

# **ENTREPRENEURIAL PUBLIC-PRIVATE PARTNERSHIPS: THE CASE OF THE BOULDER ENERGY CHALLENGE**

## **Entrepreneurial Public Private Partnerships: The Case of the Boulder Energy Challenge**

### **Paper Summary**

Scientists have shown that the climate is changing, humans are the cause, and negative consequences will continue to be significant (IPCC, 2021), yet policy makers and businesses have struggled to take action (Ansari, Gray, & Wijen, 2011; Hiatt, Grandy, & Lee, 2015). There is growing interest in social (Battilana & Lee, 2014; Mair & Martí, 2006), sustainable (Dean & McMullen, 2007; Shepherd & Patzelt, 2011), and environmental (Sine & Lee, 2009; York, O'Neil, & Sarasvathy, 2016) entrepreneurship to address the grand challenges of our time, but these studies overlook how private ventures may collaborate with governmental actors. Public-private partnerships are usually considered between existing large firms and governmental agencies, and oft-regarded through a lens of opportunism (Kivleniece & Quelin, 2012) rather than entrepreneurial value creation. As such, the literature on public-private partnerships and entrepreneurship remain separated (Quélin, Kivleniece, & Lazzarini, 2017; York, Sarasvathy, & Wicks, 2012). We engaged in longitudinal field research to develop a grounded theory (Gioia, Corley, & Hamilton, 2013; Glaser & Strauss, 1967) of how local government can effectively collaborate with entrepreneurial ventures to address climate change through encouraging the reduction of carbon emissions.

Our case study is the Boulder Energy Challenge (BEC), an innovative public-private partnership launched by the city of Boulder, Colorado in 2014. Entrepreneurs from the city were encouraged to submit innovative venture ideas to receive funding and assistance from the Climate and Sustainability Division of the city government. This novel approach created entrepreneurial public-private partnerships in which the City of Boulder leveraged taxpayer dollars to act as an “investor” for the selected initiatives. The BEC context allowed us to examine the unique approaches of each venture across the two funding cohorts as they worked towards addressing climate change through the same public-private partnership model.

From the 2014 projects, we inducted a process model showing how the combination of governmental, market, and entrepreneurial institutional logics (Thornton & Ocasio, 1999; Thornton, Ocasio, & Lounsbury, 2012) led to variations of success in implementing the public-private partnership. Our model examined the establishment, execution, and evaluation phases of the partnership accounting for the entrepreneurial venture’s structure, approach to the partnership, progress, and achievements. This model was validated through our following of the 2017 BEC applicants and recipients from their initial applications through the selection process and implementation. During this seven year longitudinal process, we collected all correspondences, documents, and media coverage. Additionally, interviews were conducted with the funded entrepreneurs, government officials, and selection committee multiple times during the implementation period and year following to capture their experiences in real time.

From the data collected, our goal was to describe the existence of patterns (Eisenhardt & Graebner, 2007; Yin, 2002) that would allow for the creation of new theories on how public

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entities and private entrepreneurs can collaborate to address pressing social and environmental issues. In analyzing and triangulating our data, three key themes emerged which offer unique insights into the organization of entrepreneurial public-private partnerships. The first theme is the challenge of forming a new public-private partnership with diverse stakeholders involved. Through utilizing institutional theory we discovered that the successful partnerships are those in which each organization held different logics and were confident in their identities. This allowed for each partner to have a clear understanding of their role and goals in the partnership. The mechanism that allowed for these distinct logics to work together emerged as the second theme as docility was engaged by successful partners. While the public-private partnership literature has been examined through a lens of opportunism, in this circumstance when there is a broad, social goal to be achieved and entrepreneurial ventures are engaged, success depends on each partners' ability to be docile and flexible. In this case, docility is defined as "the tendency to depend on suggestions, recommendations, persuasion, and information through social channels as major basis of choice" (Simon, 1993). Finally, the third theme was the ability for the learning and adaptation through the utilization of multiple experiments by localized users. Through funding multiple local ventures in each cohort rather than giving all the money to one organization, the government was able to learn how to work with entrepreneurial ventures and establish the necessary systems and support. Additionally, as entrepreneurs are used to failing quickly and adapting, the tax payers' funds were not viewed as wasted when a partnership was not successful.

This study connects the literature on public-private partnerships and entrepreneurship through examining the case of a novel entrepreneurial public-private partnership. While much of the literature on public-private partnerships has highlighted the communication challenges and organizational fracturing that often occur at key points of decision making due to opportunism and different competing logics, we found that in this entrepreneurial public-private partnership these differences actually presented opportunity for creativity and collaboration. We believe that two main drivers of this difference were the fact that the goals for the partnership were initially broad in their approach to addressing greenhouse gas emissions, and the funding for the initiative was already established and secure. By having these in place, the docility of the key stakeholders became readily apparent in their ability to present different solutions to the challenge at hand and find ways to compromise outside of their logic. This practice of flexibility and adaptation is very prevalent in entrepreneurial practices (Sarasvathy, 2001), yet not in traditional public-private partnerships that are established on a contractual basis (York, Sarasvathy, & Wicks, 2012). As the BEC progressed from the first cohort to a more focused goal and process for the second cohort, the docility in decision making held true. Thus, we found that public sector and entrepreneurs can collaborate to address pressing social and environmental issues through public-private partnerships when collaborators engaged in docility through the inclusivity of multiple logics resulting in initiative adoption and scalability. These findings have implications for addressing some of the grand challenges of our time.