

Funding gap, what funding gap? Financial bootstrapping: Supply, demand and creation of entrepreneurial finance

Wing Lam

✚ Author & Article Information

International Journal of Entrepreneurial Behavior & Research (2010) 16 (4): 268–295.

<https://doi.org/10.1108/13552551011054480>

Purpose

The aim of this paper is to make sense of the “funding gap” by exploring how and why informal entrepreneurial finance is made available to entrepreneurs. By challenging the epistemological and ontological assumptions of the “funding gap”, an enactment perspective of entrepreneurial finance, supported by a social constructionist stance, is proposed in this paper.

Design/methodology/approach

The study on which this paper reports was conducted through a longitudinal fieldwork process. Networks in two Chinese cities, Shanghai and Hong Kong, were chosen because of their differences in institutional context yet exceptionally high level of entrepreneurial activities.

Findings

This paper highlights the active role entrepreneurs play in managing their financial needs in the process of new venture creation. The results show that entrepreneurs are actively managing the demand as well as supply of entrepreneurial finance to narrow the “funding gap”. Furthermore, individuals work to fill the funding gap by creating required start-up capital. In other words, the “funding gap” is not static or concrete; rather it is dynamic, manageable and in many cases is within individuals' power and ability to overcome.

Practical implications

The findings of this paper are particularly important to all stakeholders, including policy makers, educators, researchers, entrepreneurs and nascent entrepreneurs.

Originality/value

This paper contributes to the conceptual, methodological and practical

suggested that a positive, supportive enterprise culture can be particularly useful in driving individuals towards entrepreneurship. Third, in terms of methodology, the author argues that an "inside-looking-out", interpretive, multi-stage fieldwork and network as unit of analysis is particularly distinctive in revealing the complex process of managing entrepreneurial finance in the process of new venture creation.

Keywords: [Entrepreneurialism](#), [Finance](#), [Venture capital](#)

© Emerald Group Publishing Limited

You do not currently have access to this content.

Sign in

Don't already have an account? [Register](#)

Client Account

Email address / Username

Password

[Reset password](#)

[Register](#)

ICE Member Sign In

Log in




Access through your institution

Purchased this content as a guest? Enter your email address to restore access.

Email Address

Pay-Per-View Access €35.00

 Buy This Article

Rental

This article is also available for rental through DeepDyve.

