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Creating the World's Deadliest Catch: The Process of Enrolling Stakeholders in an Uncertain Endeavor

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Abstract

There is growing interest in the processes by which entrepreneurial opportunities are cocreated between entrepreneurs and their stakeholders. The longitudinal case study of de novo firm Wakefield Seafoods seeks to understand the underlying dynamics of phenomena that play out over time as stakeholders emerge and their contributions become essential to the opportunity formation process. The king crab data show that under conditions of uncertainty, characterized by incomplete or missing knowledge, entrepreneurial processes of experimentation, failure, and learning were effective in forming and exploiting an opportunity. Moreover, contrary to existing literature that either emphasizes heroic entrepreneurs or downplays their value, this article shows that both the vision of the entrepreneur and the stakeholder contributions are critical. This detailed examination of process data shows that the cumulative actions made by entrepreneurs in concert with their stakeholders formed an opportunity that coalesced into a new market.

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Waves crash on the rolling decks of the *Cornelia Marie* as three men, dressed head to toe in waterproof rain gear, struggle to hoist an 800-lb "crab pot" from the depths of the Bering Sea. With a market totaling an estimated US$210 million in 2013,[1] it seems as if this dangerous and extremely lucrative enterprise always existed, but it did not. Indeed, before the mid-1940s, there were no king crab fishermen, there were no mass consumers of king crab meat, and no one would have considered investing in the work needed to create the king crab opportunity. In an important sense, the harvesting and consumption of king crab would not have been possible without the enrollment of important stakeholders in the evolutionary process enacted by Lowell Wakefield at Wakefield Seafoods, Inc., that began long before the outcome was known.

It might be tempting to believe that the potential to catch and serve king crab as an international delicacy was easily perceived and that forming and exploiting the opportunity was an inevitable, straightforward conclusion. However, the data show that forming the king crab opportunity was neither inevitable, nor straightforward. Prior to Wakefield's actions, there was insufficient available and useful knowledge to identify the stakeholders necessary to exploit this opportunity such as who should be on the initial founding team, who would be the funding sources, and who were the future customers for the king crab meat. Nor was it obvious who would become the essential stakeholders in what turned out to be a game changing opportunity. The process of enrolling emergent stakeholders, getting them to accept, invest, and act in ways associated with the efforts to advance an uncertain endeavor, is one that many entrepreneurs navigate and yet there is little known about stakeholder enrollment. That is the question this study seeks to answer.

This study examines the processes through which entrepreneurs forming opportunities in uncertain settings enroll emerging key stakeholders. These issues are explored using an in-depth historical case study method (Burgelman, 2011; Eisenhardt, 1989; Tripsas & Gavetti, 2000; Walsh & Bartunek, 2011; Yin, 2009) that describes the formation of the king crab opportunity. Examining the king crab data shows how under conditions of uncertainty—characterized by incomplete, unusable, or simply a lack of knowledge—entrepreneur Lowell Wakefield enrolled critical stakeholders such as team members, funding sources, and customers to create wealth through a new product offering. This detailed examination of process data shows that the cumulative actions made by Wakefield in concert with the actions of emerging stakeholders coalesced into a new opportunity (Garud & Karnoe, 2003; Santos & Eisenhardt, 2009).

Forming Opportunities in Uncertain Settings

The Process of Creating Opportunities and Emerging Stakeholder Enrollment

Stakeholders are considered interactive partners in a nontrivial relationship with the firm that includes transactions, corporate action, and moral responsibilities (Brenner, 1993; Thompson, Wartick, & Smith, 1991). Wicks, Gilbert, and Freeman (1994) state that stakeholders "interact with and give meaning and definition to the corporation" (p. 483). Similarly, Freeman (1984) argues that stakeholders are participants in "the human process of joint value creation" (p. 415). While stakeholder theory has moved away from a view of stakeholders to be managed toward more of a network-based, relational, and process-oriented view (Andriof & Waddock, 2002), little is known about the process by which stakeholders emerge to cocreate wealth. Indeed, given the vast application of stakeholder theory, it is remarkable that absent from this literature is how the first firm stakeholders emerge in the value creation process.

Opportunities for products and services are formed through an iterative process between entrepreneurs, stakeholders, and the context often occurring simultaneously with the venture start-up process (Alvarez & Barney, 2005; Alvarez, Young, & Woolley, 2015; Baker & Nelson, 2005; Sarasvathy, 2001).[2] Dew and Sarasvathy (2007) suggest that early stage entrepreneurial ventures are a network of stakeholders negotiating, shaping, and altering new innovations.

This emergence of stakeholders in the early stage creation process is considered stakeholder enrollment and is the process of getting essential groups or individuals to accept, invest, and act in ways associated with entrepreneurial efforts to advance an uncertain endeavor. Stakeholder enrollment can result in shared perceptions that may enhance an emerging firm's chances to successfully create value and occurs before and during opportunity formation and exploitation in a dynamic and interactive process.

During the opportunity formation process, entrepreneurs experiment in a trial and error manner as they navigate an uncertain context. These processes can be both emergent and purposeful, beginning a cycle of interactive change between the entrepreneur and his or her stakeholders that accumulate over time into a cocreated opportunity. Learning by trial and error often is the result of directly interacting with stakeholders. In a very real sense, entrepreneurs and their key stakeholders develop and share knowledge and make relationship-specific investments in the emerging firm/opportunity (Alvarez & Barney, 2007). During the enrollment process, stakeholders can emerge as key partners and resources for the nascent firm.

Stakeholders in an emerging firm are an evolving montage of interaction, cooperation, and commitment (Forbes, Borchert, Zellmer-Bruhn, & Sapienza, 2006). These stakeholders are enrolled in transactions with the new venture often without a full understanding of the opportunity costs as the benefits of the opportunity are unknown ex ante. Like an orchestra, the integration of stakeholders' perspectives may lead to consistency of action, transforming the uncertainty that the firm is navigating into a more comprehensible context (Ucbasaran, Lockett, Wright, & Westhead, 2003; West, 2007). These emerging stakeholders consist of founding employee team members, investors, and customers (Bosse & Harrison, 2009; Harrison, Bosse, & Phillips, 2010).

Employee Stakeholders and the Opportunity

Employees are a significant stakeholder group and the relationship between the firm and the employees directly affects the firm's performance (Berman, Wicks, Kotha, & Jones, 1999). In the case of the emerging firm, these employees are the early founding team. It is often the founding team that carries much of the responsibility for the firm's outcome. The challenge for the entrepreneur is how and what team members to enroll when the resources and skills needed to be assembled and coordinated to form a market opportunity cannot be predicted ex ante. The value of the founding team's specific investments may not be known nor the level and type of commitments required to bring products and services to market (Alvarez & Barney, 2005). Transformational leadership in the early stages of a venture can enable the enrolling process of the team members through the sharing of a compelling vision, intellectually stimulating the team, and setting challenging goals and expectations (Bass, 1985).

Financial Stakeholders and the Opportunity

Financial stakeholders are often only viewed as important if they have the ability to help the firm maximize value (Henisz, Dorobantu, & Nartey, 2014). In stakeholder theory, however, the overarching goal is value creation, and the process of creating value involves much more than simply holding up value maximization as the organizational objective (Garcia-Castro & Aguilera, 2015; Hillman & Keim, 2001; Jensen, 2010). In the entrepreneurial enrollment process, financial stakeholders are an integral participant and partner in the firm's value creation process. It is difficult for both entrepreneurs and stakeholders to know the impact of the stakeholder financial contributions at the time they are made and to assess financial value as the process of opportunity formation is occurring. Instead, what may be important is the process of enrolling financial stakeholders to assist in providing a uniting vision between financial stakeholders and the firm's other constituencies in an effort to create value. Indeed, it may be that those financially investing are best able to articulate the yet unformed opportunity.

Customer Stakeholders and the Opportunity

The view of customers as stakeholders is unsurprisingly similar to the view of stakeholders as instrumental, many satisfied customers equals high returns for shareholders (Freeman, Harrison, Wicks, Parmar, & de Colle, 2010). Work in this view has focused on existing markets and the relationship that firm's form with these markets (Christopher, Payne, & Ballantyne, 1991, 2002; Payne, Ballantyne, & Christopher, 2005). Customer stakeholders often do not exist in early markets, but are enrolled into the cocreation process. Just like the entrepreneur who enrolled them, these stakeholders become entrepreneurial actors. While it has been accepted that the firm founders often must interact with customers to transmit information and education about the novel product or service, the relationship in the opportunity process goes both ways—customer stakeholders also interact and transmit information to the founder entrepreneur about the product or service.

Method

The reason in offering the previous observations is to draw attention to the intertwined nature of opportunity formation and exploitation and the integral aspect of enrolling stakeholders and their contributions to the process. The "processes" in this article focus on the role of the entrepreneur, in combination with stakeholders, in the opportunity emergence process, utilizing an in-depth case study spanning several years (e.g., Rajagopalan & Spreitzer, 1996; Webb & Dawson, 1991; Whipp, Rosenfeld, & Pettigrew, 1989). This article examines the entrepreneurial actions of Lowell Wakefield, the founder of Wakefield Seafoods, during the formation of the king crab opportunity while he enrolls the founding team, financial stakeholders, and customers.

Setting

The setting for this study is the case of Wakefield Seafoods and the Alaskan king crab industry. This setting was chosen primarily for two reasons. First, Wakefield Seafoods was incorporated in 1945, just after the end of World

War II (WWII). Lowell Wakefield started the firm specifically to catch and sell Alaskan king crab in the U.S. market. However, king crab was not accepted in the seafood industry. At the time, very little king crab was sold and only appeared on the market as a poor quality canned product. Demand for king crab was far from prevalent. In fact, flash-frozen king crab meat was not manufactured, sold, or consumed prior to Wakefield Seafoods (Alvarez et al., 2015). Given the social, financial, and commercial landscape at the time, Wakefield could not succeed without enrolling stakeholders into the endeavor. Coupled with the high level of uncertainty surrounding the introduction of such an alien product, this extreme case provides particular insight into the research question regarding the enrollment of stakeholders into an uncertain endeavor (Eisenhardt & Graebner, 2007; Pratt, Rockmann, & Kaufmann, 2006; Yin, 2009).

Second, Wakefield Seafoods was a significant player in the king crab industry, the postwar (WWII) economic recovery of Alaska, and the resolution of legal disputes regarding international waters. As such, the firm and its founder received considerable press attention and academic inquiry, which subsequently generated substantial contextual data from several different perspectives. Thus, Wakefield Seafoods and the Alaskan king crab industry were chosen because of the extensive depth and breadth of contemporaneous data available regarding the enrollment of stakeholders.

Data Sources

In-depth longitudinal cases provide researchers rich details and insight into how complex processes actually occur (Eisenhardt & Graebner, 2007; Siggelkow, 2007). This study consists of an in-depth, longitudinal investigation of the development of Wakefield Seafoods, the Alaskan king crab industry, and the wide range of stakeholders enrolled to bring this opportunity to fruition. The study examines the enrollment process of stakeholders by Wakefield Seafoods using seven decades of archival data dating from 1936 through 2009. Archival data such as these are particularly useful when the process of interest takes place over long periods of time (Langley, Smallman, Tsoukas, & Van de Ven, 2013). Using historical contemporaneous data from many perspectives from the people involved in the process allows for a context-rich analysis with little retrospective bias. The data include archived transcripts of interviews with key members of the earliest Wakefield Seafoods's team, transcripts of company meetings, personal documents, industry studies, government reports and archives, and newspaper and periodical articles.

Table 1 lists the interviews with Wakefield Seafoods team members and stakeholders conducted between 1965 and 1977 by Dr. Mansel Blackford,

Table 1. Interview Data Sources.

Name	Role
Wakefield Seafoods	
William Blackford (5)	Captain of *Deep Sea*[a]
Walter Jim Butler	Original management[a]
Ernie Glidden	Management team[a]
Takashi Miyahara	Superintendent[a]
Richard Pace	Quality control officer after 1962[b]
Philip Padelford	Original management[a]
Kenneth Thorson	Early employee[a]
Howard Wakefield	Lowell Wakefield's brother[b]
Lowell Wakefield (5)	Founder and CEO[a,b]
Other stakeholders	
Peter Deveau	Founder of competing firm, King Crab Inc.[b]
Addison Fenton	Investment counselor[a]
Edward Gelsthorpe	President Hunt-Wesson[a]
Arne Hansen	Captain—*Sea Quail*[b]
Duffey Kennedy	Investment counselor[a]

[a]Conducted by Dr. Mansel Blackford, business historian, Ohio State University, from 1974 to 1977. The number of interviews is indicated in the parentheses following the name.
[b]Conducted by "Pacific Fisherman" (1965).

business historian, Ohio State University, and reporters at the *Pacific Fisherman*, a fishing industry trade journal. Interviews with key members of Wakefield Seafoods's team include Lowell Wakefield (founder and CEO), William Blackford (ship's captain, 1945-1952), Walter Jim Butler, Kenneth Thorsen, and Philip Padelford. These interviews were semistructured and lasted between 30 min to several hours each. For example, Lowell Wakefield was interviewed by Dr. Blackford for more than 12 hr between 1974 and 1977. Topics centered on the start-up of his firm and the king crab industry. In total, 22 interviews from 1965 to 1977 were collected and transcribed. Eight additional hours of iterative interviews were conducted by the authors with Mansel Blackford, Captain Blackford's son and the family member who made the original interviews available for this article, to confirm data interpretations.

Table 2 summarizes the additional sources of data including manuscripts, private papers, government reports, archives, newspapers, and periodicals. The data represent a total of 286 cumulative years of activity. For example, these data sources include meeting minutes from annual and other shareholder meetings of Wakefield Seafoods held from 1946 through 1968. These

Table 2. Archival Data Sources.

Year(s)	Source
Manuscripts and private papers	
1936-1999	Philip Padelford papers
1946-1968	Moss Adams LLP, papers
1946-1968	Wakefield Seafoods's annual and special meeting minutes
1967-1972	Lowell Wakefield papers
2008	Norwegian Americans in the King Crab Fishery, dissertation, Malmin
Government reports and archives	
1941-1954	U.S. Department of the Interior (Fish and Wildlife) reports
1952-1963	Alaska Fisheries annual summary and board reports
1964	U.S. Department of State, Bulletin and *Treaties*
1971-1974	Alaska Department of Fish and Game annual report and news
1992	Alaska Department of Fish and Game report, 4K92-27
Newspapers, periodicals, and other media	
1942	*Fishery Market News*
1942-1972	*Commercial Fisheries Review*
1945-1980	*Fisherman's News*
1946-1967	*Pacific Fisherman*
1947	*Marine Digest*
1947	*Time Magazine "Frozen King"*
1951	*Seattle Times*
1954-1970	*National Fisherman*
1955-1965	*Kodiak Mirror*
1959	*Ketchikan Daily News*
1959-1965	*Juneau Alaska Empire*
1959-1975	*Anchorage Daily Times*
1965	*Review of Business and Economic Conditions*
1977	*Pacific Packers Report*
1990	*Alaska Business Monthly*
2009	*Marine Fisheries Review*
2009	*Kodiak Maritime Museum*

minutes feature candid information about the finances and operations of the firm. Other data include private papers and correspondence of Philip Padelford, Lowell Wakefield, and Moss Adams LLP, the law firm that represented Wakefield Seafoods, written between 1936 and 1999.

King crab and the international waters near Alaska were of much interest to the local, state, and U.S. federal government, particularly during and immediately after WWII. Reports and archives from various government agencies that discussed the contemporaneous social, regulatory, and technological environment of the seafood industry between 1941 and 1974 were obtained. Table 2 also lists the 17 local newspapers, national industry journals, and other media from which articles and reports written between 1942 and 2009 were collected.

Using data contemporary with the processes of interest helps to overcome concerns about data bias that can occur in historical analyses and single-case studies (Hargadon & Douglas, 2001). Multiple sources of data enable triangulation by using instruments with different weaknesses and strengths (Jick, 1979; Singleton & Straits, 2005; Yin, 2009). The data from interviews, stockholder meeting minutes, and legal records facilitated triangulation about "facts" about Wakefield Seafoods's financing processes and the enrollment of investors and customers.

Analysis

This article uses inductive theory-building methodology for process data with recursive cycling among case data, emerging theory, and existing literature (Baker & Nelson, 2005; Bresman, 2013; Eisenhardt & Graebner, 2007). One strength of theory building through this approach is that it facilitates the emergence of process theory by bridging of rich qualitative evidence with existing theory work. To enable an ecological approach, in which the interdependency of variables is vital, this article adopted a historical method (Burgelman, 2011). Analysis began by compiling a timeline of the events that occurred during this emergence of Wakefield Seafoods (see Miles & Huberman, 1994; Yin, 2009). This process avoided excessive data reduction and facilitated the identification of trends, relationships, and interactions (Miles & Huberman, 1994). The creation of a chronology of events also established the key actors, organizations, and context of the case (Tsoukas, 1989; Van de Ven & Poole, 2005; Yin, 2009). The interdependencies between these events and actors were then identified.

Next, the data were analyzed using assumptions regarding the role of stakeholders in entrepreneurial actions. These assumptions framed the theoretical expectations about stakeholder enrollment in uncertain settings. The use of assumptions and associated processes to organize the case and structure the data, ex ante, prevents temporal distinctions based on knowledge about the data (Barley, 1986). Working recursively between the case and the theory being developed, the authors documented patterns and interactions, constructed further theoretical explanations, and used the data to challenge and extend theory (Locke, 2001). Iterating between data, theory, and literature clarified the process of stakeholder enrollment.

A Brief History of the King Crab Opportunity

King crabs are large, spider-like crustaceans living in the cold northern waters of the Pacific, mainly in the Bering Sea between Alaska and Russia. A male crab can grow to over 20 lb with a leg span of 5 feet King crab fishing occurs mainly in the winter, during the coldest and roughest months of the year. Fishing boats face wind speeds of up to 70 km and 40-foot sea waves, making king crab harvesting extremely difficult and dangerous. These conditions create many technical and economic issues that make king crab an unfavorable catch.

Early attempts at commercial king crab fishing began in the late 1800s with the Japanese in the Sea of Japan, and by the 1920s, efforts had moved into the Bering Sea (Malmin, 2008). By 1928, fishermen from the Soviet Union had joined the effort in the Bering Sea, but by the 1930s, these Japanese and Soviet fishermen withdrew, reducing the possibility that king crab meat would be a viable product. In the 1920s, some small U.S. firms, such as salmon canners Skinner and Eddy of Seattle and the Suryan family at Hoonah, experimented with commercializing king crab meat, and in 1938, the Pacific Fishing and Trading Company, a traditional salmon and herring company, tried selling king crabs caught by the salmon boats in the Bering Sea. None of these endeavors were financially profitable, nor did they represent a major commitment to commercializing king crab meat (The Alaska King Crab Industry, 1965; “Pacific Fisherman,” 1965).[3]

One of the reasons the king crab product was not popular was that all of these firms packed and sold the king crab product by canning, which led to a less than desirable tasting product. Although Congress had appropriated funds to survey Alaska’s waters for sources of protein in 1940, and although king crabs were found in abundance in the Bering Sea (“Fishery Market News,” 1942), research conducted by the U.S. Department of the Interior did not find viability for canned king crab as a food source.[4] Indeed, when Secretary of Commerce (1933-1938) Daniel Roper suggested the possibility of king crab fishing to President Roosevelt, he practically laughed Roper out of the cabinet room (Blackford, 1979).

It was not until the actions of entrepreneur Lowell Wakefield and his founding team that king crab fishing became a successful commercial opportunity. The Wakefield family had observed the research conducted by the Department of the Interior 5 years prior in front of their fisheries, and Wakefield himself was well aware that the research ended with mixed results: rich supply of king crab but no demand for it as a canned food product.

Nonetheless, Wakefield had "great confidence" as there was abundant supply of king crab and he was convinced he could create a demand for the meat. In 1945, Wakefield decided to start his own king crab company and began by putting together a rather eclectic founding team. Table 3 lists the stakeholders that Wakefield enrolled to form and exploit the king crab opportunity. Table 4 provides a summary of major events in the development of the king crab opportunity.

The founding team for Wakefield Seafoods consisted of Lowell Wakefield, CEO, William Blackford, Philip Padelford, Louis Schreiber, Walter Jim Butler, and Jim Goodrich. Ernie Glidden (management team member) and Robert Pace (quality control manager) were hired later, to round out the original team. Although aware that the operation was speculative, they had general knowledge of Alaska, the fisheries industry, or the Wakefield family and placed their trust in Wakefield. Table 5 describes the backgrounds of the founding team members.

Consistent with traditional views of financing, Wakefield initially sought financing from commercial banks. However, even those banks specializing in Alaskan fisheries turned down his loan requests as too speculative. King crab meat was an unknown product in the United States, with no established customers or known demand. In this uncertain context, personal networks, ties of friendship, and bonds of business acquaintances provided Wakefield Seafoods with the bulk of its original equity financing. Figure 1 details these ties and Table 6 describes the financial stakeholders and their role in the opportunity. Wakefield and his wife were the largest individual investors. Next, the founding team enlisted the help of university classmates, former employers, and neighbors. Many of the firm's suppliers also owned stock.

Figure 2 shows the progress of Wakefield Seafoods's financial situation.

Forming a market and cultivating customers required more effort than anyone had anticipated. The novelty of the product required specific direct marketing techniques personalized to educate the consumer consistent with creation processes. Yet, by the 1960s, king crab meat was accepted to the point that grocery chains such as A&P, Food Fair, Jewel T, and National T had finally come on board to distribute Wakefield Seafoods's king crab product.

The Enrollment of Stakeholders in an Uncertain Endeavor

Forming and exploiting an opportunity, at its essence, is about transformative market change through the introduction of new products and services. In an uncertain context such as that of the emerging king crab industry, outcomes—including potential profitability—may be unknowable, unpredictable, and dynamic. The leadership skills required to enroll early stakeholders in an

Table 3. Key Stakeholders in the Nascent King Crab Industry.

People	Relationship
Wakefield team	
William Blackford	Original management team member; captain
Walter Jim Butler	Original management team member
Jose Franco	First mate
Ernie Glidden	Management, joined 1950
Jim Goodrich	Original management team member
Ralph Jones	First mate, later captain and spokesperson
Wayne Luders	Treasurer
Takashi Miyahara	General plant superintendent/quality control manager
Philip Padelford	Original management team member
Louis Schreiber	Original management team member
Howard Wakefield	Lowell Wakefield's brother
Lee Wakefield	Lowell Wakefield's father
Lowell Wakefield	Founder and CEO
Financial stakeholders	
William Blackford	Original management team, investor
Walter Jim Butler	Original management team, investor
Alvin T. Davies	President of Birchfield Boiler, supplier and investor
Jose Franco	Well-known Washington fisherman, investor
Jim Goodrich	Original management team, investor
John Hauberg	Friend of Philip Padelford and Weyerhaeuser family
Lynn Miller	President of Nordby Supply, supplier and investor
Philip Padelford	Original management team, investor
Weyerhaeuser family	Investors
George Wrisley	President of Wrisley Soap, investor
R.E. Gillmor	Vice president of Sperry Gyroscope, supplier and investor
Reconstruction Finance Corporation (RFC)	Lenient investor and buffer from other creditors. Provided US$423,000 of initial funding for the *Deep Sea*
Seattle First National Bank (SFN)	Provided US$27,000 of the initial funding for the *Deep Sea*
Customers and distributors	
Red Salmon Packing Company	Initial distributor
Pacific American Fisheries	Initial distributor
Dudley Slocum	Industry acquaintance
Ralph Hackney	Restaurant owner, friend of Slocum

Table 4. Timeline of Stakeholder Enrollment in the Alaskan King Crab Opportunity.

	Team and leadership	Financial	Customers and distributors
1945	Lowell Wakefield incorporates Deep Sea Trawlers (later renamed Wakefield Seafoods)	Bootstrapping and friends and family—US$50,000	
1946	Founding team: Wakefield, Blackford, Padelford, Schreiber, Butler, and Goodrich	Wakefield obtains debt funding—US$243,000 from RFC; US$27,000 from SFN	
	RFC links Wakefield with Goodrich and Butler	Personal and family connections	
	Padelford hears Wakefield's proposal from contacts at RFC and Red Salmon Packing Co.	RFC acted as a lenient investor and buffer from other creditors	
	Padelford provides information about firm to Blackford	Sperry Gyroscope and Birchfield Boiler extended credit on liberal terms	
1947	Glidden and Pace join management team	Wakefield raises US$230,000 from investors	Use Red Salmon Packing Company and Pacific American Fisheries as distributors
	Goodrich and Butler bring in investors	Wakefield Seafoods loses US$25,000	
	Padelford provides information to Hauberg and Weyerhaeuser family	Renegotiates RFC loan	Position king crab as similar to existing products
	Wakefield contacts Schreiber who enlists investment from Wrisley		King crab served as "lobster" in restaurants
1948	Padelford persuades RFC not to foreclose the firm	Firm defaults on loan	Direct marketing to restaurant market; personally educating chefs and buyers

(continued)

Table 4. (continued)

	Team and leadership	Financial	Customers and distributors
		Wakefield Seafoods loses US$82,000	Position Alaskan king crab as distinct delicacy
		November—two thirds of the stockholders held a special meeting and voted to sell the *Deep Sea*.	Wakefield's network leads to king crab being served at Hackney's restaurant in Atlantic City
1949		Charter agreement with Apex Fish Company	
		Wakefield Seafoods profits US$25,000	
1950		Wakefield Seafoods profits US$73,000	
1951			
1952			New York City consuming half the king crab produced by Wakefield Seafoods
			Demand for Wakefield Seafoods's king crab surpasses company's capacity

Note. RFC = Reconstruction Finance Corporation; SFN = Seattle First National Bank.

emerging process include shaping a vision while facilitating experimentation and learning. This cocreated process simultaneously includes enabling team members, garnering participation from financial supporters, and including market participants, all as partners.

The Enrollment of the Stakeholder Founding Team

Team members work together on the overall direction of the business, roles are defined, and primary responsibilities are identified (Milgrom & Roberts, 1992). However, uncertain contexts may be the result of significant departures

Table 5. Wakefield Seafoods's Founding Team.

Team member	Role in Wakefield Seafoods and the Alaskan king crab market
Lowell Wakefield	Lowell was the son of a fisherman, Lee Wakefield. He earned his undergraduate degree at the U of W and continued graduate studies in anthropology at Columbia University. His career started in the International Labor Defense, settling coal miner disputes in Kentucky. In 1938, he returned to Alaska to join his family's herring business. In 1940, the Wakefield family observed the U.S. government conducting research in front of their fisheries on the viability of king crab as a food product. Wakefield was well aware that the research ended with mixed results: rich supply of king crab but no commercial demand. Nonetheless, Wakefield decided to start his own company harvesting king crab. He also considered the salmon and halibut fishing industries to be overcrowded and thought that within a few years herring would be "practically fished out" (Quote from interview with Blackford).
William Blackford	William Blackford earned a degree in chemistry from the U of W in 1936. During his graduate studies at the University of Virginia, he was called to active duty for the Navy in 1941. First serving as executive officer on a coastal mine sweeper, USS Frigate Bird (AMC-20), and then promoted to command the USS Pawtucket. During his service in the Aleutian Islands, Blackford and the crew often ate king crab to supplement their boring diets. After the war, his graduate studies were outdated and he tried to enlist full-time in the Navy, but failed his physical exam. His former fraternity brother at the U of W, Philip Padelford, introduced Blackford to Wakefield. Blackford became the *Deep Sea*'s captain.
Philip Padelford	Philip Padelford was an assistant professor of English at the U of W before serving in the Navy. After the war, Padelford heard about Wakefield from a neighbor who worked for the Red Salmon Packing Company. Reluctant to return to academia, Padelford thought joining the Wakefield venture would provide him valuable business experience.
Louis Schreiber	Louis Schreiber was a former Wrisley soap executive in Chicago. As a naval supply officer stationed at Kodiak, he procured fish from the Wakefield family herring fishery. Schreiber became intrigued by Wakefield's vision. He abhorred the thought of returning to Chicago and joined Wakefield in early 1946.

(continued)

Table 5. (continued)

Team member	Role in Wakefield Seafoods and the Alaskan king crab market
Walter J. Butler and Jim Goodrich	Walter J. Butler and Jim Goodrich both had degrees from the University of Michigan in marine architecture and were officers at the Todd-Pacific Shipyard in Tacoma, Washington. They had extensive knowledge of Alaska's fisheries, were aware of the government surveys, and knew of the vast supply of bottom fish in the Bering Sea. As a result, Butler and Goodrich were planning to start their own crab and bottom fish firm after the war. Wakefield learned of their plans and contacted them about partnering.
The *Deep Sea*	The *Deep Sea* was Wakefield Seafoods's first fishing vessel and should be considered part of the team. The *Deep Sea* was radically different from traditional fishing vessels. At the time, no existing ship met Wakefield's anticipated requirements, so he contacted Birchfield Boiler to build a new ship. The Bath Iron Works drew up the plans based on otter-trawling operations. The *Deep Sea* was a 140-feet long all-steel-welded beam trawler with a cruising range of 4,000 miles. It had several processing lines and the refrigerated hold stored up to 420,000 lb. The *Deep Sea* was such a novel innovation that in 1947 *Marine Digest* predicted it would "create an entirely new type of fishing and refrigerating operation for the Pacific Coast."

Note. U of W = University of Washington.

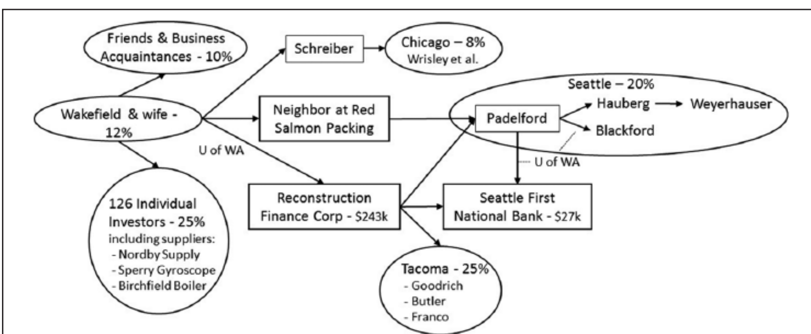

Figure 1. Diagram of the relationships linking Wakefield Seafoods's financial stakeholders.
Note. U of W = University of Washington.

Table 6. Financial Stakeholders.

Financial stakeholder	Role in Wakefield Seafoods and the Alaskan king crab market
Wakefield and wife: 12%	Lowell Wakefield and his wife were the largest individual investors.
Tacoma, Washington-based stakeholders: 25%	The second major block of shareholders was composed of Jim Goodrich and Walter J. Butler, who brought in other investors including Jose Franco, a well-known fisherman.
Seattle-based stakeholders: 20%	The Seattle-based group was headed by Padelford and Blackford. They brought in additional friends including John Hauberg, who persuaded his business acquaintances, the Weyerhaeuser family, to buy stock.
Chicago-based stakeholders: 8%	Louis Schreiber, a former Wrisley Soap executive, brought in most of this contingent through Wrisley Soap president, George Wrisley.
Individual stakeholders: 25%	A total of 126 individual investors by 1950.
Fishing industry network: 10%	Wakefield brought friends and business acquaintances from the herring and salmon industries on board.

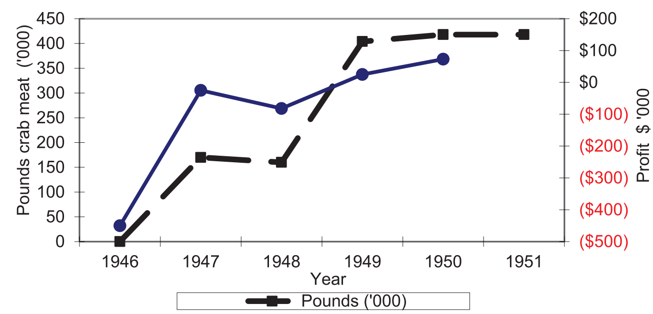

Figure 2. Wakefield Seafoods's profit and pounds of Alaskan king crab sold.

from preexisting patterns of action as a result of new technologies and organizational structures (Obstfeld, 2012). The inherent lack of opportunity-specific knowledge hinders effectively building a stakeholder founding team based on preexisting skills or knowledge. In an entrepreneurial setting, a team is a blend of complementary resources and attributes and team members must have the flexibility to be socialized into new roles (Tripsas & Gavetti, 2000). The leader and the team are intertwined and the contributions of each influence the other and coevolve during the process.

Research has shown that situational factors are influential and that leadership is context specific (Fiedler, 1967; Plowman et al., 2007). The responsibility of the entrepreneur leader is the creation of a common vision and a shared commitment to value creation among the stakeholders (Alvarez & Barney, 2005; Kotter, 1995). In these situations, entrepreneurs and stakeholders will encounter ambiguity and require greater interaction to make sense of the context (Weick, 1979). In an emergent context, leaders enable stakeholders by guiding and enabling the change process instead of trying to control the future (Jacquart & Antonakis, 2015; Kotter, 1995; Marion & Uhl-Bien, 2001).

Leadership skills that guide uncertain processes are consistent with Weber's (1947) charismatic leadership. Where nonroutine performance is necessary, charismatic leaders can create a dynamic organizational vision that often inspires a metamorphosis in values, leading to innovation and new knowledge creation (Ouchi, 1980). The term *charisma* often is used in political science and sociology literatures to describe a subset of leaders who "by the force of their personal abilities are capable of having profound and extraordinary effects on followers" (House & Baetz, 1979, p. 399). These charismatic leaders use symbolic, emotional, and ideological rhetoric to articulate a vision, create emotional links, and influence followers to create a sense of identity and collectivity when outcomes are unknowable (Antonakis, Fenley, & Liechti, 2011; Hogg, 2001; Shamir, House, & Arthur, 1993). Indeed, these charismatic leaders can be highly influential and affect outcomes (Jacquart & Antonakis, 2015) through the message they impart through verbal and nonverbal communication (Shamir et al., 1993). This leadership style derives from personal idiosyncrasies and creativity, rather than rationality or established practice. These insights lead to the following proposition:

> **Proposition 1a:** When forming an opportunity that is uncertain, where the usefulness of current knowledge is unpredictable and experimentation and a learning orientation are necessary, leadership processes will place greater emphasis on the charisma of the entrepreneur and his or her ability to form a vision that enrolls stakeholder team members, garnering their commitment to the process.

Lowell Wakefield was described as a charismatic leader by his founding stakeholder team. Glidden and Pace remembered Wakefield as a fair boss.

Wakefield's son David noted that his father "was easy to deal with and he got along especially well with the fishermen."[5] Wakefield did not follow Ivy League school of management techniques and was considered a freewheeling empire builder who ran Wakefield Seafoods by the seat of his pants (Blackford, 1979). He viewed his nascent venture as part of the "American dream in the pioneer tradition that made America great."[6] In the early years, his determination held the company together. "I either could not or felt I could not quit," Wakefield recalled. Padelford remembered him as a "very tough, persistent, single minded, intelligent, sort of person." Blackford commented on Wakefield's belief in his vision, "Wakefield could not be convinced we were not doing the right thing." Although some may view this as stubbornness, this vision and determination compelled the founding stakeholder's commitment to Wakefield. Wakefield's charisma empowered the stakeholders at a time when the outcome of Wakefield Seafoods was uncertain.

Despite the partial delegation of tasks to others, Wakefield remained in firm control of the company. Padelford recalled, "We were just a heap of five guys led by Lowell," and felt Wakefield ran the company as something of "a sole proprietorship" rather than using corporate business models. Wakefield's desire to master tasks and direct the details of the firm's operations was a distinct asset in its formative years. The ship's crew saw that he was willing and able to do any job on the ship, helping wherever necessary. As Wakefield deepened his commitment, he inspired the crew to do the same.

House and Baetz (1979) postulate a set of behavioral dimensions that distinguished the followers of charismatic leaders from others. Such characteristics include an unquestioning acceptance and trust in the leader's beliefs, affection for and willing obedience to the leader, emotional involvement, heightened goals, and feelings that they are able to accomplish or contribute to the leader's mission. Stakeholders in this context, and particularly the founding team stakeholders, may perceive a charismatic leader as possessing superhuman qualities leading them to accept unconditionally the leader's mission and directives for action (Willner, 1984). To achieve their vision, leaders encourage greater effort and commitment from these stakeholders by bonding individual and collective interests (Pawar & Eastman, 1997).

The leaders in this setting are followed by those who perceive the leader to be charismatic and as a result to be highly effective (Jacquart & Antonakis, 2015). Burns (1978) and Bass (1985) have maintained that charismatic leadership is a process of mutual influence between the leader and the followers. Recent research has reconciled both the importance of a charismatic leader with the follower's perspectives on the effectiveness of the leader, suggesting that both aspects matter to outcomes (Jacquart & Antonakis, 2015). These conclusions lead us to the following proposition about the team:

Proposition 1b: When forming an opportunity that is uncertain, where the usefulness of current knowledge is unpredictable, stakeholder team processes will place greater emphasis on trusting relationships, general and flexible human capital, and a willingness to follow a charismatic leader.

Weber (1947) note that the followers of charismatic leaders tended toward broad yet fluctuating responsibilities, but lacked a propensity toward empire building themselves. As mentioned, the six original founding team members included Wakefield, Blackford, Schreiber, Padelford, Butler, and Goodrich (see Table 5). They shared common characteristics, they were in their 30s, their lives had been disrupted by the war, and they did not have jobs, careers, or homes at the conclusion of the war. Several had served in the U.S. Navy gaining a wide range of skills and were "water-oriented," and they were flexible and transitional. The founding team was seeking a glamorous and exciting adventure. Padelford described it as "something that had never been done." Also, according to Butler, they all "expected to get rich quick overnight." All were well-educated and possessed funds to invest.

Rationalized structures of management and organizational forms such as those found in the established fishing industry simply were not useful to Wakefield Seafoods during its formative years. Wakefield Seafoods's organizational form was similar to that of a clan (Alvarez & Barney, 2005; Ouchi, 1980). There lacked divisions between Wakefield and the team members with regard to roles as all owned considerable blocks of stock. When the company operated as a small single-ship firm, it was, as Blackford frequently called it, "a gang" of friends fighting for their lives rather than a highly organized business.[7] Most of the team members had to be "jacks of all trades" to make the company operate. Wakefield pointed out, "When an operation is small, one guy can do an awful lot." The founding team served as deckhands on board the *Deep Sea*. Although the work was physically demanding, indeed occasionally brutal, some later remembered their labors on the *Deep Sea* as their most exciting time with the firm. Padelford described it as, "if you're going to the moon, everyone wants to crowd on board."

Common bonds united Wakefield's team members, for like Wakefield, they were seeking fast money and adventure (Blackford, 1979). As Butler recalled, "they expected to get rich quick overnight." According to Padelford, the team members liked Wakefield's proposal because it offered "a lot of glamour and excitement" and they looked forward to "trying something that had never been done." Although aware that the operation was speculative, they were convinced "that the plans had all of the elements to fly." This original founding team closely resembled pioneers on early

American frontiers in temperament and character. Their attitudes toward their enterprise were similar to 19th century mountain men and gold prospectors (Blackford, 1979).

The original founding team members of Wakefield Seafoods, as well as the crew of the *Deep Sea*, possessed general human capital skills rather than job-specific skills. For example, as job-specific skills from the fishing industries proved to be detrimental, deckhands were recruited based on their *lack* of experience in traditional methods of trawling. Each was provided special training in the use of the new processes and equipment pioneered on the *Deep Sea*. Only those flexible to learning survived the recruiting process. The deck crew was also recruited from Wakefield's social network of herring and salmon fishermen, further building common bonds among the team members and allegiance to Wakefield.

The Enrollment of the Financial Stakeholders

Financing can be important for a nascent firm trying to form and exploit an opportunity. When information asymmetries can be explained to potential funding sources, the entrepreneur can access established capital sources such as loans from banks, venture capitalists, and angel investors (Bhide, 1992; Gompers & Lerner, 2001).

However, when the outcomes of the firm are uncertain, traditional capital sources are unlikely to provide financing for entrepreneurs (Bhide, 1992; Christensen, Anthony, & Roth, 2004). The problem here is not information asymmetries; it is a lack of information. Even when information is available, it may not be useful or has to be fundamentally transformed. When the opportunity cannot be articulated due to the lack of available knowledge, the entrepreneur may employ bootstrapping (Bhide, 1992). "Bootstrapping" is a more common financing activity under these conditions as the lack of information and the flexibility needed throughout the process are probably not acceptable to formal sources of financing (Bhide, 1992). In bootstrapping, entrepreneurs finance activities from their own funds or the wealth of those stakeholders closely associated with them—the triumvirate of "friends, family, and fools." Many of the three "Fs" are recruited by early stakeholder members who offer their own network to help locate financing. The power of every business comes from its stakeholder network, and for each stakeholder member who joins the team, the network of the firm grows exponentially. These sources of capital invest in the entrepreneur—his or her character, ability to learn, flexibility, and creativity—not in a particular business opportunity. These insights suggest the following:

Proposition 2: When forming an opportunity that is uncertain, where information cannot be explained due to insufficient knowledge, financial stakeholders and financing processes will be based on bootstrapping techniques and require the support of the entrepreneur's stakeholder network of "friends, family and fools."

Wakefield needed to raise US$450,000 for the construction of the *Deep Sea* and the first year's operating expenses, and bootstrapping was the major financing source. Wakefield initially sought financing from Seattle's commercial banks, but even those specializing in Alaskan fisheries turned down his loan requests as too speculative. Furthermore, the ship that was to be built for the venture, the *Deep Sea*, was specifically outfitted to Wakefield's specifications and was not useful in other fishing settings, making it useless as collateral. Indeed, at one point, Wakefield Seafoods tried to sell the *Deep Sea* to pay back investors, to no avail. In addition, Wakefield did not fully comprehend at the time just how many unanticipatable changes would have to be made to the *Deep Sea* that would require additional capital. Given all the information gaps, no brokers or public flotations were possible. Wakefield realized that traditional sources of financing were not attainable and turned to family and friends—whchao became enrolled as financial stakeholders.

At nearly every point in its early evolution, ties of personal friendship and bonds of business acquaintances provided Wakefield Seafoods with resources that aided its development. Personal and family connections combined with business ties provided Wakefield Seafoods with the bulk of its original equity financing. In fact, many of the firm's suppliers owned stock in the company and sat on its board of directors. A map of Wakefield's capital resources and their relationships is depicted in Figure 1.

Four major groups invested in Wakefield Seafoods. Lowell Wakefield and his wife were the largest individual investors, owning 12% of company stock. The second major block of shareholders was composed of Jim Goodrich and Walter J. Butler, both marine architects with degrees from the University of Michigan. Wakefield learned of their interest in fishery through a University of Washington classmate at the Reconstruction Finance Corporation (RFC)[8] and quickly contacted them about the possibility of joining forces. Goodrich and Butler agreed and brought in other investors including Jose Franco, a well-known fisherman. This Tacoma, Washington-based group represented roughly 25%.

A third group, based in Seattle, represented about another 20% and was headed by Padelford and Blackford. Padelford heard of Wakefield's proposal from a neighbor with the Red Salmon Packing Company and a friend at the

RFC. Padelford passed on the information to Blackford, a friend and former University of Washington fraternity brother. After discussing prospects with Wakefield and Goodrich, they decided to invest. Next, they attracted additional friends from Seattle to the investment including Padelford's friend John Hauberg, who in turn persuaded his business acquaintances, the Weyerhaeuser family, to buy stock.

The final group, owning 8%, was in Chicago. Most of this contingent was connected to George Wrisley, the president of Wrisley Soap. He learned of the opportunity through Louis Schreiber, a former Wrisley executive, who had become acquainted with Wakefield through his Navy service at Kodiak Island. Individual investors—126 by 1950—comprised 25% of stock. Wakefield also persuaded friends and business acquaintances in the herring and salmon industries to invest, comprising another 10%. No salesmen, brokers, or public flotations were involved.

The quick profits anticipated by the founders failed to materialize, raising grave doubts about the company's future. Despite a good catch in 1947, the firm lost more than US$25,000, and lost US$82,000 the following year. With nearly all of its capital committed to building the *Deep Sea*, the company lacked sufficient funds for operations. In the spring of 1947, the company renegotiated the RFC loan, but by 1948 the firm had defaulted. The situation turned grim by 1948 when the firm had defaulted on loans and the young company neared bankruptcy. The firm faced liabilities of US$432,000 and its assets, consisting mainly of an unsold inventory of crab meat, amounted to US$141,000. Cash on hand was only US$14. Refinancing was required.

By the summer of 1948, the firm was "operating without operating capital" and remained afloat only at the leniency of its creditors.[9] The most critical factor was the support of the RFC administrators. The RFC, which held the first mortgage on the *Deep Sea* as collateral, allowed the firm to continue to operate for several reasons. First of all, the agency recognized that it could gain little by foreclosing on such a specialized vessel and hoped that the firm would ultimately earn a profit. Second, personal relations once again proved vital. The head of the RFC's Seattle branch had been Wakefield's fraternity brother at the University of Washington and was a friend and neighbor of Padelford. These ties in combination with "complete disclosures" to the RFC persuaded them not to foreclose. On more than one occasion, the RFC even prevented another creditor from forcing the company into bankruptcy. For example, Padelford heard from a former fraternity brother heading the Seattle Credit Bureau that the creditor was about to go to court. He telephoned the RFC about this turn of events. As a quick and creative solution, Wakefield Seafoods signed over all its assets to the RFC, and in turn the RFC succeeded in persuading the aggrieved creditor not to sue and to wait for future payments. In effect, Padelford said that the RFC had acted as "a club to keep the other creditors in line."

Other creditors followed the lead of the RFC and delayed collection of debts, both out of a concern that they would lose more than they would gain from a bankruptcy and from the consequence of personal and business ties. For example, Nordby Supply president, Lynn Miller, also an investor and director of Wakefield Seafoods, permitted Nordby to extend credit for nets and other goods even when the prospects for repayment were slim. Officers of Sperry Gyroscope and Birchfield Boiler also held sizable blocks of company stock and extended credit on liberal terms to the company.

Not all creditors were so forbearing. Standard Oil, who had advanced Wakefield Seafoods fuel credits, threatened to place a lien on the *Deep Sea* to prevent the ship from sailing. Once again, personal connections came into play. Blackford was informed of the creditor's intentions from a friend in the company. He quickly fueled up at Standard, gathered a scratch crew and sailed north in the dead of night, avoiding the lien.

By the fall of 1948, Wakefield Seafoods was in serious financial condition, and despite Lowell Wakefield's continued optimism, two thirds of the stockholders held a special meeting in November and voted to sell the *Deep Sea*. They hoped that the ship's sale would be enough to reimburse the firm's creditors. However, the decision to sell the *Deep Sea* was not unanimous. Relying on biases and heuristics typical of entrepreneurial decision making, Wakefield "never did want to disband," according to Padelford. Blackford did not wish to dismantle the company either. In his joint position as company director and captain of the *Deep Sea*, Blackford believed that the company had made "a great deal of progress in the Bering Sea operations" and that the future remained bright. However, few other company officers and stockholders shared this view.

Wakefield Seafoods hired the International Shipping Company to sell the ship. The *Deep Sea* was on the market for several months and several potential buyers, including the U.S. Army, examined it. When it became apparent that they might fail to find a purchaser, the officers of the company began pursuing other avenues to keep their firm in business. The group petitioned the federal government to subsidize the firm to protect the government's investment made through the RFC. All of this was to no avail. Seemingly unable to even liquidate their company, the owner-managers reached the lowest point during the winter of 1948 to 1949.

In April 1949, after receiving rebuffs from several other firms, the company managed to arrange a charter agreement with the Apex Fish Company, a herring company owned by Wakefield's father. Under the charter's terms, Apex provided operating funds for the *Deep Sea* and paid the crew for king crab fishing through July. When the crab pack was sold, Apex's operating expenses were to be paid first. Remaining proceeds were then to be divided evenly between Apex and Wakefield Seafoods. As Wakefield admitted, these terms were "not too good," but the agreement did allow his firm to escape dissolution.

The day after the charter agreement, the *Deep Sea* left Seattle and within 2 weeks, located heavy concentrations of king crab off Amak Island in the Bering Sea. By mid-May, enough crab had been caught to cover the advance from Apex. Fishing remained strong for the duration of the charter. In the fall, the *Deep Sea* sailed without charter arrangements, but with financing in the form of a loan provided by Apex. The vessel rediscovered the abundant crab sites encountered in the spring, and in December, the *Deep Sea* docked heavily laden with crab.

A major turning point came in 1949. Partly due to good fortune in finding large schools of crabs and partly due to solving certain processing problems, the *Deep Sea* harvested 404,000 lb, more than twice that of the previous year. After showing losses for 3 years, the firm reported a net positive return of US$25,000 on the year's operation. In a December letter to stockholders, Wakefield captured the feeling of hope that was, once again, beginning to permeate the firm. While acknowledging that "our problems are far from solved" and that "our cash position is critical," Wakefield concluded that "the year proves that we are on the right track . . . we will continue to gain." Wakefield's predictions bore out, for the firm emerged viable in the early 1950s. Despite very bad weather, the *Deep Sea* increased the harvest to 418,000 lb in 1950 and maintained that level for the following 2 years. The next section details the marketing efforts of Wakefield Seafoods to create demand for their now fruitful harvest.

The Enrollment of Customer Stakeholders

Pioneering firms offering novel products or services may have the simultaneous challenge of forming a nascent market characterized by undefined or fleeting industry structure (Santos & Eisenhardt, 2009). Firms emerging concurrently with the market face a different set of challenges than firms in established markets that repeat patterns of behavior bound by existing rules and customs (Aldrich & Fiol, 1994; Cyert & March, 1963/1992; Feldman, 2000; Nelson & Winter, 1982). Emerging markets have unclear or missing product definitions and lack dominant norms to guide actions (Nelson & Winter, 1982; Santos & Eisenhardt, 2009).

Entrepreneurs in uncertain contexts may need to create demand by developing a collective view among potential customers that a product or service is of value. Kjellberg and Helgesson (2010) suggest that markets are an accumulation of practices, including educating customers on the uses and applications of the product or service, and developing new channels of distribution and sales. Incomplete and disjointed concepts held by potential customers become coherent and coalesce into a collective view (Navis & Glynn, 2010). In this sense, markets are being continually enacted and perceived (Mele, Pels, & Storbacka, 2015).

When there is preexisting demand that can be estimated and customer information is available, the marketing processes involve gathering market information about existing problems and dissatisfied customers, and collecting and analyzing reliable information from already published sources such as industry association studies, census reports, surveys, focus groups, and databases (Kerin, Hartley, & Rudelius, 2013). Communication about the firm's offering typically informs the consumer about how the product or service will satisfy a current need and is bounded by current product definitions and norms.

However, when the context is uncertain, and knowledge about the market and potential customers is either not available or not useful, this necessitates cocreation with customer stakeholders to develop a collective view that a product or service is of value (Vargo, Maglio, & Akaka, 2008). The marketing processes include educating customer stakeholders on the uses and applications of the product or service while the customer stakeholders simultaneously educate the entrepreneur about the nature of the product or service. Entrepreneurs and customer stakeholders interact through mutual service exchange relationships, improving the adaptability and survivability of the product by allowing integration of ideas and uses about the product that are mutually beneficial (Vargo et al., 2008). In this situation, existing channels of distribution may not be useful, and it is not unusual to find customer stakeholders as substitutes for the lack of channels of distribution as they sell the product or the service themselves. These insights lead to the following proposition:

> **Proposition 3:** When forming an opportunity in an uncertain context, where market and customer knowledge is either not available or not useful, the marketing processes include forming a collective view among stakeholder customers to cocreate value that is embodied in the new product.

Initially, Wakefield Seafoods approached the marketing of king crab as they would a more established product such as salmon, and chose established firms such as Red Salmon Packing Company and Pacific American Fisheries as distributors (Blackford, 1979). These distributors tried to sell king crab through their standard networks of field brokers in large cities. However, these early marketing arrangements did not work as king crab was a new and unknown product. At the end of the first year "of hard sales promotion spadework," Wakefield reported that only US$20,000 of king crab had been sold. Still, he persisted, "relentless" and "obsessed" with marketing crab, noted former employee Mel Morris.

A market had to be formed for king crab. Customers had to be cultivated. This undertaking required more effort than anyone had anticipated, as they soon learned that well-established techniques for marketing fish did not work for such a novel product as king crab (Blackford, 1979). As customers were unfamiliar with king crab as a food product, marketing techniques were tailored to educate the consumer. Indeed, because of its similarity to lobster and the skill required for preparation, king crab was targeted to the restaurant trade as opposed to retail. In fact, the Army–Navy Club in Washington, D.C., served king crab *as* lobster for several years starting in 1947. However, despite these efforts, Wakefield "found there wasn't one chef in a hundred who would try it" ("Industry: King Crab," 1967).

Once again, Wakefield had to rely on personal networks. Wakefield had a business acquaintance, Dudley Slocum of New York. As a favor to Wakefield, Slocum convinced his friend Ralph Hackney to serve king crab at his restaurant in Atlantic City. Hackney's large restaurant could serve several thousand at one seating, and its acceptance of king crab paved the way for further gains on the East Coast. In a path-dependent manner after the success of the Atlantic City experiment, Wakefield and Slocum partnered in marketing king crab.

Upon returning from a voyage in the Bering Sea, Blackford was pressed to promote the king crab. Blackford fit the trunk of his Mercury convertible with freezer containers designed to hold two or three cases of crab, and conducted a 100-day road trip throughout the eastern seaboard and southern states. He visited 300 establishments showing restaurant and hotel chefs how to prepare the crab. Billing himself as "Sea captain from the frozen North," he also held "crab-feeds" for seafood brokers and the press in his hotel room, setting the air conditioning at its coldest level as a gimmick to evoke the "frozen North." These personal demonstrations educated consumers (chefs) about the product. This built demand for crab meat and by 1952 New York City was consuming half the king crab produced by Wakefield Seafoods. That fall, Wakefield told his stockholders, "new customers for king crab are being added everyday . . . and we are selling crabs at a rate in excess of the *Deep Sea's* ability to catch them."

In 1956, Wakefield reported a "big boost" in "the retail movement of legs and claws in the shell" through chain stores in New York, Pennsylvania, Maryland, and Florida. Two years later, he noted movement at the consumer level. In the early 1960s, he recalled, "We really clicked with the major chains." A&P, Food Fair, Jewel T, and National T signed up to handle the firm's king crab product. Restaurant and hotel trade remained of prime importance, but by 1965, retail sales accounted for about 40% of sales. By 1963, the value of Alaska's king crab production exceeded even the established halibut industry.

Discussion

This article has explored the interactive process between an entrepreneur and the emergence of essential stakeholders as they cocreate value in an uncertain venture. Through the process of stakeholder enrollment, Wakefield recruited essential stakeholders to accept, invest, and act in ways associated with efforts to advance an uncertain endeavor.

Wealth creation can require different skills than wealth appropriation. Often wealth creation occurs in contexts where specific knowledge is unavailable or unreliable (Alvarez & Barney, 2007). The king crab industry, as it emerged, was significantly different from the existing fishing industries, such as halibut or salmon. Compared with a fishing industry, the king crab industry differed in the artifacts, norms and processes, channels of distribution, and the skills required to commercialize king crab as a product. This article illustrates the stakeholder enrollment process of the founding team, the financial investors, and the customers. None of these stakeholders could know with any certainty the outcome of the king crab opportunity or if any of their investments, financial or personal, would pay off. Thus, the notion of managing stakeholders for marginal benefit is unjustifiable.

This article explores the role of the entrepreneur's charisma and its effects on stakeholder's willingness to enroll in the opportunity. Recent literature on charismatic leadership suggests that both the leader's charismatic style and the follower's perceptions of leader effectiveness socially construct the outcomes when the outcomes are uncertain (Jacquart & Antonakis, 2015). The data suggest that it is the enrollment of the stakeholders, and the interaction between the leader and the stakeholders, that makes the uncertain endeavor successful.

Although the outcomes may be objectively uncertain, the entrepreneur and the emerging stakeholders are united in their common beliefs about the success of the endeavor. This is evidenced in the king crab story by Blackford's observation that the team was "a gang" of friends fighting for their lives rather than a highly organized business.[10] There is repeated evidence that the founding stakeholder team went beyond the call of duty through their actions. The financial stakeholders in this story could not know whether they would be paid back until the end of the story. While in some cases the financial backers were anxious to cash out on their investment, there were also cases of forbearance. The early adopters of the king crab product were often personal friends of Wakefield and the founding team, and many times took risks by serving king crab to their elite customers. This lack of self-interest on the part of the stakeholders is a result of trusting that regardless of the outcome, stakeholders who participated will be treated fairly. These stakeholders were all partners in this opportunity because Lowell Wakefield created a sense of camaraderie, vision, and cohesion to the king crab outcome.

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Notes

1. Alaska seafood.org
2. The formation and exploitation of an opportunity may or may not require the use of a firm. The firm is a governance device (Coase, 1937). For the purpose of this article, the firm is defined as a nexus of agreements with some agreements requiring hierarchical governance and some agreements requiring market governance. For example, customers may necessitate a market agreement while employees may necessitate a hierarchical agreement.
3. Facts for this section came from several sources. For summary, please see "Pacific Fisherman" (1965, p. 63) and The Alaska King Crab Industry (1965, pp. 2-3).
4. Department of the Interior, 1941. Report PN 160127.
5. Interview with David Wakefield (Lowell Wakefield's son), January 1, 1990, *Alaska Business Monthly*.
6. Wakefield to the stockholders of Wakefield Seafoods, March 1947, Moss Adams papers.
7. Personal communication between Blackford and Wakefield, April 20, 1950, in Philip Padelford papers.
8. The federal agency established in 1931 to help businesses through loans granted primarily to World War II (WWII) veterans.
9. Wakefield to stockholders, Wakefield Seafoods, August 11, 1948.
10. Personal communication between Blackford and Wakefield, April 20, 1950, in Philip Padelford papers.

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