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Fake it 'til you make it: Hazards of a cultural norm in entrepreneurship

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Abstract Fake it 'til you make it—that is, deceptively claiming a new endeavor exhibits characteristics of successful entrepreneurial ventures to gain support from others—has become an accepted practice in entrepreneurship. One overlooked hazard of this strategy is that entrepreneurs' efforts to fake it can become a slippery slope in which the deception escalates to a point where stakeholders accuse entrepreneurs of committing fraud. We delineate that the responsible use of faking it in entrepreneurial endeavors rests on entrepreneurs' full appreciation of the determinants that make turning fiction into fact less and not more difficult. Leveraging prior research to offer new insights, we outline these determinates as controllable vs. uncontrollable elements, sole vs. contingent entrepreneurial action, and limited vs. extensive stakeholder interactions. We also look at faking it examples Lordstown Motors and uBiome, two startups whose founders engaged in and escalated faking it to the point where stakeholders accused them of fraud.

1. Entrepreneurs exaggerate

Whether it is creatively elaborating their qualifications, knowledge, experiences, or accomplishments, it is common for individuals to embellish what they know or have achieved to impress others. The general human tendency to embellish has become a cultural norm in entrepreneurship referred to as fake it 'til you make it. *Fake it 'til you make it* is deceptively exhibiting the perceived characteristics of successful entrepreneurs and/or successful entrepreneurial ventures to gain support from others with the intent to turn fiction into reality during the creation of an economically viable and sustainable business (e.g., Brenkert, 2009; Rutherford et al., 2009). Fake it 'til you make it is often viewed as a necessary aspect of playing the game of entrepreneurship and is a skill that entrepreneurs tend to develop. Indeed, it underpins phenomena such as blitzscaling,

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whereby entrepreneurs strive to bring new offerings to the market as quickly as possible and then rapidly scale to attract and satisfy investors (Kuratko et al., 2020). While these dynamics have benefits, an overlooked hazard is that entrepreneurs' efforts to fake it can become a slippery slope to alleged fraud when entrepreneurs, blitzscaling or otherwise, fail to "make it" (Scheaf & Wood, 2021). This creates tension as the fake-it-'til-you-make-it culture in entrepreneurship promotes a normative mindset among entrepreneurs that deceiving stakeholders is necessary but fails to acknowledge fully the hazards of doing so (Rutherford et al., 2009).

This overarching culture and resultant individual mindset of faking it in entrepreneurship has become a balancing act for entrepreneurs. On the one hand, embellishing facts related to things like the benefits of new products is an artifact of entrepreneurs being overconfident and can be a highly effective strategy that is even expected by stakeholders (Moore, 2021). On the other hand, because faking it involves deception, it can quickly become more fiction than fact. While the notion of fake it 'til you make it has been intended to reflect entrepreneurs' use of far more fact than fiction, technological and other advances have ushered in a mechanism by which endeavors based on more fiction than fact can gain traction. For instance, Theranos and its founder Elizabeth Holmes serve as salient examples given the widespread attention received for faking critical aspects of the Edison blood testing devices to secure investment capital (Waltz, 2017). Theranos has been characterized as a dangerous unicorn in which the founder engaged in "myopic personal ambition, bad-faith inducement, an apparent dearth of strategic thought, fraudulent storytelling, and scientific impossibility" (Straker et al., 2021, p. 3). It is this type of dynamic that is a concern as it reflects the reality that fake it 'til you make it can metastasize, intentionally or not, into something quite sinister.

How does this happen? The answer is complex, but it rests on the recognition that the business world is a social construction (Berger & Luckmann, 1966). As business practices become institutionalized with socially constructed edifices, the underlying meaning behind those practices can become distorted, resulting in the distorted version being taken for granted (Mizruchi & Fein, 1999). In the case of fake it 'til you make it, we advance that the original meaning of faking it to combat barriers to action (e.g., imposter syndrome) has been distorted such that the target audience for faking it has shifted from the self (i.e., the entrepreneur) to others (i.e., stakeholders; Clance & Imes, 1978). This means the entrepreneur moves past using faking it as a means of self-deception intended to overcome fear and bolster self-confidence, and instead, faking it becomes stakeholder-focused via fabricating a fictional reality for outsiders to garner their support. We contend that shifting the target of faking it from the self to stakeholders can create a significant hazard of fraud when entrepreneurs wrongfully assume that they have the power to turn fiction into fact (Scheaf & Wood, 2021). It is this potential pitfall of fake it 'til you make it that we seek to draw out in this article.

Toward this end, our discussion details how entrepreneurs who fake it create a gap between fact and fiction through their communication with stakeholders that needs to be resolved in order to make it. We highlight that not all faking is equal, and some fiction-fact gaps are more difficult to resolve than others. We identify three determinants that make resolving the fiction-fact gap more or less difficult and posit that the more difficult fiction-fact gaps are to resolve, the greater the likelihood that entrepreneurs will escalate initial deceptions to avoid being exposed, creating a slippery slope toward accusations of fraud. We ground our insights in the foundational understanding that while some actors intend to commit fraud from the outset (i.e., by design), most entrepreneurs likely have no intentions of committing fraud. These good-faith individuals end up in a place they never anticipated, and we contend that part of the reason for this is a distortion of the institutionalized elements of the fake-it-'til-you-make-it culture in entrepreneurship (i.e., the way the game is played), with limited appreciation for how deceptions can compound. It is this amplification process that we hope to mitigate so that entrepreneurs— whose claims and associated outputs are often difficult to verify—become less likely to cascade into fraud.

2. What is fake it 'til you make it?

Entrepreneurs bring new introductions to the market, and those introductions face rather long odds of success. New introductions are essentially unproven ideas that are based on entrepreneurs' intuitions about what potential customers or users might need or want relative to what is currently available (Shane, 2003). A key challenge here is that a new offering must be distinct from what already exists but cannot be so different that the offering is seen as unrealistic or impossible to execute (Navis & Glynn, 2011; Stinchcombe, 1965). In the early days of conceptualizing and developing new offerings, entrepreneurs tend to claim distinctiveness while at the same time establishing legitimacy through storytelling (Navis & Glynn, 2011; Pollack et al., 2012). Stories are developed and used to paint the picture of entrepreneurs' visions in ways that denote something distinct about the offering such that it will appeal to potential customers and other needed supporters, who are largely strangers at the beginning (Fisher et al., 2016). Hence, entrepreneurs use stories to marshal needed resources and support from external actors, and their ability to do so has "a significant impact on the survival and sustainability of a new venture" (Fisher et al., 2017, p. 128).

As entrepreneurs develop stories, they embed in each story mechanisms of identity (i.e., who the entrepreneur and venture are) and association (i.e., connections with recognizable actors or entities) to build an image of the venture that aligns with the expectations of external audiences such as customers and investors (Fisher et al., 2017). In essence, external audiences are influenced by embedded institutional logic — "historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence" (Thornton & Ocasio, 1999, p. 804) — and entrepreneurs develop explicit statements about their identity and association that are thought to resonate with the institutional logics of needed transaction partners (see Pahnke et al., 2015). This is where fake it 'til you make it enters the equation.

We define fake it 'til you make it as the practice of entrepreneurs using deception to exhibit the perceived characteristics of successful entrepreneurs and/or successful entrepreneurial ventures with the intent to eventually turn fictional elements into reality such that an economically viable and sustainable business venture is created. Unpacking this definition into its components, we see that while deception is fundamental to faking it, fictions cast by entrepreneurs are done so with the intent to make true what they are saying. For that to happen, entrepreneurs' words must be backed by entrepreneurial action. This aligns with work on entrepreneurial intentions that has established intentions as fundamental for implementing entrepreneurial ideas (Bird, 1988) and for realizing key entrepreneurial outcomes (Shapero & Sokol, 1982). Moving from intention to behavior, entrepreneurial action theory denotes the importance of activities that involve "the location, the form, and the use of goods, resources or institutions" (Herbert & Link, 1988, p. 155) as core to turning visions of what could be into concrete realities (McMullen & Shepherd, 2006).

These elements of intention and action serve as a basic premise of fake it 'til you make it. An entrepreneur's motive at the onset of their venture is to take the actions needed to deliver on the vision of the venture and its offering(s) and, therein, make it. As this vision implementation process unfolds, the faking-it aspect typically involves the use of deception targeted at stakeholders to induce transactions or other needed support (Theoharakis et al., 2020). The magnitude of deception can vary, but the underlying factor remains that entrepreneurs are knowingly embedding false information in the stories they tell to stakeholders as means to garner the support needed to start or perpetuate their entrepreneurial endeavors. As previously noted, one place where this happens is in blitzscaling, whereby entrepreneurs attract investors by prioritizing high-velocity growth over other business priorities, and in doing so, some entrepreneurs push things beyond their capabilities and end-up launching unfinished or inferior products (Kuratko et al., 2020).

Because entrepreneurs pushing things too far has become commonplace, it is sometimes used by con artists to devise fraudulent schemes, and therefore we note that an important qualifier of fake it 'til you make it is that it involves *actual entrepreneurs* who are starting or growing legitimate and legal businesses as opposed to imposters posing as entrepreneurs who fabricate businesses in cons and scams.[1] For entrepreneurs engaged in legitimate venturing, using deception can be effective when the entrepreneur fakes it and makes it. In such cases, concerns of fraud are minimal because the entrepreneur was able to fulfill his or her vision that previously included elements of fiction at the time of the communication but, through the entrepreneur's efforts, have now been made factual (i.e., fiction becomes a reality), resulting in no material harm to stakeholders. By contrast, there are instances where entrepreneurs use deception to fake it but fail to make it. In these cases, entrepreneurs are unable to turn fiction into reality which squanders resources and, by extension, causes harm to those who supported the endeavor (Campana, 2016) and also inflicts damage on the entrepreneur's reputation (Fassin, 2005).

[1] See Scheaf and Wood (2021) for more on fraud and entrepreneurship.

Given the uncertainty of outcomes in entrepreneurial projects, a key challenge with fake it 'til you make it is that because it is future-oriented, one can never be sure if the fictional elements of the venture embedded in one's story can be made fact (Dimov, 2011; Packard & Clark, 2020). One reason entrepreneurs may underestimate this uncertainty is that businesses have long been known for amplifying rhetoric and deploying marketing tactics such as *puffery* (i.e., exaggerating the value and benefit of product or service features to entice stakeholder engagement and support; Gao & Scorpio, 2011; Haan & Berkey, 2002). These types of strategies have proven especially useful when there is a sizable power differential between the entrepreneur and the respective stakeholders (Waldron et al., 2016). This practice, however, neglects the well-documented potential downside to puffed rhetoric in which businesses move beyond exaggeration to engage in material deceptions that deliberately mislead stakeholders into taking action that otherwise would have been forgone (Haan & Berkey, 2002). While such issues are a concern for business in general, they take on additional gravity for entrepreneurs because they are engaged not just in puffed advertising of an established product or service but also in creating a new offering where the elements of the product or service may not just be exaggerated, but imagined (Shackle, 1979). Whether the elements of the new product or service will materialize in the way the entrepreneur has imagined remains to be seen.

Hence, fake it 'til you make it involves entrepreneurs taking gambles. They hope to deliver on what was deceptively presented to the exchange partner before the deception is uncovered (Pollack & Bosse, 2014). Research by Brenkert (2009) demonstrates this with documentation of an entrepreneur who deceived an advertising agent by deceptively overstating the number of employees on his payroll, exaggerating the size of his marketing budget, and fabricating the number of media outlets promoting his product which resulted in the agent providing the entrepreneur with delayed payment terms for ad space in a leading industry magazine. The issue, however, was that the entrepreneur could not afford the ad buy unless the ad itself was successful. As it turned out, the ad was successful, and the entrepreneur was able to pay his invoice, rendering no material harm to the vendor. In this case, the entrepreneur faked it and made it—he was able to follow through on what was promised even though he used deception to garner partner support. On the other side of the coin, a study by Hossain and Oparaocha (2017) documents how some entrepreneurs overstate technological functionality to induce investment on crowdfunding platforms, only to eventually ship a product with inferior functionality because the entrepreneurs could not resolve the fiction-fact gap. In these cases, entrepreneurs faked it and did not make it because they were unable to deliver on the quality that was promised.

These illustrative examples reveal the double-edge sword of faking it. First, the deception is intended to be temporary because if things go as planned, the fictional elements entrepreneurs communicate in the present will cohere with reality in the future, rendering no material harm related to faking it. Second, faking it is effectual in the sense that fictional elements are intended to produce the desired result of garnering needed support from outsiders. Hence, faking it is strategic and targeted so that it aligns with what entrepreneurs believe stakeholders want to hear (Metcalfe, 1990). The risk for both the entrepreneur and the stakeholders, however, is that despite the temporary and effectual intentions of fake-it-'til-you-make-it deceptions, the execution of one's plans may not work as intended. This is concerning because when the expectations established by entrepreneurs' faking it are not carried out promptly via effectuating results that reconcile the entrepreneurs' stories of what could be with the reality of what is, stakeholders lose invested time and/or money. This occurs as individual stakeholders accept entrepreneurs' statements as truth when entrepreneurs have been fabricating (i.e., faking) aspects of their individual capabilities, elements of new market offerings, and/or venture activities. Stakeholders often lack the time and energy to conduct due diligence in the verification of an entrepreneur's claims (Ellman & Hurkens, 2019), which, as a result, leads stakeholders to engage in transactions with the entrepreneur that they might not have if they had received accurate rather than fake-it statements from the entrepreneur (see von Werder, 2011; Williamson, 1993). Given these dynamics, a key insight we offer here is that problems for stakeholders emerge when the temporary and effectual aspects of entrepreneurs' deceptions become visible as entrepreneurs struggle to turn fiction into fact.

Although it is well documented that some entrepreneurs fake it and make it while others fake it and do not make it, there has been little discussion as to what distinguishes these cases. Below, we unpack the elements of faking it by conceptualizing three determinants that make turning fiction into fact less instead of more difficult. Specifically, we look at whether resolving the fiction-fact gap involves controllable vs. uncontrollable elements, sole vs. contingent entrepreneurial action, and limited vs. extensive stakeholder interaction determines the difficulty of the resolution, and therein the likelihood of making or not making it. Fake it 'til you make it begins to unravel when entrepreneurs struggle to resolve the *fiction-fact gap*, which drives entrepreneurs to engage in more faking to conceal prior deceptions. Hence, entrepreneurs struggling to resolve fiction-fact gaps are prone to escalate deceptions as they confront the path dependencies of past fictions. This escalation of faking it can generate such a wide gap between fiction and fact that if/when stakeholders become aware of the untruths, there is a real hazard of fraud accusations. We illustrate this model in Figure 1.

3. Determinants of fiction-fact gap resolution difficulty and escalation of deception

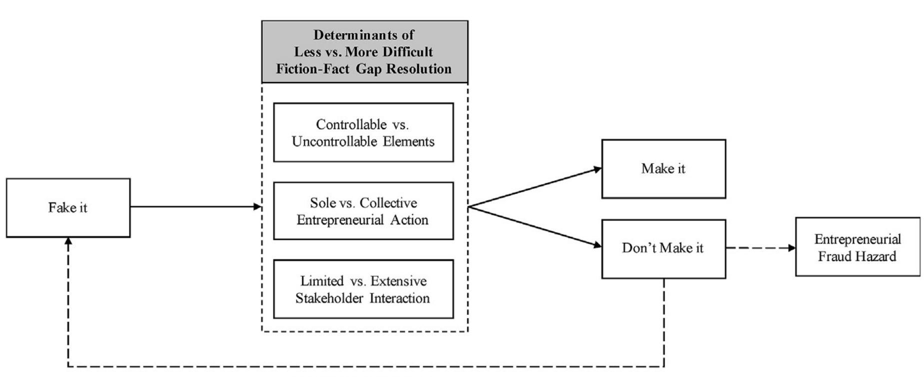
3.1. Controllable vs. uncontrollable focus of deception

The first determinant in whether resolving the fiction-fact gap is less versus more difficult depends on the degree to which the entrepreneur has control over the actions needed to close the gap. *Controllability* is often referred to in management research as a boundary of the firm issue, where boundaries determine which activities are engaged inside of or outside of the firm (e.g., Thompson, 1967). We apply the same logic to entrepreneurial endeavors such that entrepreneurs make claims about who they are, what they are doing, and what they plan to accomplish. The stories they tell in this regard are often construed to reflect audience preferences such that an entrepreneur's claim delineates the new offering as unique from what is currently in the market (Fisher et al., 2016). At issue, however, is that entrepreneurs act on an imagined rather than an actual future, and this entails an "emergent flow" (Venkataraman et al., 2013, p. 165) whereby the pathway forward and the final destination are not fully known (McMullen & Dimov, 2013). This fluidity gives entrepreneurs ample space to construct their own truth about what can realistically be achieved and how to do it. This is where controllability comes in.

Controllable factors are those elements of the entrepreneur's claims and commitments that the entrepreneur has a direct and significant impact on the degree to which the factor materializes and operates as it should. New product development research, for example, delineates factors such as "product quality" and "proficiency of technical activities" as controllable (Calantone et al., 1996, p. 343), and these controllable elements are crucial as metanalytic studies have concluded that factors most strongly associated with the success of new products are controllable (Montoya-Weiss & Calantone, 1994). Concerning fake it 'til you make it, then, it matters whether the fictional elements of entrepreneurs' claims involve controllable factors. When fictional elements are under the control of the entrepreneur, the entrepreneur is better able to leverage the temporary and effectual aspects of faking it so he or she can indeed make it. In other words, entrepreneurs are more likely to turn fiction into fact when the fiction concerns elements that are controllable by the entrepreneurs.

Field testing a new product is largely under the control of the entrepreneur. Research by Kowalska

Figure 1. Fraud hazard model of Fake It 'Til You Make It



(2018) documents that in one instance, an entrepreneur claimed to outsiders that products within its control had been tested when, in reality, the products were still under development. That said, entrepreneurs have at least some ability to make field testing happen and can even do so on an accelerated timeline if needed. Hence, because field testing has a high degree of controllability, the entrepreneur has some power over the degree to which deceptive claims about field testing can become a reality rather than remain fiction. By contrast, uncontrollable factors are more problematic given the lack of power entrepreneurs have to effect outcomes. If the entrepreneur, for example, claims that he or she will receive a CE mark (i.e., certification for health, safety, and environmental protection standards in Europe) in 3 months but knows full well that the average time frame to receive the certification is 9 months, then it is almost certain that the fiction-fact gap will remain unresolved because the entrepreneur lacks the necessary control to turn the fiction into fact.

As this divergence between what was claimed (fiction) and what is possible (fact) is constructed by the entrepreneur, it becomes problematic because, over time, initial deceptions are likely to escalate both in scope and frequency. A single initial mistruth can create a spiral of deception as that mistruth is continuously stretched (increases in scope) or is compounded with multiple mistruths offered to justify the first (increased frequency). This escalation reflects the path-dependent nature of fake it 'til you make it, via which early deceptions lock in (Page, 2006) the entrepreneur to the falsehood and, therein, the lie cascades in ways that make truthful options less and less available over time. Entrepreneurs can consciously reinforce faking it, but by doing so, the initial deception is compounded in ways that create an irreconcilable rift between reality and the false narrative, which can ultimately lead to the commission of entrepreneurial fraud.

3.2. Sole vs. collective entrepreneurial action required

A second determinant in whether resolving the fiction-fact gap is less vs. more difficult to close depends on the degree of complexity required in subsequent entrepreneurial action. The complexity of subsequent entrepreneurial action ranges from activities solely dependent on the entrepreneur's action(s) to activities that require collective action(s) among other key players like cofounders, critical employees, key investors, and the like. New ventures are unknown to the world and, in response, entrepreneurs make self-referential claims that define the essence of the endeavor by specifying its core attributes and key objectives (Corley & Gioia, 2004). These claims allow outsiders to make sense of why the venture exists and understand, as potential stakeholders, their role and purpose concerning the venture (Fisher et al., 2016). While a solo entrepreneur is confronted with the constraints of limited time and competing priorities (Neergaard, 2005), these can often be overcome via entrepreneurial hustle whereby, via sheer determination and associated long work hours, solo entrepreneurs deploy unorthodox actions that address immediate challenges (Fisher et al., 2020). Hence, with solo entrepreneurs, there are fewer contingencies. This creates a pathway by which hustling is effective because there is a clear line of sight between the person who made commitments that included fictional elements and the person who will take the actions required to deliver on those commitments.

By contrast, entrepreneurial endeavors can require a high degree of collective action. This happens when the skills, resources, and actions needed to implement entrepreneurs' visions exceed their capacity to fulfill commitments by themselves. No longer does reconciling the fictional fake-it-'til-you-make-it narrative about what can be achieved rests on the actions of a single person, but instead, it rests on several individuals acting in concert. While working collectively has its advantages in terms of enhanced creativity, information-processing, and problem-solving capabilities (Derksen et al., 2019), resolving the fiction-fact gap becomes exponentially more complex under these conditions because it requires effective synchronization among actors (Mohammed & Nadkarni, 2014). There are ample discussions in teams research concerning the challenges of contingent action (see Guzzo & Dickson, 1996), which, due to the uncertainty of entrepreneurship, are often amplified in entrepreneurial teams (Patzelt et al., 2020).

Indeed, the success of contingent action often rests on a "common understanding of the time-related aspects of executing collective tasks" (Mohammed & Nadkarni, 2014, p. 405) that can be hard to achieve in entrepreneurial teams because of the newness of their initiatives (Stinchcombe, 1965). Entrepreneurial teams routinely face the need to perform tasks for the first time (e.g., designing a new product, implementing new technology), which means that trial-and-error processes are the norm (Patzelt et al., 2020) and it is difficult, if not impossible, for entrepreneurs to coordinate trial-and-error types of tasks. Prior research demonstrates that collective action often unfolds unevenly. Neergaard (2005, p. 257) studied networking in entrepreneurial teams and found that "not all founding team members are equally active networkers" often because team members vary in the desire to network, the networking skills possessed, and so forth. This is indicative of the collective action conundrum because while adding team members increases capacity, it also adds contingencies to the mix. One cannot simply hustle their way to making fiction reality because others must do the same to accomplish the shared objective. What does this means for fake it 'til you make it? If the venture has made fictional claims requiring collective action, then the uneven performance by those involved (i.e., team members) can become a liability for the entrepreneur.

Accordingly, when faking it involves a high degree of collective action to make it, there is a higher likelihood that fiction will remain fiction. Collective action creates contingent relationships in which the actions of one person depend on the actions of others, limiting the agency the entrepreneur has in achieving promised outcomes (Mohammed & Nadkarni, 2014). This can be problematic to resolving the rift between fiction and fact in fake-it-'til-you-make-it claims. For instance, while one or more of the key players may believe the vision of the future presented to the world can be achieved, if some of the actors are less capable than expected or simply not fully bought in, then the contingent nature of collective action hinders the likelihood of the success for the endeavor. As these dynamics surface, entrepreneurs are placed on pathways where promises go unfulfilled and they may make moves toward escalating deception. Perhaps ironically, we contend that collective action deceptions may morph from initial embellishments about the new offering (e.g., product features, shipping availability) to deceptions that cover up voids in contingent action such as deficiency of cofounders, to the point that the original deceptions about the offering fade while new targets take center stage. The entrepreneur may point to the failures of specific team members as an excuse for not turning fiction into reality.

3.3. Limited vs. extensive stakeholder interaction

A third determinant of whether resolving the fiction-fact gap is less or more difficult concerns the frequency of interaction between the entrepreneur and stakeholders after the entrepreneur engages in faking it (i.e., communicating information that contains fictional elements). In agency-based relationships in which stakeholders (e.g., backers, shareholders, bankers) trust actors (e.g., entrepreneurs) to behave per stakeholder interests, information asymmetries between the parties provide actors with the opportunity to conceal information (Abrahamson & Park, 1994). To mitigate information asymmetry, stakeholders often expect, or even require, periodic updates from principles (i.e., entrepreneurs) about how the project is progressing and whether promised milestones are being met. In crowdfunding, for example, entrepreneurs often commit to giving investors/backers periodic updates, and it is often expected by investors/backers that entrepreneurs will update them on project progress with high frequency (Block et al., 2018). Information exchanges can take different forms (e.g., email announcements, verbal communication, press releases), but a key element in determining whether it is easier or more difficult to resolve the fiction-fact gap is the frequency (i.e., minimal to extensive) by which an entrepreneur-to-stakeholder information exchange occurs.

Entrepreneurs who initially fake it to paint a rosier picture of their venture to stakeholders create a fiction-fact gap that needs to be resolved before the stakeholders become aware the gap exists. In other words, once entrepreneurs fake it at the onset of establishing expectations, the clock officially starts ticking for entrepreneurs to make fiction a reality. As stakeholders demand more frequent updates, there is less time between updates to make progress on resolving the fiction gap; thus, further faking may be required to show progress is in line with stakeholder expectations, many of which were established as the result of the entrepreneur's deception. Entrepreneurs that fail to make it (i.e., fulfill their commitment) before time runs out are likely to be confronted with deception laid bare for all to witness. For example, an entrepreneur who states that the venture has reached a milestone in sales (e.g., \$500,000) when sales are lagging (e.g., \$300,000) must make up for the sales lag and progress to an even higher level of sales to demonstrate continued progress for future interactions. If the stakeholder meeting only occurs quarterly, then the entrepreneur has a longer window to turn fiction into fact. However, if the stakeholder requests weekly sales figures, the entrepreneur's compressed interaction time window makes it more difficult to resolve the fiction-fact gap. Hence, each time entrepreneurs exchange information with stakeholders becomes a potential trigger point for deception escalation while they work to close the gap between fiction and reality.

Unpacking this further, deception can escalate as the frequency of exchanges with stakeholders increases because there is a temporal focus on the information exchanged. As Wood et al. (2021) noted, entrepreneurs develop narrative stories that are future-focused, but those stories are anchored in the present. Entrepreneur information exchanges (i.e., project updates) that are consistently future tense rather than present tense are more likely to be injected with deceptions that increase the gap between fiction and reality. Returning to the example of new product field testing, if the entrepreneur must engage in frequent information exchanges with stakeholders about a field test, this creates a proximal effect wherein the space between what the focal actor knows and what associated others know is reduced simply because the parties interact frequently (Pratt et al., 2010). This creates a situation in which if the field test has not happened or is not going as planned, then they will point to the future as the solution as exemplified in this future-based claim: "We will have a successful field test next month." Compare this to the following present-based claim: "We just completed a successful field test." The present tense puts the entrepreneurs on record as an event that has happened as opposed to what will happen in the future, and this truncates the fiction-to-fact reality gap because the claim is the field test event has already happened with results that should be verifiable by stakeholders.

The net effect, here, is that with fewer information exchanges, stakeholders can more readily assume that things are going according to the entrepreneur's plan, and this gives the entrepreneur a longer runway to turn fiction into fact. When frequent interactions with stakeholders are expected or demanded, the fiction-to-fact transformation runway is condensed, and entrepreneurs are more likely to engage in escalating deceptions that widen the fiction-to-fact gap, especially when the exchanged information is focused on future possibilities as opposed to present realities.

4. Fraud hazard as a reality of faking it but not making it

The quintessential risk for entrepreneurs engaging in fake-it-'til-you-make-it deception is being accused by stakeholders of committing fraud—a misrepresentation made recklessly without belief in its truth to induce another person to act to their detriment. Since the hazard of a fraud accusation flows from the perception of stakeholders that some material harm came to them as the result of deception, what determines whether such perceptions of harm surface is whether the entrepreneur can reconcile the fictional elements of their claims with the reality that follows (Scheaf & Wood, 2021). Assuming entrepreneurs are acting in good faith, the outcome of fake-it-'til-you-make-it deception rests almost entirely on whether the gap between fiction and fact can be successfully closed within a specified time window and done so with a level of efficacy that satisfies stakeholders, rendering the result faked it and made it.

While faked it and made it is the desired outcome, the harsh reality is that entrepreneurial endeavors are highly uncertain (Shane & Venkataraman, 2000), which renders high odds that fictional elements cannot be made into fact, be done at the pace required, or be effectuated at a level that is acceptable to stakeholders. When these circumstances arise, the entrepreneur's deception is exposed and it becomes clear that the result of the unresolved fiction-to-fact gap is that the entrepreneur faked it but did not make it. What should be appreciated here is that entrepreneurs' deceptive claims, even those that start as minor embellishments, unwittingly expose stakeholders to unknown probabilities of loss (von Werder, 2011). Once discovered, this exposure can trigger a significant backlash against the entrepreneur. Severe backlash is likely to involve accusations of fraud, and oftentimes this results in corresponding legal action (Scheaf & Wood, 2021). The aforementioned opens the door to an overlooked fraud hazard embedded in the fake-it-'til-you-make-it culture in entrepreneurship: Early deception(s) can sometimes escalate to the point that stakeholders accuse the entrepreneur of committing fraud.

When looking holistically at fake it but did not make it as a potential and dare we say likely outcome (see Figure 1), the concern for entrepreneurs becomes clear. It is a short leap—rather than a long road—from fake-it-'til-you-make-it deception to ending up in the realm of entrepreneurial fraud. This is one of the downsides of the fake-it-'til-you-make-it culture and mindset in entrepreneurship and one that is not talked about very often. Rather than using deception as a self-enhancing mechanism to build confidence in the face of uncertainty as is often touted in the popular press, our discussions highlight that deception must be very carefully navigated so that one is aware of the drivers of the difficulty of resolving the fiction-to-fact gap. Doing so helps ensure that the chasm between fiction and fact stays manageable, and by extension, escalation of deception can be monitored and stopped when needed. It is with this in mind that we turn to real-world illustrations of the dynamics outlined in our model as they unfolded in the startup ventures of Lordstown Motors and uBiome.

5. Fiction-to-fact resolution in action: Two cases of fake it 'til you make it

As our model depicts, not all faking is equal, and some types of faking are more difficult to resolve than others. Specifically, entrepreneurs that employ faking, which involves uncontrollable elements, contingent action, and spans extensive stakeholder interaction, run the risk of not being able to resolve the fact-fiction gap adequately, or ever. Entrepreneurs struggling to make fiction into fact are likely to escalate their deceptions to conceal past misdeeds in an attempt to buy more time. This tailspin of deception creates a fraud hazard for entrepreneurs. When stakeholders' expectations are established using fiction and subsequently are not met because the fiction cannot be converted to fact, it can result in stakeholders accusing entrepreneurs of fraud. This hazard is real. Numerous well-intentioned entrepreneurs have been caught up in the fake-it-'til-you-make-it game, not realizing the dangers it poses to their careers, reputations, and well-being. To illustrate the very real danger that exists and the dynamics outlined in our model, we discuss two startup cases, Lordstown Motors and uBiome, whose founders and venture leaders escalated faking it to the point to which they were accused of fraud.

5.1. Lordstown Motors

Founded in 2018, Lordstown Motors is an electronic vehicle manufacturer based in Lordstown, Ohio. The company's stated mission is to design and manufacture electronic commercial vehicles to "revolutionize the way work gets done" (Lordstown Motors Corp., 2021). In November 2019, Lordstown Motors invested $12.2 million to start production of a new electric truck: the Endurance (Business Journal Daily, 2020). The company also acquired the former General Motors Lordstown auto manufacturing plant for $20 million with production plans expected "to ramp up as early as the second half of 2020" (Nelson, 2019). The founder and CEO of Lordstown, Steve Burns, consistently claimed that a critical element that made Lordstown Motors an attractive company for investor support is speed to market. Burns insisted the company was beating the competition by being the first mass producer of full-size electric pickup trucks, allowing Lordstown to capture significant market share (Gastelu, 2021). Burns' statement about capturing market share by being first, however, was highly speculative and largely out of his control. In other words, his claim that Lordstown would be first to market contained fictional elements that Burns hoped to make a reality. Burns repeatedly stated the company would be first to market even though its aggressive production plans were full of challenges and setbacks—several of which even a casual observer could recognize.

As the endeavor progressed, the company fell significantly behind the first-to-market timeline that Burns had consistently advocated, resulting in several revised vehicle delivery target dates. While Burns had initially indicated that deliveries would begin at the end of 2020, in April 2020, Burns announced this timeline would be pushed back to January 2021 as a result of COVID-19 (Lordstown Motors Corp., 2020a). While the company attributed the delays largely to the pandemic, this was a misdirection as the company continued to push back product deliveries and, as the public would later learn, pervasive vehicle design and manufacturing issues played a major role in hampering the progression toward product delivery. Thus, by continuing to fake it, Burns was able to buy the company time in hopes of eventually making it.

Despite a series of major setbacks and the resultant chasm in the fiction-fact gap, Burns doubled down on his faking it by continuing to push the promise of its product to the public and investors just months before taking the company public to raise a significant amount of capital from investors (Vanac, 2020). In June 2020, Lordstown hosted a highly publicized event to unveil the Endurance to the public, and at the unveiling Burns announced that Lordstown had its "first year of production already pre-sold" with "preorders and letters of intent" for 20,000 vehicles (Lordstown Motors Corp, 2020b). These claims were an escalation of deception because the firm was not close to being ready to commence with product deliveries, and the preorders Burns discussed were no more than nonbinding letters of interest. In 2021, Burns' fake-it-'til-you-make-it campaign and related endeavors would soon unravel as the company failed to make fiction fact.

In March 2021, a research report called "The Lordstown Motors mirage: Fake orders, undisclosed production hurdles, and a prototype inferno" revealed significant concerns around deceptive claims regarding the progress of the company's production timeline as well as the quantity and quality of the customer preorders (Hindenburg Research, 2021). The report included interviews with former employees describing, in detail, the reasons for the production delays. Employees highlighted drastic design modifications to the Endurance along with manufacturing issues that put the company years out from production as opposed to the short timelines Burns continued to promise the public and investors. In fact, in January 2021—the month that Burns indicated at the Endurance unveiling that initial product deliveries would be made—a police report indicated that an Endurance prototype had gone up in flames 10 minutes into a test drive. Thus, Burns was having great difficulty closing the gap between fact and fiction.

Even worse, Burns engaged in what appears to be smoke-and-mirror-style deception related to Lordstown's customer preorders. Unlike its competitor Tesla, which took prepayments for customer preorders, Lordstown was paying an outside firm called Climb2Glory to secure nonbinding preorders by paying Climb2Glory $50 per preorder. A company representative included in Lordstown's preorder count exclaimed: "I'm not committed to anything, not to buying a single vehicle. I committed to *consider buying* vehicles. I'd have a lot of questions before I commit to anything" (Hindenburg Research, 2021). Another potential customer came forward and revealed: "The letters of interest are non-binding. It's not like you'd obligate yourself to a preorder or that you would contractually bind yourself to buying this truck" (Hindenburg Research, 2021). In addition, the researchers found that a 14,000 truck preorder deal—$735 million—was made by a 3-man firm called E Squared operating out of an apartment, and one of the members of E Squared admitted that its preorders were estimates for some undisclosed project. Hence, many of the preorders Burns presented to investors were not preorders at all, and many of the nonbinding commitments were highly questionable at best and fraudulent at worst.

What the Lordstown case illustrates is that its founders' initial fake-it claims to early investors about being first to market and capturing significant market share did serve to direct attention to Lordstown, but it also generated a rift between fact and fiction. The claim was highly problematic from the start because it exhibited all three determinants of difficult fiction-fact resolution that we outline. First, reaching technological feasibility for an electronic pickup truck in a compressed time frame is full of challenges that are outside the sole control of Steve Burns. To reach technological functionality, consistency, and safety of a machine as complex as an electronic pickup truck and do so for mass production is a major undertaking, and simply claiming you can overcome technological and engineering problems does not mean those claims can be satisfied. Second, the production of an electronic pickup truck rests on contingent action. Steve Burns and the rest of the top management team at Lordstown could not simply work on the truck themselves. Indeed, Lordstown outsourced much of the technology and key components of the Endurance to other firms such as Workhorse Technologies, and these necessitated numerous engineers working in tandem to develop the vehicle (Hindenburg Research, 2021). Third, Lordstown's investment trajectory from startup to initial public offering involved numerous stakeholder meetings and public events. The frequent interactions resulted in production problems coming to light and a resultant escalation of deception by Burns, who responded to those concerns with revised timelines and greatly exaggerated claims about preorders.

The net effect is that Burns became stuck when his initial fake-it claims became impossible and the fiction-to-fact gap was unresolvable, which he responded to by expanding the scope of his deceptive claims. As a result, in March of 2021, investors accused Lordstown of committing fraud and filed a class-action lawsuit. The investors claimed that Lordstown had "no revenue and no sellable product" despite Burns and Lordstown management consistently stating otherwise (Associated Press, 2021). In June 2021, Steve Burns resigned from the company (Chapman, 2021).

5.2. uBiome

uBiome was established in 2012 by cofounders Jessica Richman and Zac Apte as a company specializing in the analysis of human microbiomes. In November 2012, uBiome raised $350,000 on the crowdfunding website Indiegogo for a gut microbiome test kit sold directly to consumers (Cutler, 2015). The product developed by Richman and Apte was an at-home kit; customers would take mouth swabs, send the samples to uBiome for sequencing, and then receive a result of their gut microbiome. In July 2013, Richman gave a TEDMED talk highlighting the key features of uBiome and citizen scientists, a name used to describe the customers who enjoyed uBiome products. While the company did gain some traction with the at-home model, Richman and Apte realized that to scale the venture, uBiome's business model needed to pivot from a direct-to-customer sequencing model (the model pitched to Indiegogo backers and TEDMED) to a physician order clinical test model that included billable tests to health insurance providers. uBiome officially developed a diagnostic (i.e., clinical) version of the microbiome kit and received Clinical Laboratory Improvement Amendments certification from the California Department of Public Health. The pivot into the physician-directed healthcare market and resultant health insurance and billable tests was a critical aspect of the business in pitches made to professional investors. As a result, the startup was valued at approximately $300 million and raised more than $100 million in venture funding from leading investment groups, including 8VC, Y Combinator, and Andreessen Horowitz (Alois, 2014).

During venture development, Richman and Apte routinely made claims about company progress, projected revenues, and profitability (Farr, 2019). However, these statements about revenue and profitability contained fake-it-'til-you-make-it elements. The duo blurred the lines by leveraging the enthusiasm of the Indiegogo campaign and the direct-to-consumer model as evidence for market penetration and then used growth numbers and metrics based on billable tests (i.e., insurance claims) produced for the healthcare business model. However, Richman and Apte were aware that billable tests filed as insurance claims only materialize into revenue if insurance companies validate the claim and issue reimbursements. The pitch and valuation model put pressure on Apte and Richman once they encountered significant hurdles and obstacles to capturing health insurance reimbursements.

Faced with coming clean about the obstacles or escalating the deception, Richman and Apte decided to escalate the deception by "falsely describing the firm as a rapidly growing company with a strong track record of reliable revenue through health insurance reimbursements for its tests" (SEC vs. Apte & Richman, 2021). This escalation of deception created a dual problem for Richman and Apte. First, uBiome needed to ramp up the ordering of billable tests to offset declined claims; however, Richman and Apte found it difficult to get physicians to order the tests for their patients. In response, Richman and Apte undertook an aggressive direct-to-patient marketing strategy. uBiome advertised diagnostic testing kits to individuals based on internet search history related to gastrointestinal issues and illnesses. Once patients received the testing kits, uBiome would send upwards of three email reminders every week until tests were returned, and even incentivized patient kit return by offering Amazon gift cards in exchange for returned kits (Farr, 2019).

While the direct-to-patient marketing approach facilitated submitted tests, it created a second serious problem. To validate claims, health insurance providers require physicians who have established a doctor-patient relationship to approve the ordering of uBiomes clinical tests. Given that the test kits were sent direct-to-patient without a physician provider ordering the test, Apte and Richman created a website that connected doctors with consumers for purposes of ordering tests (Pflanzer, 2021). Apte and Richman designed the website to steer doctors toward ordering tests based on online questionnaires and without synchronous patient interactions, while giving the appearance to health insurance providers that doctors established the required doctor-patient relationship. Despite warnings from uBiome's general counsel against any tests prescribed based solely on consumers' questionnaires instead a live consultation between consumer and doctor, Apte and Richman continued uBiome's use of the questionnaire-based doctor network and concealed this fact from the general counsel and the uBiome board (SEC vs. Apte & Richman, 2021). Even more egregious, uBiome duped doctors on the website into approving many nonclinical tests. Apte and Richman submitted consumers' old samples and deceived doctors by making the consumers' resulting retest requests appear to be entirely new requests. For example, at Apte and Richman's direction, uBiome resubmitted consumers' originally reported symptoms to the doctors reviewing retest requests as if they were newly reported symptoms. This operation allowed uBiome to consistently overbill the patients' health insurance providers (Farr, 2019). The company adopted as standard practice billing insurance providers $2,970 per test, and each kit involved six total tests. All the while, the company updated investors with metrics that appeared to be authentic orders from physicians who previously established a doctor-patient relationship and were ordering the tests based on their medical judgment.

While it is easy to see that what Richman and Apte were engaged in was unethical and likely illegal, it all started with fake-it-'til-you-make-it claims, and as those initial claims became difficult to resolve, they escalated the deception. This dynamic followed the pattern outlined in our model. First, uBiome had little control over physicians ordering the microbiome tests. The determinants of test ordering are patient needs and the medical relevance of the tests. However, medical professionals did not readily see the utility of sequencing the microbiome for their patients' needs. Second, the business model is based on a complex and contingent network of agents with differing incentives: the patients rarely have preferences for diagnostic tools, healthcare providers need to be aware of the benefits of uBiome's test kits, and the insurance providers need to ensure validation of the tests and medical necessity to approve claims to issue reimbursement with an incentive to decline claims. In other words, the payer of test kits is disconnected from the person who orders the test, who is disconnected from the test user. These contingencies made it extremely difficult for Richman and Apte to turn their fictional claims around things like revenues into fact. Last, the frequent interaction between uBiome and its high-profile investors contributed to intense pressure to deliver on the fake-it-'til-you-make-it claims the duo offered. This pressure likely contributed to Richman and Apte's decisions to escalate faking it by deceptively billing health insurance providers.

The inability of the cofounders to turn fiction into fact and the repeated escalation of deception manifested, as our model would predict, into a fraud hazard. In April of 2019, uBiome offices were raided by the FBI. Richman and Apte were placed on administrative leave in May 2019. Following a Federal investigation, Jessica Richman and Zac Apte were charged in March 2021 with Federal Securities, Health Care Fraud Conspiracies in an indictment served by the U.S. Attorney of the Northern District of California and sued by the Securities and Exchange Commission (SEC vs. Apte & Richman, 2021; United States vs. Apte & Richuman, 2021). If convicted, they face severe financial penalties and potential jail time.

5.3. Lordstown Motors, uBiome, and the fraud hazard model

The Lordstown and UBiome cases illustrate the problems that surface when fake-it-'til-you-make-it practices create a significant rift between fact and fiction. The fictional claims made by the entrepreneurs behind Lordstown Motors and uBiome were highly problematic because they exhibited all three of the determinants of difficult fiction-fact resolution outlined in our model (see Figure 1). For Lordstown Motors, building an entirely new electric pickup truck in a compressed time frame rests on many uncontrollable elements and Lordstown doubled down on the uncontrollable by contracting much of the truck's initial engineering development to an outside firm. At the same time, developing the truck required wide-scale collective and contingent action. Many of the elements needed to produce the truck were considerably outside the control of Steve Burns and simply claiming he could overcome technological and engineering problems did not make it a reality. Just as critically, Lordstown's investment trajectory from start-up to initial public offering involved extensive stakeholder interaction via regular meetings with investors and numerous public events. The frequent interactions brought fiction to fact resolution failures to light and just as our model predicts, resulted in further escalation of deception. Burns responded to investor concerns with greatly exaggerated claims about things like the number of customer preorders.

In the case of uBiome, we observe a similar pattern. First, uBiome had limited control over physicians ordering the microbiome tests, and this created serious issues when medical professionals did not readily see the utility of sequencing the microbiome for their patients.

Second, uBiome's business model was based on a complex and contingent network of agents with differing incentives. Some of the interrelated actions needed to make Richman and Apte's claims a reality were that patients would advocate for the use of uBiome's specific diagnostic tool, healthcare providers would see the benefits of uBiome's test kits and prescribe them, and insurance providers would validate the tests as a medical necessity so that insurance claims would be approved. Making any one of these things happen would have been difficult, but doing all three and coordinating them to happen in lockstep proved, as our model suggests, to be a bridge too far. Finally, the frequent interaction between uBiome's founders and the company's high-profile investors created intense pressure to perform on the fake-it-'til-you-make-it claims the duo offered. The frequent interactions kept them accountable in terms of meeting milestones and timelines, which were largely created by Apte's and Richman's fake-it claims. As milestone failures mounted, the duo responded by escalating deception, crossing a clear line as they began to engage in practices such as deceptively billing health insurance providers.

6. Key lessons and takeaways

The Lordstown Motors and uBiome cases demonstrate our model in action where specific determinates make resolving the gap between fact and fiction more or less difficult. On the surface, it is easy for outsiders to assume these founders designed elaborate schemes to defraud customers, investors, and society at the forefront. However, if a more fine-grained and nuanced lens is applied, it appears that the founders of Lordstown Motors and uBiome became caught up in fake-it-'til-you-make-it deception, and through escalation, they were unable to adequately resolve the fiction-fact gap. Reflecting on these cases, we assert that one theme shared between Lordstown Motors and uBiome is the belief among the founders that they would be able to resolve the rift between fiction and fact before any harm was done to stakeholders. This belief, however, relied on three distorted assumptions about the use of fake it 'til you make it, and entrepreneurs would do well to understand such distortions.

First, the founders of Lordstown Motors and uBiome fell into the trap of assuming that the deception is temporary. Second, they assumed they had the power to create the future such that today's fiction would become tomorrow's fact. Third, they assumed that creating a false reality is an easier path than confronting the truth as it is known. We call these fallacies distorted assumptions because they are often accepted in the community of entrepreneurs as conventional wisdom when it comes to the fake-it-'til-you-make-it mindset in entrepreneurship, yet the reality of the assumptions is often quite different from what one might think. Let us explain.

One of the assumptions of fake it 'til you make it is that the deception is temporary. But temporary timelines are fickle, and given the uncertain nature of entrepreneurship, the reality is that the fictional story created by the entrepreneur may never happen or happen so slowly that stakeholders lose patience. As research on things like consumer fraud shows, deceptions are sticky, and the temporary tends to become long-lasting with the magnitude of the deception escalating over time (Holtfreter et al., 2005). Hence, assuming that deception is temporary is a distortion of the most common outcome of entrepreneurship; the visions offered are far more likely to fail than succeed (Shane, 2008). Of course, the entrepreneur can at any point come clean and confess that initial claims were fueled by unrealistic aspirations and thus were embellished but doing so requires overcoming the fear of failure as well as the stigma of entrepreneurial failure (see Cacciotti et al., 2016). Hence, most individuals demur when the chance to come clean surfaces. We contend that this is because the entrepreneur continues to believe that his or her deceptions are temporary, and we caution entrepreneurs against putting stock in such an assumption.

A second distortion is the assumption that entrepreneurs, through their own agency, hold vast potential to turn fiction into fact. Entrepreneurship scholars have long noted the limits of human agency in determining outcomes such as new venture success, with entrepreneurs themselves citing uncontrollable external enablers (Davidsson, 2015) such as technological change and serendipitous shifts in consumer needs as key reasons their endeavors took hold. The narrative of the hero entrepreneur (Shane, 2008) is intertwined with the fake-it-'til-you-make-it mindset, and the net effect is that there is too often a romanticized view of what entrepreneurs hold under their control. Hence, when entrepreneurs deceive themselves and then others about what can be achieved, the reality is that they have limited power to make fiction fact. Entrepreneurs should appreciate this. It is well understood that entrepreneurs are often passionate and optimistic (Cardon et al., 2009), and sometimes act in disinhibited ways (Lerner, 2016) which when coupled with a fake-it-'til-you-make-it mindset, the mix becomes the perfect storm for the development of unrealistic projects that start and end with deception. One way to potentially mitigate the perfect storm is to structurally impede the upper limits of what entrepreneurs claim they can achieve via a mechanism that provides accountability to salient outsiders in the form of sharing key information and getting feedback on the feasibility of various aspects of entrepreneurial plans.

A third and final distortion is the assumption that creating a false reality is an easier path than confronting the truth, as unfavorable as that might be. The fact is that constructing and propagating deceptions is hard work, in part because it requires rationalizing and keeping deceptions straight (Jenkins & Delbridge, 2017), which requires high levels of cognitive energy. Over time, people begin to buy into their own fabrications, and they begin to lose track of the lines between fact and fiction. Hence, entrepreneurs should understand that faking it only gets harder over time. As our discussion on the frequent versus infrequent interactions with stakeholders reveals, faking it may be rather easy in the early days, but in the long run, keeping up with the embellishments is difficult to do, and entrepreneurs should be aware of this before engaging in such practices. Understanding that once an entrepreneur fakes it, the deceptions create a path-dependent liability where fiction must be made fact before stakeholders find out that false claims have been offered as part of the justification for the endeavor. While the fake-it-'til-you-make-it culture in entrepreneurship may not acknowledge it, deceitful practices create legitimacy lies (Rutherford et al., 2009) that persist far beyond the entrepreneur making it, imprinting deception as an accepted practice on the venture from day one. Hence, entrepreneurs should be conscious of the difficulty of maintaining deceptive claims and even if fulfilled, the potential long-term effects of using deceit. After all, deceptions can be exposed even after one makes it, and such revelations can do serious damage to one's reputation.

Taking the long-term effects of using deceit further, we note that beyond reputational concerns, faking and then making it does not mean it is safe to assume that all is forgotten and by extension, the risk of being accused of fraud goes away indefinitely. Instead, there is lingering concern because, as the entrepreneurial learning literature informs, entrepreneurs tend to repeat what has worked in the past (Minniti & Bygrave, 2001). This gives rise to the logic that because an entrepreneur has faked it and made it in the past, he or she may replicate the practice in the future. In other words, fake-it-'til-you-make-it practices could become a standard procedure in their business practices. Our model suggests that what may follow is a repetitive cycle in which the venture grows, perhaps rapidly as observed in blitzscaling (Kuratko et al., 2020), and does so by leveraging fake-it-'til-you-make-it deception as a strategic mechanism. Under these conditions, an extension of our model suggests that success in one cycle of faking it and making it may trigger additional faking it practices in later phases of the business. As this cycle repeats, the scale of the deception would likely increase in lockstep, meaning that the success of faking-it actions would increasingly compound over time. A key concern here is that this cycle could eventually create a situation where the scale of deception is so significant that not making it could have substantial, wide-ranging negative effects.

Fake-it-'til-you-make-it practices have become engrained in entrepreneurial culture and are often praised as necessary strategies for achieving entrepreneurial success. However, in recent years, the mounting number of fraud accusations against entrepreneurs, and in some cases highly profile criminal charges and lawsuits (e.g., Theranos, Lordstown Motors), suggest some rethinking is warranted when it comes to fake-it-'til-you-make-it practices. The concepts and model presented in this article are an effort to increase awareness of the risk entrepreneurs expose themselves to by engaging in fake it 'til you make it and to establish some useful guardrails against the escalation of deception for entrepreneurs electing to deploy fake-it-'til-you-make-it practices. In that vein, we conclude with a reminder that even with the best of intentions, entrepreneurs' fake-it claims are predicated on the use of fiction and when fiction cannot be turned into reality, accusations of fraud may follow. Such accusations are troubling for individual entrepreneurs, but as fraud accusations aggregate across the population of entrepreneurs, they become highly damaging to the image and reputation of entrepreneurship as a profession.

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