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## **The Disembedded Entrepreneur**

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## **Abstract**

**Title:** The Disembedded Entrepreneur

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**Author:** Jonathan Galovan

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**Key words:** Entrepreneurship, Embeddedness, Disembeddedness, Network, Resources.

**Purpose:** The purpose of this research is to explore, analyze and better understand how the novice and disembedded entrepreneur embed in a new social context. I also want to understand which kind of embeddedness that leads to a higher level of entrepreneurial success.

**Methodology:** This research is a qualitative case study with an abductive approach.

The empirical data has been collected through semi-structured interviews with five novice and priory disembedded entrepreneurs.

**Theoretical perspective:** This study addresses the dilemma of disembedded novice entrepreneurs and the process of how they embed and reach entrepreneurial success.

**Empirical foundation:** The empirical material focuses on understanding the novice entrepreneur's embeddedness process.

**Conclusions:** Novice entrepreneurs overcome disembeddedness with the assistance of weak, strong and new ties as well as third party referrals. I found that when entrepreneurs embed by using new and professional ties, a higher level of entrepreneurial success can be reached.

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*"Be very careful when you meet somebody saying: "I am here because of me." Be very careful."*

*Niklas, Co-founder Mo2*

# Chapter 1

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## INTRODUCTION

*In this chapter I give an account of the background and the importance of seeing entrepreneurs as embedded in social contexts. I also present the problem that is the base of this research.*

### 1.1 BACKGROUND

Growing up in an environment with many successful entrepreneurs around has filled me with wonder and amazement of the field of venture creation and entrepreneurship. I have looked up to them and they have many times been a source of inspiration.

Over the years I have read about global entrepreneurs like: Richard Branson, Ingvar Kamprad and Jeff Bezos. Once again I have been inspired by their acts, accomplishments and many times bravery. At the same time I have wondered how these entrepreneurs have been able to build these global and extremely successful ventures.

Johannisson (1988) claims that one of the fundamental formulas for entrepreneurial success is to have the capability and skill of developing and maintaining a network. The network is used as a vehicle that enables the entrepreneur to obtain resources. And the entrepreneur diligently exploits opportunities by establishing, organizing and unifying actors that are in control of resources (Johannisson, 1988).

This explanation goes well in line with the perception I had about entrepreneurs during my youth. They were seldom experts, many did not have college degrees, but they gathered people around them and inspired them, including me. They achieved enormous results.

Earlier studies take for granted that the entrepreneur is in control of resources like knowledge, financial and human capital (Baker and Nelson, 2005), (Sarasvathy, 2001). Sarasvathy (2001) presents the theory of Effectuation where the entrepreneur leverages on exploiting contingencies instead of planning and trying to predict the future. The theory of Bricolage presented by Baker and Nelson (2005) goes one step further when they suggest that opportunities can be commercialized by using resources at hand.

The problem with these theories is that not all novice entrepreneurs bestow these appropriate resources. On the other hand, the majority of individuals are connected to some kind of social context (Granovetter, 1985). I therefore connect network theory with effectuation and bricolage in order to explain the embeddedness process of novice entrepreneurs.

I want to understand how the novice entrepreneur acquires the right recourses through their new and existing network, in order to seize an opportunity on a market or within an industry that they do not have prior professional experience from.

## 1.2 TERMINOLOGY

This terminology has been drawn from academic articles and will be foundational in this research. It is crucial that the reader is familiar with these words when continuing reading this research.

*Embeddedness*: I base my definition on Granovetter (1985) and Uzzi's (1996, 1997) description, that people are part of social context and rely heavily on trust and relationships. By being embedded an entrepreneur will increase organizational learning, risk sharing, speed to market, resource acquisition and opportunity realization (Uzzi, 1997). My definition of embeddedness focuses on social context as a market and industry.

*Disembeddedness*: Disconnected from an appropriate market and industry.

*Ties*: Weak ties symbolize the relationship with acquaintances while strong ties explain connections with close business partnerships, friends and family (Granovetter, 1983).

*Entrepreneur*: An individual who recognizes and actively exploits opportunities on the market (Johannsson, 1988).

## 1.3 PROBLEM STATEMENT

According to Johannisson (1988) an Entrepreneur's personal network is his most valuable asset.

For novice entrepreneurs, starting a venture without being embedded in a social context can be a daunting process that often ends in failure. According to Delmar and Samuelsson (as

cited in Wigren, 2015) entrepreneurs often succeed after several years of work experience within the industry, while many fail over and over again before succeeding.

Expanding ones network and embedding in a new social context can be a major challenge for novice entrepreneurs and especially for those throwing themselves out of their embedded industry, into the uncertainty and risky world of a new context of disembeddedness. How will these entrepreneurs act in order to embed themselves in a new social context? How will they obtain and acquire desired resources? These questions, combined with a great deal of curiosity, made me think about how the disembedded entrepreneur acquires these resources. In an extreme scenario it can be likened with a lonely person standing in the middle of a dry desert, knowing that if the right resources were utilized the enormous oil reserve beneath his or her feet could be turned into monetary value. How does this person use his or her weak and strong ties in order to get embedded in the oil and gas industry? When the entrepreneur has acted on the opportunity, managed to embed in this new context, drilled and fired up the pumps, how does he or she maintain this network?

These questions have led to the following problem statement:

*How does a novice entrepreneur, in a disembedded stage, embed in a new social context in order to succeed as an entrepreneur?*

#### 1.4 PURPOSE

The purpose of this research is to explore, analyze and better understand how the novice and disembedded entrepreneur embed in a new social context. I also want to understand which kind of embeddedness that leads to a higher level of entrepreneurial success.

The purpose is fulfilled through empirical studies of entrepreneurs who have started their business in an industry that they do not have their professional background in.

#### 1.5 TARGET AUDIENCE

This study is targeted to every novice entrepreneur wanting to develop opportunities outside of his or her embedded environment. It may act as inspiration for future research in the field of entrepreneurship and network studies.

## Chapter 2

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### METHODOLOGY

*In this chapter I describe the research process. I narrate the research process by presenting chosen research methodology, approach, research design and strategy, theories and the process of conducting and analyzing both secondary and primary data.*

#### 2.1 PERSPECTIVE

In order to fulfill the purpose I will conduct the research from the entrepreneur's perspective. In other words I need to understand how the entrepreneur acts, thinks, feels, prioritizes, manages risks, adapts and so on. This information will be gathered from qualitative semi-structured interviews with various first-time entrepreneurs.

#### 2.2 APPROACH

The epistemology doctrine of positivism is based on natural phenomena and traditional logic and is widely used in natural science research. Knowledge is observed and then evaluated and confirmed only through senses and is based on objectivity (Bryman and Bell, 2007).

This kind of approach would not be trustworthy, because individual humans are driven by feelings, social interaction and therefore act subjectively and inconsistent. I have therefore chosen the interpretivist approach where interaction is key, which opposes the objective nature of positivism. The interpretivist approach focuses on human behavior within social institutions and aims to interpret and understand the subjective meaning of social actions (Bryman and Bell, 2007).

When conducting a research one can choose a deductive approach, where the aim is to test a theory by verifying or falsifying hypothesis. Hypotheses are derived from abstract ideas and concepts, and later tested through either empirical observations or experimentations.

Alternatively one can choose an inductive one which starts with collecting empirical data in order to later derive theories for insightful and empirical generated understandings. It is also possible to use a combination of the two approaches, abductive reasoning, which switches

between theory and empirical data during the process of deriving a conclusion and gaining understanding (Bryman and Bell, 2007).

In this study, the inductive approach is not applicable considering that I started the research by studying academic articles on the subject. On the other hand my aim is not to test hypothesis in a deductive and strict logic manner. I have therefore chosen the abductive one in order to gain the benefits of both the deductive and inductive approach. The abductive approach helps me in identifying and understanding surprising conditions of the novice entrepreneurs' in their embeddedness and venture creation process. Bryman and Bell (2007) likens this approach with filling in and explaining a puzzle. I will use theories as a basis and framework for concluding empirical data in order to finally develop a conclusion. In this way the theory from articles and empirical data conducted through interviews will complement each other through the research.

### 2.3 RESEARCH METHODOLOGY

In order to fulfill the purpose of this research I will meet the entrepreneurs and interview them. This can be made either with a qualitative or quantitative method (Bryman and Bell, 2007). A quantitative methodology requires large amount of quantifiable and object data (Bryman and Bell, 2007). This amount of data would be preferable when concluding an objective understanding of every novice entrepreneur's embeddedness process. However, I will not be able to gather this amount of data due to the time constraint of this research. I have therefore chosen the qualitative methodology, and will focus on gathering and studying information from a few chosen entrepreneurs, mainly based on interviews. The qualitative methodology will give a more subjective view which may not be applicable in all entrepreneurial scenarios (Bryman and Bell, 2007). However, the aim of this study is to gain understanding of the subjective nature of each novice entrepreneur. This does not lead to a statistical and objective truth, on the other hand the subjective conclusion of this study will give a deeper understanding of each case. The data will be conducted and investigated closely and is of rich and in depth character. By conducting qualitative and semi – structured interviews I will gain a better understanding of how novice and disembedded entrepreneurs view the world and interact in it.

## 2.4 RESEARCH DESIGN AND STRATEGY

In order to fulfill the purpose of this study I will need to use a case study design. This is because a case study is a good design when understanding complex and specific social contexts (Bryman and Bell, 2007). In this study I will analyze five different cases. A case study can either focus on a single organization, a geographical location, a person or an event (Bryman and Bell, 2007). I will focus on the person perspective, where every entrepreneur will represent a specific case. Every case will then be analyzed separately to the theoretical framework and compared to the other cases.

Yin (2013) points out the importance of choosing research design and strategy based on the problem statement and purpose. I have chosen the cases based on the entrepreneurs lack of prior experience within entrepreneurship. This case study builds a framework to conduct and analyze data efficiently in accordance with research theory.

### 2.4.1 Data collection

I have used both primary and secondary data collection in order to benefit from earlier research as well as conducting my own empirical study in order to explore and understand the social context of each studied case.

I started the process by studying secondary data in the form of academic articles. This laid a solid foundation for the entire research. According to Bryman and Bell (2007), the benefit of using secondary data is the level of high quality it generates. Researchers have a lot of accumulated experience and possibilities of conducting and analyzing data during a long time span.

However, there are very few studies on disembodiedness. I have therefore studied academic articles regarding embeddedness, in order to empirically understand the absence of it, and the process of embedding.

The primary data was later conducted through qualitative and semi-structured interviews with above mentioned case studies. The reason I chose semi-structured interviews is that open interviews will not be suitable due to the need for solid cross-case comparability between entrepreneurs, while structured interviews would not give the depth and flexibility in order to understand each subjective case (Bryman and Bell, 2007).

The benefit of using primary data is that the process of conducting data can be customized to the thesis purpose and problem statement (Bryman and Bell, 2007). This flexibility will help me understand the entrepreneurs in a deeper and more detailed way in order to fulfill the purpose of this study.

#### 2.4.2 Sample selection

The five chosen entrepreneurs were identified in different ways. They are all centered and active in northern Europe. They have earlier all been novice and disembedded entrepreneurs, and later managed to embed in new markets and industries.

Henrik is a friend of the family so I simply called and asked if he was interested in participating in this study. Joakim I met on a city bus in Lund when I had just started this research. He found it interesting and wanted to be part of the study, we therefore kept in touch. Victor is a good friend of mine, I therefore asked if he wanted to help and he was glad to do so. Louise is a part of Victor's network in Blekinge, they are tightly connected to the entrepreneurial community in Blekinge and Idé Institutet. Dany is also connected to Idé Institutet in Blekinge. Victor introduced him to me at an entrepreneurial Café evening at Idé Institutet. I asked if we could schedule an interview, he and his co-founder Niklas were glad to support the study.

I simply used a combination of weak and strong ties in order to identify suitable cases for this study.

The samples were in other words derived from non-probability and more precisely, convenience sampling (Bryman and Bell, 2007). My aim was to include more cases, but due to lack of time I had to constrain it to five.

| Case | Entrepreneur    | Geographical location | Industry                    |
|------|-----------------|-----------------------|-----------------------------|
| 1    | Joakim          | Bornholm              | Ice Cream                   |
| 2    | Victor          | Sölvesborg            | Marketing and Branding      |
| 3    | Henrik          | Norrköping            | Broadband and Cable TV      |
| 4    | Louise          | Karlskrona            | Musik Festival and Climate  |
| 5    | Dany and Niklas | Karlskrona            | Entrepreneurial co-creation |

Table 1

### 2.4.3 Interview Methodology

The questions are theoretically driven and derived from a combination of academic articles and interviews with entrepreneurs. The questions are therefore closely related to the problem statement and purpose of this research.

#### *2.4.3.1 Interview questions, theoretical source and motivation*

All of the interviews were based on semi-structured questions. This method was chosen in order to better understand every single case in a deeper and better way. I could have used unstructured interviews, although I want to see if similarities exist between the cases. The semi structured questions accomplished this. These are the questions asked:

*1. Tell me about your journey as an entrepreneur and some regarding your background?*

This question is crucial in the process of understanding the entrepreneur's background and social context.

*2. Tell me about your business?*

Gain understanding regarding each of the cases businesses. This question gives insight in what the entrepreneur does, in which market and industry he or she acts and paints a picture of the entrepreneur's context.

*3. What was crucial in order to start the venture, was there any particular recourses that were crucial?*

This question is inspired from Aldrich and Zimmer (1986), Johannisson (1988), Rangan (2000), Jack and Andersson (2002) and describes which resources that were crucial, especially in the startup face. It gives insight in what the novice entrepreneur struggles with in the beginning.

*4. Was there some that were of vast importance? Why?*

This gives a deeper description of question number four, which generates better insight and understanding.

*5. How did you acquire the resources?*

Johannisson (1988) describes the network as a vehicle for acquiring resources. This question explains how each case gets ahold of appropriate resources.

*6. Did you use close contact or distant ones?*

This question is derived from Uzzi's (1996) description of the difference between arm's length and embedded ties. Rangan's (2000) search process and Granovetter's (1983) theory of weak or strong ties are foundational for the entire study. This question gives insight in how the entrepreneur has used his or her existing network in the embeddedness process of expanding the network and getting hold of appropriate resources.

*7. Who was important for what?*

This question gives a more detailed and deeper understanding of question number six.

*8. Do you have a network today?*

This question is connected to Halinen and Törnros (1998) different views and types of embeddedness. The answers give a good categorization of the different cases embeddedness situation. Aldrich and Zimmer's (1990) description of density, centrality and reachability also assists in gaining understanding in how the entrepreneurs networks look like. This question also explains the entrepreneur role within his or her network.

*9. How does it look like?*

More detailed understanding of number eight.

*10. Has it changed during the process? In what way?*

Rangan's (2000) presentation of the search process is in this question connected to each of the cases. The question explains how the entrepreneurs expand their networks.

*11. How do you maintain these contacts?*

This question assists in understanding how the entrepreneurs act in order to keep the network alive, so that it later can be used in an effective way.

*12. Have you had a mentor?*

Jack and Andersson (2002) describes the importance of having a mentor. This question is directly connected to the following question.

*13. What was the function of this mentor?*

This question describes the function and roll of each entrepreneur's mentors. It explains the level of importance each mentor has played in, as well as how he or she interacted, in the embeddedness.

**2.4.3.2 Interview specifics**

The interview with Victor was held in my kitchen during 33 minutes, a relaxed and peaceful evening. Louise interview took place in her office in Karlskrona around noon and took 34 minutes. The interview with Dany and Niklas was held at two a clock the same day in their office in Karlskrona Science Park. It was 40 minutes long. Joakim was later the same day interviewed via Skype. It was 64 minutes long. The last interview was with Henrik. It was held the following day via Skype, during 33 minutes. All of the interviews were recorded on my mobile phone. The data was later listened to and I transcribed everything that connected to and was relevant to the research. The recordings have later been listened to over and over again, especially when valuable quotes were identified and when doing the analysis.

**2.5 THEORY**

I have done a systematic search based on the main terminology for the thesis. I focused on academic research articles since they are more up to date compared to books (Rienecker and Jørgensen, 2014).

In the search process I have mainly used Google Scholar and Lubsearch.

**2.5.1 Critical Evaluation of Sources**

According to Bryman & Bell (2007) it is of vast importance that the conducted data is viewed critically. Mainly because the risk that researchers might want to publish a result or mediate a subjective opinion that is not entirely correct. The human factor should therefore always be considered.

The secondary data from academic articles should therefore be seen as a suggestion of how parts of the reality can be understood, not as an objective truth (Rienecker and Jörgensen, 2014).

The research is mainly based on academic articles written by the most respected authors in the field of embeddedness and network theory: Granovetter (1985), Granovetter (1983), Uzzi (1996), Uzzi (1997), Aldrich and Zimmer (1986) and Johannisson (1988). These articles and authors were identified through the process of reading numerous articles, leading and tracing the main authors that frequently were referenced. These respected researchers have also been critically examined despite their reputation.

The semi structured interviews are of a subjective nature due to the entrepreneurs own view of the reality. They might describe and reveal themselves in ways that lead to biased information. The data derived from semi structured interviews have therefore undergone a critical review.

#### 2.5.2 Analysis of Empirical data

I have used coding in order to analyze the empirical data. The coding was developed over time. I first identified the main theoretical views and then derived the theoretical driven code, which laid the foundation for the interview questions. This enabled me to categorize each of the cases and compare them to the theoretical views.

I then went through and evaluated the interview material and connected each of the cases to the theoretical driven code. I listened to the recordings and studied the transcribed material. I went over the document several times in order to better understand the material and therefore gain further insight in each of the entrepreneur's context.

The coding is structures in tables, in order to easily give an overview of how the entrepreneurs are connected to the theoretical driven codes and to each other. I later present these connections in the entire tables in chapter 5.

According to Bryman and Bell (2007) coding is the most widely used tool when analyzing qualitative data. Coding the material is an efficient way of structuring and organizing data (Bryman and Bell, 2007).

Here are the theoretical driven codes I used in order to analyze the empirical data.

| Theoretical code           | Author   |
|----------------------------|--|
| Moral support              | Aldrich and Zimmer (1986), Johannisson (1988)  |
| Trust                      | Granovetter (1985), Uzzi (1996), Jack and Anderson (2002), Johannisson (1988), Rangan (2000) |
| Legitimacy and credibility | Jack and Anderson (2002), Johannisson (1988)   |
| Knowledge                  | Jack and Anderson (2002)   |
| Mentor                     | Jack and Anderson (2002)   |
| Density                    | Aldrich and Zimmer (1986)  |
| Temporal embeddedness      | Halinen and Törnros (1998)   |
| Spatial embeddedness       | Halinen and Törnros (1998)   |
| Market embeddedness        | Halinen and Törnros (1998)   |
| Technological              | Halinen and Törnros (1998)   |
| Weak ties                  | Granovetter (1983)   |
| Strong ties                | Granovetter (1983)   |
| Third party referrals      | Uzzi (1996)  |

Table 2

| Professional background and skill (Professional or hobby) | Industry now embedded in | Earlier experience importance for new venture |
|---|--------------------------|---|
|   |                          |   |

Table 3

In order to gain a better understanding of the embeddedness process I have categorized the level of importance of each cases geographical location for the embeddedness process. I have focused on comparing the location before the venture was started with the location that the entrepreneurs moved to in order to start the venture. I want to see if the location plies an important role in the embeddedness process. This code is used in the analysis.

| Geographical location: before starting the venture | Geographical location: after starting the venture | Geographical importance |
|--|---|-------------------------|
|  |   |                         |

Table 4

I have developed this table in order to analyze how each case earlier professional background affects the embeddedness process. I want to see if it can be a benefit to come from a

completely different market or industry, or if background and prior skills on the other skill play a minor role. I therefore used the following codes in the analysis.

### 2.5.3 Assessment strategy

Bryman and Bell (2007) introduces five valuation criteria for qualitative research; trustworthiness, transferability, dependability, confirmability and authenticity.

Trustworthiness is categorized into four groups:

1. Credibility – Is the level of how accepted the finding are and how well they are matched with earlier researchers observations and theoretical ideas (Bryman and Bell, 2007) Credibility has been accomplished by avoiding asking biased and leading question. Questions are derived and based on prior theoretical generalizations and theories.
2. Transferability – In a qualitative research the specific cases are drawn from precise social contexts and analyzed in depth. In order to make the research transferable to other settings it is of great importance to paint an in-depth and detailed picture of the context and its background (Bryman and Bell, 2007). I will accomplish this by conducting qualitative and in depth semi-structured interviews. I will also present every individual entrepreneurs background in order to better understand their context.
3. Dependability – The level of dependability is evaluated by how well the research process is described and choices motivated for. Records of all data and phases along the research process should be saved in an assessable manner (Bryman and Bell, 2007). Bryman and Bell (2007) argues that dependability has not been a popular way of ensuring research dependability due to its inefficiency and demanding process. A record of data from interviews has been organized and saved. The process of the research has also been recorded and explained in this chapter.
4. Confirmability – When subjective thoughts, biases and personal values influence the research in a noticeable way the study will lack high confirmability. Personal objectivity is a goal to strive for (Bryman and Bell, 2007). I have therefore taken an objective standpoint in this research.
5. Authenticity – Taking in consideration the different perspectives regarding the research objectives and social context. And taking time reflecting upon the social

context in order to gain a better understanding of the social setting will heighten the level of authenticity (Bryman and Bell, 2007). In order to achieve high authenticity I will conduct quality based semi structured interviews. This will give me a good understanding of the social setting and therefore enable me to understand every entrepreneur's social context in a unique way.

#### 2.5.4 Limitations

I have in this research had an actor perspective with the entrepreneurs in the center. This might lead to biased information. The entrepreneurs may want to portray themselves in a better light and only show the good side of things. The social context can therefore be better understood. A high level of transferability and authenticity has been strongly strived for. Due to time constraint this research will not fully understand the entrepreneurs' social settings and contexts. A larger amount of interviews in combination with observations and interaction with the cases would heighten the level of trustworthiness. On the other hand I believe that the semi-structured interviews have assisted in gaining a good amount of insight in the actions of novice entrepreneurs. The coding and categorization in tables assisted in organizing, understanding and analyzing the empirical data. The between and within case analysis was a terrific way of understanding and explaining the five cases.

## Chapter 3

---

### THEORETICAL FRAMEWORK

*This chapter presents the theories regarding embeddedness, ties and networks. The purpose of this chapter is to build a theoretical foundation that is used in evaluating and analyzing the empirical data.*

#### 3.1 EMBEDDEDNESS THEORY

I have chosen to use Granovetter (1985) in this research because he defines and introduces a clear and comprehensive explanation for embeddedness. The downside is that he leaves out many of the causes and benefits of being embedded.

Granovetter (1985) presents the over and under socialized views of social relations. The under socialized individual is purely driven by the individual's own inspiration. The over socialized person is shaped by other people and is extremely sensitive to opinions of others. Both of these views lead to atomization of action. Granovetter (1985) introduces embeddedness as a way between these two extremes of human action and behavior. According to Granovetter (1985) people do not act like alienated and isolated atoms completely disconnected to a social context, neither do people slavishly follow other people without evaluating their actions.

Embeddedness focuses on the role of personal relations and structures that generate and produce trust and minimize the risk of malfeasance (Granovetter, 1985). Granovetter (1985) sees the individual as closely embedded in social networks of interpersonal ties.

Granovetter (1985) states that actors rely on past experiences and knowledge from earlier transactions. This generates trust. Granovetter (1985) takes the diamond industry as a fine example of the benefit of embeddedness and the trust it generates. The industry is a tightly interwoven community. Agreements and grand deals are sealed solely by handshakes.

Uzzi (1996) explains the structural embeddedness approach. He defines it as structures of inter-firm ties that give access to opportunities. Uzzi (1996) goes deeper into the explanation of the embedded process compared to Granovetter (1985). Uzzi (1996) helps me in gaining

understanding of how individuals use preexisting networks and contacts in order to embed in new contexts. This will help me in answering the second part of my purpose.

In contrast to purely economic transactions and one shot deals, which only focus on money, embeddedness builds on trust. Trust is the main ingredients of the embedded network. Partnerships and relationships are prioritized. Actors help each other and then get help in return. Uzzi (1996) acknowledges that trust increases an organizations access to resources and helps the firm adapt to contingencies and unforeseen problems. The embedded network gives the actors access to fine grained information and strategic and tacit principles of the market place and industry. The embedded network is also a tool for joint problem solving. When a problem arises actors solve it together instead of exiting and looking for new partners (Uzzi, 1996).

Uzzi (1996) states that embedded ties develop primary from third party referrals and preexisting personal contacts. The trust from earlier relationships and third party actors follow and integrate within the new tie.

Uzzi (1996) describes the importance of balance between under and over embeddedness, where a mixture between embedded and arm's length ties is preferable. Arm's lengths ties give access to broad market information and circulation. Embedded ties increases economic effectiveness and is crucial to competitiveness in a global market. Embeddedness increases organizational learning, risk sharing, speed to market and opportunity realization. Embedded ties focus on long term strategic partnerships contra rapid and immediate gains of arm's length ties (Uzzi, 1996).

Uzzi (1997) explains the difference between embedded and arm's length ties more in detail compared to Uzzi (1996). The differences between these ties help me in categorizing and understanding how the entrepreneurs use various ties in different situations.

Self-interest characterizes action between arm's lengths ties. Actors switch frequently between buyers and sellers in order to take advantage of new possibilities and avoid dependence. Price data is the key factor in decision making (Uzzi, 1997).

Uzzi's (1997) findings show that actors value their ties differently in accordance with the exchanges level of importance. Important exchanges are often built on embedded ties in contrast with everyday transactions, in which were dominated by arm's length ties.

Uzzi (1997) defines time as the scarcest resource. How it is allocated will therefore have profound economic effect on the outcome. Embedded ties enable companies to capitalize quickly on market opportunities. The embedded network assists in adaptation because actors can better identify and execute coordinated solutions in order to organize and solve problems. The embedded network also assists in creating opportunities (Uzzi, 1997).

### 3.1.1 Different views on embeddedness

I have chosen Halinen and Törnros (1998) in order to understand in which different ways entrepreneurs can be embedded in. They present different types of embeddedness and explain how individual embed in social contexts.

Halinen and Törnros (1998) clarify the actor perspective which focuses on a certain actor. It can either be a company or a single individual. This is in other words the actor's perception and understanding of a broader network. In this study the actor will be the entrepreneurs. The dyad- network perspective on embeddedness is the relationship between a seller and buyer or supplier and manufacturer. The third view is the micro net – macro net embeddedness. The micro net outlook involves business actors involved in a specific activity. The macro net view consists of a broader network. The network includes national and international business ties as well as political contexts (Halinen and Törnros, 1998).

### 3.1.2 Different types of embeddedness

Halinen and Törnros (1998) describe different forms of embeddedness. The temporal description of embeddedness focuses on the time variable. Networks are accumulated over time. Spatial embeddedness concentrates on the geographical location of the network. Social embeddedness explains how individuals within a firm interact with each other. This interaction transfers skills and knowledge throughout the company. Employees are not just embedded in the corporate business world; they all have their own personal contacts through family, friend and interests. All of these personal contacts are prospectively and frequently used in business. The Political embeddedness shows how power positions and national politics affect the evolution of networks. The market embeddedness is the contact creation of networks within a market, for example among suppliers, distributors and once in a while between competitors, though strategic partnerships. Businesses are often embedded in

technological systems. Companies are constantly relying on processes, product technologies and infrastructure. Companies often seek strategic alliances and networks in order to take advantage of technologies (Halinen and Törnros, 1998).

Halinen and Törnros (1998) stress the importance of the representation role of the actor. They explain that business actors represent their country, industry, firm and department to other members of the network. Individuals gain a representational role even when moving between different firms and industries. The actor accumulates experience from earlier networks and prior work experience, he or she does also bestow intentions regarding the future of embedding in new networks (Halinen and Törnros, 1998)

### 3.2 EMBEDDEDNESS AND THE ENTREPRENEUR

I have included (Jack and Anderson, 2002) in this study because they clearly state the importance of being embedded. A crucial part for this essay is explaining and analyzing how entrepreneurs embed. Jack and Anderson (2002) explain how the entrepreneurs can get assistance in the embeddedness process.

Jack and Anderson (2002) point out that being embedded in a social context is extremely crucial, especially in order for the entrepreneur to gain and acquire knowledge, credibility and resources. By being embedded the entrepreneur will be able to get a hold of resources that would otherwise be outside of his or her reach (Jack and Anderson, 2002).

Jack and Anderson (2002) could not find that previous experience from background in the industry was linked to the type of opportunity the entrepreneur chose to be commercialized.

Being embedded in a structure leads to trust, viability and creates legitimacy. According to the article it is important to see the embedded process as purely personal, in order to later leverage on the personal contacts created. An embedded mentor can be a terrific way of boosting the embeddedness process. The mentor can create liability and introduce the disembedded entrepreneur to clients, customers and other key players within the existing structure (Jack and Anderson, 2002).

Rangan (2000) describes the search and deliberation problems. Search is the process in which an actor identifies exchange partners.

I have chosen to refer to Rangan (2000) because the search and deliberation process is a main part of this study. My purpose is to understand how entrepreneurs embed in new field and how they make use of new and existing network. Rangan (2000) helps me greatly in answering these questions.

Deliberation is the act of figuring out the level of reliability and trustworthiness of potential partners.

Rangan (2000) explains how networks assist in the process of allocating and finding resources. Rangan (2000) states that the process of locating and acquiring scarce resources is the most important part of doing business. According to Rangan (2000) being embedded in a network will be an effective and cheap way for entrepreneurs to allocate resources, and they will benefit largely from being embedded in many networks.

Rangan (2000) states that using the existing network to allocate resources will gain the level of trust and ease the process of deliberation. To search via the existing network can be a cheap and efficient way of assessing potential partners (Rangan, 2000).

### 3.3 WEAK AND STRONG TIES

I have chosen to include the theories of weak and strong ties in this essay because it's a way of explaining how individuals use their existing networks and ties. The theory assists me in understanding how entrepreneurs use existing ties and networks in order to embed in, to him or her, new industries.

Granovetter (1983) debated for the positive effects of weak ties. He evaluates the strengths of these weak ties. Individuals both have acquaintances which are described as weak ties, and close partnerships which Granovetter (1983) explains through strong ties.

The weak ties act as bridges within a network. They connect clusters of strong ties together with other group of strong ties. This is especially effective when spreading ideas, getting in contact with high hierarchy individuals and reaching circles that are different from your cluster of strong ties. This creates a wider and more heterogeneous network (Granovetter, 1983).

Using only strong ties can be a comfortable and easy road with lower results and fewer chances for advancements. The homogeneous character of the network disables the individual to reach outside of his existing cluster (Granovetter, 1983).

Uzzi's (1996), (1997) explanation of arm's length ties can be compared to Granovetter's (1983) theory of the strength of weak ties. The main difference is that Granovetter (1983) sees strong ties as mostly negative and stresses the importance and excellence of weak ties. Uzzi (1996) stated that a balance between arm's length ties and embedded ties is crucial.

Jack and Andersson (2002) on the other hand points out the benefit of personal contacts and states that the embedded process purely should be based on personal contacts. Halinen and Törnros (1998) explain social embeddedness and that this type of embeddedness is based on personal contacts. On the other hand Halinen and Törnros (1998) also present market embeddedness, which is built up by professional ties within a market. Rangan (2000) describes the search process and how ones existing network can be used, although he does not state a difference between strong and weak ties.

### 3.4 NETWORK THEORY AND THE ENTREPRENEUR

Aldrich and Zimmer (1986) have been chosen because they define and explains the network. Aldrich's and Zimmer's (1990) explanation of the network assist in understanding how entrepreneurs can use networks, and rolls within a network in different ways.

Aldrich and Zimmer (1986) state, that new business and venture creation can be explained as a function of opportunities and motivated entrepreneurs with access to resources. A combination of these is according to Aldrich and Zimmer (1986) a formula for success. According to Johannisson (1988) the ability to develop and maintain a personal network is the main factor of entrepreneurial success. The inexperienced entrepreneur therefore often needs support in creating a network (Johannisson , 1988).

Entrepreneurship is a process and requires linkages and relations between key components. Connection to resources and association with socializing agents that motivates the entrepreneur is crucial according to Aldrich and Zimmer (1986). People are often limited by bounded rationality, biased information and poor communication. The social context of a network will help the entrepreneur overcome these issues (Aldrich and Zimmer, 1990).

Aldrich and Zimmer (1986) present three characteristics of social networks: role-set, action-set and network.

The role set includes those people with direct relation to the entrepreneur; suppliers, banks, manufacturers, customers, venture capitalists and distributors. An action set is a group formed temporary for a limited purpose. A network consists of all connected actors (Aldrich and Zimmer, 1990).

Aldrich and Zimmer (1986) note, that density is the level of connections within a network. If everyone within a network were connected it would have the highest density possible. Reachability refers to the amount of intermediaries that exist between two people. Centrality defines the distance and number of people that can be reached. If a person can reach many people within a short distant he or she has high level of centrality. The person can even have more than one action-set and can therefore play an important part in the network. The entrepreneur can then act as either a communication channel between distant actors, brokerage linking third parties to one and other and transferring resources or acting as a role model (Aldrich and Zimmer, 1990).

I refer to Johannisson (1988) in this essay because he describes the benefit and function of a network more in depth compared to Aldrich and Zimmer (1986). Johannisson (1988) also explains how an individual build supportive and therefore embedded ties. Johannisson's (1988) explanation helps me understand the function of a well-established network and how it can be leveraged in order to create new networks.

According to Johannisson (1988) starting a venture can be a time consuming activity. The time needed to accumulate mistakes through trial and error may be reduced by a network. It will legitimize the novice actor and create trust (Johannisson, 1988).

Johannisson (1988) points out that creating a network is an investment in both time and emotion. It provides security when problems arise, increases innovation and facilitates change. The network enables the exchange of information between actors and is used as a vehicle for acquiring resources. The network makes it possible to enact the environment in an efficient way and fills the entrepreneur with motivation and self-confidence to act. It can also be used as a bridge which enables the entrepreneur to gain access to the global market (Johannisson , 1988).

In a network actions are evaluated by other factors than financial success and monetary goals. Commitment based on morality creates loyal and supportive ties. Johannisson (1988) states the importance of activating contexts and connections outside of the known marketplace but which do have importance and implications for the venture (Johannisson , 1988).

Johannisson (1988) likens the networks with a vehicle with emphasis on the spring board, gear box and shock absorber. The spring board supports change. The gear box balances the need for adaptation and constantly adapting to the changing circumstances. The shock absorbers functions as a defense wall, protecting the entrepreneur from the environment outside of his or her context (Johannisson , 1988).

### 3.5 SUMMARY OF CHAPTER

I have now presented the main theories derived from Granovetter (1985), Uzzi (1996), Uzzi (1997) and Halinen and Törnros (1998). These theories are used in order to properly categorize, evaluate and analyze the empirical data. Studying theories from different sources has given me a wider perspective of contradictions and similarities of how the embeddedness process can be understood. This theoretical framework will give me a better understanding of the background of embeddedness theory and how it affects the entrepreneur. Halinen and Törnros (1998) will also assist in categorizing the entrepreneur's networks in different types and views of embeddedness.

I have presented Granovettters (1983) theory of weak and strong ties. This theory will help me comprehend how the novice entrepreneur uses his or her existing and new ties in order to embed in new contexts, markets and industries.

Jack and Andersons (2002) and Rangan (2000) stress the importance of being embedded regarding resource acquisition and creating trust. Their studies help me understand the entrepreneurs challenges when it comes to acquiring resources outside of the entrepreneurs reach. Rangans (2000) theory of the search process will be a crucial part in understanding how the entrepreneurs expand their networks.

Aldrich and Zimmer (1986) and Johannisson (1988) help me understand the value, function and purpose of a network. Their theories will assist me in comprehending and making sense of the conducted data.

## Chapter 4

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### PRESENTATION OF EMPIRICAL DATA

*This chapter gives a thorough and in depth presentation and background based on the interviewed entrepreneurs and their enterprises.*

#### 4.1 JOAKIM KABON: N'ELATO

Joakim lived in Copenhagen and worked with information management for the Danish company Novo Nordisk. During his 13 years of employment he gained solid experience in the pharmaceutical industry. The role developed over the years and he became part of a development team. They were constantly working with bigger projects, and the team got more and more freedom. He was more or less an intrapreneur, but in order to get a project flying he had to go through about seven steps of managers. He wanted more freedom, so six years ago he took the decision of becoming an entrepreneur.

He moved from Copenhagen to the Island of Bornholm. This was mainly because of the lower living costs, other than this it did not contribute to the venture starting process. He started experimenting with producing ice cream with liquid nitrogen. This idea was born in the pharmaceutical industry, where liquid nitrogen was frequently used. It was a long and winding road which has led him to the development of a full feathered and large scaled industrial concept for producing lactose free soft ice cream. This technique, in combination with selling to the retail market in the form of 500 ml Tetra pak's of liquid, later developed to a product that can make ice cream in the home. He recently made a good deal when selling the entire concept to a large company within the industry.

Joakim values the human capital extremely high. He never relayed on venture capital, instead he focused on building up a solid network within the industry in Europe. He has a strong conviction and believes that he is never farther than 5-7 steps from anyone in the entire world. This mindset helped him to get in contact with major player within the industry. A friend of Joakim, working as a headhunter, assisted him in focusing on seeing grand businesses and organizations as built up of individuals, because individuals can always be contacted. Joakim learned to do the background research, as if he was a professional

headhunter, found the person's weak and soft spots, passions and interests. In other words he painted a picture of the actors. Then he contacted them, and if they said that they couldn't help, he figured that it must be wrong timing and never took it personal. He went to another actor or company and kept his head high. He never tried to pitch or sell his ideas and never asked for venture capital. Instead he searched for information and professional expertise. Joakim likened it of being a developer versus an inventor. He stated that nobody listens to inventors and explained that companies are more familiar with developers. For a company to buy or invest in an idea is a humongous risk. To develop something together is a far smaller sacrifice to make if the project would crash and burn.

Today he has a well-established professional network. He developed a strong partnership with one of the world's biggest soda machine producers and venders. They opened up their customer base and occasionally had meetings with grand prospect customers. In another example Joakim described the benefit of using human capital. He has close contact with an extremely experienced industrial designer, who joined him in meetings with future partners. The big companies and industry experts contributed with a great amount of legitimacy, which has been crucial. These individuals and organizations also assisted with equipment, raw material and have helped develop the product. Many of them even sent him tips, tricks and insights regarding the market and the industry. Referrals within the industry were also an important part of building his network.

The network consisted of seven specialist and companies. The relations were mainly built on trust. Non closure agreements were occasionally written, but trust was the main ingredient.

Joakim had a mentor that was part of an entrepreneurial program. The function of this mentor was mainly assisting with moral support and keeping Joakim to the fire. The help with pushing through when things were tuff was a crucial ingredient in the mentorship.

#### 4.2 VICTOR JIVHED: CREATIVE AGENCY

Victor is now running and managing a creative agency in Sölvesborg, a small town in the province of Blekinge. He assists companies with creative and unconventional ways of finding new customers, building a strong brand, building websites and designing logotypes and marketing material. A lot of energy is focused on the digital side, due to the trend that people

spend countable hours on their mobile devices and in front of their computer screens. Victor has earned a formal university degree in event management and therefore also prioritizes the physical meeting between people.

From a rather young age Victor found himself standing with a budget that exceeded an Ung Företagare business in high school, and was more or less forced to start a formal business. He was also the driving force behind establishing a two million Swedish Kronas skate park project in Sölvesborg and organizing skateboard competitions and other events.

But it was not until he had completed his studies and his first employment came to an end that he took the decision to start and establish a venture of his own. He found himself under qualified for the jobs in the bigger cities of Malmö, Gothenburg and Stockholm. He therefore returned to his hometown where he was overqualified for the local job market. This made him see the opportunity of bringing the local, dusty businesses to life, and found out that many of them did not even have websites. He acted on this opportunity and therefore found himself standing alone with a ton of work to accomplish; writing a business plan, designing a business model and marketing himself to customers.

Victor stated the importance of the network's function of moral support and valued it as the most important resource, especially in the beginning. He mainly found this resource at Idé Institutet in Blekinge, where he by now is well embedded in the entrepreneurial startup community of the province. He describes the situation as such that he can simply sleep or book a meeting in any town in Blekinge. He feels the support and values it higher than any monetary resources. Idé Institutet inspired him and enabled him to build him a network of his own.

Other actors that were crucial were his parents, and friends of his parents. They mainly assisted in finding the first big customers. Prior bosses and colleges were also useful in the entrepreneurial process, mainly by referring and introducing Victor to resourceful people whom they knew well or were solely acquainted with.

His network has changed over time. Victor explains that this is mainly a result of that people move around. If you establish a network in one location, in a few years you might have an international network, he says. Somebody may have moved to Stockholm, Umeå or even Hong Kong or Sydney.

Victor has never had merely one specific mentor, instead he draws knowledge from different specialists. When he needs to pitch an idea he calls one person, but when the financial year is approaching rapidly, he might call another. The benefit of this approach is that he not just find comfort and good and precise knowledge, he also broadly expands his network.

#### 4.3 HENRIK LINDEMARK: DREAM PARK

Henrik is a qualified teacher and a skilled graphical designer. He now lives in Norrköping, and together with his wife they manage several commercial startups and social ventures.

Henrik's journey began back in 1997 when he started building websites in his living room. This quickly got him a job for the municipality, where his project grew larger and larger. Dream Park rapidly became the foundation for a company which developed solutions for combinations of systems for cable TV, broadband and large server systems. When the company grew larger two of Henrik's friends hopped onboard. One was a programmer and the other friend focused on the financial and business side of the company.

Their market was extremely niched and there were few players in the field. Customers were few but on the other hand extremely well established and large. Dream Park simply managed to develop a prototype and later contacted the main customers, booked a meeting and held presentation and demonstration. Henrik described the process of simply going to Stockholm and meeting some actors. They were very innovative and the timing was perfect. They therefore gained a lot of legitimacy and soon became a major player on the market.

Henrik and his team often attended market events, fairs and exhibitions. This was crucial in showing customers that they were a main player and that they knew what they were doing.

Very soon they needed a bigger and more specialized workforce. This was solely acquired through word of mouth. Some friend knew a friend that was an expert and so on.

Neither Henrik nor his partners had any mentors, instead they found moral support in each other. This was especially clear in the beginning when working closely together with dear friends.

When selling Dream Park, the company had 110 employees, 8 million end users, mainly in Sweden and the States. Their main customers were Telia, Viasat, Comhem and Ericsson.

#### 4.4 LOUISE LINDÉN: LIVE GREEN

Entrepreneurship was far away from the radar when Louise grew up. In her world businesses symbolized greed and were more or less the root of all evil. Entrepreneurship was first introduced to Louise from a friend from her high school class. They saw a documentary portraying the world's climate situation, became deeply touched and strongly driven and inspired to take action. They wanted to contribute with what they could do. She therefore got inspired to start a group that gathered individuals with the same passion of saving the planet. This group rapidly grew, turned into an organization, received a lot of media attention and finally inspired Louise to start an environmental friendly music festival. Louise took the opportunity to combine it with the high schools final years work project, which is around a hundred school hours spread over the year. The first thing she did was calling her uncle. He has a long and successful music career behind him and therefore knows a lot of people within the industry. He gave Louise some numbers and referred her to a few people he knew.

Big and famous names within the festival and music industry were quickly drawn into the project. Louise also got monetary support from both the municipality and Musik Blekinge. This funding was crucial, mainly in the function of showing that somebody believed in her. She was thrilled and filled with inspiration.

Robin Åkerman who is well known within the industry helped Louise in structuring the entire process. He played the role as a mentor, and Louise often called him and asked what she should do next. She describes herself as, at the time, being young and naive. Robin gave her a picture of the reality and guided her along the way. Bitte from "Musik Blekinge" were also a mentor of major moral support, and have also contributed with an office, technical support and financing. Robin Åkerman is now a major partner of Live Green, and Bitte is a close college.

Live Green is still a great success after it has been up and running for several years. It stars both local and nationally big and famous bands. Entry is free and focus is laid on engaging youth and creating positive social impact.

The festival is now a main event in an even grander operation. Live Green now has offices in Stockholm, Gothenburg and in Louise's hometown of Karlskrona. She is now in the process of scaling up and has been paired up with two IT-millionaires in Stockholm. The company is now running several projects that mainly focus on engaging and supporting young

entrepreneurs. The festival becomes a playground for many of the young entrepreneurs and their projects.

Louise now has a well-established network within the industry, both within the festival industry and environmental community of Sweden. Media has been a crucial part of establishing this network. Major players within the industry has contacted and invited her to events and courses. Artister för Miljön is one organization that contacted her. They are now working together and she has through them gotten good contact with well-known meteorologists and other established individuals within the climate industry. Fryshuset in Stockholm has also played a major part in establishing her network.

#### 4.5 DANY BUTNAIRU AND NIKLAS HÖGLUND: Mo<sup>2</sup>

Niklas has an academic background in educational science within IT and has been studying at Hyper Island. Besides this he is a very skilled and passionate graphical designer.

Dany moved to Sweden four years ago from Romania, in order to start studying Electrical Engineering at BTH, Blekinge Tekniska Högskola. He found that the work process had no focus on the environmental impact or sustainability, and therefore started studying at Hyper Island.

During their internship period, Niklas, Dany and four other people came up with an idea of co-creating code. This team later separated, and Niklas and Dany are today running their own project.

Their mutual passion about entrepreneurship led them to developing entrepreneurial boot camps like the The Startup Challenge and other workshops. The Startup Challenge is a 24 our competition where individuals and teams enter with either an idea or a problem. Some people show up merely driven by curiosity. Teams co-create, make new contacts and ideas are born. In the final stage a jury evaluates the ventures and a winner is elected and given a price.

Dani and Niklas were working closely with Blekinge Business Incubator (BBI), Blekinge Tekniska Högskola (BTH) and Hyper Island. These partners were crucial thought the entire process of creating the venture.

BBI and BTH have more or less paid their salaries and Hyper Island assisted with a great amount of contacts. All of these organizations generated a great amount of legitimacy. BBI also assisted in providing an office.

They mainly used close contacts in the process of establishing their network. They strongly believe in a relationship based on common values, and that sharing a vision is key in connecting to people. They refer to individuals within their network as friends. Focus in the project was emphasized on developing and creating together, also how they could help and assist each other in solving problems and creating successful ventures. Their network was mostly local and they highlight the importance of the physical meeting. Trust is described as the currency they traded. They explain that a person that you have met and in addition to this, share both vision and values, and are therefore easier to trust.

Different events were crucial in expanding their network. One example was a magnificent act of Dany. He hitchhiked all the way to Almedalen during Almedalsveckan, which gave great response and contributed with many new contacts.

The function of their mentor played a central part of their journey. He put them back on track when situations were difficult. They highly valued this function and it kept them on their toes. He also listened and showed understanding when the going got tuff. The mentor is also referred to as a friend.

## Chapter 5

### ANALYSIS AND EVALUATION OF EMPIRICAL DATA

*In this chapter I present a sound within and between case analyzes of the empirical data. This is seen through the glasses of the theoretical framework, supported by the theoretical driven codes and motivated by quotes.*

#### 5.1 Coded Tables

##### 5.1.1 Theoretical driven code

These tables describe the level of connection between each of the main theories and concepts of the theoretical framework with each of the five cases. The quotes are taken from the conducted interviews. These table are the foundation of the within and between case analyses. .

| Theoretical code                  | Author  | Entrepreneurs             | Quote   |
|-----------------------------------|---|---------------------------|---|
| <b>Moral support</b>              | Aldrich and Zimmer (1986)<br>Johannisson (1988)   | Joakim<br>Victor          | Joakim: at a point that I was ready to give up everything he told me; you have a tunnel vision, you don't know where to go. Try something new, broaden the picture.<br><br>Victor: First of all it was the feeling of not being alone.<br><br>Louise: Bitte and Music in Blekinge helped a lot with the technical parts and also morally. |
| <b>Trust</b>                      | Granovetter (1985)<br>Uzzi (1996)<br>Jack and Anderson (2002) Johannisson (1988)<br>Rangan (2000) | Joakim<br>Dany and Niklas | Joakim: The none closure agreements opened up to a lot of trust.<br><br>Dany and Niklas: The relationship and the trust come after we have shared what we care and are passionate about.<br><br>Dany and Niklas:<br>Out currency is trust.  |
| <b>Legitimacy and credibility</b> | Jack and Anderson (2002) Johannisson (1988)   | Henrik<br>Joakim          | Henrik: Showing enough amount of muscle, our competition was Google, Microsoft and Apple. Show that you are big enough to handle it.<br><br>Joakim: He told me; If you want to we can go to IKEA  |

|                              |                            |   |  |
|------------------------------|----------------------------|---|--|
|                              |                            |   | and say; "We have this none diary ice cream concept, how do you want us to tailor it for you?" They would even open up their customer accounts that they have themselves.  |
| <b>Knowledge</b>             | Jack and Anderson (2002)   | Joakim<br>Louise                              | Joakim: Human capital and specialist competence has been far more important than money.<br><br>Louise: I knew nothing about the technical side of things.  |
| <b>Mentor</b>                | Jack and Anderson (2002)   | Joakim<br>Victor<br>Louise<br>Dany and Niklas | Joakim: He kept me to the fire.<br><br>Victor: I find support in many different people. Not one specific person, You know, people are different.<br><br>Louise: I could call and say; what should I do now?<br><br>Dany and Niklas: Sebastian Sjöberg that has been our designator, our slap in the face so hard that we can't stand up. It has been extremely important to have somebody that kicks your ass when you fuck up.  |
| <b>Density</b>               | Aldrich and Zimmer (1986)  | Henrik<br>Victor                              | Henrik: The network is very narrow. The main players; Telia and Tele2. We knew who they were in Sweden and everybody knows what happens on the market.<br><br>Victor: I can book a meeting in any city or town in all of Blekinge.   |
| <b>Temporal embeddedness</b> | Halinen and Törnros (1998) | Joakim<br>Louise                              | Joakim: At that time It was more like a trading business, day to day. Now I regard it much more of a kind of professional network that can be used in many different ways.<br><br>Louise: Peter heard about me in media. He contacted me and told me that he wanted to play. He knew Lasse that runs Artister för Miljön and works together with Per Holmgren, who is a famous meteorologist. They wanted me to be a coordinator and I met people in the towns where we held events. |
| <b>Spatial embeddedness</b>  | Halinen and Törnros (1998) | Victor<br>Louise<br>Dany and Niklas<br>Henrik | Victor: Most of my customers are in and around Sölvesborg.<br><br>Louise: It was a lot in Blekinge.  |

|                            |                            |   |  |
|----------------------------|----------------------------|---|--|
|                            |                            |   | <p>Dany and Niklas: We have gotten to know many entrepreneurs in the area.</p> <p>Henrik: It was just to drive to Stockholm and meet some actors.</p>  |
| <b>Market embeddedness</b> | Halinen and Törnros (1998) | Joakim<br>Louise<br>Dany and Niklas<br>Henrik | <p>Joakim: I can actually draw a network of again, 5-7 individuals in different subjects that are very, very important.</p> <p>Louise: It is key people in the industry.</p> <p>Dany and Niklas: It is mostly from Hyper Island because it's a school working with real companies. For projects they have industry leaders, we have between 4-8 weeks with this person. They still influence and open up doors to us.</p> <p>Henrik: It was a very niche market. So it was easy to contact the main customers.</p> |
| <b>Technological</b>       | Halinen and Törnros (1998) | Joakim<br>Louise                              | <p>Joakim: They took the concept and developed it so that it could fit into the industrial word. I could never have done that.</p> <p>Louise: Musik in Blekinge helped me with all the technical stuff.</p>  |

Table 5

This table gives an overview of how the entrepreneurs in each case have used their existing and new networks in the embeddedness process.

| Entrepreneur  | Weak ties | Strong ties                     | New ties   | Third party referrals   |
|---------------|-----------|---------------------------------|--|---|
| <b>Henrik</b> |           | It was two friends that joined. | It was just to drive to Stockholm and meet some actors.                              | We did very few job announcements. It spread very quickly to friends of friends and old colleges and so on. |
| <b>Joakim</b> |           |                                 | That is the most interesting part. How do you actually attach to people? That is the | He recommended one guy that was working for the sales department at   |

|                        |  |  |   |   |
|------------------------|--|--|---|---|
|                        |  |  | <p>difficult part. There is actually a rule. You can reach anyone within six steps, 5-7 steps you can reach any one. This has been proven. Maybe it is principles like this that I have believed so much in that has helped me. I gave it a try, nobody would do it, so I did it.</p> | <p>Tetra Pak. The guy has followed the project and sends me tips and trix.</p>  |
| <b>Victor</b>          |  | <p>My dad new some people at Sölvesborgs hem.</p>                            | <p>I was speaking at an event in Lund, there I made a lot of new contacts,</p> <p>Idé Institutet's events have been so helpful. They should have all the credit.</p>  | <p>It was the classical scenario when you start a business, that your parent friends are your first customers.</p>                    |
| <b>Louise</b>          |  | <p>So I called my uncle to see if he knew anybody.</p>                       | <p>They contacted me, somehow they knew me from media.</p>  | <p>They asked Fryshuset if they knew any entrepreneurs that they believed in. They told them about me and then they contacted me.</p> |
| <b>Dany and Niklas</b> |  | <p>It is mostly the close ones, it takes time to build the relationship.</p> | <p>The people that came were people we had spoken in front of.</p> <p>Also going to the right types of events.</p>  | <p>The industry leaders at Hyper Island helped us a lot, they knew so many people.</p>  |

Table 6

### 5.1.2 Geographical Location and Professional Background

These tables describe the importance of the entrepreneur's geographical location and professional background and skill. The level of geographical importance is derived from the interviews.

| Entrepreneur    | Geographical location:<br>before starting the venture | Geographical location:<br>after starting the venture | Geographical importance |
|-----------------|---|--|-------------------------|
| Henrik          | Norrköping  | Norrköping   | Medium                  |
| Joakim          | Copenhagen  | Bornholm   | Little                  |
| Victor          | Gothenburg  | Sölvesborg   | Grand                   |
| Louise          | Karlskrona  | Karlskrona   | Grand                   |
| Dany and Niklas | Karlskrona  | Karlskrona   | Grand                   |

Table 7

| Entrepreneur | Professional background<br>and skill (Professional or<br>hobby) | Industry now embedded in    | Quote: earlier experience<br>importance for new<br>venture                |
|--------------|---|-----------------------------|---|
| Henrik       | Teacher<br>Designing (hobby)                                    | Broadband and Cable TV      | I was in charge of all the<br>designing                                   |
| Joakim       | Information management<br>within pharmaceuticals                | Ice cream                   | I was more or less an<br>intrapreneur, I think this<br>has helped me.     |
| Victor       | Event management  | Marketing and branding      | Earlier projects have given<br>me confidence. I know that<br>I can do it. |
| Louise       | School  | Musik Festival and Climate  |   |
| Dany         | Engineering   | Entrepreneurial co-creation |   |
| Niklas       | Educational science<br>Designing (hobby)                        | Entrepreneurial co-creation | I love to design  |

Table 8

## 5.2 Within Case Analysis

### 5.2.1 Case 1: Joakim

Joakim has managed to develop a solid network and is now well embedded in the European ice cream industry. He has clearly accomplished what Halinen and Törnros (1998) define as

market embeddedness. The network is purely based on professional contracts such as industry specialists and experts. These experts have assisted with a great amount of information and professional expertise.

Halinen and Törnros (1998) technological embeddedness was a major part in Joakim's journey. In order to scale the concept to an industrial level technological expertise was a crucial ingredient.

Uzzi (1996) and Jack and Andersson (2000) mention the benefit of being embedded regarding getting access to fine grained information, knowledge and strategic and tacit principles regarding the market and industry. This benefit of being embedded has been clear in Joakim's case.

*“Human capital and specialist competence has been far more important than money”*

Aldrich and Zimmer (1986) also mention the networks role of assisting in overcoming biased information and bounded rationality.

His network of around seven major players within the industry can be categorized as what Halinen and Törnros (1998) define as macro net embeddedness. This categorization can mainly be made due to the international character which the network displays. Halinen and Törnros (1998) view of the spatial embeddedness therefore had little importance in Joakim's case.

The embeddedness process has developed over time and is therefore in line with Halinen and Törnros (1998) explanation of temporal embeddedness.

The embeddedness process has mainly been developed by contacting of new ties:

*“That is the most interesting part. How do you actually attach to people? That is the difficult part. There is actually a rule. You can reach anyone within six steps, 5-7 steps you can reach any one. This has been proven. Maybe it is principles like this that I have believed so much in that has helped me. I gave it a try, nobody else would do it, so I did it”*

Granovetter's (1983) theory of weak ties has also been crucial. They have acted as a bridge between clusters of strong ties, mainly as third party referrals from actors within Joakim's network. Uzzi (1996) point out that embedded ties primary develop from third party referrals and preexisting personal contacts. In Joakim's case this is partly true. Third party referrals have played a major part in the embeddedness process:

*“He recommended one guy that was working for the sales department at Tetra Pak. The guy has followed the project and sends me tips and trix.”*

The difference lies in the importance of the personal network. Joakim's network is merrily based on professional ties. The existence of Halinen and Törnros (1998) description of social embeddedness was therefore minor.

The only prior and personal contact he mentions is the head hunter who taught Joakim how to contact high status individuals within businesses. This was crucial but on the other hand the only personal contact he mentions.

Jack and Andersson (2000) states that the embeddedness process is purely driven by personal ties, that later can be leveraged professionally. As mentioned earlier Joakim's network is purely professional and can be likened with Halinen and Törnros (1998) description of market embeddedness.

The new ties in which he has established, has on the other hand developed into strong ties. These strong ties have been made use of and have been a crucial part in the venture creation process. This opposes Granovetter's (1983) description of the importance regarding strong ties. Granovetter (1983) states, that the usage of strong ties can be a comfortable and easy road, but with lower results. Joakim has mainly used new ties and later developed them into strong ties which can be of great use. Granovetter (1983) does not mention the creation of completely new ties. The creation of new ties has in Joakim case opened up to connections with what Granovetter (1983) describes as high status individuals.

Joakim's way of using these high status individuals in the process of further embedding within the industry can also be associated with Rangan's (2000) theory of the search and deliberation process.

Rangan (2000) stated that searching via an established network can be an efficient and cheap way of locating and acquiring scarce resources. Joakim's network has assisted him with customer data bases, technological and industry expertise and knowledge. Johannisson (1998) mentions, that the ability to develop and maintain a network is the main factor for entrepreneurial success. This is very clear in Joakim's case.

Jack and Andersson (2000) states that the role of a mentor is boosting the embeddedness process by creating legitimacy and introducing the entrepreneur to third party actors. The role of Joakim's mentor has solely been moral support.

*"He kept me to the fire."*

Joakim's beliefs of that one is never further away than 5-7 people to everyone in the entire work can be associated with Aldrich and Zimmer's (1990) explanation of an individual's reachability. Joakim therefore bestows high levels of reachability. He is the one that developed the network and is therefore the key player with high centrality (Aldrich and Zimmer, 1990).

Uzzi (1996) mentions the importance of establishing balance between over and under embeddedness. Joakim mainly describes the importance of his seven specialists which can be described more as over embedded than under embedded and arm's length ties.

Granovetter (1985) introduces embeddedness and focuses greatly on the trust. Uzzi (1996) states that embedded partnerships built on trust and that trust increases an organizations access to resources and helps the firm adapt to contingencies and unforeseen problems. Jack and Andersson (2000), Rangan (2002) and Johannisson (1998) also mentions trust as being a key characteristic of the embedded network.

### 5.2.2 Case 2: Victor

Victor's network fits well in with Aldrich and Zimmer's (1990) description of a network's density. This is mostly due to the function of Idé Institutet in Blekinge. This has led to a high level of what Aldrich and Zimmer (1986) define as centrality. Victor can in other words contact many individuals within a close distance. Many people within this network also know each other, mainly via entrepreneurial events.

Halinen and Törnros (1998) descriptions of temporal embeddedness, spatial embeddedness, market embeddedness, micro net embeddedness and social embeddedness goes well in hand with Victor's embeddedness situation and process. The process developed over time and the geographical location is clearly defined and of vast importance. Victor's network is primarily in Blekinge and southern Sweden. This is where most of his customers act and operate.

Victor has a professional and a personal network. They both assist and develop each other. He is therefore both social and market embedded. Due to the limitations of the geographical area in which he operates he is considered by Halinen and Törnros (1998) to be micro net embedded.

The search process that Rangan (2000) describes is mainly defined by strong and preexisting personal ties. Weak and new ties have also been used but the importance of Victor's strong ties has been crucial.

*“My dad new some people at Sölvesborgshem”.*

Granovetter (1983) mention the superiority of making use of weak ties. Victor on the other hand has mainly benefited from third party referrals from his parents. This goes well in hand with Uzzi (1996) and his thoughts regarding preexisting ties and third party referrals:

*“It was the classical scenario when you start a business, that your parent friends are your first customers.”*

Granovetter's (1983) theory of weak ties has also played a part in expanding the network.

Halinen and Törnros (1998) points out the influence from experience accumulated from earlier networks and prior work experience. Victor has gained a high level of confidence regarding succeeding with projects and organizing events. Earlier bosses and colleges have also referred Victor to people whom they know within the industry.

Victor has focused on accumulating knowledge, motivation and support from various mentors, mainly in order to gain specific and expert assistance when in need. Jack and Anderson (2002) description of a mentor as being a source of third party referrals and boosting the embeddedness process can be applied on Victor's case. He clearly stated the importance of having mentors.

### 5.2.3 Case 3: Henrik

Henrik's network is clearly defined as what Halinen and Törnros (1998) define as spatial, market and technological embeddedness. The cable TV and broadband industry in Sweden is very niched and connected to Stockholm. New ties were therefore relatively easy to identify and to contact:

*“It was just to drive to Stockholm and meet some actors”*

His network is clearly and strictly of a professional character and based on technology. The software which they offer relies of huge servers and great amount of technological knowledge. The network clearly accumulated and grew over time; from sitting alone in his living room designing websites to having more than 100 skilled employees and selling solutions to the biggest names within the industry. Halinen and Törnros (1998) definition of temporal, technological and market embeddedness therefore goes well in line with Henrik's embeddedness process.

Rangan (2000) describes the search process as a way of making use of ones existing network. The first two partners were what Granovetter (1983) describe as strong ties. It was two of Henrik's friends. The workforce was on the other hand mainly based on Granovetter's (1983) definition of weak ties and Uzzi's (1996) and Rangan's (2000) explanation of third party

referrals. The work force was built up by the existing network of weak ties, mainly friends of friends:

*“We did very few job announcements. It spread very quickly to friends of friends and old colleges and so on.”*

Jack and Anderson (2002) state the importance of a mentor. Henrik did not have a mentor. Although he mentioned that it would have been a good idea to have a mentor and today he has one. He relied and found support in his two partners. Jack and Andersson (2002) mention the function of a mentor's role of legitimizing the novice entrepreneur. Johannisson (1998) also states the importance of gaining legitimacy. Henrik knew that this was crucial. They lacked the assistance of a mentor. They therefore needed to show enough muscle in order to show that they could deliver and compete on the market. They succeeded by completing a prototype that they could show to prospect customers.

#### 5.2.4 Case 4: Louise Lindén

Halinen and Törnros (1998) would describe Louise as being technological, temporal, spatial, micro net, social and market embedded. Musik i Blekinge assisted with technological assistance and support, her network is mostly, especially in the beginning, centered in Blekinge. Her network has clearly developed over time. It has later developed to the environmental community and she is now well embedded in both the festival and environmental context in Sweden.

The first thing Louise did was to contact her uncle that was well embedded in the music and festival industry:

*“So I called my uncle to see if he knew anybody”.*

She therefore made use of her existing network of what Granovetter (1983) describes as strong ties. Her uncle referred Louise to high hierarchy actors within the industry. Her embeddedness process therefore goes well in line with Uzzi (1996) and Rangan (2000) theories of the importance of third party referrals. These referrals were of vast importance and without them she would have had a much harder time embedding in the festival industry. Granovetter (1983) debates for the strength of weak ties, and states that weak ties are superior compared to strong ties. In Louise case the strong tie of her uncle was crucial.

In the case of the two IT millionaires that contacted her it was also a matter of strong ties and third party referrals.

*“They asked Fryshuset if they knew any entrepreneurs that they believed in. They told them about me and then they contacted me.”*

When embedding in the environmental community of Sweden new contacts has played a major part. Artister för Miljön contacted Louise out of the blue. Once again it seems that Granovetter (1983), Uzzi (1996) and Rangan (2000) have missed the importance of creating and developing new ties.

*“They contacted me, somehow they knew me from media.”*

Regarding a mentor she has had two main individual with different rolls. Robban Åkerman have helped her realize the reality and constantly guided her in the right direction and showing her the next step. Bitte from Musik i Blekinge has been great moral support and helped with third party referrals, technical expertise and funding. Jack and Anderson (2002) description of the mentor regarding third party referrals therefore goes in line with the Bitte's role as a mentor.

### 5.2.5 Case 5: Dany and Niklas

Their embeddedness can mainly be described as spatial, micro net and social (Halinen and Törnros, 1998). They are clearly embedded in the geographical area of Blekinge, and more precisely Karlskrona. They strongly state the importance of making use of personal contacts.

Granovetter (1985), Uzzi (1996), Jack and Andersson (2000), Rangan (2002) and Johannisson (1998) all clearly states the importance of trust in an embedded relationship. For Niklas and Dany trust is extremely crucial. They point out that it is because they are selling a service. They describe trust as their currency. In order to succeed it is necessary that people trust them. Legitimacy is therefore a crucial part in their embeddedness process. Jack and Andersson (2002) and Johannisson (1988) both mention that legitimacy is key and can be developed through a well embedded network. Dany and Niklas focus on establishing common values and visions and state this is crucial when connecting with people. They also strongly value the physical meeting.

They clearly state the value of using personal contacts in business.

*“It is mostly the close ones, it takes time to build the relationship.”*

They focus on first establishing a personal relationship before business is considered. Jack and Anderson (2002) also consider that personal relationships should lay the foundation for the embeddedness process. This is clearly in contrast with Granovetter’s (1983) theory of the strength of weak ties. Rangan’s (2000) thoughts regarding the search and deliberation process and making use of the existing network is well in line with Dany and Niklas thought regarding the embeddedness process. Rangan (2000) describes that search for new ties and evaluating their trustworthiness is far more efficient when making use of the existing network.

Dany and Niklas have used their contacts from Hyper Island, BBI and BTH in this search and deliberation process.

Uzzi (1996) and Rangan's (2000) thoughts regarding third party referrals also fit well in with the entrepreneurial process in with Dany and Niklas have gone through. Hyper Island, BTH and BBI have played a major part in this process. The industry leaders from Hyper Island have been the most useful in this process.

The role of their mentor has mainly been to rock the boat and keep them on their toes. This is not in line with Jack and Andersson (2002) description of mainly generating third party referrals.

*“Sebastian Sjöberg has been our designator, our slap in the face so hard that we can't stand up. It has been extremely important to have somebody that kicks your ass when you fuck up.”*

### 5.3 Between case analysis

All of the entrepreneurs make use of weak, strong and new ties as well as third party referrals in their embeddedness process. The difference lies in the role and level of importance the ties have played in this process.

Joakim almost solely made use of new ties, which then referred him to people within the industry. These connections were crucial in Joakim's embeddedness process, because they contributed with specialized industry knowledge and industrial resources. I believe that this well embedded network is the main reason for Joakim's entrepreneurial success.

Victor on the other hand depended heavily on strong ties, especially early in the startup face. When his dad referred him to what was to become his first customer, it surely assisted him in his overall business, although it did not have significant impact on the process of embedding. Here we can see that the use of new and weak ties might not be necessary in order to start a business. In Victor's case we can see that entrepreneurs can do business when being disembedded. Does this mean that the venture creation process does not heavily depend on embeddedness?

Louise's usage of strong ties was also crucial in the early stage of her venture creation

process. However, unlike Victor, her strong ties significantly contributed to expanding her network in the embeddedness process. Just like in Joakim's case, being embedded gave Louise access to resources, which led to entrepreneurial success. Crucial resources can apparently be gained from either strong or weak ties. How does this go in line with Granovetter's (1983) theory of the strength of weak ties?

Dany and Niklas also state the importance of making use of strong ties, and stresses the value of first establishing a friendship before business is discussed. This case is different to the others in the sense that Dany and Niklas focus heavily on the personal relationship. The difference is that they focus on developing all their ties until they become strong ones, before they do business. This creates a strongly embedded personal network. The question is; is this preferable or even crucial in the venture creation process?

Henrik's two partners were good friends of his and were therefore very strong ties. Their moral support and expertise was crucial for the venture creation process, but just like in Victor's case, it did not benefit the embeddedness process significantly. Henrik therefore had to rely heavily on the creation of new ties, just like Joakim, in the process of embedding in a professional network.

All cases have therefore been successful in their embeddedness process, but only Joakim and Henrik have reached a higher level of entrepreneurial success. I think the main reason for this is that they both developed a strong professional network through the establishment of new ties. In four out of five cases the novice entrepreneurs lacked connection to what Granovetter (1983) describes as high hierarchy individuals within their existing network, before starting their ventures. By identifying these high hierarchy actors and then connecting them to once existing network, seems to be the most effective way to get access to scarce resources within the industry. Therefore I believe that the success of the venture creation process heavily depends on being embedded and creating new ties in an appropriate context. Strong ties can play an important role indeed, especially in the beginning of the venture creation process. This is clear in both Louise's and Victor's cases. However, in order to expand and reach a higher level of entrepreneurial success, I think existing strong ties need to be complemented by both new and weak ties, to get access to additional resources. This goes well in line with

Granovetter's (1983) theory of the strength of weak ties, in the sense that the usage of strong ties in the embeddedness process is a comfortable and easy road to take, but might on the other hand disable the entrepreneur's chances of success. Louise is now in the process of establishing these new and weak ties, it will therefore be exciting to see how she further embeds, and how it will affect the success of her venture creation process.

Compared to Joakim and Henrik, Dany and Niklas aim on developing personal ties, which can be very time-consuming. Uzzi (1997) state that time is a business's scarcest resource. How it is allocated will therefore have profound economic effect and determine the level of entrepreneurial success. I agree with Jack and Anderson (2002) as well as with Dany and Niklas, that the trust generated from a personal relationship is preferable in the process of embedding. However, I think it might be difficult to obtain a personal relationship with high hierarchy actors, where a professional relationship with mutual benefits might be easier developed due to the time variable. Therefore I do not think it is crucial for the novice and disembedded entrepreneur to use personal network in embedding within a market or industry. I find it preferable to establish a professional relationship with high hierarchy actors instead of building strong and personal relationship with actors of lower hierarchy. A strong personal relationship with a high hierarchy actor would be superior, but difficult to accomplish.

The geographical importance of the embeddedness process has also led to different results in all of the cases. For Victor, Louise and Dany and Niklas the location has been extremely important. They have all reach a high level of what Halinen and Törnros (1998) define as spatial embeddedness. For Henrik the location of his business had medium impact. He operated in Norröping and most of the major actors are situated in Stockholm, which is around ninety minutes north. The benefit of this short distance is clear and made the embeddedness process easier. But the importance of the geographical location in this case is not as crucial compared to the cases of Victor, Louise and Dany and Niklas. They heavily depended on the location. Henrik could on the other hand more or less move in a radius of ninety minutes around Stockholm, in all direction.

When it comes to the entrepreneurs' professional background and prior skills I could not find that it had major impact on the embeddedness process. Prior experience mainly acted as a

source of self-confidence, idea inspiration and skill acquisition. Victor had earlier experience from running and managing projects and Joakim had the role of an intrapreneur. In Henrik's case he made use of his skill of designing when starting his business. He was studying to become a teacher and designing was merely a hobby of his. The importance it had for the embeddedness process is on the other hand minor. Niklas's and Dany's case is similar to Henrik's. Niklas loves to the design, and is also from a background in education. Designing was in this case also mostly an interest.

## Chapter 6

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### FINDING AND CONCLUDING DISCUSSION

*This chapter gives an account of the conclusion and suggestion for further research derived from this study. The research process will also be assessed.*

#### 6.1 Summary of Empirical Results

All of the entrepreneurs have succeeded in overcoming the stage of disembeddedness.

What surprises me in the findings of the empirical study is that none of the cases display the usage of what Granovetter (1983) describe as weak ties. According to Granovetter (1983) the weak ties are the main ingredient in embedding in a useful network with connection to high hierarchy individuals. In contradiction to Granovetter (1983) I have found that the usage of new ties, instead of existing weak ones, have been crucial in both the embeddedness and venture creation process. I therefore want to point out the strength of *new* ties, because they can be pinpointed and directly lead to high hierarchy actors with connection to resources. The network is in other words designed by the entrepreneur rather than based on preexisting ties.

However, in accordance with Granovetter (1983) I found that strong ties are easy solution, but might lead to lower results in the long run. Despite this I can see that strong ties play a crucial part, especially in the beginning of the venture creation process, mainly because they generate security and can rather quickly be used.

The study also shows that entrepreneurs who establish a professional network and accomplishes what Halinen and Törnros (1998) define as market embeddedness, reach higher results compared to entrepreneurs that mainly have a personal network.

Third party referrals, this including referrals from strong, weak and new ties, play a major part in the embeddedness process. The best way of getting a hold of high hierarchy actors is by establishing new ties and then leveraging on third party referrals within the industry. I also found that new and weak ties can be developed into strong ties.

I found that background and work experience played a minor role in the embeddedness process, compared to the geographical location that was important in the majority of the cases.

I can see that novice and disembodied entrepreneurs have the possibility of quickly embedding within a market or industry. Disembodiedness therefore only exists for a short period of time, if the right actions and connections are made.

## 6.2 Connection to Purpose

I have gained further understanding of in which different ways and how novice entrepreneurs can embed. Through the empirical data I have identified a preferable route in order to reach entrepreneurial success.

## 6.3 Further Research

Further research on embeddedness in the field of entrepreneurship is of vast importance. I have focused on novice entrepreneurs and challenges they face when disembodied. I conducted data via semi-structured interviews. In order to gain higher levels of authenticity, transferability and deeper understanding regarding the contexts of the entrepreneurs a grander study with; greater amount of interviewees and longer interviews in combination with an ethnographic study should be conducted.

One area I would like to see being studied is the scenario where entrepreneurs constantly disembodies themselves and then embed in another market or industry. How do these entrepreneurs leverage their current networks in order to capitalize opportunities on other markets? Can it be an advantage to start ventures in different markets and industries?

Another area of interest is the individual that start a business in another geographical location but within the same industry. The entrepreneur is geographically disembodied. How does he or she use his existing knowledge regarding the industry in this new geographical location? It is of great interest for firms and entrepreneurs wanting to grow national and international.

I would also suggest that further research focus on how entrepreneurs make use of new ties, and how a successful connection can be made. I would like to examine more in detail in which ways the creation of new ties effect the embeddedness process.

#### 6.4 Advice to Entrepreneurs

My advice to future, novice and entrepreneurs finding themselves in a disembedded stage would be to identify high hierarchy actors within ones industry. When the actors are identified a connection can be made with focus on mutual benefit, professional exchange and guidance.

#### 6.5 Strengths and Weaknesses with the Study

##### 6.5.1 Trustworthiness

I believe that this research is designed and conducted in a manner that leads to a high level of trustworthiness.

I based the interview questions on the theoretical framework. The questions were clarified and explained if the interviewees did not understand the question. This lead to a low level of assumptions and a high level of understanding and credibility.

The empirical data conducted via semi structured and qualitative interviews. The questions were asked and designed in a way that gave a deep understanding of the entrepreneurs context and social setting. This led to diverse findings due to the specific social context of the entrepreneurs. I am therefore aware of the difficulty of transferring the results to other social settings and reaching high levels of transferability.

Solid dependability was not accomplished due to time constraint. Bryman and Bell (2007) argues that dependability is a inefficient and demanding process. And therefore not widely popular. Interviews has been recorded, organized saved but the entire process has not been documented. Not much energy has been invested in documenting the process due to Bryman and Bells (2007) view on dependability.

In order to reach a high level of confirmability I have with great effort strived for keeping an objective mindset and kept bias thought outside of this research. Previous theory has in some extent influenced the thesis. Although Bryman and Bell (2007) states that not being influenced by prior theories is merely impossible when using an abductive approach.

The level of authenticity is heightened by devoting time to understand the entrepreneurs contexts. During the interviews a lot of effort was given to understand the specific context of

every entrepreneur. Perfect authenticity will not be reached due to the constraint of interviews. In order to reach higher authenticity a ethnographic study would be more suitable. Although semi structured interviews gave me enough insight regarding the entrepreneurs contexts.

#### 6.5.2 Work process

From the beginning I knew that I wanted to study and develop a deeper understanding of entrepreneurs and how they act. I was especially interested in the first stage of the process. When reading articles I discovered that resource constraint was a crucial factor for entrepreneurs. I also discovered that networks played a crucial role in the process of allocating and acquiring resources outside of the entrepreneurs reach. I therefore narrowed my study to allocating of resources and networks. Embeddedness is a crucial part of network theory and therefore opened up a grand door to a multitude of research. Once again I needed to narrow down the focus and purpose. I chose to study first-time entrepreneurs with the motivation that they are often extremely disembedded and distant from needed resources. Their network is often limited and it is therefore a great challenge for these brave souls to build a solid network, embed in a new market and acquire scarce resources.

As a student and in the process of considering starting up a new venture, this research will be of great use in the future when in the face of starting a business.

Finding entrepreneurs to interview was a rather easy process. I used my existing network of weak and strong ties. Then I simply traced my way through mine and others networks in order to find valuable and skilled entrepreneurs to interview.

#### 6.5.3 Evaluation of theories

Granovetter (1985) and Uzzi (1996), (1997) laid a solid base for the entire research and increased my understanding regarding the subject.

Halinen and Törnros (1998) description of different types and views on embeddedness gave me a deeper knowledge. These views and different sorts of embeddedness helped me in the process of narrowing my study and assisted in explaining the different relationships within the interviewed entrepreneurs networks.

Granovetter (1983) and his theory of weak and strong ties has been a central base in this research. It has allowed me to understand how a network can be build and ties utilized in different ways. When analyzing data from interviews this theory was of vital importance and gained understanding regarding the process of how the interviewees used the ties within their existing network.

Jack and Anderson (2002), Rangan (2000), Aldrich and Zimmer (1986) and Johannisson (1988) played a crucial part in understanding the importance for the entrepreneurs to be embedded in a network in order to; adopt to contingencies and change, develop trust, acquire resources, solving problems and therefore seize opportunities and create powerful and successful ventures.

#### 6.5.4 Generalizability

This research is a qualitative study with an abductive approach. High levels of generalizability is therefore difficult to accomplish. I quickly realized this and found that social contexts of novice entrepreneurs are rather specific. The findings will therefore not be generalizable.

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# APPENDIX

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## INTERVIEW QUESTIONS

6. Tell be about your journey as entrepreneur and some regarding your background?
7. Tell me about your business?
8. What was crucial in order to start the venture, was there any particular recourses that were crucial?
9. Was there some that were of vast importance? Why?
10. How did you acquire the resources?
11. Did you use close contact or distant ones?
12. Who was important for what?
13. Do you have a network today?
14. How does it look like?
15. Has it changed during the process? In which way?
16. How do you maintain these contacts?
17. Have you had a mentor?
18. What was the function of this mentor?