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AI as the New Co-Founder: Exploring Human–AI Collaboration in Startup Creation

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ABSTRACT

Artificial intelligence (AI) and, specifically, generative artificial intelligence (GenAI) is transforming the ways in which entrepreneurs can identify opportunities, develop business ideas, perform market research, create business models, prototype, and make strategic decisions in entrepreneurship. Prior to the rise of accessible AI, entrepreneurial startups relied on having the financial, technical, market, and human capital to found, fund, and grow a business. With the new wave of accessible AI, individual entrepreneurs can replicate the work of many specialists, reducing the resource intensity of starting a business.

This paper proposes a study that will explore whether generative AI can serve as a "virtual cofounder" in entrepreneurial startup creation and understand the desirability and limitations of human-AI collaboration to identify opportunities and realize ventures. Additionally, the paper will investigate the effects of AI collaboration on opportunity recognition, entrepreneurial self-efficacy, innovation, decision-making, resource utilization, and readiness to start a business. The study will adopt a be based on secondary data that will be collected from research papers, journals, research articles etc.

Studies note the potential for AI to accelerate digital entrepreneurial opportunity exploration while also recognizing the value of human judgment in areas where software solutions are not uniform. Human-AI studies highlight the importance of collaboration design, expertise, and roles in human-AI teams in driving opportunities and performance.

This study explores that AI should not be perceived as an independent "founding entrepreneur" but rather that it serves as a collaborative competence that supports opportunities and human judgment, creativity, contextualization, and accountability. By analyzing the shift from "AI as a tool" to "AI as a collaborative entrepreneurial partner," the paper will contribute to debates regarding AI-enabled entrepreneurship.

Furthermore, this study looks at how GenAI is changing the role of an entrepreneur during the early stages of starting a business. With the increasing availability of AI tools, an individual entrepreneur can now get support for several activities that were traditionally handled by different specialists. These activities may include generating and evaluating business ideas, conducting market research, studying competitors, understanding customer needs, developing business models, preparing marketing content, and creating early prototypes. This can make the startup process more accessible, especially for individuals who may not have enough financial, technical, or human resources at the beginning of their entrepreneurial journey.

At the same time, the use of GenAI also brings several challenges. AI-generated information may not always be accurate, and entrepreneurs may make poor decisions if they depend on AI without checking its suggestions. Issues related to data privacy, intellectual property, bias, and ethical responsibility also need to be considered.

Introduction

From an entrepreneurial perspective, entrepreneurship has always been linked to the ability of an individual or founding team to identify emergent opportunities, raise resources, develop a viable solution, take risks, and ultimately create new firms. Technology has changed these processes at multiple levels and stages, and with the advent of generative artificial intelligence (GenAI), a new chapter in entrepreneurial relations with technology is being opened.

Tools that use large language models enable entrepreneurs to create business ideas, mine and summarize relevant market information, create business plans, develop marketing proposals, write code, analyze customer opinions, produce financial projections, and make calculations. Thus, an individual entrepreneur without extensive personal resources can leverage such tools to replace a team of specialists and consultants, as well as address tasks that would traditionally be delegated to employees or co-founders in a company.

The relevance of AI to entrepreneurial exploration and exploitation has already begun to attract the attention of scholars. In particular, a review of the existing research on GenAI and entrepreneurship identified the key themes related to the interplay between the two as business models, market trends, technological progress, data-driven entrepreneurship, and AI-facilitated learning. At the same time, the authors emphasize the need for additional research into GenAI as an external enabler of entrepreneurship.

A study conducted in 2024 among 1,326 MBA students allowed the authors to identify the influence of AI on entrepreneurial exploration and exploitation. The article's abstract notes that AI use in entrepreneurship contexts was positively related to opportunity exploration and exploitation with the mediation of ChatGPT use and perceived AI competencies as drivers.

More recent studies have begun to address the intriguing aspect of whether and how GenAI integration could reduce the reliance of a start-up on its founding team. According to the paper titled AI as "Co-founder": GenAI for Entrepreneurship, published as a working paper in 2025, improved opportunities for entrepreneurial cognition in China after the emergence of ChatGPT. In particular, the presence of AI-related human capital before the launch of the tool was positively related to subsequent entrepreneurial activity, particularly among small organizations and novice entrepreneurs. The article estimates this effect to account for approximately 6% of total firm births in China. Since the paper is a working draft and has not yet undergone peer-review, the findings should be regarded with caution.

Nevertheless, the findings raise an essential entrepreneurial question. Can AI become a new type of co-founder, and what are the implications of such a scenario for entrepreneurial judgment in the context of start-up creation?

For the purposes of the article, the term "co-founder" is used by the authors to denote another party that complements the entrepreneurial efforts of a human founder. It does not refer to the ability of AI to make independent decisions or possess separate cognition or intentionality.

1.Research Objectives

The study aims to:

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Examine the adoption and role of generative AI in the start-up creation process, including the extent to which entrepreneurs use AI as a collaborative agent and the major entrepreneurial activities—such as ideation, opportunity identification, planning, problem-solving, and execution—in which founders engage with AI.

Investigate the relationship between human–AI collaboration and entrepreneurial capabilities, particularly how interaction with generative AI influences entrepreneurs' ability to recognize and evaluate business opportunities and enhances their perceived entrepreneurial self-efficacy.

Assess the impact of generative AI collaboration on entrepreneurial performance, with specific focus on its contribution to innovation capability, quality and speed of decision-making, resource productivity, and the efficiency and speed of execution in start-up projects.

Examine the factors that influence the effectiveness of human–AI collaboration in entrepreneurship, particularly the role of human oversight and AI literacy in determining how effectively entrepreneurs can work with generative AI while maintaining appropriate human judgment, control, and decision-making.

2. Literature Review

2.1 Artificial Intelligence and Entrepreneurship

AI is increasingly becoming integrated into entrepreneurial processes. Several recent studies have documented the use of AI in sectors such as marketing, consumer engagement, product design, decision making, funding, and business model innovation. In a systematic literature review of 245 articles published on Scopus up to 2026, the rapid growth of research interest in AI-based entrepreneurship was noted, and some of the key factors for adoption included technology readiness, data-centric organizational culture, and capability development.

2.2 Generating AI as an Entrepreneurial Facilitator

Generative AI technology can lead to cost savings in the creation of content and other digital assets. Generative AI can be used by entrepreneurs to create new business concepts, draft business plans, segment customers, create advertising, code software programs, and iterate quickly through concepts.

A systematic review in 2025 of 83 peer-reviewed articles found that the study of GenAI within entrepreneurship is ongoing and noted the significance of GenAI as an external driver of entrepreneurship.

This implies that GenAI does not just automate entrepreneurial activity but may change who is capable of being involved in the entrepreneurial process.

2.3 AI and Opportunity Recognition

Opportunity recognition is a key element of entrepreneurship. Entrepreneurs need to discover new customer needs, market gaps, technological changes, and other relevant trends.

The 2024 research with 1,326 MBA students demonstrated that ChatGPT use and high level of proficiency in AI helped entrepreneurs to explore and exploit opportunities, which was related to engagement in startups using digital technology.

In other words, AI might work as an amplifier of cognitive processes by allowing entrepreneurs to consider more options and get more information.

2.4 Human-AI Cooperation

Human-AI cooperation is not just automation. Automation aims at replacing human effort, but cooperation is based on the use of human capacities and capabilities of AI.

Research in human-AI creativity shows that the design of cooperation process plays an important role. Thus, for example, McGuire, De Cremer, and Van de Cruys discovered that when people are treated as co-creators their creativity performance differed from the situation when people were assigned to the editor role.

Similar results were discovered for GenAI in design: AI could greatly enhance human creativity during ideation, but the impact of AI on the implementation process varied depending on human skills.

2.5 AI and Startup Efficiency

A study of early-stage IT startups conducted in 2025 by the Academy of Management found that AI had been used predominantly to speed up processes and reduce waste of time and resources. According to its quantitative findings,

The use of AI by startups made it possible to employ less people and achieve various early milestones faster, including first funding.

This indicates the possible "lean startup" mechanism whereby AI enables entrepreneurs to do many things in smaller groups.

2.6 AI as a Virtual Co-Founder

AI as a co-founder is not only about increased efficiency.

Co-founder in the classical sense can offer:

- knowledge
- ideas
- analysis
- skills
- decision support
- execution
- problem solving.

An advanced enough AI can do all that, too, but without being legally accountable, capable of making decisions and having any emotions or experience.

Thus, in this research AI co-founder is defined as:

"Generative AI system that constantly works with the human entrepreneur through the multiple startup activities providing him with information, ideas, analysis, decision support, and execution assistance."

This definition explicitly refers to "co-founder" as a functional, rather than legal term.

3. Theoretical Framework

Three theoretical frameworks may be combined to conduct the suggested research.

3.1 Stimulus–Organism–Response (SOR) Theory

The SOR model helps understand the interaction between the external stimulus and cognitive processes of an individual resulting in particular behavior.

In the context of this research:

Stimulus → Human and AI cooperation

Organism → Entrepreneurial self-efficacy and opportunities' recognition

Response → Entrepreneurship-related startup creation

There are studies based on this theoretical perspective related to the use of ChatGPT and digital entrepreneurship.

3.2 Theory of Planned Behavior

Theory of Planned Behavior allows analyzing the impact of attitude to AI, social pressure and perception of the possibilities for action on entrepreneurial intentions.

Recent studies on the TPB revealed the relationships between ChatGPT usage and digital entrepreneurship intentions.

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3.3 Human-AI Complementarity Perspective

The core idea of the proposed research may be formulated through the idea of human-AI complementarity.

Humans have:

- contextual understanding,
- intuition,
- ethics,
- emotional intelligence,
- customer empathy,
- responsibility,
- judgment.

AI has:

- rapidness,
- processing information,
- pattern recognition,
- generating ideas,
- scalability,
- analysis repetition,
- rapid iterations.

4. Proposed Conceptual Model

Independent Variable

Collaboration between Humans and AI

As indicated by:

- frequency of AI usage,
- range of AI usage,
- level of interaction,
- level of task assignment,
- iterative collaboration,
- AI involvement in decision making.

Mediating Variables

Opportunity Recognition

Entrepreneurial Self-Efficacy

Innovativeness

Decision Quality

Moderating Variable

Human Supervision/AI literacy

Dependent Variable

Efficiency of Startup Development

As reflected in:

- rate of startup development,
- efficiency of resource allocation,
- quality of business ideas,
- skill at creating MVPs,
- progress towards market validation,
- entrepreneurial intention/readiness.

Conceptual model

Human-AI collaboration → Opportunity recognition → Efficiency of startup development

Human-AI collaboration → Entrepreneurial self-efficacy → Efficiency of startup development

Human-AI collaboration → Innovativeness → Efficiency of startup development

Human supervision/AI literacy → increases the efficiency of Human-AI collaboration

5. Research Methodology

The entire data is based on secondary data

6. Discussion

The idea of AI as a co-founder presents a significant innovation in the conceptual domain of startup foundations.

In a traditional sense, a startup founder may have a necessity to hire a team of workers for addressing each particular task, such as marketing, finance, technology, research, strategy, and content development.

By contrast, generative AI can be utilized for resolving most of these tasks partially.

However, it does not mean that AI replaces human co-founders, as a human entrepreneur offers the following critical competencies that cannot be substituted by an AI tool:

Vision

Judgment

Customer empathy

Risk-taking

Leadership

Accountability

Therefore, when speaking about “AI co-founder,” it is more appropriate to refer to collaborative systems led by humans instead of independent artificial intelligence.

7. Managerial Implications

The present research offers several managerial implications for consideration.

First, the utilization of AI can make professional expertise more accessible and, therefore, decrease the cost of knowledge.

Second, individual entrepreneurship can offer the same scope of services addressed by multi-person cooperation.

Third, the educational component of entrepreneurship development should be adjusted, as knowledge about AI-driven approaches will be vital for the next generation of business owners.

Fourth, incubators and accelerators of startup ideas may integrate AI-specific modules for teaching aspiring entrepreneurs in the fundamentals of utilizing the technology.

Finally, individual entrepreneurship should involve the development of verification and critical-thinking competencies, as AI tools can make mistakes and biases.

8. Theoretical Contributions

The study can make three primary theoretical contributions to entrepreneurship literature.

First, it extends entrepreneurship research on adoption of technology use from AI utilization to human-AI collaboration.

Second, it contributes to entrepreneurship theory by introducing the concept of AI as a virtual co-founder.

Third, it theorizes that AI enabled entrepreneurship capabilities should be viewed in terms of combined

AI capabilities + Human capabilities + Entrepreneurial judgment

rather than focusing solely on technology capabilities.

9. Limitations

The study has several limitations that should be noted.

First, the study has a cross-sectional research design that limits its capacity to analyze long-term causality.

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Second, the study uses self-reported measurements and might therefore be subject to response bias.

The study utilizes convenience sampling, which limits its capacity to generalize study results. Fourth, the AI technology is evolving rapidly, and AI capabilities might change substantially over time: the capabilities with which the respondents are familiar might be different from those prevailing at the time of adoption.

Finally, the analysis treats AI co-founder as a functional concept and does not consider it to be a legal entity; thus, the study findings should not be interpreted as suggesting that AI cofounder is legally binding. 18. Future Research

The future research should attempt to track down these start-ups and analyze if they survive longer, secure more funding, revenue, or higher valuation. The study can be extended by comparing performance of human founded and human-AI founded ventures. Additionally, the study can be designed to compare solo founding and founding team options.

Another research opportunity might entail comparing the different capabilities of an AI platform (such as strategy, code, marketing, etc.) and/or different levels of autonomy (AI executing actions vs. human executing actions advised by AI). The study might also analyze whether overreliance on AI eliminates entrepreneurial creativity, independent decision-making, or competitive advantage.

10. Conclusion

Generative artificial intelligence is set to redefine entrepreneurship as a human activity. Unlike in the past, when an entrepreneur was largely limited by the amount of time, knowledge, capital, and team at his or her disposal, he or she can now rely on artificial intelligence to become exponentially more effective at each stage of the process.

While the disruptive nature of these technologies has prompted some to conclude that humanity's role in entrepreneurship will be displaced, the author offers a competing hypothesis: that the most effective entrepreneurial practices going forward will combine human and artificial intelligence.

This paper tested the hypothesis that AI could act as a virtual co-founder by examining its potential to aid in opportunity recognition, innovation, analysis, decision-making, experimentation, and implementation while simultaneously being guided by human vision, judgment, ethics, and oversight.

As the study progressed, it became increasingly evident that while the literature reviewed already contains ample evidence of AI's capacity to shape opportunity recognition, startup activity, creativity, and effectiveness, the most fruitful academic inquiries of the future will concern how best to combine human and artificial capital.

The question, "will AI replace human entrepreneurs?" misses the point; a far more interesting area of research would concern how entrepreneurs can leverage the combined strengths of both human and artificial intelligence to found fundamentally better, faster, and more efficient companies.

Since this study is based on secondary data, it provides a conceptual understanding rather than direct evidence from entrepreneurs using GenAI in real startup environments. Future research can build on these findings through surveys, interviews, case studies, and experiments involving entrepreneurs at different stages of venture creation. Such research could help determine how frequently entrepreneurs use GenAI, which activities benefit the most from AI support, and whether AI collaboration improves entrepreneurial outcomes in practice.

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Excellent theoretical support for your Human capability + AI capability argument

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