

Generative AI Expands Solo Entrepreneurial Entry, Yet Team Advantage Persists (Extended Abstract)

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Abstract

This paper studies how generative artificial intelligence (AI) reshapes entrepreneurial entry and early market evaluation. We leverage the public release of ChatGPT as an exogenous shock and analyze more than 160,000 product launches on Product Hunt. We find a sharp increase in entrepreneurial entry driven disproportionately by solo entrepreneurs. Yet, this expansion does not translate into greater representation among the highest-quality outcomes. Team-based ventures continue to dominate the top tiers of platform rankings. These findings suggest that generative AI lowers barriers to solo entrepreneurship while reinforcing team-based advantages.

New venture creation has long relied on human collaboration to transform ideas into viable enterprises. The complementary skills and coordinated effort across founders better position team-based ventures to survive early challenges and to scale more rapidly (Jin et al. 2017). However, team-based venture creation can come with important tradeoffs. Notably, coordination across multiple founders requires time and alignment which can slow early decision making and execution that is critical to bringing new ideas to market (Powell and Baker 2017; Wasserman 2012). As such, historically, the need to form and coordinate founding teams shaped who could enter entrepreneurship and how quickly new ideas could be tested in the market.

Recent advances in generative artificial intelligence (AI) alter this long-standing dynamic by reducing the coordination and capability constraints that historically made teams necessary for venture creation (Cai et al. 2025; Dell’Acqua et al. 2025). Specifically, large language models such as ChatGPT allow individuals to develop software, generate content, design interfaces and iterate on product features that previously required human collaboration (Peng et al. 2023; Brynjolfsson et al. 2025; Epstein et al. 2023). Yet, these technologies are most effective at structured and codified tasks which raises questions about whether and how they substitute for the experiential and context-specific knowledge, and collective judgment that have traditionally underpinned not only team-based venture creation but also

the production of high-quality and differentiated outcomes (Brynjolfsson et al. 2025; Acemoglu 2025). ChatGPT, a tool that enables such shift, is being adopted at an unprecedented rate by both technical and non-technical users worldwide, reaching on the order of hundreds of millions of weekly active users within just a few years of launch (Bick et al. 2024). Despite the scale and speed of this technological shift and its potential implications for venture creation, little is known about how generative AI is reshaping entrepreneurial entry and early venture formation, and what these changes imply for the quality of entrepreneurial outcomes.

We address this gap by examining a novel dataset of more than 160,000 product launches on Product Hunt. Leveraging the release of ChatGPT as an exogenous shock, we analyze changes in entry volume, founding team size, and early market-evaluated outcomes. Our findings unveil a fundamental reorganization of entrepreneurial entry and quality outcomes following the emergence of generative AI. We observe a sharp expansion in entrepreneurial entry that is disproportionately driven by solo founders. These solo ventures, in particular, exhibit lower post-launch engagement. This pattern of short-lived, low-commitment entry by solo founders is reflected in early market evaluation: Team-based ventures continue to account for a larger share of the highest-ranked products.

These findings offer insights into how generative AI lowers barriers to entrepreneurial entry by enabling individual experimentation while preserving organizational advantages in high-quality outcomes. This study positions generative AI not simply as a force that democratizes entrepreneurship, but as one that simultaneously reshapes the organizational foundations of venture creation and highlights the evolving relationship between founding structure and quality. Our findings have important implications for policymakers, scholars and practitioners, calling for greater care in how entrepreneurial entry and the quality of new ventures are interpreted and evaluated, and for renewed attention to what constitutes meaningful entrepreneurial progress for economic vitality and durable innovation in the age of AI.

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