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Network development among habitual entrepreneurs when starting a new venture in a different industry

by

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Abstract

Purpose - The purpose of this research is to investigate how the business network develops, when habitual entrepreneurs enter into a different industry context. How these entrepreneurs expand their existing networks, and how they build new networks, when entering new industry context.

Design - Qualitative analysis. Findings are primarily based on semi-structured interviews with ten habitual entrepreneurs located in the region of Scania, Sweden. We are using a multiple case study design and making a thematic analysis. We analyse the micro level (ties) and macro level (structure) of the network development process (Slotte-Kock and Coviello, 2010).

Findings - We have discovered that the habitual entrepreneurs first do an industry research, before calls and meetings were made. The entrepreneurs do the industry research with LinkedIn and search engines, as well as participate in different industry specific organisations and events. They contact industry experienced professionals to evaluate the feasibility of their business ideas (Cassar, 2014) and to continuously shape the business model in coherence with the market needs. The network structure is made of both industry specific and other business professionals. Lastly, we discovered that team members' industry specific network is a very important social resource for the new venture.

Research limitations - All the cases are located in Scania, Sweden so it might therefore be hard for us to general internationally, the reason being that most of the entrepreneurs are located in incubators. It is difficult to define the level of subjectivity of every habitual entrepreneurs' interpretations of their own action. In addition to that there might be challenges in terms of transparency (Bryman and Bell, 2011).

Originality - The originality of the thesis is to investigate how the habitual entrepreneurs develop their networks in a new industry context to make the new venture successful. The thesis is based on a theoretical framework of previous research about business networks, habitual entrepreneurs, network structure, strong/weak ties, industry experience, and the network development process.

Key words - Networks, social resources, network process development, habitual entrepreneurs, industry experience and context change.

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1. Introduction

1.1 Background

We can all learn from more experienced people, who have already gone through a process we want to, many times before us. When starting a business an entrepreneur sometimes shifts into a new context, making prior contacts and knowledge of the earlier context seem not immediately useful. Investigating the area further, we see that in research, entrepreneurs are categorized in different types based on their experience and behavior. Some of them have no knowledge of the market and start their businesses lacking the networks and knowledge of the industry, called novice entrepreneurs (Westhead & Wright, 1998; Westhead, Ucbasaran & Wright, 2005). Others may have had more than one venture operating in different markets or/and different industries, called habitual entrepreneurs, making them more experienced entrepreneurs (Westhead & Wright, 1998; Westhead, Ucbasaran & Wright, 2005). Former research has defined habitual entrepreneurs into two categories portfolio entrepreneurs and serial entrepreneurs (Westhead & Wright, 1998). Portfolio entrepreneurs have several companies at once while serial entrepreneurs establish only one company at a time, but have founded several in their life (Westhead & Wright, 1998). The likelihood of them having experienced shifting between industries is therefore higher and novice entrepreneurs can learn from what the habitual entrepreneurs have done.

The topic of habitual entrepreneurs is getting attention in the academic research, because they are experienced and therefore researchers believe that novice entrepreneurs can learn from them (Rocha, Carneiro & Amorim Varum, 2015).

We are novice entrepreneurs ourselves and therefore learning how to develop our network, when moving into a different industry context is relevant to us, since we probably will be doing this ourselves in the future: either from employment or education into a different industry or by starting different ventures in different industries. We are interested in learning practical solutions, methods and strategies on how to recognize stakeholders and building our network in a different industry context. We can learn more from habitual entrepreneurs,

because they have tried to develop their network over a longer time period than novice entrepreneurs in different industry contexts. Therefore our focus will be on researching into how habitual entrepreneurs develop their network.

Research has shown that a unique composition of available resources will differentiate the new venture from the competition and result in creation of wealth (Brush et al., 2001; Shane, 2012).

One of the resources needed to start a new venture is the social capital of the entrepreneur (Brush et al., 2001). Common to all entrepreneurs is that they need to find relevant resources, amongst others the right contacts when they are initiating operations in a new context. When entering an industry the entrepreneur will look for ways of establishing a network to help him/her start and develop their new venture. In the new industry, he or she no longer has the experience and knowledge allowing him/her to get relevant information about the venture (Brudel et. al., 1992) or having high entrepreneurial awareness (Cassar, 2014), as in the case with the previous industry. Therefore, building and maintaining his/her network and social capital or the resources embedded in entrepreneurs' personal networks (Stam et. al., 2014, p.152) is of importance to the entrepreneur (Stam et. al., 2014). For decades, researchers have argued that entrepreneurs' network, as set of relationships and contacts, is important in order for the entrepreneurial process to be successful (Aldrich, Rosen & Woodward; 1987, Birley, 1985, Hoang and Antoncic, 2003; Semrau & Werner, 2014)

Some researchers even state, that networks are a critical resource for the entrepreneur to establish a successful venture (Besser and Miller, 2011; Rahatullah and Raeside, 2015).

According to Aarstad et al. (2016) access to critical resources is what differentiates experienced entrepreneurs from novice entrepreneurs. The habitual entrepreneurs know that technology has little value if they cannot convince market actors, therefore they actively aim to establish business relations early on in the new venture process.

This thesis will focus on the actions taken by habitual entrepreneurs when they establish a new venture in a different industry and develop their business network in it.

Recently focus has shifted from seeing the network process as a separate part of the entrepreneurial process, with separate building blocks, to an interconnected and interactive relationship in the context of the entrepreneurial process (Lamine et al., 2015). Research into network and social resources have been focused on what is build, how the network is build and how it is maintained and not how these topics are connected and interrelated in the

network process (Slotte-Kock and Coviello, 2010). Lamine et al. (2015) and Slotte-Kock and Coviello (2010), have connected the topics or building blocks of the network process into a process that is time bound and interconnected. The recognized research gap is how the entrepreneurs build their network in a different industry context.

1.2 Purpose

The purpose of the thesis is to investigate the role of the network when habitual entrepreneurs enter into a new industry context. How these entrepreneurs expand their existing networks, and how they build new networks, when entering new industry context.

In order to find out how the entrepreneur expands and builds their network in a new context, we will investigate how the entrepreneur recognizes stakeholders for the success of the new venture, when the entrepreneur changes industry. When starting a new venture the entrepreneur has to determine and find important stakeholders with industry experience that he/she needs information from or to collaborate with in order to successfully establish the new venture in a new industry context, which the entrepreneur has not been in before. Therefore we want to find out how the entrepreneur establishes contact and starts building relationships with the contacts.

Habitual entrepreneurs have experience in building relationships with stakeholders in the previous industry, in which they have acted. They have tried locating and making the first contact with different stakeholders in different industries several times, therefore, it will be more informative for us to interview them. It is important to state that in the thesis, changing industry means that the entrepreneur has or used to have at least two ventures, each in different industries for instance moving from farming industry to security control. This change in industry necessarily implies that the entrepreneur will not have well developed existing contact and relationships with people in the different industry they are entering. The major shift in context will illustrate how the entrepreneurs use their existing network and how they build a new network. It will also illustrate what difference a new context means for the actions of the entrepreneur, when building a network. However it will be from the viewpoint of the entrepreneur and focus will be on how the network is formed in accordance to the intentions and actions of the entrepreneur. Our research questions are:

Which methods and strategies do habitual entrepreneurs use to expand their network when changing industry context? Why do they use these methods and strategies, in their own opinion - for what purpose? What is being developed: which means how is it structured and does it consist of strong or weak ties while being developed?

We have gathered empirical data by interviewing ten habitual entrepreneurs in Scania, Sweden. The method used is qualitative research, because we want to understand the actions taken by the entrepreneurs and why they took these steps (Bryman and Bell, 2011).

We make a multiple case study design analysis (Eisenhardt and Graebner, 2007) and relate our empirical findings to existing theory on social resources, entrepreneurial networks, strong/weak ties, change of industry and habitual entrepreneurs. However we will especially use the models developed by Lamine et al. (2015) and Slotte-Kock and Coviello (2010), which we are describing more in the theory chapter.

1.3 Who is the thesis beneficial for

Both novice and experienced entrepreneurs can benefit from understanding the actions taken by habitual entrepreneurs, and why they took those steps when building their business network in a different context. In order for the new venture to be successful, every entrepreneur needs a well-established network as we have already described previously, but when they get into a new context this process can take time. Therefore, our research is relevant for novice entrepreneurs in order for them to learn best practices of recognizing and establishing contact with different stakeholders when changing industry. Either for the reason of wanting to partner up with them in the future or of getting credibility from references. It can also be beneficial for the habitual entrepreneurs in the way that they can learn how to build their network in a different industry. Researchers into network process development and habitual entrepreneurs will also find it interesting, since we are shedding light on the network development process when changing context.

1.4 Thesis outline

We describe previously in the chapter our research purpose and background, then in the following one we build our theoretical framework. Then we present and explain the method

we are using. Afterwards we analyse our empirical data collected from interviews with habitual entrepreneurs and induct a theory in our discussion chapter. At the end we conclude and summarise the research findings.

2. Literature review

In this chapter we go through research already done in the following themes: industry experience, networks as important resources, networks and different types of networks, network structure, strong and weak ties, as well as network development process. Based on the literature review, in order to support our research purpose we are focusing on investigating how the habitual entrepreneurs, who change industry context developed their networks in the new context. For the habitual entrepreneurs it is challenging to shift into a new area where they lack industry experience and contacts. Industry experience makes the entrepreneur better at evaluating opportunities in that industry (Cassar, 2014) Furthermore, they all rely both on their strong and weak ties, considering the weak ones as an indispensable part of their entrepreneurial career as they are a crucial source of novel information and in many cases lead to recognizing and exploiting business opportunities (Granovetter, 1973). Also, we look at the structure of habitual entrepreneurs' networks as it is common for entrepreneurs to have their social and business network overlapping, especially if they are habitual (Johannisson, 2000).

2.1 Industry experience

The habitual entrepreneurs we select for empirical data research must have industry experience of starting businesses within different industries. Therefore it is important that we define what industry experience means.

Having experience from an industry means that the entrepreneur gains knowledge about the pricing, cost structure, the value chain or the profitability of various market segments and products within that industry (Brudel et al, 1992; Dimov, 2010). The entrepreneur who has expertise in a certain industry is likely to get relevant and precise information about their new venture in the same industry field (Brudel et al., 1992; Landier and Thesmar, 2009). 'Industry experience can increase the entrepreneur's awareness of industry trends and provide exposure to current developments in processes of production or service delivery' (Cassar, 2014, p. 140).

Cassar (2014) researched into industry and startup experience of entrepreneurs' forecast on firm performance. He discovered that having industry experience reduces the likelihood of being surprised, when the entrepreneur starts a business. Entrepreneurs can benefit from being employed or having a form of occupation in the industry, in which they intend to start a new venture. Furthermore on average entrepreneurs possess an advantage when evaluating new opportunities, that they have experience from (Cassar, 2014). The entrepreneur gains knowledge 'about the new venture opportunity and processes, which all reduce the uncertainty of the venturing evaluation' (Cassar, 2014, p. 140). Regarding evaluating prospects experience from the industry that the entrepreneur wants to start a business in 'reduces the number of unknowns and assumptions an entrepreneur must make when evaluating their prospects' (Cassar, 2014, p. 140). Having industry experience means that the entrepreneur gains information about the industry context and the business that might not be available to be acquired from sources outside of the industry (Cassar, 2014).

We can hereby conclude that habitual entrepreneurs, with experience in starting a business in one industry will have an advantage in evaluating opportunities within that industry. However, it would also naturally follow that the entrepreneur with experience from one industry can help another entrepreneur with no experience from that industry, both with evaluating opportunities and with sharing information about the industry - knowledge about the industry as described above. The same role can be played by industry professionals that have industry experience through employment in an industry.

2.2 Networks as important resource

It is widely believed that network is a resource needed by entrepreneurs to succeed in establishing a new venture and in succeeding to grow a small firm. By using networks to obtain resources that are limited because of the new venture being small in size, it is presumed that networks enhance small firm performance and small company growth. Furthermore, social resources of the entrepreneur also make new ventures competitive (Slotte-Kock & Coviello, 2010; Lamine et al., 2015). In addition entrepreneurial competencies develop over time by using networks (Rasmussen et al. 2015).

Furthermore, when it comes to the early stages of a new venture the entrepreneur relies significantly on his or her network to acquire critical resources as information, financing or

human resources and if the contacts are not used properly many problems may occur damaging the relationships between the entrepreneur and the network (Jing Zhang, 2010). This will eventually lead to malperformance of the new business or delaying its establishment.

2.3 Network structure

In order to properly investigate the network structure of the habitual entrepreneurs in Scania we analyze our results through concepts developed by Johannisson (1992, 2000). He sees the entrepreneur's network as a combination of social and business network (Johannisson et al., 1992). According to him the social network consists of 'talk network' and 'acquaintance network'. The first is an important source of information for the entrepreneur while the second provides both social support and legitimacy. On the other hand, the entrepreneurs develop a business network which includes 'commercial network' and 'professional network' (Johannisson et al., 1992). The commercial network is focused on the implementation of projects and defining niches and the professional network helps the entrepreneur to validate concepts and test venture ideas. In order to understand the potential of entrepreneurship in different contexts, Johannisson examines the different functions of these networks on three levels: industrial districts, science parks and corporations. In the following table we can see the contextual definitions of social and business networks by Johannisson (2000):

Table 3 Towards Contextual Definitions of Social and Business Networks

CONTEXT	Relational Structure				
	FORMAL	Talk	Acquaintance	Commercial	Professional
<u>Industrial district</u>	(Operate as a gatekeeper, provide joint R&D)	Acquire information	Enforce norms/re-source bank	Provide a local market	Realize change
<u>Science park</u>	(Supply management resources)	Complete production function	Legitimate role as entrepreneur	Select niches	Create/test problems/solutions
<u>Corporation</u>	Enforce norms	Generate ideas/reflect formal structure	Provide social support	Implement projects	Test venture ideas

Towards Contextual Definitions of Social and Business Networks, Johannisson (2000)

The network's structure of an entrepreneur differs from the one of a manager, as the first thrives on ambiguity and action rationality rather than structure and certainty (Johannisson, 2000). The entrepreneurial network is the personal network of the entrepreneurs as he or she develops them while launching their ventures. Furthermore, since it is built by the entrepreneur, the network is not restricting the venture creation, on the contrary – it is “a tool for realizing the venture” (Johannisson, 2000, p.371). Generally, the entrepreneurs reject structures, which are applied from an external source. However they see their own personal network and the venture as an extension of themselves so they take it for granted as a part of them (Johannisson, 2000). Through experiential learning the entrepreneur learns a lot from reflecting upon his or her own actions as well as looking at his/her peers' actions within the entrepreneurial network (Johannisson, 2000). They benefit personally from these interactions but also the venture has better chances to improve and grow. Habitual entrepreneurs differ in their approach towards building ventures, as they are more focused on continuous venturing, networking in a way to create new ventures, rather than building one single organization with a solid structure (Johannisson, 2000). Habitual entrepreneurship is described as ‘successive enactment of venture opportunities continuously produced through exchange within the personal network’ (Johannisson, 2000, p.374) which is to say how much habitual

entrepreneurs are dependent on a well-developed network, which they use over and over through time in order to create different ventures, integrating them through intensified networking process. Moreover, the networking process performed by an entrepreneur is not focused only on promoting their new venture but also on fundamental human needs. The networking process is a tool for investing in human and social capital. Among habitual entrepreneurs it is difficult to measure the efficiency of their entrepreneurial networks as they are involved in many venture activities and therefore the focus should be set on the individual and his or her personal network (Johannisson, 2000), rather than the network around a particular venture.

2.4 Strength of ties and building relationships

It is widely acknowledged that the social capital of an entrepreneur helps him/her gather resources and that strong ties secure crucial resources, when starting a new business (Elfring & Hulsink, 2002). However the weak ties are those allowing the entrepreneur to receive novel information (Granovetter, 1973). They are also called bridges and they open up the conversation for business opportunities outside one's network of strong ties (Granovetter, 1983). To define the strength of a tie in entrepreneurial networks, we adopt the explanation given by Granovetter, describing it as a combination of the amount of time invested, the intimacy, the emotional intensity and the reciprocal services which characterize the tie (Granovetter, 1973). He analyses further the importance of the weak ties and concludes that they are an indispensable part of someone's individual opportunities and integration to certain society, putting the linkage between micro and macro levels on a central spot (Granovetter, 1973).

Weak ties are also considered much more valuable for new firms and strong ties and network size are more positively related to the performance of older companies (Stam et al., 2014).

Yang (2015) states that the amount of research available on how to identify weak and strong ties is very small - the actual characteristics of what makes a ties strong or weak are limited.

Yang (2015) researched into the characteristics of entrepreneurs online social networks and collected data from LinkedIn, Facebook and Twitter. He found out that in former research, researchers discovered that strong and weak ties have different advantages in different

contexts. Informal contacts, which are family and close friends, can be seen as ‘strong assets’ and they are mainly used for assistance, requests for confidential information and obtaining resources. Yang (2015) says that research has shown that an entrepreneur’s social contacts often informal and non-work related. Strong ties enhances firm performance, by building trust, transferring information and by doing problem-solving arrangements together. As for weak ties, entrepreneurs use those for obtaining information they cannot get from the ‘strong assets’. He also states according to former research that there is difficulty distinguishing between which ties are important in an entrepreneur’s online social network, because the ties can fluctuate according to importance throughout the different phases of a start-up. Granovetter (1983) stated that any individual has a group of densely knit clump of close friends, whom are all closely linked to each other, and they are ‘strong ties’. However, all individuals also have acquaintances that barely know each other and have no relation to each other: these are ‘weak ties’. Since each individual has friends and ‘strong ties’, but this clump of strong ties are different from the individual’s close friends. Therefore the acquaintance becomes a crucial bridge between the two densely knit clumps of friends. Through the ‘weak ties’ the entrepreneur can thereby gain diverse resources across networks and communities (Granovetter, 1983). Yang (2015) states that previous research shows that individuals can benefit from having social ‘weak ties’ that form a bridge between communities. Yang’s (2015) research shows that the online social network of an entrepreneur are in fact networks of networks, rather than single networks in themselves. It means that the networks of Twitter, Facebook and LinkedIn overlap to some degree – some contacts exists in all of the social media. His research thereby suggests that the existence of weak ties in the networks of networks are highly connected to the entrepreneur’s online networks. Yang states that the role of the ‘weak ties’ in the networks of networks (social media) serve as links between the different networks and facilitate the flow of information within and between the networks.

Social networks are defined as “a set of actors and some set of relationships that link them” (Hoang and Antoncic 2003, p.167). Thereby, making research into the nature of the links (strong or weak) between relationships central to the research into social networks (Lamine et al., 2015).

Research has also been done into how different entrepreneurial networks are structured. Yang states that ‘The structure of a social network is never fixed; they are the social context of businesses and can be activated according to the different needs of the business’ (Yang, 2015,

p. 126). Trust is one of the most important ingredients, when maintaining and establishing business networks (Besser and Miller, 2011; Rahatullah and Raeside, 2015). Rahatullah and Raeside (2015), also suggests that the stronger the relationships, the greater the likelihood of a successful business. Trust is embedded in the ties and network of the entrepreneur and represents the social capital, which gives access to all sorts of capital and resources (Johannisson, 2000). Corsaro and Snehota (2012) discovered that in order to achieve success in the business networking one has to understand the mechanisms behind the process of establishing a strong long term relationships. Trust seems to be one important factor in that regard. Moreover, some status variables as family support, personal relations and interlinking are improving the chance of establishing and developing a better business network in small and medium business enterprises (Felicio et al., 2012).

2.5 Network development process

Research has been done into network content, ties, governance and structure, as we have previously stated. However, little has been done into the development process of networks (Slotte-Kock & Coviello, 2010; Lamine et al., 2015). Slotte-Kock and Coviello (2010) even stated that entrepreneurship literature had just begun to investigate how network relationships are developed and transformed. Lamine et al. (2015) discovered that in research into social networks there has been a main focus on informal social networks. However, they put focus on the business networks as a context of the entrepreneurial process. Infact Lamine et al. (2015) states that networks are a dynamic process and there has been little research into this. Their research into the network process looks into the association between the entrepreneurial process, the entrepreneur, social networks and the context of the network. They suggest thinking of different ways to improve the efficiency of the dynamics between entrepreneurs/project/social networks and context. The entrepreneur executes entrepreneurial projects through interacting with his/her social networks (Lamine et al., 2015).

By looking at research done so far about the network process. Lamine et al. (2015) came to the conclusion that researchers have to take into account the multi dimensions of the entrepreneurial process and the social network of the firm. They both state that the entrepreneur as an individual, the entrepreneurial project and the social networks are connected, however these four dimensions all coincide and evolve symmetrically, but they

also affect each other and interact. See figure 1 in Appendix 1. The model (figure 1) illustrates that the entrepreneur's learning can change through interaction with the network. However, learning implies change has happened over time (Lamine et al. 2015). Figure 1 shows us that the network development process is in continuous development and that it is a process between the entrepreneurial project, the entrepreneur and the team members, as well as the social network of the entrepreneur and the company - they cannot be separated as they previously were. It makes this model ideal for investigating what learnings habitual entrepreneurs have made when changing industry. Lamine et al. (2015) say the model shows that social networks evolve in range, extent and in nature. The nature being that the sense of the ties between relations can evolve from being weak to strong or they can vanish as well. External shocks can make the entrepreneur activate her/his networks and/or will engage in a proactive view of social network, when faced by a problem (Lamine et al. 2015).

Slotte-Kock and Coviello (2010) have looked into research done on networking and they discovered that social network research has been focused on the structure of the networks, whereas business network research has been focused on interactions between actors. They state that Entrepreneurship Research has therefore been focused on either aggregate network patterns (structure) or the ties that forms the network, being either strong or weak. Slotte-Kock and Coviello (2010) therefore suggest that in order to research the process of networks researchers should look at the context of the entrepreneurial process, also stating like Lamine et al. (2015) that the entrepreneurial process are influenced by the social resources of the new venture.

Entrepreneurship research into networks should look on both the macro level (structure) and the micro level (relationships) of a network (Slotte-Kock and Coviello, 2010). Therefore Slotte-Kock and Coviello (2010) developed a model, where the network is positioned as a developmental outcome of a new ventures' entrepreneurial process.

Conceptualizing Network Development

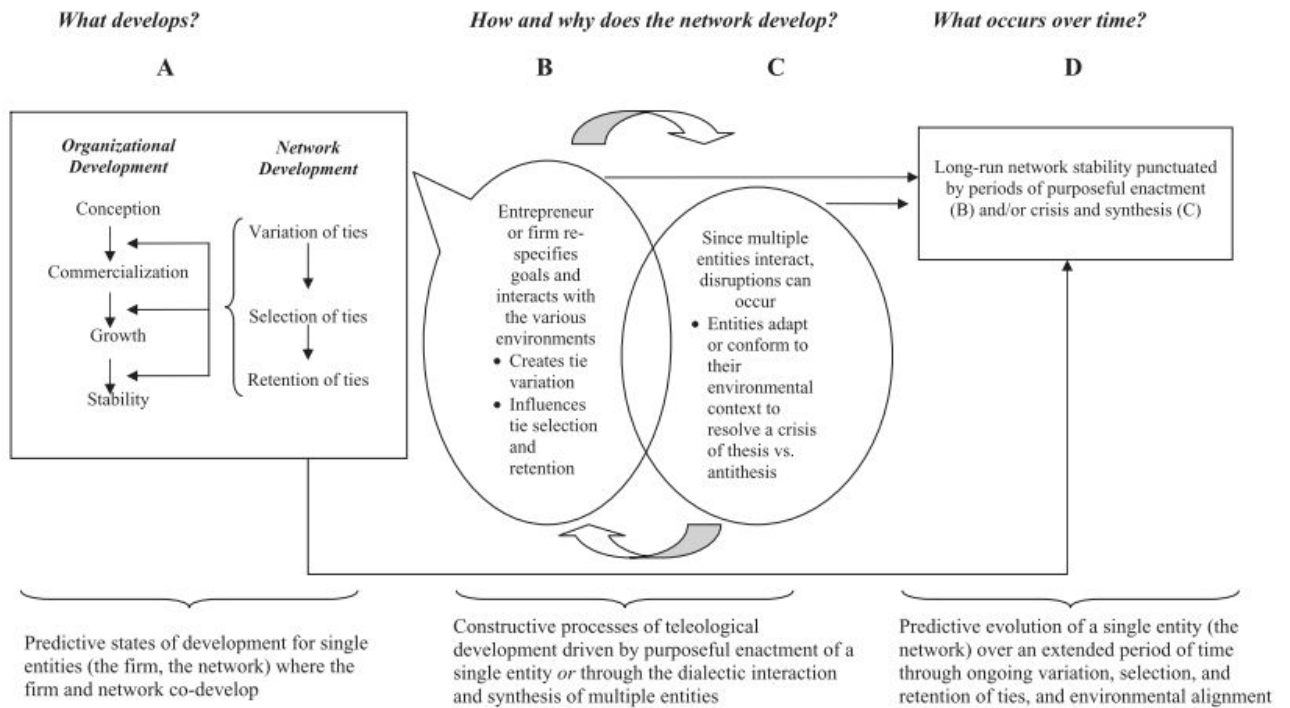


Figure 2, *Conceptualizing Network Development*, Slotte-Kock and Coviello (2010)

The model of conceptualizing network development is based on the following three questions:

1) What develops? 2) How and why does the network develop? 3) What occurs over time?.

Lamine et al. (2015) argued that researching into the macrolevel of the network, we could learn about the structure of the network as an organization. Jack et al. (2010) states that “If we try to understand the network as an organization, we can count, situate connections and build up a map of the network” (Jack et al., 2010, p.316).

3. Method

In this chapter we define the method we use to extract the necessary data to fulfil our research purpose. We explain our research design, data collection method, how we analyse the empirical data and end with method limitations.

3.1 Research design

We do a multiple case study design, which is a qualitative method. Our focus is on looking at networks across industries and how the network of the entrepreneur unfolds, thereby generalizing to habitual entrepreneurs in Sweden. We have conducted semi-structured interviews with 10 entrepreneurs from Scania and we do a thematic analysis of the empirical data.

We recognize patterns of methods and strategies used by habitual entrepreneurs to develop their network in a different industry context as well as reasons behind their actions. We do that by recognizing patterns of relationships within and across the 10 cases and their underlying logical arguments. Multiple cases enables us to clarify whether the phenomena are consistent and replicable to several cases (Eisenhardt and Graebner, 2007). Since we have chosen cases across varied industries, and the data collected is deep and rich, the cases become more generalizable. The phenomenon of habitual entrepreneurs expanding and building their network in another industry context is a complex social phenomena and multiple case study design is therefore best for our research purpose (Eisenhardt and Graebner, 2007). In addition, we are looking at the entrepreneurs' network development process, by asking them to reflect on their past actions and what they learned from their actions. So even though we are interviewing them at a single point in time, we research into a process that are time bound, thereby making multiple case study design and not cross sectional design most relevant for our research purpose (Bryman and Bell, 2011).

The central purpose of the multiple case study design is to use the cases to develop theory inductively and not to test a theory (Eisenhardt and Graebner, 2007). Since it is multiple cases the empirical data collected are rich and substantial, but multiple cases 'provide a stronger base for theory building' (Eisenhardt and Graebner, 2007, p. 27), it sets an appropriate level of abstraction, and the research becomes more accurate.

We are using qualitative method, because we want to understand the actions taken by the entrepreneurs and our strategy is interpretative. In addition, it is more relevant for us to emphasize on words rather than numbers (Bryman and Bell, 2015). Bryman and Bell (2015) state that the difference between qualitative and quantitative methods are that the quantitative method counts the action and choices taken, whereas the qualitative method explains why the

actions was taken in words by the participants. We are trying to see the social world of networking from the viewpoint of the interviewee, which is what you do in phenomenology (Bryman and Bell, 2011). In addition, we think that the social world is created by the actions of the entrepreneur like in constructionism and that the social world does not exist separately of human action like in objectivism (Bryman and Bell, 2011). This means that we are not interested in seeing how each industry is structured and which effect that has on the network process of the entrepreneur. Rather we are interested in seeing how the actions taken by the entrepreneur and the choices that he/she makes shape the network that he/she creates in correlation with the new context. This is in coherence with what Lamina et al. (2015) states: that the entrepreneurial process and the network process exists like a constant interactive development process that cannot be separated from each other.

3.2 Data collection study

3.2.1 Sample selection

We are using theoretical sampling, which means that our cases are ‘selected because they are particularly suitable for illuminating and extending relationships and logic among constructs’ (Eisenhardt and Graebner, 2007, p. 27). In order to conduct the qualitative study we are interviewing 10 habitual entrepreneurs, from a broad selection of different industries. Since our 10 cases are from a varied range of different industries we are creating more robust theory, because our cases provide varied empirical evidence and they are thereby more generalizable (Eisenhardt and Graebner, 2007). They are the decision makers of the business and we are interested in their methods of building and using networks. For the purpose of generalizing the social phenomena to all of Sweden, we have found habitual entrepreneurs across different industries in Sweden. Since we wanted to meet face to face with the entrepreneurs to get detailed qualitative information, the entrepreneurs had to be located in Scania.

The level of success of the new ventures will not be measured and has no effect on the sample criteria. We are not assessing the success of the new ventures, but rather the success of the network’s effect on the new venture process. Therefore it is not important if the entrepreneur has had several ventures that somehow failed.

The main criteria for our sample are:

1. They have to be habitual entrepreneurs. The habitual entrepreneurs can be both serial and portfolio entrepreneurs, as the experience of changing industry is more important for our research.
2. They have to have moved into another industry, at least once, which means they have to have started at least one new venture in two separate industries.
3. They have to be the owners and founders of a current venture, because we want to see how they have progressed over time.
4. They have to be located in Scania
5. Variation between different industries across cases.

3.2.1.1 Change of industries

An important sample criteria is that the entrepreneurs change industries at least once as we want to see how the network development process unfolds when entering into a different industry context. It is therefore important to state that we are not talking about change of market, because there can be several markets for a company in the same industry. Rather we mean change of industry. Industries can be small and big in size, and can include many types of products and companies. For instance Martin Hill's industry change between IT and sound equipment industry are related but it is still two different kind of industries. This case example is not a radical shift in industries, but it is a minor shift in industries. On the other side Filip Larsson shift in industry between IT and real estate are more radical, because the companies in one industry are less likely to be a part of the other industry. Thereby, we define the different industries in each case in the words of the habitual entrepreneurs themselves as they know most about the industries. Moreover, our focus has not been on researching into one industry and how it functions.

Some of the entrepreneurs tell us that they were employed in another industry before starting a new venture and sometimes between ventures. From their employment they have existing contacts. Also, the entrepreneurs have gained industry contacts when starting a business earlier in different industries. We are looking at the entrepreneurial process as an interactive process with the network development process (Lamine et al., 2015). Since their existing network was developed in accordance with the new venture development (Johannisson, 2000)

and employment in different industries, we include the different industries that the habitual entrepreneurs have been in.

Table of interview profiles - change of industries:

Interviewees	Industry 1	Industry 2	Industry 3	Industry 4	Industry 5
1. Ingela Mauritzon	Employment - governmental work in the Swedish embassy in China	New venture - Tourism	Employment - Marketing manager in hospital in China	New venture - Patient experience in healthcare in Sweden	
2. Martin Hill	Employment - Telecom and IT industry	New venture - Technology industry	New venture - sound equipment industry		
3. Anders Hedberg	Employment - Telephone industry, technical engineer in Ericsson	New venture - Farming industry in Sweden	New venture - Security industry in Sweden and the USA		
4. Ola Andersson	New ventures - Restaurant industry, (1 in Sweden and later 1 in Spain).	New venture - Advertising industry, selling advertising space	New venture - Trading and magazine industry, in the Nordics and Lithuania	New venture - IT industry, online platform ; grew into the same solution for 9 different industries.	New Venture - education industry and It industry, SMS system for urgent messages delivered through the net to students.
5. Fairouz Tamimi	Employment - IT and telecom industry	Employment - Banking industry	New venture - project management consultancy	Employment - art and culture industry, non-government organizations	New venture - Startup industry, accelerator for foreign born entrepreneurs in Sweden.
6. Mikael Kretz	Employment - IT industry	New Venture Information Technology and Services	New venture - Wireless, Mobile technology, Gaming	New Venture IT Consultancy, Investments (Sweden, Netherlands, UK, Germany, USA)	
7. Filip Larsson	Employment- IT industry	New Venture - IT industry	New Venture - Pharmaceuticals and Retail	New Venture - Real Estates	
8. Johan Marnfeldt	Employment - Information Technology and Services; Consumer Electronics	New Venture – Telecommunications	New Venture - Ebooks	New Venture - Mechanical or Industrial Engineering	
9. Johan Berhin	New Venture - Technology industry	New Venture- Furniture industry sustainable furniture design			
10. Gertjan Dieleman	New Venture - Logistics and supply chain management (China)	New Venture - Food industry (Sweden)	New Venture - Food industry (Sweden)		

3.2.2 Interview guide

We have conducted ten semi-structured interviews in time slots between 30 and 60 minutes long. Most of the interviews have been done face-to-face, however some of them have also

been done over Skype. Both authors have been present to most of the interviews, where one asked follow up questions and the other asked the prime open ended questions, leading the conversation in the right direction, if the interviewee tended to go off the subject. We recorded the interviews and in some cases took notes as well. The semi-structured interview allows the interviewee to have more leeway in his or her answers and the questions do not have to follow the schedule exactly as they are outlined (Bryman & Bell, 2011). Semi-structured interviews therefore allow us to ask follow-up questions when needed and help us to gather information which the interviewee thinks might be relevant to our topic (Bryman & Bell, 2011). These types of interviews might therefore also provide excess empirical data, not relevant for our research purpose, that we have to root out in the data analysis process (Bryman & Bell, 2011).

The semi-structured interview process is in general flexible and emphasis is on how the interviewee frames and understands issues and events (Bryman & Bell, 2015). Therefore making semi-structured interview is relevant for the purpose of this thesis, because we want to understand how the interviewee sees and explains events, patterns and forms of behaviour (Bryman & Bell, 2015). In addition, we have a fairly clear focus on which issues we want to address and investigate in our research purpose and how we want to analyse it, thereby making semi-structured and not unstructured interview most relevant (Bryman & Bell, 2015). The questions we asked the interviewees are based on the research purpose and the former research we have found in the theory chapter. We now present the questions we asked the interviewees:

- Tells us shortly about the different industries you started businesses in and the process of how you used your network in the different industries?
- How did you decide to change the industry you are operating in?
- How did you assess which stakeholders in the industry was important for the success of your venture
- How do you search new contacts in a new context?
- When do you start looking for the needed contacts in a new industry?
- What is your approach of developing a well established network in a new industry?
- What are the main challenges you face when looking for new contacts?
- How important is it to find the right people as soon as possible? Is there a special time that is better than any other time?

- How does your previous experience contribute to the process of developing your network in a new industry?
- How important is your network for reaching a certain industry and for the success of the venture in general?
- How do you use your network to grow your business?
- What did you learn from building your network in the previous industry? How did you apply what you learned in another industry?

3.3 Data analysis

We are making a thematic analysis of multiple cases. We are thereby using the tactic of selecting categories and then looking ‘for within-group similarities coupled with intergroup differences’ (Eisenhardt, 1989, p 540).

After having interviewed the entrepreneurs, we listened to the recording and made abridged transcripts. When analysing the empirical data we both listened to the recording and read the abridged transcripts. The abridged transcripts and recording are our primary empirical data, but in some cases for presentation of the interview profiles, which are in appendix 2, we used information from their LinkedIn profiles, because we had not enough information from the interviews. When doing thematic analysis abridged transcripts means that already when writing the transcripts we are analysing the data and selecting relevant themes (Braun and Clarke, 2006).

Using multiple cases allows us to explore similarities and differences within and between cases by comparing them (Baxter and Jack, 2008). It is very common in qualitative method to use thematic analysis (Bryman and Bell, 2015). The theme analysis approach is essentially identifying recurring themes and subthemes in the theory and then applying those themes to the empirical data. The themes and subthemes are also a result of reading and rereading the transcripts and notes from the interviews and they will initially be divided into core themes and later sub themes (Bryman and Bell, 2007).

We have followed the step by step plan of how to do a thematic analysis that Braun and Clarke (2006) made in their article about how to do thematic analysis. It is described in the following: First step is familiarising ourselves with the data by reading the transcripts, before we started coding them. We also listened to the recordings several times. Thereby, we already

identified possible patterns. Secondly we generated initial codes, by organizing the empirical data in meaningful groups. Thirdly, we searched for themes in the data by combining different themes into overarching themes. Here we started thinking about main themes and subthemes and recognized that some themes had more significance than others, because they occurred more times than other themes. After reviewing the themes we define and refine the themes by finding the essence of each theme and figuring out why the content are interesting to our research questions. Here we also consider how the themes fit into our research questions by seeing how they relate to one another. Our coding is theory driven, because we have approached the data with specific questions in mind (Braun and Clarke, 2006). It was important for us to have focus on many themes that occurs in the data and we have also described accounts that depart from the dominant story in the analysis (Braun and Clarke, 2006). We did the thematic analysis manually.

The main themes were based on the network process development model that Slotte-Kock & Coviello (2010) and our research questions. The main themes in the analysis is: How the network is being developed, why the entrepreneurs are using those methods and what the network looks like in terms of structure.

3.4 Methodology limitations

First of all, it will be difficult to define the level of subjectivity of every entrepreneur's interpretations of their own actions and how he/she has really acted in order to build his or her network. In addition, there might be challenges in terms of transparency (Bryman and Bell, 2007). According to Bryman and Bell (2015) the criteria employed in the identification of the themes can be unclear, which is a phenomenon that often occurs. We solve it by adding quotes from the empirical data to illustrate the themes. The organisation and analysis of the empirical data have been done to support and define the themes clearly (Braun and Clarke, 2006).

By trying to generalize and induct the empirical data into concepts and theory, there is a risk with using qualitative method. On one side, qualitative method shows us how individuals interact in the social world and why they act as they do (Bryman and Bell, 2011). On the other side, it lacks in certainty of confirmation whether or not this phenomenon can be generalized to the wider society, which quantitative method can do (Bryman and Bell, 2011). Furthermore

some of our cases have office spaces in incubators, which can make it harder to generalize internationally, but generalizing to the wider Sweden is possible.

4. Empirical findings and analysis

Here we present the thematic analysis, which been divided into three main categories based on the network development process by Slotte-Kock and Coviello (2010). Firstly, we go through our findings in how the network is being developed (which methods and strategies used), then why it is being developed in those ways (for what purpose) and at the end we define what kind of network is being developed (how it is structured).

4.1 How is the network being developed?

Interviewing ten habitual entrepreneurs gave us insights on what methods and strategies they use in order to develop their networks, when entering a different industry. We have discovered that all of the habitual entrepreneurs go through the same pattern of actions: Initially, they research the industry to recognize the contacts they need and then they make a contact through phone or by meeting. In the following we describe the methods they use for developing the network, when entering into a new industry context.

4.1.1 Industry research, calls and meetings

Before starting any entrepreneurial activities, nine of our interviewees conduct industry research using search engines before they contact the professionals. One of the interviewees even hires full time employees to do the industry research for him.

The entrepreneurs are recognizing, what Martin Hill calls “key movers in the industry” or what Ingela Mauritzon calls “key industry professionals”. These include both companies, which have influence in the industry and people who can be beneficial for the new venture success. They are essentially looking for people with industry experience in order to gain knowledge about the pricing, cost structure, the value chain or the profitability of various market segments and products within that industry, as well as awareness of industry trends and be provided with ‘exposure to current developments in processes of production or service delivery’ (Cassar, 2014, p. 140). However, when the interviewees use the term ‘mover’ and

'key', they are defining these professionals as either dominant in some way in the industry or they are important stakeholders for the development of their new venture. The reason is that they have industry knowledge which the entrepreneur lacks. Moreover, the entrepreneurs rely on their network to acquire critical resources as information, financing or human resources in the starting face of the new venture (Jing Zang, 2010). These 'key movers' can give them this within the different industry.

The habitual entrepreneurs also use media like industry journals, magazines, newspapers and academic articles. We find industry specific magazines and academic articles, as a recurring pattern, used by the entrepreneurs to build their industry related network by recognizing people in the field who have a lot of knowledge or influence. Filip Larsson believes reading magazines is the best approach, because all the information about the industry is collected in one place. Other entrepreneurs like Fairouz Tamimi publish articles in magazines or newspapers to gain credibility and awareness. She writes a regular column in *Sydsvenskan* about her business area, thereby letting other businesses professionals know more about her ideas and goals so they can contact her, resulting in business network expansion.

“ Always when I write a column I get immediately emails from people asking me: How can we meet you? We want to collaborate with you. We want to help you.” Fairouz Tamimi

Following the industry research, the entrepreneur needs to approach the people he or she wants to collaborate with. We see that most of the habitual entrepreneurs prefer to be direct by calling the person they want to have a meeting with, rather than emailing them first. They also tend to contact them quite early in the process.:

“And as I said, for me it would be a very direct thing . It will be a very direct approach. And I will call them.”- Martin Hill

Others spend more time on research and prefer to first send a message or write an email to arrange a meeting or a call. So it is important how one develops his or her strategy of

contacting people after he or she is informed about what they need for their business venture in this particular industry.

The first part of this chapter shows old fashioned approaches (magazines) and more recently adopted (internet) approaches as the habitual entrepreneurs use different tools to research the industry and then contact the people to set up a meeting. The reason being that they are trying to find stakeholders for their business, a future contact of their social capital and therefore an important resource for the new venture (Jing Zang, 2010; Brush et al, 2001; Shane, 2012). We see that they invest different amount of time in each part of the process and prioritise them differently depending on the entrepreneur's habits and industry itself.

4.1.2 LinkedIn and social media

Nine out of ten habitual entrepreneurs see LinkedIn as a panacea for all the problems they face when they develop their business network as they change industries.

“Now you have LinkedIn. Actually, to be honest LinkedIn is like all you need.” Mikael Kretz

LinkedIn seems to be a basic step that can open the door to the new industry and help the entrepreneur connect to important industry movers. Some of the interviewees are talking about network development strategies based on LinkedIn. Fairouz Tamimi explains how she uses LinkedIn for multiple purposes including seeking investments. She realised that Swedish business professionals are more engaged with this tool compared to other countries - the answering rate is much higher in Sweden than in her home country and even people with high status in society answers in her experience.

LinkedIn makes it easy to contact people online. On LinkedIn people within one industry are very close thereby the entrepreneur can easily identify industry professionals and influential players. In addition the entrepreneur will gain credibility by being seen as a part of that industry network. Therefore other industry professionals are more willing to speak to them over the phone and then meet them.

“What we did is we used a lot of LinkedIn to see who knows who. Because, usually when you call someone it is easier to say - I got your phone number from that person.” Filip Larsson

A couple of the entrepreneurs however did see a lot of downsides in using social media: the entrepreneur may end up with too many contacts which he or she cannot manage or the entrepreneur are constantly receiving messages with irrelevant requests which creates noise and takes up unnecessary time for the entrepreneur:

“I actually took most of my info off LinkedIn, because I was getting something like two or three hundred messages a week at one point, through LinkedIn.” Martin Hill

Lastly, we realised that many entrepreneurs use Facebook to build their network. They recruit team members, but most of all they engage audiences to create awareness of what they are doing, so they can later connect and talk to them. The entrepreneurs focus on using Facebook to connect and communicate with more people..

Yang (2015) calls the social online network - networks of networks and points out that it consists of both strong and weak ties. Yang (2015) discovered that the role of ‘weak ties’ on social media, serve as links between the different networks and facilitate the flow of information within and between the networks. In alignment with the research by Granovetter (1983) weak ties form a crucial bridge between a clique of ‘strong ties’ and contacts outside of an entrepreneur’s network, thereby the entrepreneur gains access to diverse resources. Our analysis shows that in alignment with former research the online weak ties provides the entrepreneurs with crucial resources that helps the entrepreneur enter into a new industry context: for instance industry specific information.

4.1.3 Organizations, associations and networking events

Another way to get access to industry professionals is by participating in different organizations, associations and events. Each of these methods functions as an arena for entrepreneurs to develop their network. Here they can perform a more thorough research by talking to stakeholders in the industry and testing the feasibility of their ideas. A majority of

the interviewees share the opinion that industry specific associations are another crucial method to gain knowledge of the industry by meeting industry professionals, thereby learning industry language. Other startup organizations and networking events are also beneficial, but a few of the entrepreneurs expressed that it is more relevant in the beginning of an entrepreneur's career, because in Scania they keep meeting the same people again and again over time. At the different events the entrepreneurs can also build awareness of their new venture, which can eventually lead to more industry contacts. Gertjan Dieleman says that networking events in general should not be measured by the sales or business cards they generate but one should be patient and look for the long term return on the time and energy invested.

“You should be careful judging those events, in terms of direct investment of time over sales. Because you never know the network, it is emerging thing it is a living creature and you don't know when it is going to come back to you.” Gertjan Dieleman

It suggests that foreseeing what resources the contacts can lead to, is not possible. One example of this is the case of Johan Berhin. Johan Berhin shared a story about an event with the royal family and a very successful entrepreneur who introduced him to his future business partner in MINC.

“I met with him (Hampus Jakobsson) and he said - Oh you should meet Jonas, who is a great mentor. He works here at MINC. I did and I liked him and that's how I ended up here.” - Johan Berhin.

This quote also demonstrates how meeting people within the industry unexpectedly leads to meeting other industry professionals and the entrepreneur gains resources. In this case in the form of resources which are available in the incubator, MINC in Malmö

In another case Johan Marnfeld told us about an association called Founders Alliance and he expressed that the association gives him a place to belong among equals. (Founders Alliance is a network of entrepreneurs):

“It (Founders Alliance) is actually a very good network because you talk to people who...are in different businesses - it is a feeling that you meet a little bit of equals.” Johan Marnfeldt

He tells us that in Founders Alliance the entrepreneurs discuss their problems about venture creation and development, or specific industry issues to help each other. This case shows us that the associations and organisations are also a place for the entrepreneurs to get their ‘fundamental human needs’ fulfilled (Johannisson, 2000) by socializing with people, who are in the same situation as themselves, fulfilled.

4.1.4 Incubators

Nine out of ten interviewees have experience working in incubators and see many opportunities for interacting with professionals there. Therefore we can conclude that the habitual entrepreneurs see it as a good networking context. Just going for a coffee to the machine could initiate business conversation and thereby a new contact, as Ola Andersson says. Furthermore, the environment of an incubator provides resources through institutions located in it, that can help the entrepreneurs connect directly to investors, accounting professionals, lawyers and others.

More importantly there are also industry specialised incubators where professionals from the same industry can network and discuss specific matters relating to starting and growing a business in the industry. In the case of Gertjan Dieleman an industry specific incubator had a crucial impact on the starting phase of his business:

“Well you should start with Krinova. Krinova is also an incubator, they are in Kristianstad and they are much more into food industry. So I met these guys and they said: Oh this is

really good idea, so we are here to help you.” Gertjan Dieleman.

In the industry specific incubator the entrepreneur is likely to get relevant and precise information about their new venture in the same industry field, from industry professionals who has experience in a certain industry. The industry experience of the professionals and other entrepreneurs in the incubators gives entrepreneurs (like for instance Dieleman) the advantage of learning from people with experience. They are therefore more equipped to evaluate new opportunities (Cassar, 2014), like in the case of Dieleman. So we can conclude that those kinds of incubators are very beneficial for the entrepreneur when entering a different industry context because industry experienced professionals will be easily available to the entrepreneur.

From our analysis we can deduct that the habitual entrepreneurs definitely see the benefits from being a part of an incubator, because it provides easy networking opportunities and a gateway to important resources. In addition, incubators for start-ups seem to be an important part of the Swedish entrepreneurial society (according to interviewee Ola Andersson)..

4.2 Why is the network being developed?

The network development methods described in the former chapter causes the entrepreneur to take certain entrepreneurial actions (Lamina et al., 2015) and those methods are used to make the new venture successful in the new industry context. In the following we describe why these methods are being used, how it is connected to the entrepreneurial actions taken and the success of the new venture.

4.2.1 Evaluating the business idea

We have discovered that one of the reasons the habitual entrepreneurs contact industry professionals is to test the feasibility of the business idea. To adapt the business model and concept to the feedback they receive from the professionals in a continuous process. All of them recommend talking with potential customers and industry experienced professionals as early as possible in the entrepreneurial process to ensure the startup success. Johannisson (2000) defined the network called ‘professional network’ as a network that helps the

entrepreneur validate concepts and test venture ideas. We have discovered that a network that consists of professionals with industry experience helps the entrepreneur to evaluate the recognized opportunities. Cassar (2014) discovered that industry experience gives the entrepreneur increased knowledge about industry trends, current developments in process production and/or service delivery, within that industry. Brudel et al. (1992) and Landier and Thesmar (2009) discovered that industry experience gives the entrepreneur relevant and precise information about their new venture in the industry. Therefore the habitual entrepreneurs actively try to learn from their peers' experience (Johannisson, 2000).

Ingela Mauritzon specifically talked with industry professionals to recognize new venture opportunities and recommends doing that right after the entrepreneur comes up with an idea. She uses the word "flexible" to describe how she adapted her value proposition to the customers' needs. In fact her way of recognizing opportunities in another industry, by talking to industry professionals, is what caused her to shift industry. Furthermore, Anders Hedberg says that he changed his product and business model based on the feedback he got from distributors. He also advises all entrepreneurs to contact as many different industry professionals as possible:

"Actually talking to all the different players in that market and see what they have to say and how things are sold, how things are distributed and these kind of things. Gather information." - Anders Hedberg

Martin Hill also explains how he adapts the venture concept along the process to the feedback he gets from industry professionals. He also claims this is especially important when entering a different industry. Several of the entrepreneurs emphasize that finding the right people as early as possible in the process is crucial. Other entrepreneurs also discovered a business opportunity by talking to people from the industry at events, like Ola Andersson did when accidentally meeting a school director.

Ola Andersson also tells us that it is important to be very open about the business idea very early in the entrepreneurial process, so the entrepreneur can get valuable feedback to improve it as well as the the business model. Our findings are thereby in accordance with the research

by Aarstad et al. (2016), who discovered that habitual entrepreneurs are very pragmatic in sharing business ideas, compared to novice entrepreneurs, who like to keep them secret.

We can thereby conclude that the habitual entrepreneurs are using the methods described earlier about how to recognize industry experienced professional, because they seek knowledge and insights about the industry. The reason being that the industry experience makes the industry professionals better at evaluating business opportunities (Cassar, 2014). In addition, our research show us that habitual entrepreneurs seek out these industry professionals in order to be referred to other professionals within the industry who can help them evaluate their business opportunity. We have also discovered that the habitual entrepreneurs update their business model on a continuous basis, which is in accordance with Johannisson's (2000) discovery of habitual entrepreneurship being described as a 'successive enactment of venture opportunities continuously produced through exchange within the personal network' (Johannisson, 2000, p.374).

The habitual entrepreneurs also actively seek team members with industry experience and therefore industry professionals in their network. Filip Larsson could not use his own network to assess the feasibility of the business idea, instead his team member's network, which he had developed through industry experience, was used for that. Industry experience gave his team member a better advantage at evaluating the business opportunity (Cassar, 2014) compared to Filip Larsson. They then include the industry professionals of the team member's into their own network.

The industry professionals are important to the entrepreneur and the success of the new venture, because of their social capital in the different industry and access to critical industry resources. Information about the industry context cannot be obtained through sources outside of the industry (Cassar, 2014) and that is why it is crucial for the entrepreneur to approach people within that field.

4.2.2 Network as important resource

All the entrepreneurs confirmed that their social capital has been very important for starting and growing the new venture successfully, as several researchers also discovered in the past (Aldrich, Rosen & Woodward; 1987, Birley, 1985, Hoang and Antoncic, 2003; Semrau & Werner, 2014). Some researchers also discovered, that the network are a critical resource to

establish a successful new venture (Besser and Miller, 2011; Rahatullah and Raeside, 2015). Their findings are in accordance with what our interviewees expressed. For instance Fairouz Tamimi said that her business network are fundamental for the new venture:

“It’s based on the network. My business is based on the network. Without my network, it doesn’t exist any business. I cannot reach out anonymously. I must have the partners, that I have today and I must have the contacts, that I have today. This is my asset actually..” - Fairouz Tamimi

Johan Berhin claims contacts are everything, because he has used referrals from his network many times when entering a new industry. However, as Mikael Kretz points out, a network cannot make up for having a product, that no one wants to buy, so there should be a balance.

Some of the entrepreneurs on the other hand state that the importance of the entrepreneur’s network depends on the type of business, which also implies to which kind of industry the new venture belongs under. Filip Larsson uses most time on the IT industry, where he sells to millions and therefore he cannot possibly have the time to connect with everyone. Amongst others he also works in the real estate industry.. In the real estate industry it is not necessary to meet the tenants and establish a relationship with them.

We can conclude that a valuable network with industry professionals with industry experience is crucial for the success of the new venture, when entering a new industry context. Moreover, when Larsson was seeking funding for his business in the pharmaceutical industry he used his network to bring investors, securing 80% of the funding. This case illustrates how a critical resource as for instance finance for the new venture was acquired through the entrepreneur’s network (Jing Zhang, 2010). All in all we can conclude that the habitual entrepreneurs relies significantly on industry professionals in the early stages of a new venture when entering a new industry context. The reason being that through their network they acquire critical resources as information, financing or human resources (Jing Zhang, 2010) from the new industry.

Our research also showed us that in terms of why an industry specific network are important for the entrepreneur, are to lean industry language and behavior. The habitual

entrepreneurs attend industry specific events, read industry specific magazines and articles and talk with industry professionals in order to learn industry language.

“You have to get some insights of the industry. Usually from magazines or fairs. In all industries there are different languages. You have to know the language in that industry.” - Filip Larsson

Half of the interviewees said that industry language was important to learn when entering the new industry context.

From Larsson's case we can see that he did not use his network for the act of evaluating the business idea. Therefore we can conclude that the entrepreneurs use their network for different entrepreneurial acts in the entrepreneurial process. The contacts in habitual entrepreneurs' networks have an effect on the acts taken by the entrepreneurs and the entrepreneurial acts has an effect on the network development (Lamina et al. 2015). However, their actions are dependent on if the contacts they have in their existing network partly consists of professionals with industry experience and knowledge from the new industry context.

4.3 What is being developed?

Talking to the entrepreneurs lead us to some important conclusions about the structure and ties of the network. Firstly, it appears that they have two types of business networks. One of them is an industry specific network, which consists of people with skills, knowledge and experience from the different industries. The other network is more general, consisting of business professionals with skillsets acquired from experience in different industries, for example: lawyers, financiers, accountants or other consultants. Secondly, we have also discovered entrepreneurs develop their business and personal networks while they are creating the ventures. This is in accordance with what Johannisson (2000) discovered: that the network of the entrepreneur, that he calls 'the entrepreneurial network' is the personal network that the entrepreneurs developed while launching their venture. We have also discovered that the

entrepreneur uses their existing networks to reach professionals with industry experience in the new industry context.

Our analysis shows that it is more important to have valuable contacts that have industry experience from the new industry context rather than having the largest network in terms of numbers of people. We will now first define personal and business network in relation to our findings and Johannisson's (2000) studies.

4.3.1 Personal and business network

We have discovered that the structure and size of the habitual entrepreneurs' existing network depend on the industry experience they have from former employment and earlier ventures. Johannisson (2000) defines 'the entrepreneurial network' as a network that consist of a social and business network. The entrepreneurs see the the network as an extension from themselves and therefore take it for granted. This means that Johannisson (2000) puts the social and business network as one. We define the two opposites as a personal and business network. We have not investigated the personal network of the habitual entrepreneurs or what Johannisson calls for the 'social network' (2000), but we have asked the interviewees if they separate personal and business network from each other. We define the personal network as in terms of what the network ties are for, which is not business operations, but related to the private life of the entrepreneur. On the opposite side we define business network ties as being only for business operations and in the terms of 'commercial and professional network', that Johannisson (2000) uses to define the business network. Like Johannisson (2000) we have also discovered that the personal and business network overlap and becomes one network. Most of the habitual entrepreneurs we interviewed claimed that at some point of their career they stop separating the personal from the business network and they more or less overlap, because they invest most of their time in the business, so they do not have time to invest time in a personal ties. Anders Hedberg gives a clear example on how they merged over years of being an entrepreneur. Here he refers to a questionnaire he had to fill out in an entrepreneurship course:

"There was a questionnaire that we could fill in: 'How many other entrepreneurs do you know?' and I had 0 on that. Now,

after 20 years, I would say ‘That’s all the friends I have’”
Anders Hedberg

It illustrates what Lefebvre (2015) discovered that weak ties can become strong ties and we have discovered that the weak ties of business relations became strong ties of friendships. Some of those business relations then with time become the only strong ties that the habitual entrepreneur has, compared to having relations, that are not connected to the entrepreneurial process. Anders Hedberg goes on to explain that this is mainly because, they face a lot of the same entrepreneurial challenges. Johan Marnfeldt also gives an example of the benefits of being part of an association that only includes entrepreneurs. He sees it as a useful social environment as well as a strong business network, in which the contacts help each other. As mentioned before it seems like fundamental human needs (Johannisson, 2000) are fulfilled in the network of other entrepreneurs, that can be gained through entrepreneurial associations and helping each other in business relations.

We would like end this chapter with Yang (2015) statement that ‘the structure of a social network is never fixed; they are the social context of businesses and can be activated according to the different needs of the business’ (Yang, 2015, p. 126). The quote shows us that the definition of the network as two separate structures in accordance to personal and business functions and relations is not beneficial for research into network development. The network of an entrepreneur has been called many terms: social network (Yang, 2015), entrepreneurial network (Johannisson, 2000), business network and personal network. However, as Johannisson also found out, like us, the entrepreneurs themselves does not see the network as two separate things, because they are an extension of themselves and they take it for granted (Johannisson, 2000).

4.3.2 Network structure

Since the habitual entrepreneurs have developed their network while establishing their different ventures (Johannisson, 2000), it means that the habitual entrepreneurs have a network that consists of professionals from different industries. (See the table in the chapter industry change for an illustration on just how many different industries the habitual entrepreneurs have been in, when it comes to the multiple cases.)

As Johannisson (2000) states: the network is “a tool for realizing the venture” (p. 371). The habitual entrepreneurs in our research clearly use the existing network they have, to getting references or being directed towards industry professionals in another industry, that they do not have contacts from themselves.

Industry Specific Network

Yang (2015) says the network is activated according to the different needs of the business. When the habitual entrepreneur changed industry he/she saw that there is a need in order to make the new venture successful in the new industry context to acquire industry experienced professionals from within the new context. The entrepreneurial process makes the network development process change (Lamine et al., 2015), towards gaining industry experienced professionals from the new industry context, so that they become a part of the network of the entrepreneur and the new venture. Our research has also shown us that the habitual entrepreneurs in the early stages of the new venture relies significantly on his or her network to acquire critical resources as information, financing or human resources (Jing Zhang, 2010) within the new industry context. We define the industry specific network as professionals with experience from employment or other forms of occupation in the industry (Cassar, 2014) These industry professionals are used for evaluating the feasibility of business opportunities, just like the business professionals that Johannisson (2000) determined. We not only define industry professionals in the terms of business professionals of Johannisson (2000) but we have also discovered that the industry professionals’ help to continuously develop the business model by sharing industry knowledge and referencing to other industry professionals in the different industry that can help the entrepreneur acquire critical resources.

Other business professionals

Apart from all the people possessing crucial skills and expertise in a certain industry, there are many other who are just as important for the entrepreneur in his or her path of developing their networks in a different industry. Many of these professionals are already a part of the habitual entrepreneurs existing network, obtained previously during former business establishments in other industries, which is in accordance with Johannisson’s (2000) findings.

Therefore the habitual entrepreneurs do not need to use time and effort to find them, like novice entrepreneurs do, when starting a business for the first time. These specialists are an important part of any new venture creation process such as accountants, lawyers, financiers, marketers and other types of consultants. As Filip Larsson puts it:

“The different law firms and with the audit firms and all those business...I mean the things that are not specific for an industry. These contacts is always good to have.” - Filip Larsson

The habitual entrepreneurs have existing networks from former industries because they have started companies before, therefore we can conclude from our analysis that having a network from starting businesses before gives an advantage compared to novice entrepreneurs.

4.3.3 Strong and weak ties

Granovetter (1983) discovered that ‘weak ties’ are bridges between communities, which are also the case in our research: the acquaintances of the entrepreneur creates bridges between the different industry context. In all our cases the habitual entrepreneur used acquaintances as bridges between communities (Granovetter, 1983), but we have also discovered this was the case with LinkedIn and social media (Yang, 2015). However, our research shows that it is not only ‘weak ties’ but also ‘strong ties’, that create a bridge to gaining information and resources in the other industry context. The friends and acquaintances of the entrepreneur references to industry professionals, that can also be friend or acquaintances of them. In fact we see a tendency, showing that it is friends rather than acquaintances that the entrepreneur gets referenced by, in another industry context. The ‘strong ties’ (Granovetter, 1983) consists of close friends, team and family members; they are valuable contacts that we call the value network, that are useful when entering a new industry context. Some of them have much power in the new industry context, but what the ‘strong ties’ have in common, when the habitual entrepreneur enters a new industry context are that they all have an industry specific network of small or big size.

Martin Hill expressed that he prefer working with a couple of high value contacts most of the time, using them over and over again, because he has build a relationship with them. In

addition, they have valuable industry experience and knowledge (Cassar, 2014) and are powerful professionals in the new industry context. Based on former research their relationships must have been built upon trust between parties, since it is the most important part of this process (Besser and Miller, 2011; Rahatullah and Raeside, 2015).

Martin Hill even gives a rough number on how many valuable contacts would be needed according to him when changing industries:

“You set out, you identify this relatively modest number of people that you know are critical and crucial to you and that you identify what I call your value network.” - Martin Hill

As Johannisson (2000) states: entrepreneurs tend to learn from their peers' experiences personally but also the venture has a better chance to improve and grow. However, these industry professionals do not necessarily have a lot of industry power or are considered as 'movers' (Martin Hill), but as the quote shows they are crucial for establishing the new venture in the new industry context, because they have an industry specific network and access to industry specific resources.

In the case of Johan Berhin his business was started by introducing the idea and product to close family members and friends, who helped him find the needed contacts in their networks in the different industry. These are informal contacts and are considered 'strong assets' (Yang, 2015). Johan Berhin tells us how he introduced the business idea to his father who had industry experience within the furniture design industry. His father afterwards referenced him to industry professionals and companies, who later became important stakeholders. This case confirms for us the research done by Felicio et al. (2012) that family support, personal relations and interlinking are improving the chance of establishing and developing a better business network in small and medium business enterprises.

We have discovered that one of the strongest social resources for network development in a different industry context, is the team members' social capital of industry specific network. The multiple cases shows us that fact, since all the interviewees explained to us that team members' industry experience from the new industry context had been crucial for establishing the new venture successfully. The team members consist of 'strong ties' and are what we would consider 'strong assets'. They provide the entrepreneur mainly with assistance

and obtaining resources (Yang, 2015), when starting a business. All of our interviewees mentioned at some point having experience with finding a team member who had industry experience, in the industry of the new context. Thereby, they acquired knowledge and expertise, but also access to a well developed network of industry specialists, who they could integrate into their own network. The habitual entrepreneurs actively search for team members with skills, that compliment them, also in terms of social skills. In some cases they partnered with sales people with large networks and better social skills:

“You can actually tell by looking at the team if it will succeed or not...There are some outgoing people, there are some social people, there are some inbound people. But to get the right mix there is very difficult, to get it at the right time.” - Anders Hedberg

The reason to partner up with a person who had better social skills than Hedberg himself is that he knows that the team member can then expand the social capital of the new venture, which are the founding team, before they hire external people outside of the team. In other cases, the entrepreneur searched for industry specific talents with strong credibility among their peers and smaller industry specialised networks. These team members have gained the authority and respect of the industry as professionals, therefore the entrepreneur can easily reach very specific and important stakeholders through the team member's network as well.

“She's been with the industry since forever and she wasn't the huge salesperson but a lot of people knew her and she has a lot of experience. So she was very important for us in the beginning” - Filip Larsson

This quote illustrates also that the ‘strong ties’ (Granovetter, 1983) of the value network are not necessarily people with much power in the new industry context. In all cases the entrepreneurs were looking for team members, who can help them open the right doors along the way of building their network in the different industry, because the entrepreneurs could use the team member's industry specific network.

It takes time for the entrepreneur to learn the skill of assessing the value of the industry experienced professional. Anders Hedberg says he has developed his intuition well in regards to this matter, because he has started several businesses. Mikael Kretz underlines that it is about being proactive in developing your network, because the ties between contacts will thereby be stronger and more beneficial for the entrepreneur and the success of the venture in the future. It is important to find crucial and important industry professionals that are important for the development of the new venture: Contacts that are activated in accordance to the needs of the new venture, which implies that at different times in the new venture process different types of contacts are needed (Yang, 2015). It naturally also applies to entrepreneurs, when they attempt to enter a new industry context.

Filip Larsson states:

“I don’t think that having a network is crucial, it’s about creating a network that’s crucial. - Filip Larsson

With the quote Larsson clearly states that finding the critical contacts to add to your network are more important than having just any kind of contacts. We can conclude from our analysis that both strong and weak ties help the entrepreneur, when it comes to entering a new industry context, while starting a new venture. It is more relevant to build a well developed network of valuable contacts who can help him or her to establish the new venture successfully in the new industry context. Either by providing critical resources as information, financing or human resources (Jing Zang, 2010) or referencing the entrepreneur to another well connected industry professional in the new industry context.

Our analysis shows us that the habitual entrepreneurs are people with an already well established network of professionals in many industries, because they have developed them by launching their ventures (Johannisson, 2000) in different industries. Among their contacts they have both strong and weak ties that creates bridges to cliques of ‘strong ties’ and acquaintances (weak ties) within the new industry context, which is different from what Granovetter (1983) discovered. Both strong and weak ties are relationships build mostly on trust between parties and intentionally and actively helping the contacts in the network, for them to be able to help the entrepreneur in the future (Besser and Miller, 2011; Rahatullah and Raeside, 2015). Our research shows us that it is more strong ties (of team members, family

and friends) than weak ties (acquaintances) that are crucial for the new venture to be successful in the new industry context.

5. Discussion

We now generalize our analytical findings and relate it in broader terms to the former research presented in the literature review.. At the same time we discuss our findings and build theories.

In our research we focus on finding the structure of the network and the value of the ties in the business network, when the industry context changes. These are what Slotte-Kock and Coviello (2010) call ‘the macro and micro level’. We based our analysis on their model of network development processes.

5.1 Valuable strong ties

On the micro level we discovered that weak ties do indeed lead to strong ties in some cases (Lefebvre et al. 2015), since the habitual entrepreneurs in most cases do not separate business and personal relations in their network from each other. Their personal network are both business and personal and social network, as other researchers have also discovered (Johannisson, 2000). We have discovered that the “value network” (Martin Hill) is a network of strong ties between industry professionals from the different industry context. The strong ties in our research consists of friends, team members and family. These contacts provide the entrepreneur with crucial resources from the new industry context, which are information about the industry gained through the contacts industry experience (Cassar, 2014), as well as financing, human resources (Jing Zhang, 2010) and industry specific social capital. The social capital of the industry experienced strong ties are crucial for the success of new venture. This is in alignment of research that shows that the social capital of the entrepreneur are important for the success of the new venture (Aldrich, Rosen & Woodward; 1987, Birley, 1985, Hoang and Antoncic, 2003; Semrau & Werner, 2014, Besser and Miller, 2011; Rahatullah and Raeside, 2015). We know from research that strong ties can secure crucial resources, when starting a new business (Elfing & Hulsink, 2002). The likelihood of new venture success increases when using strong ties (Rahatullah and Raeside, 2015), which the habitual

entrepreneurs have learned through experience. However, the valuable network does not necessarily consist of industry movers or industry professionals with power in the industry. The value network are similar to what Yang (2015) calls ‘strong assets’ and they are mainly used for assistance, requests for confidential information and obtaining resources.

We also discovered that the way of recognizing these valuable contacts for the new venture success are based on experience from starting businesses. However as Anders Hedberg said, this was mostly based in intuition and experience. One of the habitual entrepreneurs were of the opinion that the novice entrepreneur should not follow their peers (Johannisson, 2000) around blindly, but should adopt what they need to their new venture. We can see a tendency amongst the habitual entrepreneurs to be proactive and active in developing their own network. We assume that strong ties will be a result of that, because the strong ties are relationships that are used repeatedly according to some of the interviewees. In addition, entrepreneurs have to show ingenuity in order to create attention around themselves. Some of the habitual entrepreneurs do that by publishing in magazines and taking part at events. All of the entrepreneurs are either a part of an incubator, industry associations or participate in events in order to meet and to make industry professionals aware of them.

5.2 Organic development process and intentionally formed process

The value network consists of strong ties, which the habitual entrepreneur most likely uses repeatedly in the entrepreneurial process, when entering a new industry context. The question is if these ties happen to be purposefully formed? Our research has shown us that there seems to be two ways of developing the network: a more organic development process and more intentional network development process. The last one indicates a proactive and intentional way of building the network. As we previously mentioned that is the case with some of the entrepreneurs, because they recommend creating awareness. Most likely, the methods that the entrepreneurs use to contact industry professionals that we have discovered are with some amount of intention by the habitual entrepreneurs. The entrepreneurs can never foresee a strong tie building between contacts although they can try to intentionally form it.

We also discovered that team members’ network becomes a critical social resource for the entrepreneur and the new venture, when entering a new industry context. The entrepreneur

intentionally tries to find team members that adds industry specific network to their own business network.

Our research also showed us that in many cases the entrepreneur “by accident” (Anders Hedberg) shifts industries based on recognizing an opportunity in another industry. The development of the network then becomes a dynamic process that are affected by the entrepreneurial process (Lamine et al., 2015) and it becomes an organic network development in our opinion. The industry professionals have industry experience and can therefore better evaluate the opportunity and lesson uncertainties (Cassar, 2014) in the new industry context. Ingela Mauritzon also said that she had to be flexible when getting feedback from the industry professionals on the feasibility of her business idea. She thereby indicates that her contact’s knowledge changes her business model and idea. Other entrepreneurs also said that they continuously changed their business model based on the feedback from the industry professionals about the market needs. That would mean getting feedback from other industry professionals, thereby growing their business network intentionally. Ola Andersson said that he accidentally met an industry professional within the education industry, who had a need that Andersson had a solution for. Gertjan Dieleman said that it is impossible to foresee a benefit from a contact in the future success of the business, therefore he thought it was a good idea to prioritize the building of the social network. The development process thereby becomes organic and dynamic. However, it is also shaped by the entrepreneur’s intentions of actively growing their business network, because they need evaluation on their recognized business opportunities. The industry professionals then can lead to other professionals that unforeseeable, becomes important for the success of the new venture. Therefore, the network is affected by the entrepreneurial process and vice versa (Lamine et al., 2015) and the intentions of making the new venture successful.

5.3 LinkedIn

We have found various methods that the entrepreneur uses to develop their network - methods that are based mainly on what is available in the industries (for instance industry specific events and associations) and what is available based on technological advancement in the society. What strike us here as an important method is LinkedIn and search engines. LinkedIn seems to be a fast way to find the industry movers and industry experienced professionals for

the new venture. One of the interviewees stated that the decision makers needed are not more than 3 contacts away on LinkedIn. Compared to the time before the internet, the methods of developing the network has become much faster. The social media provides bridges of acquaintances between communities (Yang, 2015). However, the way of contacting people over the internet by writing to the industry professionals on social media or by email are not preferred in general by the habitual entrepreneurs. Most of them call directly after having researched into the professional's background on LinkedIn or search engines. We think the reason is that writing to the stakeholders feels impersonal for the entrepreneurs and strong ties are more likely to develop by calling. The entrepreneurs are clearly aware of the benefits from strong ties, therefore they will use methods to increase the likelihood of strong ties to appear: that means face to face meetings, calls and attending different kind of industry events and networking events. Furthermore, it is time consuming to wait for answers in digital writing and the entrepreneurs do not have that time.

5.4 Industry experience

We have looked into the elements of the entrepreneurial process, the entrepreneur, his/her networks and the context of the network, which is the change of industry affects each other (Lamine et al. 2015). All of the habitual entrepreneurs unanimously say that approaching stakeholders very early in the entrepreneurial process is favorable for the success of the new venture development. As Aarstad et al. (2016) discovered in their research, that the habitual entrepreneurs are pragmatic in sharing secrets very early on in the process. We also discovered that the habitual entrepreneurs definitely do not keep their business idea a secret. Quite the opposite: they actively share it with as many stakeholders as possible within the different industry context. The habitual entrepreneurs are also looking for professionals with industry experience to better evaluate their recognized business opportunity (Cassar, 2014) in the different industry. The habitual entrepreneurs are clearly of the opinion that finding valuable industry professionals, who both know how the industry works and what the market needs are, right after getting the business idea, saves costs and time. The habitual entrepreneurs have learned it through experience in owning different companies in different industries.

Industry experience gives entrepreneurs knowledge about the industry, that cannot be gained from outside sources (Cassar, 2014). In spite of this, the entrepreneur should not be afraid of changing industries because of lack of industry experience. Our research shows that the knowledge can be attained through specific methods: attending industry events and associations, being in industry specific incubators as well as reading industry magazines and articles. These methods will teach the entrepreneur of the necessary industry knowledge, normally attained through industry experience (Cassar, 2014). The entrepreneurs learn from being and talking with their peers (Johannisson, 2000) from the different industry context. We noticed that in a third of our cases changing industry could be exciting, because it coincided with them having a wide range of interests in general. In most cases it means that they already know something about the field of interest. However, it is limited, because they do not have industry experience (Cassar, 2014)

Overall, multiple cases of habitual entrepreneurs show us that they see the industry specific network of industry experienced people, as a crucial resource for the success of their new venture, when entering a new industry context. Although some of them only realize this when asked about it and they reflect upon the matter. This tells us that the social resource and network of the company should have more attention in the everyday life of the entrepreneur.

6. Conclusion

The purpose of this thesis has been to investigate how the network develops, when habitual entrepreneurs enter into a different industry context. We looked at how the social resources, the entrepreneur and the entrepreneurial process affects each other, when the network development process changes context (Lamine et al. 2015). We analyzed the micro level (ties) and macro level (structure) of the network (Slotte-Kock and Coviello, 2010).

After interviewing ten habitual entrepreneurs about their ways of developing their network, we discovered some methods that are used more than others are. Firstly, in most of the cases the entrepreneurs strongly support using LinkedIn and search engines to do industry research and develop the network. Another way for habitual entrepreneurs to build their network and gain knowledge about the industry and the industry language is by being part of industry specific incubators and associations, as well as reading industry magazines and articles.

We discovered that the network of the habitual entrepreneurs who have tried to start new ventures in different industry contexts have two different types of networks: First is an industry specific network, which consists of professionals with industry experience from the specific industry. The habitual entrepreneurs use this network to evaluate the feasibility of business opportunities, because industry experience gives the people knowledge that an outsider does not have about the industry (Cassar, 2014). The habitual entrepreneurs also use the industry professionals to extend their network, because they have a well-developed industry specific network already. The second network consists of other business professionals (for instance lawyers, accountants) that work within different industries. The habitual entrepreneur has garnered these over the process of starting several new ventures.

We also discovered that the habitual entrepreneurs have a valuable network of stakeholders, that consist of strong ties. The value network are important for the success of the new venture, because they have industry specific social capital. Opposite from former research we discovered that not only weak ties act as bridges between communities (Granovetter, 1983), also strong ties exists as bridges, when the habitual entrepreneur changes industry context. These relations are used by the habitual entrepreneurs several times and consists of close friends, team members and family. However, most importantly team members with industry experience from the different industry was overall crucial for the success of the new venture according to the habitual entrepreneurs.

6.1 Implications

The implications of our research cover topics important for both scholars, novice and habitual entrepreneurs. We have researched into the area of habitual entrepreneurs building networks in a different industry context and this could be a starting point for further investigations in that research area. For instance a longitude study into the same topic of change of industry context. A study on comparing novice and habitual entrepreneurs, how they develop their network, when entering into a new industry context could also be beneficial in future research.

We can conclude that LinkedIn has a very big effect on the network development process of the entrepreneur and the new venture. The reason being that social media is a fast and easy way for acquaintances to create bridges (Yang, 2015) between industry contexts.

However, we have not focused on analyzing social media specific. Therefore, we recommend that future research into network development should research into LinkedIn how the entrepreneur uses it to build his/her network.

Furthermore, the incubators are playing a major part in the network development process in Sweden, so more light should be shed upon what are their benefits and how they contribute to entrepreneurs efforts in that direction.

Novice entrepreneurs would find this thesis beneficial because it explores how experienced habitual entrepreneurs approach network development, when shifting industry context. Novice entrepreneurs can easily apply most of the methods for themselves. In addition, more awareness should be brought to entrepreneurs in general in regards of the importance of the entrepreneurial network, its structure and best practices for development.

In some cases, entrepreneurs lack the specific industry experience and knowledge, as well as industry experienced professional contacts, when entering into a new industry context. It applies also to novice entrepreneurs that comes from education or employment, when trying to start a new venture in a different industry. Our research shows that collaborating and partnering with industry professionals, who already have experience and social capital from the different industry is crucial for the success of a new venture. The habitual entrepreneurs' advice to the novice entrepreneur are to be pragmatic about sharing their business idea (Aarstad et al., 2016), because the habitual entrepreneurs, immediately after recognizing an opportunity contacts industry experienced professionals to evaluate the feasibility of the business idea and model (Cassar, 2014). The habitual entrepreneurs then continuously adapts the business model and value proposition to the market needs, based on feedback from the stakeholders.

Furthermore, there seems to be a lack of attention amongst some of the habitual entrepreneurs of the importance of network as a critical social resource for the new venture, because they simply do not reflect upon it unless asked, therefore we recommend building ways of bringing that attention to both novice and habitual entrepreneurs in their everyday lives.

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Appendix 1 – Figure 1

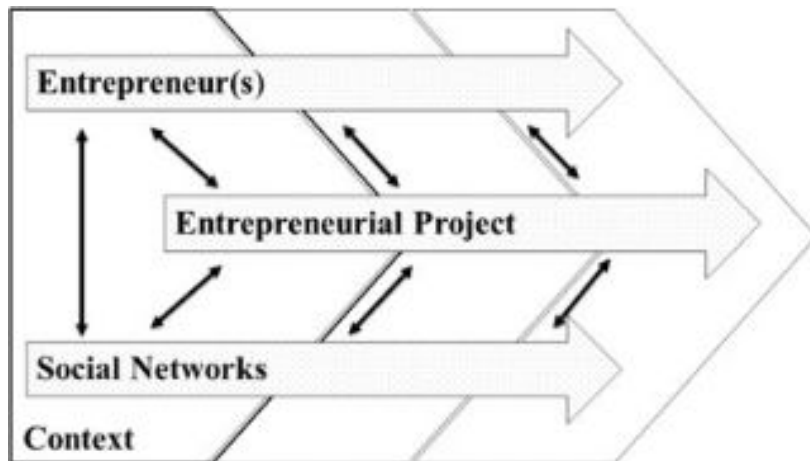


Figure 1. The coevolution of entrepreneur(s)/project/networks, Lamine et al. (2015)

Appendix 2 – Interview Profiles

Ingela Mauritzon (serial entrepreneur)

She has a strong passion for improving patient experiences and improving work environment for healthcare employees. Many years of experience working with patients in a global setting, both as an employee and business owner, has given her a wide perspective and a hands-on approach. Her skill set includes: - Service management and design - Service recovery - Health and healthcare - Strategy development – Innovation management - Cross cultural management (with a focus on China) - Leadership. Also she has various experiences in different fields, starting in a government institution – the Swedish embassy in China, and then creating a venture in tourism, later in medical tourism, worked as a marketing manager for one of the hospitals in China, where she discovered a need for patient experience management services. She build a company focusing on that, specializing in it through the years. Since then she has shifted her focus into customer experience in

many different industries applying what she knows from the health care into her current company called Danji in Sweden.

- Martin Hill (portfolio entrepreneur) His first industry in terms of his own entrepreneurial activity was in telecom (mobile). After this he became involved in various IT related business ventures, the key one being his own developments of the use of GPS derived tags for media. Following this he started working on developing advanced product management processes and techniques for the more effective control of large software development projects, particularly with a mix of on and off-shore development resources. He has also over the years been involved with companies designing and manufacturing high-quality audio equipment, through his love of music and the technologies involved. He now owns an audio equipment company in the UK as part of his portfolio. As an entrepreneur he has been, and is, involved in many different industries, the key linking factor being technology. He has a very wide range of interests in life, and this is reflected in his business activities.
- Anders Hedberg (portfolio entrepreneur) MS Computer Science. He has a huge interest in computer science and digital communication. He considers himself an innovator and has his hobby as a job. He is an engineer and product developer and have developed new ventures around his own product development design to security and farming industries.. He is a part owner of JOIN Business & Technology AB, which is a group of small businesses that work together. So far he has co-founded six startups. Besides the startups he is still a consultant for hire in the embedded software/electronics field with 30+ years experience. He manages teams and software projects. He writes code and does pre-studies of new systems as well as teach on embedded systems subjects.. Currently IoT, cloud, web and apps seems to be common among these three co-founded companies that he is active in: Videocent (author/Videocent, year), Sensefarm and Sensative.
- Ola Andersson (portfolio entrepreneur) He has been an entrepreneur his entire life as he started his first company at the age of 18. He realized that the restaurant industry is a good area to get a job and he established a restaurant. His mind is set on getting in new industries all the time not being scared from the fact that he does not have enough knowledge or experience in them. He threw himself into his first venture – a restaurant which failed, then established another restaurant in Ibiza, Spain for 2 years, after which he moved back to Sweden. He then realized that he is good at sales and decided to start negotiations with the local airport in Scania about selling advertising space inside the airport to companies. After being successful with this venture he sold his part of the company and started an IT company, where he build an online platform that

communicated between companies that sells prints and companies that needs printing done. He then made the same platform model in different industries. After that he made a new venture in education and later was involved in many startups as entrepreneur and investor.

- Fairooz Tamimi (serial entrepreneur) An entrepreneur with international experience. She is an engineer, a published writer, a columnist in Arab and Swedish newspapers. 20 years of experience in Banking, IT, and software development. She worked in the development sector with international non-governmental organizations (NGOs) in the fields of education, arts and culture. Established/managed three funds for arts, culture, and films in addition to fundraising. She started her company in Lund in 2014 to offer project management consulting. She also offers services to Arab entrepreneurs and investors to connect them to Swedish entrepreneurs/start-ups. Before she came to Sweden, she was running her own company, along with strong international partners, operating in MENA region. They were offering management consulting services and products. An award winning creative writer with 3 published books. She is passionate about: the Arabic language, processes, entrepreneurship and culture/literature. She is a certified Project Management Professional, PMP and Certified by IFC-World Bank to help women entrepreneurs and SMEs.
- Mikael Kretz (portfolio entrepreneur) Mikael Kretz, Founding International Member of Founders Alliance. Founder and executive Partner of QGroup, a group of IT specialist consultancy companies with operations in Sweden, USA and expanding. He is also co-founder and board member of Crunchfish, a mobile technology company providing touchless interface technology for better interaction with mobile devices. Earlier founded and built a number of companies including Create, Know IT Scania/Sweden. He is also a co-founder of an investment company involved in projects in different industries including heating systems manufacturer and gyms.
- Filip Larsson (portfolio entrepreneur) He is working mainly in the IT industry but he also started a venture in the pharmaceutical retail, called Snabboteket and a company in the real estate business. He started his first venture when he was in highschool and later developed his skills and knowledge to become habitual entrepreneur in multiple industries, but he always keeps his positions strong in the IT sector as he considers it his core industry.
- Gertjan Dieleman (serial entrepreneur) He claims that he is one of the people who changed industries most from all of his contacts. He started building his first venture in China establishing a sourcing company connecting medium sized companies in Europe with

entrepreneur) Asian partners. The sourcing company was involved in different industries, for instance LED and fashion. He then moved back to Sweden and founded a new venture, where he tried to sell bicycles. He then discovered that his main passion is the food industry in which he developed two ventures in Sweden - one for baby food and one selling cow meat online, called Cowfunding.

Johan Berhin (portfolio entrepreneur) He has worked with different industries as a consultant, project manager and designer for people making rollers for elderly people and laboratory equipment. He then partnered with one of his clients and founded a company that manufactured digital pens who remember what you are writing. They worked together for 4-5 years and then he started his own business – a design consultancy and later he developed a chair and build another business around it, called Green Furniture Concept. He launched it firstly in Copenhagen, then he partnered with furniture retailers in France, but then moved into another market of selling to publically owned businesses in Nordic.

Johan Marnfeldt (portfolio entrepreneur) Senior Research & Design Engineer at his own company, where he also takes on the role of a project manager and business advisor when needed. Marnfeldt Design Engineering AB is an official partner and part owner of JOIN Business & Technology AB where a majority of his work is done. He is a product developer and enjoys solving advanced theoretical problems, and later to apply them practically. However, he specializes in electronics and software on many platforms. He has a big interest in trends in new technology and market for new products. He works a lot with entrepreneurship and startup companies, but also with larger companies when they are in need of product development expertise. Starting more than one company has also given him a great knowledge in leadership, development processes, product management, as well as sales and promotion of new Ideas and products.