

**Crafting interpretation in ambiguous contexts:
Entrepreneurial teams and the collective evolution of novel product concepts**

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Entrepreneurial teams developing highly novel products initially have few organizational routines or common cognitive scripts to draw upon to coordinate the myriad decisions required to bring a new product to market. In such ambiguous contexts, the use of a shared product concept is regarded as important, but the actual process by which teams define and manage novel product concepts is little understood in detail. Using an inductive case study method drawing from six novel product development projects taken from the consumer electronics, medical device, and automobile industries, I examined the process by which leaders and their development teams defined, debated, altered, and ultimately realized novel concepts. The empirical results suggest a common process at the cognitive level in which concepts are composed of components—elements such as stories, metaphors, and prototypes—which have modular properties of substitution and interdependence; these components may not be completely shared among all members, the assemblage of components evolves over time, and components are distinct from the corresponding physical components most commonly studied in innovation studies. The process by which teams define and managing novel concepts can be examined in four common process phases that form an interpretation system; the common practices underlying these phases are described in detail. Further, the assembled concept components may serve team members as a coordination totem that can help to highlight and resolve current development decisions, provide a representation of decisions already made, and represent elements of organizational identity which may aid commitment to an uncertain course of action.