining motivation among serial startup founders over the long term.

Resource inventiveness, or entrepreneurial "bricolage," is considered an essential tool for survival and growth in unstable conditions. Kang X., Chaivirutnukul K., Zeng Y. [5] show that entrepreneurial bricolage fosters the discovery of unexpected opportunities and accelerates startup growth in highly dynamic environments, while Liu X., Zhang L. [6] emphasize that combining business-model innovation with bricolage within a digital ecosystem enhances sustainable outcomes and enables serial entrepreneurs to adapt more rapidly to emerging technological trends.

The phenomenon of serial entrepreneurship itself, along with directions for further research, is systematically reviewed by Dabić M. et al. [7], who identify core models of business relaunch, success factors, and empirical gaps concerning which personal and institutional characteristics most influence an entrepreneur's ability to undertake multiple projects under uncertainty.

Strategic tools for business-model design and operational response to external shocks are examined in detail by Ruthensteiner V., Leitner K. H. [8] and Wexler M. N., Oberlander J. [11]. The former emphasize the role of human and financial capital in creating optimal startup business models, directly impacting the speed and efficiency of pivots. The latter introduce the concept of "strategic pivoting" as a process of rapid organizational refocus in response to changing conditions, demonstrating that timely shifts in attention among product, market segment and operating model often determine survival and growth.

Despite the substantial body of research, contradictions persist. Some authors emphasize the predominance of effectuation for serial entrepreneurs, while others assign a key role to causation when scaling projects. Disagreements also arise regarding the effectiveness of bricolage during transitions to digital platforms and the relative impact of different types of capital (human versus financial) on successful pivoting. Additionally, insufficient attention has been paid to interpersonal and cultural factors that motivate entrepreneurs to re-engage in risky ventures, as well as to systemic barriers (regulatory, institutional) that may significantly constrain the development of serial entrepreneurship in certain regions.

RESULTS AND DISCUSSION

Analysis of empirical data and derived theoretical constructs indicates that a serial entrepreneur's strength lies not in rigid adherence to a single "optimal" behavioral model, but in the flexible transition between various entrepreneurial paradigms, which ensures survival and continued growth under conditions of pronounced market instability. The formalized spectrum of these paradigms forms a continuum: at one extreme is pure causation—that is, systematic forecasting, meticulous planning, and stringent execution control—and at the other is pure effectuation, founded on agile adaptation to unforeseen circumstances and the strategic exploitation of serendipitous opportunities.

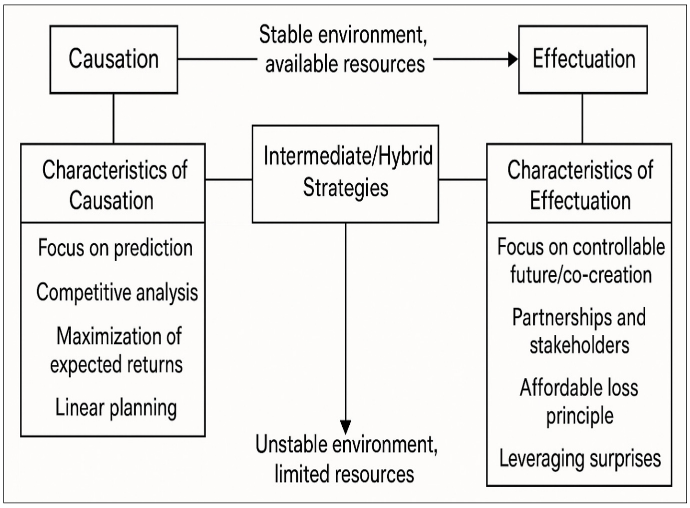

Fig. 1. Spectrum of entrepreneurial logics (compiled by the author based on the analysis of [3, 4]).

The data presented in Figure 1 demonstrate that the prevailing entrepreneurial logic is shaped by a subjective assessment of the degree of uncertainty and the level of predictability in the external environment. Under the constant turbulence characteristic of contemporary markets, a serial entrepreneur is compelled to move continuously along this continuum, adapting decisions to evolving circumstances. When extreme shocks occur and resources become critically scarce, a bricolage strategy comes to the fore, serving as an initial resource framework for the subsequent implementation of effectual planning and action techniques.

Drawing on an in-depth analysis of successful serial entrepreneurs' practices and empirical evidence from reports [2, 9, 10], a cyclical model of strategic approach evolution is described (Figure 2). It is structured around four fundamental states, with transitions between them triggered by clearly defined stimuli. Thus, an iterative, rather than linear, dynamic of logic shifts is depicted, enabling the entrepreneur to develop the most effective combinations of methods in response to fluctuations in external conditions.

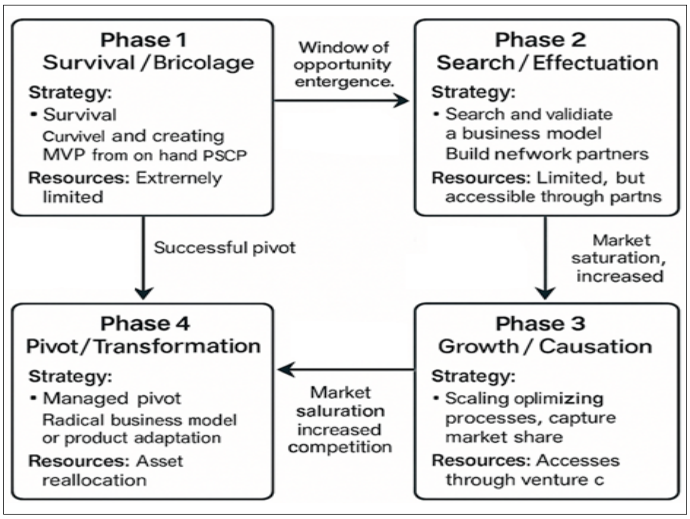

Fig. 2. Cyclical model of the evolution of serial entrepreneurship strategies in unstable markets (compiled by the author based on the analysis of [2, 9, 10, 12]).

As Figure 1 illustrates, the model comprises several phases:

Phase 1: Survival (bricolage). This phase rests on the premise that when a start-up is caught in the epicenter of critical uncertainty or begins in an extremely hostile environment, the entrepreneur assumes the role of a "bricoleur." Available, often ill-suited resources are rapidly combined to create a minimum viable prototype or to resolve an urgent problem. The objective is not revenue maximization but rather a basic test of the core hypothesis and the organization's physical survival in its environment [5].

Phase 2: Search (effectuation). Once initial market stability is reached or the first positive signals from customers appear, the entrepreneur shifts to effectual logic. Guided by the bird-in-hand principle—who one is, what one knows, and whom one knows—the entrepreneur builds partnership networks, engaging co-owners of resources and ideas for joint product development and market creation. Risks are constrained by the affordable-loss principle: only resources whose loss would not jeopardize the project are invested [3].

Phase 3: Growth (causal logic). When effectuation uncovers a sustainable and scalable business model, the entrepreneur adopts a causal management paradigm. Clear quantitative targets (KPIs) are established, detailed competitive and market analyses are conducted, and significant external investments are secured to accelerate market-share expansion. The strategic plan becomes structured and long-term, and every action follows a predetermined algorithm [4].

Phase 4: Pivot (transformational adaptation). Even the most successful strategy eventually encounters external shocks—technological breakthroughs, regulatory changes, pandemics—or internal product obsolescence. Under such conditions, a pivot is launched: a deliberate re-examination and adjustment of one or more key components of the business model [11]. A successful pivot returns the company to effectuation (Phase 2) to verify the new concept, whereas an unsuccessful pivot triggers a project relaunch and sends the entrepreneur back to bricolage (Phase 1).

This cyclical alternation of strategies is confirmed by empirical analysis of start-up behavior during recent economic crises. A chart compiled from data on young firms' responses to periods of financial turbulence clearly depicts the dynamics of shifts in prevailing approaches [9, 10].

Data analysis indicates that, at the onset of a shock event, firms primarily employ reactive and adaptive strategies. As the situation unfolds, certain organizations discover new market niches and transition to a growth phase based on causal logic, whereas a considerable share is compelled to execute a radical pivot. During the stabilization period the prevalence of causal growth rises once more, yet effectual approaches remain essential for identifying additional opportunities.

In this model, the key competence of a serial entrepreneur is strategic alertness—the ability to accurately determine the firm's current stage of evolution and to recognize the principal triggers for advancing to the next phase. Several of these triggers are systematized in Table 1.

Table 1. Market Triggers and Corresponding Strategic Shifts (compiled by the author based on analysis [3, 6, 8, 11])

Market Signal / Trigger	Current Dominant Strategy	Recommended Strategic Shift	Rationale
Sharp drop in demand and funding freeze	Causation (Growth)	PivotorBricolage	The existing model is no longer viable and must be reconstructed from available resources.
Emergence of "angel" investments and interest from early customers	Bricolage (Survival)	Effectuation (Search)	New resources enable network expansion and co-creation of product and market.
Confirmed product–market fit and interest from venture capital	Effectuation (Search)	Causation (Growth)	Uncertainty has decreased; scaling is required to capture market share.
Introduction of a disruptive substitute technology to the market	Causation (Growth)	PivotorEffectuation	The existing business model is threatened; a new application of assets must be identified.
Successful completion of a pilot project with a major partner	Effectuation (Search)	Causation (Growth)	Partnership reduces market risk and opens a channel for scaling.

A key feature of serial entrepreneurship is not the concentration of all resources in a single start-up but the balanced management of a multi-tier project portfolio, each venture occupying its own stage of development within the proposed cyclical model [7, 8]. One enterprise, for instance, may be governed by the causal growth phase, generating a stable cash flow, whereas a parallel initiative employs effectual search principles that demand creativity and adaptive flexibility. The interweaving of revenue from "mature" assets with investment in "nascent" endeavours creates an internal ecosystem that enhances the entrepreneur's antifragility and reinforces the resilience of the entire system. Effective administration of such a portfolio requires heightened strategic plasticity, proficiency in prioritising tasks, and the ability to reallocate limited resources—including the founder's attention—in accordance with shifts in the external environment.

The analysis indicates that the evolution of strategies in volatile markets is periodic rather than linear. Transitions among the regimes of survival, exploration, and scaling are not singular decisions but an ongoing process of diagnosis and "rebooting" of the business's operating system. Success is determined by the capacity to recognise contextual discontinuities in a timely manner and to switch between managerial paradigms. The cyclical model and the accompanying trigger table presented in this study constitute not only a practical navigation instrument under conditions of turbulence but also a methodological foundation for further empirical and theoretical research.

CONCLUSION

The analysis enabled a comprehensive investigation of the evolution of strategic approaches among serial entrepreneurs amid growing market instability. The study achieved its objective by identifying, systematizing, and theoretically substantiating the key adaptive mechanisms employed by this group of entrepreneurs.

It was determined that serial entrepreneurs do not limit themselves to a single fixed strategic paradigm. Instead, they demonstrate pronounced strategic plasticity, purposefully shifting among the logics of causation, effectuation, and bricolage. This dynamic confirms the hypothesis that business resilience is driven not so much by any individual strategy as by the capacity to maneuver meta-strategically in response to external conditions.

A model was described, illustrating that transitions between stages are triggered by specific market factors—namely changes in levels of uncertainty and resource availability—thus enabling the prediction of opportune moments for changing strategic focus. Additionally, bricolage was characterized not as a "poor-man's strategy" but as a vital survival method and value-generation mechanism under extreme resource constraints, laying the foundation for subsequent effectual exploration. Moreover, management of a project portfolio at various stages of development ensures risk diversification and creates an internal reserve, thereby increasing the overall resilience of entrepreneurial activity to external shocks.

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