Bachelor thesis

Door openers, bridges and mercenaries -
A thesis about Swedish International New Ventures internationalization process
Abstract
The purpose of this thesis is to see how home networks and relationships are involved in the internationalization process of INVs. Therefore we will investigate how INVs are affected and use their home networks/relationships and to reach this purpose we have formulated two research questions:

➢ What roles do relationships and networks on the home market have for Swedish INVs internationalization?
➢ How do Swedish INVs use domestic relationships and their home network when internationalizing?

The theoretical framework thus includes INV theory in order to categorize the case companies, networks and relations theory to see if different types of INVs respond differently to their different types of networks and international entrepreneurship theory as a higher theoretical lens to analyse the entrepreneurial behaviour. The methodology is qualitative and has an abductive approach, combined with a multiple case study on six companies which fall under the INV category. We have divided the gathered empirical data and analysed the cases where empirical data will be interpreted with the theoretical framework.

The study’s conclusion indicates that INVs use their home networks/relationships as door openers to foreign markets. We then present the theoretical gap we found within the field of research and the theoretical contribution we found as well as suggestions for further research and managerial implications for practicing managers.

Keywords
International New Ventures, INV, internationalization, networks, relations, effectuation, process, entrepreneurial behaviour.
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1. Introduction

In this chapter we will present the background of our research problem, followed by a discussion around the problem and the definition of a research question. This part is followed by our purpose of the thesis.

1.1 Background

The globalization’s impact on international business has been discussed and debated from various angles. Cavusgil and Zou (1994) argue that globalization has led to increasing opportunities on foreign markets for growth oriented firms. Johansson and Vahlne (2003) mean that increased easier access to international markets, global competition and rapid technological development practically have forced companies to internationalize faster. This increased access to international markets has made it easier for companies and entrepreneurs to set up activities internationally. Global Entrepreneurship Monitor (GEM) annually ranks countries through different entrepreneurial factors. In their report from 2012 Sweden is ranked among in the top when people in the country are asked about possibilities and willingness to start a company. However, an obvious paradox is highlighted in the report since few people, in comparison to other developed countries, actually do start their own company. The report also compares how companies in countries with smaller population have higher ambitions to internationalize and enter foreign markets. (Entreprenörskapsforum, 2014).

Sweden is dependent on international trade and has a tradition where many large enterprises such as IKEA and H&M have a high internationalization rate and are of high importance for the country’s economy (GEM, 2014). According to the Swedish agency for growth analysis, 25 % of the Swedish small enterprises (0-9 employees) were connected to a foreign market in 2011. The same report also stated that almost 50 % of Swedish medium sized enterprises (50 - 249 employees) had activities on foreign markets the same year (Tillväxtverket, 2014). Companies that internationalize contribute to competition on other markets. The competition among international actors requires companies to deal with new barriers and hinders. In order to succeed internationally, a company must consider various internationalization strategies. Questions such as how, why and when are relevant for a company to answer when deciding what strategy to use when entering a new market (Hollensen, 2014). The formation and outcome of internationalization strategies does however not always correlate. Mintzberg and Waters
(1985) argue that companies planned strategy often is affected by occurring events during the implementation period, which eventually change and modify the formation of the strategy. This view is based on the assumptions that strategies are a pattern in a stream of decisions. Sarasvathy (2001) explains that this occurrence with emergent strategies can sometimes be explained by the effectual entrepreneur whose goal emerges through the process.

The internationalization strategies used by companies differ from company to company. Some firms choose to focus on their home market for a long time and internationalize long after they were created and other companies choose to engage in foreign markets already from their birth. There are several theories about how companies internationalize and how they engage in international activities. The internationalization process of a firm can be seen from different perspectives. Some theories focus on firm’s behaviour when internationalizing and other theories are based on economic aspects (Madsen & Servais, 1997).

However, Andersson & Wictor (2003) argue that traditional internationalization theories, such as incremental stage theories, are not able to explain the internationalization behaviour in all companies. This is supported by Mcdougall et al. (1994) who mean that traditional internationalization theory such as product cycle theory, stage theory of internationalization and oligopolistic reaction theory fail to explain INVs formation process. The authors argue that traditional theories on internationalization process assume that firms will internationalize after a long period of time. They further mean that these theories ignore the relevance of individuals in the internationalization process of firms. The phenomenon of companies which are defined as Born Global’s (BG) and International new ventures (INV henceforth) are argued by the authors to not follow the traditional path of internationalization. This is due to their fast internationalization and different choice of markets. Instead they stress the importance of the entrepreneurial spirit of the founders of these companies and their individual initiatives as main explanations to these companies internationalization. Zahra (2005) explain the origin of these firms as a result of the comprehensive research on Small and medium sized enterprises (SME) and their internationalization. The author means that researches started to look at the age of these SME’s and at what time they were engaging on international markets. The phenomena of INVs are not new to researchers, but it has been ignored as an important population, until the mid-90’s where a series of articles brought light to these types of firms (Zahra, 2005).
Definitions of INVs vary in the literature. Oviatt & McDougall (1994) define INVs as “International new venture as a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries” (palgrave-journals.com, 2014, 49). Zhou, Wu & Lou (2007) base their definition from a time perspective where the internationalization of a firm within three years is the fundamental characteristics. Since the common key characteristic for these companies are based on a time perspective of internationalization, we argue that Zhou, Wu and Lou’s (2007) definition of these firms is a general and valid definition.

Much of the research that has been done on INVs focuses on the entrepreneurial features of the founders of these companies. The entrepreneurs influence on the company’s decision to internationalize is agreed by many researchers (Madsen & Servais; 1997, Andersson & Wictor, 2003., Oviatt & McDougall, 2005). Sharma and Blomstermo (2003) are of the opinion that INVs behaviour in the internationalization process is linked to their international ties and networks. Their suggestion of further research is to study INVs’ international ties deeper. Wictor (2006) means that research about INVs in general are necessary due to the relatively new occurrence as a phenomenon. He also suggests that more research about the importance of both home and host market networks in INVs is essential in order to fully understand their behaviour when internationalizing.

1.2 Problem discussion

As mentioned in the background, some of the traditional internationalization theories do not explain the internationalization pattern in INVs. We find it important to highlight that there is a certain need for further research on INVs (Oviatt & Mcdougall, 2005, Zhou, Wou & Lou, 2007. Wictor, 2006). Kalinic, Sarasvathy and Forza (2014) add that traditional international business literature is based on the assumption that internationalization decisions derive from strict rational behaviour. The authors mean that this assumption limits the possibilities in looking at internationalization process from behavioural perspectives.

Johansson and Vahlne (2013) found that knowledge was not necessarily acquired only by buying and selling goods on the market but by engaging in relationships with other companies. “It is in those relationships exchange takes place: not only exchange of products and services, but also knowledge and information” (Johanson & Vahlne, 2013, 195). Johanson (2002) stress
that the learning process about the other company in the relationship is the key to develop the firm’s competence. The author is also of the opinion that a company does not solely learn from one relationship, but from a web of relations; the company’s network. Researchers have concluded that INV:s often operate with scarce resources and that the entrepreneur is of great importance in order for the internationalization to be successful (Hollensen, 2014, Oviatt & Mcdougall, 2005).

There are however researchers who dispute that not all types of relationships will benefit to such an extent that it leads to an internationalization of the firm (Yu et. al, 2011). The author means that shared marketing knowledge has an immediate positive impact on the internationalization process. He is however of the opinion that technological knowledge may have a negative impact in the long run on the relationship due to the complexity of this relation between companies. This is supported by Johanson (2002) who emphasizes that it takes a long time to build up trust in a relationship, an average of five years. If this is true then it would be interesting to see how INVs can effectively use their relationships when they according to our definition internationalize within three. These firms rapid internationalization from birth also implies that these firms have had little or no time to gain experience, in particular international experience.

Hilmersson and Jansson (2012) argue that firms with less international experience tend to be less proactive in widening their business networks. Companies with more international experience are explained to be more prepared to identify international opportunities. The result of their research contradicts the entire phenomenon with INV:s where international markets are sought already from its birth. The author´s findings suggest that international experience is what increases the likelihood for them to proactively search for new opportunities internationally. Coviello and Munro (2006) instead argue that relationships and networks are of high importance for INV:s when internationalizing in terms of entering new markets. However, the researchers mean that our understanding of networks importance are limited to post internationalization activities and suggest that further research have to be done on the initial stages of these firms internationalization. Coviello’s and Munro’s (2006) suggestion on further research made us interested in looking into the initial and pre-internationalization stages of INV:s and the basics of the importance of their networks and relationships.
Further on networks, Håkansson and Ford (2002) conclude that interaction in a network is of high importance for a company in order to gain anything from it. Companies should focus on their position in the network and use this position in beneficial ways instead of aiming at managing the network itself. La Rocca et al., (2013) highlight the set of necessary skills, resources and competences to create effective solutions in a relationship. It is also argued that this is built over time. However, Hollensen (2014) is of the opinion that INVs are likely to use their network and relationships when internationalizing since they lack necessary experience and resources themselves. With the characteristic of an INVs as a rapid internationalizing firm, the assumption of lack of time to have built what La Rocca et al, (2013) present as relevant networks and relationships is valid. In extension, this contradicts Hollensen’s (2014) argument of INVs’ dependency on their networks and relationships. As suggested in previous discussion, the importance of networks and relationships in the internationalization process, whether it is an INV or other firms, are agreed by many authors (Coviello & Munro, 2006, Hollensen, 2014, Johansson & Vahlne, 2013). Bell (1995) focus on companies’ home market environment when arguing the importance networks. He means that the home market network often plays a role in a firm’s decision to internationalize. In his study of small software companies he suggests that a reason for internationalization, in smaller firms is often based on existing customers’ internationalization. However, this is just one suggestion of how the home network is used in the internationalization process. Guler and Guilén (2010) add that international business researchers have given little attention to how home market networks influence internationalization of firms. As Kalinic, Sarasvathy and Forza (2014) argued, many of these theories have derived from assumptions of strict rational behavior which is why we will look at networks and relationships from a perspective where this assumption is not made.

1.3 Research questions

Previous discussion about INV, networks/relationships and internationalization as a process has led us to formulating two research questions with similar amplitude. There is a clear
correlation between these questions which allow us to integrate them in order to reach a wider spectrum in our studies.

![Illustration of integrated research questions (own model)](image)

1.3.1 Research question 1

With this research question we will explore how INVs home market networks/relationships affect their internationalization process. It allows us to identify how specific roles have emerged during the process and how important they are for INVs when internationalizing.

**What roles do relationships and networks on the home market have for Swedish INVs internationalization?**

1.3.2 Research question 2

With this research question we will investigate if the home market network/relationships have any other area of usage than earlier INV research suggest. This question aims to bring answers to INVs specific usage of domestic relationships and home market networks in the internationalization process.

**How do Swedish INVs use domestic relationships and their home network when internationalizing?**

1.4 Purpose

The purpose of this thesis is to:
• See how Swedish INVs home networks/relationships are involved in the internationalization process.
• Investigate how Swedish INVs use these home networks and relationships and how emerging opportunities affect the internationalization process.

Furthermore our purpose is to provide more research to the field of International Business (IB) and International Entrepreneurship (IE) literature on Swedish INVs and their internationalization in early stages where gaps have been identified.

2. Literature Review
In this chapter, our conceptual framework is presented. In order for us to understand INVs as a phenomenon, we have included theories which highlight and explain these companies’ special characteristics and features. Theories about INVs also enable us to see if differences in this phenomenon are of essence when internationalizing. General network theories together with specific network and relationship theories from an INV perspective are presented. The final block of our theoretical framework consists of comprehensive effectuation theories.

2.1 International New Ventures

In the article a theory of international new ventures: a decade of research Zahra (2005) reviews previous theories about international new ventures and their contribution to the field. He argues that the field of research has emerged due to the increased research of SME’s and how companies are aging. The birth and aging process of a firm is a complex period of time, which the author suggests to be the origin of the various definitions of the phenomenon INV. The gestation period have the ability to influence the company’s resources and also the visions. Zahra (2005) highlights the importance and widely used entrepreneurial theories when studying INVs. He means that these theories illuminate how new firms with poor resources and little experience are able to compete internationally. He means that previous research to a high extent agrees on that it is not the type or amount of resources that matters for INVs but how they are used. Zahra (2005) refers to previous research from Oviatt and Mcdougall when explaining different types of INVs. Some INVs are considered to be new companies as organizations however many of them are extensions of already existing companies, where important relationships and financial resources already exists.

Oviatt and Mcdougall (2005) identify four different types of INVs which are based on number of value chain activities that are coordinated across countries and the number of countries that are involved. Oviatt and Mcdougall’s (2005) model is similar to the basic ideas Hollensen (2014) presents about support and primary activities in the value chain. He describes the value chain as different distinctive activities that a firm performs. Each activity is seen as a link in the total chain where individual costs within the activities are evaluated and will add up to the total costs of performing these activities. When dividing activities as previously, a company has the possibility to individually change (externalize or internationalize i.e.g) in order to lower costs. The authors’ four different types of INVs are explained below.
2.1.1 New International market makers type one and two

Oviatt and Mcdougall’s (2005) first type of INVs are named international market makers and are characterized by firms that seek profit by import/export goods from different nations where a demand is identified. The value chain activities that are most likely to be internalized in these types of companies are in- and outbound logistics. The authors also explain that direct investments are normally kept at a minimum within this type of INVs. Instead these firms sustainable competitiveness is distinguished by three factors. (i) In early stages identify and act on emerging opportunities, (ii) high knowledge of the market and its suppliers and (iii) an ability to build and maintain valuable relationships with business associates. Oviatt and Mcdougall (2005) further argue that international market makers come in two shapes. Export/import startups have their focus on few countries where the firm’s entrepreneur is familiar. Multinational traders on the other hand rely on their business networks when finding new countries. These firms are constantly searching for new opportunities abroad and no previous familiarity to the countries are needed.

2.1.2 Geographically focused startups

In difference to Multinational traders, the geographically focused start-up focuses on particular geographical regions where they have identified special needs (Oviatt & Mcdougall, 2005). These firms are likely to coordinate more of the value chain activities than just in- and outbound logistics. Activities such as production, human resource and technological development are seen as competitive advantages for these firms and are of high importance. For example, special language skills or extensive knowledge about a certain culture creates opportunities for entrepreneurs within these types of INVs (Oviatt & Mcdougall, 2005).

2.1.3 Global startups

INVs that are classified as Global start-ups are characterized by high coordination of many value chain activities and geographical markets. They have a high rate of responding to occurring opportunities globally as well as actively seeking opportunities around the world (Oviatt & Mcdougall, 2005). The authors mean that this type of INVs is the most complex and difficult to develop since the firm is required to coordinate on both the geographic and the
activity axis. On the other hand they are argued to have a more sustainable competitive advantage than the other types of INVs once established.

Zahra (2005) argues that previous mentioned types of INVs prove that these companies differ in many ways. He means that entrepreneurs find different solutions and ways to exploit new markets depending on their cognition. He also reflects upon the origin of INVs competitive advantages and concludes that the founders’ cognition and ability to spot new opportunities are of high significance for the company’s success on international markets.

\[ \text{Figure 2 Four different types of INVs (Oviatt & McDougall, 2005, p. 37)} \]

\[ \text{2.2 Networks and relationships} \]

Hollensen (2014) argues that a company’s domestic and foreign network can be connected through relationships and actors, which are used as bridges to new markets. The bridges can take different shapes in different types of networks. The author means that actors in a business network are connected through exchange and interaction in relationships. These networks are not coordinated in a hierarchical way where one unit has the control. Instead, the business networks are organized through the actors’ engagement in exchanging relationships. This loose set of outline can contribute to changes in the networks structure due to dynamic options of breaking relationships and engaging in new ones. Hollensen (2014) means that business and industry networks are flexible in responding to change in business environments. Rather than studying a firm as a unit, the network approach suggests a view where companies as a group should be the subject of study. The view implies that the actors are dependent on other companies and their resources which means that entering a business network require a high level of commitment. Håkansson and Ford (2002) agree with Hollensens (2011) explanation of
networks as a system where companies are connected through relationships. Håkansson and Ford (2002) add that each company and relationship have their own content. They further argue that both companies and relationships develop over time through interactions, investments and adaptations over time. They further mean that business relationships often are developed from previous interactions between business units and have long term characteristics.

Business networks can include both domestic and foreign market relationships. Elg (2000) means that a company’s existing domestic relationships are often regarded as more important than international relationships to business managers. He argues that lower cultural distances and transaction costs make it easier for companies to deal with these relationships in contrast to foreign alliances. In extension, the author regards domestic relationships just as important and has a high influence on companies’ activities on foreign markets and interaction with foreign alliances. Elg (2000) identifies two types of international relationships that originate from the firm's domestic market, liberating and moderating relationships. Both types are based on the assumption that internationalization increases the level of uncertainty and those relationships function to reduce these uncertainties. The author means that a firm faces challenges with both offensive and defensive characteristics. Defensive challenges can be overcome by creating relationships with foreign firms which is a moderating relationship (Elg, 2000). This thesis will focus on the other type of challenge, where the firm offensively tries to increase its international ties through existing domestic relationships. Companies’ home market relationships are likely to increase the chances for companies to connect to international actors. Elg (2000) means that these international new links will serve the purpose to decrease the firms’ dependency on their home market relationships, whether it is from customers or suppliers. On the other hand, the author suggests that a high level of dependency on a domestic relationship will decrease the company’s possibilities to seek foreign alliances.

Wictor (2003) argues that entrepreneurs in companies that seek international opportunities from inception use their existing network to a high extent in order to gain knowledge which they do not possess themselves. The author means that networks and relationships on a company level often originate from the entrepreneurs existing relationships. He also argues that these companies tend to use their networks as tools, in both a formal and a planned way, to reach international markets and that they see their networks as a gateway to new markets. Coviello (2006) has come to the same conclusion and means that networks function as a door openers
for INVs to foreign markets in terms of distribution channels, referrals and providing important business contacts.

Hite and Hesterly (2001) suggest that emerging firm’s networks are likely to change during the firm’s development and in accordance to the firm’s new needs of resources. They mean that emergence of the company is equal to the legal formation of the organization. Characteristics for new firms at this stage are their lack of internal resources, experience, reputation and capabilities. The authors also argue that the emergent stage implies a dependency for these firms to engage in external networks in order to compensate their lack of own resources. Companies will reach the early growth stage as soon as they intentionally work towards growing beyond survival. The authors continue to explain that as the company incrementally grows, it will need greater resources.

The authors further mean that a company in the early growth stage requires extended networks in order to reach necessary resources that the company cannot provide itself. On the other hand, the authors mean that the company, while entering new stages, will benefit from greater reputation and basic resources as it grows. Sullivan and Ford (2014) agree with Hite and Hesterly’s (2001) suggestion of evolvement of networks over time. However, they look at changes in relationships from an entrepreneurial and individual level. They also focus on the very early stages of the firm which are similar to Hite and Hesterly’s (2001) emergence stage.

2.2.1 Identity based networks

In early stages of firms, the networks are proposed to mainly include socially embedded ties. The ties are likely to originate from the entrepreneur and have an interpersonal shape. These networks are named identity based networks (Hite & Hesterly, 2001). Identity based networks consist of social or personal ties where the counterpart influence the firm’s strategic decisions. The authors argue that these ties have a deeply rooted function for the entrepreneur and an example of a socially embedded tie is immediate family. They also state that the importance of these ties do not lie in the actual resources or functions the tie can provide, but in the identity itself in this tie. In extension, these ties are considered liable to the firm and are able to equip the firm with necessary resources when needed. As the company grows and establish routines, the bonds will instead change to inter-organizational ties. This will eventually lead to a change in their networks, where they instead will consist of ties where economic costs and benefits are calculated systematically (Hite & Hesterly, 2001). Sullivan and Ford (2014) add that
entrepreneurs, in the emergence stage, engage in learning and information seeking activities in order to organize and clarify ideas. They mean that entrepreneurs are likely to benefit from a large set of network ties where they are able to find necessary resources at this stage. Valuable resources at this stage will remain valuable for entrepreneurs in handling new issues that evolves in the second stage. These issues can include hiring and managing employees dealing with suppliers etc. (Sullivan & Ford, 2014).

2.2.2 Calculative networks

The evolvement from identity based networks to calculative networks occurs when the company leaves the emergence stage and enters the early growth stage. In difference to the identity based network, the calculative emphasize what the ties actually can provide instead of focusing on who the ties are. These actions and the increased availability of extended resources will lead to a reduced environmental uncertainty. Central ties in a calculative network are characterized by calculated economic benefits. The socially embedded ties tend to fade as the firm grows and are replaced by multiple weak ties which are more linked to specific markets (Hite & Hesterly, 2001).

2.2.3 Types of relationships

Relationships can have different shapes and meanings to people and companies. Ojala (2009) means that the literature varies in definitions of formal and informal relationships. However, the author means that in general an informal relationship can be referred to personal and social contacts, such as family and friends. Formal relationships are described as a relation where business activities within a network take place, for example suppliers and customers. In other words these relationships are created when an exchange of products or service take place. Kontinen and Ojala (2011) mean that informal and formal ties are not always easy to separate. An informal tie can transform in to a formal tie through business activities between actors. Oviatt and Mcdougall (2005) add a third type of relationship, intermediaries, which is of importance when looking at firms connections in the internationalization process. This relationship is the connection between buyer and seller where these do not have a direct contact. They mean that intermediaries, as third party actors, can enable firms to reach new markets without having a deeper contact with the end customer. Kontinen and Ojala (2011) categorize these relationships as strong or weak ties. They argue that strong ties are built on trust, mutual
respect and a high level of commitment. Strong ties are often found within the informal type of relationship, such as friends or family. Weak ties on the other hand is explained by Kontinen and Ojala (2011) as superficial relationships where the actors do not know each other well and do not have an emotional connection to each other. Söderkvist and Chetty (2013) found that strong ties are important to INVs in their early stages of development. The authors mean that already established contacts and relationships are used in order to gain information and resources. They also found that strong ties such as friends and family are able to connect the entrepreneurs in INVs to relationships where information and resources can be provided.

### 2.3 Effectuation

Perry, Chandler and Markova (2011) argue that much previous research on entrepreneurship is based on the assumptions that people are rational individuals. The authors further mean that research have assumed that the behavior of entrepreneurs are determined by deliberate and rational goal-driven orientation. Sarasvathy (2001) has challenged these assumptions and argues that entrepreneurs not always have a clear vision when they start a company. The author means that lack of a clear vision not necessarily is a disadvantage for the entrepreneur. She argues that these people instead may have an advantage where they are more flexible in responding to environmental change and are able to learn and gain knowledge along the way.

There are mainly two types of spirits of an entrepreneur; the causational and the effectual one. Sarasvathy (2001) describes the causational entrepreneur as the more rational one of the two as it is more analytical in its ways of starting a business where there is a clear business plan to follow in order to be successful. Sarasvathy (2001) explains the effectual entrepreneur as a person who creates something with often very limited resources and the goal is not set from the beginning but emerges slowly through the process. She proceeds by explaining that since the goal is not clear, the effectual entrepreneur works to minimize the loss and risk, which often drives them to critically analyse what they are good at, who can help them in their process and what resources they have at their disposal.

Sarasvathy (2008) is of the opinion that there are certain aspects that are assimilated to an effectual entrepreneur. The author states that effectuators often see the world a bit differently, as a place still in-the-making where there is a genuine role for human action (Sarasvathy, 2008). In the effectual way, opportunities are rarely clearly given or outside of their control but they
rather work to fabricate, recognize and discover opportunities (Read et al., 2011). The author explains that the effectual entrepreneur does not act to satisfy a certain demand but with their firm or venture they rather seek to create novelty for themselves and the prospect market. The market is according to Sarasvathy (2008) created by the effectual entrepreneur rather than found since the journey is not planned on beforehand.

Sarasvathy’s five principles embody the techniques of non-predictive control and the effectual entrepreneur does not aim to predict the future but to control it as Sarasvathy (2008) explains in the pilot-in-the-plane principle. Below we have narrowed down on all five principles and explained them one by one.

2.3.1 Bird-in-hand principle

The author explains this first step as where the effectual entrepreneurs will ask themselves three questions; Who am I, What can I do, Whom do I know? Sarasvathy (2008) explains that the effectual entrepreneur is means-driven rather than goal driven, which means that the answer of the three questions will gradually form the new venture taken on by the entrepreneur. It is however important to understand that the venture is not always planned. The effectual entrepreneurs’ new venture can emerge from a hobby (Sarasvathy, 2001). This principle has its focus on what qualities the entrepreneur has on before-hand, and with these means creates something new. The expert effectual entrepreneur will according to Sarasvathy (2008) immediately take action and start interacting with other people in order to start their entrepreneurial journey. This means that the network is very important for the effectual entrepreneur since its resources often are very limited (Sarasvathy, 2001).

2.3.2 Affordable loss principle

With this second principle the author explains how much resources the effectual entrepreneur should commit to its project. Sarasvathy (2008) stress the importance of never investing more resources than you can afford to lose. The author means that instead of trying to calculate how much the effectual entrepreneur can gain from the new venture it often focus on how much it can afford to lose. This is due to the fact that effectual entrepreneurs do not seek to avoid failure; they instead intend to create their success (Sarasvathy, 2008). However Read et al. (2011) stress that the effectual entrepreneur is not necessarily a risk taker but calculates how much risk he or
she can afford to live with. Sarasvathy (2008) continues to explain that this creates certain recognition that failing is a substantial part of ventures as well.

2.3.3 The crazy-quilt principle

While the first two principles are much about how the entrepreneur should focus on its own merits in order to proceed with its venture (Sarasvathy, 2008). The crazy-quilt principle highlights the importance of a network around the effectual entrepreneur. This is where “whom do I know” really comes in and the effectual entrepreneur uses its network in order to find customers and business partners (Sarasvathy, 2008). The author stress that these stakeholders are self-selected by the effectual entrepreneur and emphasizes on the importance that the effectual entrepreneur choose to surround themselves with the right people in order to succeed in their venture. This is due to the fact that the network can for example help to increase the affordable loss principle thus, increasing the limit of financial commitment to the project, provide market knowledge or specialized production facilities. However it is important to understand that the effectual entrepreneur does not always analyse who to form an alliance with from the beginning, but unsolicited orders can form the venture to something that was not planned from the beginning (Read et al, 2011).

2.3.4 The lemonade principle

If life gives you lemons, make lemonade. This principle emphasize that every possible outcome cannot be foreseen by the effectual entrepreneur or anyone for that matter and the outcome is not the most important factor, but rather the lessons learned from it (Sarasvathy, 2008). The author stress that the effectual entrepreneur should leverage surprises by acknowledging and appropriating contingency. Rather than trying to avoid surprises they should overcome or adapt to these unforeseen events, acquiring valuable knowledge along the way (Sarasvathy, 2008). This will according to the author increase the success rate of the next venture made by the entrepreneur due to an increased knowledge about how to operate in ventures.

2.3.5 The pilot-in-a-plane principle

This final and last stage of Sarasvathy’s five principles constitutes that “to the extent we can control the future; we do not need to predict it” (Sarasvathy, 2008, p. 17). By using the four
previous principles the effectual entrepreneur can commandeer its venture and thus reach the wanted destination.

2.4 Theoretical synthesis

In order to understand how the theories of our choice are connected to each other and the subject we study, we have illustrated these connections below. A deeper explanation of the entire theoretical synthesis is also stated.

**Model 1 Theoretical synthesis (own model)**

2.4.1 International new ventures

Specific theories on the phenomena of INVs are used in order to highlight their specific characteristics and will increase our understanding of their nature. These theories include different types of INVs with emphasis on international engagement.

2.4.2 Network and relationships

Theories about different network and relationship types have a central position in our theoretical framework. These theories function to clarify what different types of networks INVs can possibly engage in. Relationship theories enable us to see what roles different types of relationships can have for companies. Relationships are in some theories viewed as ties in networks which made us connect these two blocks of theory.

2.4.3 Effectuation
Effectuation will serve to help us analysing the entire process of internationalization of the firms. We will use these theories to see how/if initial goals have been followed through the internationalization but also see if effectuation logic, such as emerging occurrences, have characterized how the home networks and relationships have been used. Effectuation theories will therefore be used as an addition to the other theories to add a dimension of how planned and structured the company’s internationalization really were.

3. Methodology

In this chapter we will give an account for our methodology which has its foundation in an abductive research approach. We have chosen to conduct a multiple case study as our research strategy, using secondary data in order to get a clear picture of the case companies and primary
data through interviews to get the desired empirical data required to answer our research question.

3.1 Abductive science approach

Ghauri and Gronhaug (2005) state that the researcher is influenced by its previous knowledge about the subject and this will in turn affect his or her research method. There are mainly three ways of looking at the correlation between theory and reality; inductive, deductive and abductive approach. The inductive approach is used when there is a certain lack of already accepted theories and general assumptions are instead made out of empirical observations (Pålsson, 2001). This is supported by Ghauri and Gronhaug (2005) who explain the inductive approach as when you draw general conclusions made from empirical observations. Furthermore they explain that the process goes from observations → findings → theory building and that the inductive approach is often associated with qualitative research. The authors explain that by using an inductive approach you make universal assumptions through in-depth observations made in the study which then lead to new theories in the research field.

The deductive approach is according to Pålsson (2001) used when there already are theories made of the subject. The approach in the deductive method is to analyse these theories with the reality and then either accept or discard them. This is supported by Ghauri and Gronhaug (2005) who claim that the deductive approach is used when the researcher suspect that current theories may be incomplete when it comes to explain a certain phenomenon and wishes to further develop the theory in order to produce a more realistic view. However there is also a third approach when conducting research, the abductive approach. This is a process that cycles between induction and deduction and does not particularly move from theory to the observation (deduction) or from observations to theory (induction) (Robson, 2011). “Abduction has instead its roots in the dialogue between the theoretical perspective and the result of the informant’s comprehension of the actual state” (Olsson & Sörensen, 2011, 48).

When we began this report we were of the opinion that we should follow an inductive research approach. However it is important to understand that it is very difficult to stay absolutely inductive throughout the whole process (Ghauri & Gronhaug, 2005), even though this is what we aimed for. We began by reading articles about the subject that we wanted to do our thesis about and found that there are certain gaps in the research field of INV’s. INV’s have been
thoroughly researched and also how they are affected by their networks. We are in this sense using more of a deductive approach because we stated our theories on beforehand and then conducted our interviews. Then we examined our results with the stated theories. However when it comes to Sarasvathy’s theory on effectuation we are using more of an inductive research method since there is basically no previous research connecting effectuation with INV’s. This has led to the realization that we are using an abductive approach since we are just as Olsson and Sörensen (2011) stated above constantly moving between theory and our empirical data.

3.2 Qualitative research

In this report we will use a qualitative research method, whose purpose according to Johannessen and Tufte (2002) is for example to question a smaller selection of the employees in order to get more detailed and outlined information. The purpose of this approach is to develop ample descriptions and the authors explain that qualitative research methods are especially valid when you conduct research of a subject unknown to the researcher and where no extensive research have been conducted earlier. Ghauri and Gronhaug (2005) state that the result of a qualitative research approach is very much relying on the researchers’ skills and experience due to the importance of analysing the collected data. We discarded the quantitative approach in an early stage of our planning because the quantitative research focus’ on questions such as how many and how much (Ghauri and Gronhaug, 2005). This led us to choose the qualitative approach since this method is more closely related to what our research intends to answer.

3.3 Research design

3.3.1 Multiple case studies

Yin (2012) means that a case study is a relevant choice of research method when researchers aim to answer how and why questions, and that this method is of relevance when researchers in depth try to explain social phenomenon with an in depth context. Yin (2012) further explains
that the advantages of multiple case design or comparative case studies are that they are considered to be more robust and allows a scope of discussions between the cases. He is also of the opinion that the researchers also have an opportunity to consciously choose contrasting features between the cases or to replicate them. Yin (2012) means that a multiple case study should include carefully chosen cases where they either predict similar results or predicts different result due to predicted reasons. Ghauri and Gronhaug (2005) explain that multiple case studies are preferable when the researcher is not examining rare, critical or revelatory cases. In order for us to properly study and answer our research question we have decided to choose a multiple case study design since we aim to make generalizations in an in depth context. This is supported by Ghauri and Gronhaug (2005) who explain that the inductive approach with a multiple case study is preferable when looking for general explanations.

3.4 Choice of companies

In this chapter we will present our case companies that we have found suitable for our thesis. Merriam (1994) suggests that it is impossible to observe everything in a case study. Wisker (2009) states that the result of the research is very dependent on the type of selection of who and what you decide to study.

After several long sessions of reaching out to companies we found six companies which fell under the INV definition, which we felt led to an empirical saturation which Corbin and Strauss (2008) explain as when no new information appears through new samples of gathered data.

We carefully chose our case companies and made sure they fell under our definition of the term INV in order to be able to help us answer our research question. The people who represented the different companies during the interviews were also carefully selected in order for us to make sure that they could answer our questions to the highest extent possible. We interviewed the founder of all companies except the one in IQF Frost. He was however the son of the founder and had been with the company since its birth. We chose to interview the founders of the companies to ensure that we got first hand primary data from someone who were there from the start, and to get a clear view of the entrepreneurial behaviour. Please note that these interviewees will be presented under our empirical section.

3.4.1 Ass Savers
We read about the company Ass Savers in an airline magazine where the company’s innovative bicycle products and rapid internationalization was highlighted (Norwegian-magazine, 2014). The company was founded by two bicycle enthusiasts and produce mudguards specialized for bicycles. We find them relevant to our case study because they, since their birth in 2011, have approached international markets through booth distributors and own subsidiaries. They have offices in Gothenburg, Amsterdam and San Francisco and have distributors in 22 countries around the world (Ass-savers.com).

3.4.2 Elsip AB

Three KTH researchers from Austria, China and India came up with the concept of Data management engine (DME) in 2007, which later resulted in the founding of the Swedish company Elsip AB. The company was founded in 2011 and operates in the IT sector. Elsip provides a flexible and programmable IP for memory management which can be installed both as a software and hardware in a server in order to help it process more data quicker. The CEO Adam Edström joined the company in 2012 with the intention to make it act globally. Less than two years later they had a global network of customers and a sister company located in China (Elsip.com).

3.4.3 Vitargo/Energikakan

Energikakan AB is a Swedish company that operates in the food supplement business but is more known as the brand Vitargo. It was founded by Tomas Gustavsson who is a well-known athlete within triathlon and has been competing in several world championships. He founded the company under his time as an athlete since he questioned why all the sport supplements were so deficient and also the poor knowledge from the athletes and their coaches. Even though they have no sales offices abroad they started exporting Vitargo almost immediately after the acquisition of Energikakan through sales channels Tomas Gustavsson acquired during his triathlon career (Energikakan.se).

3.4.4 Unomaly

The company was founded in 2010 in Stockholm by two IT entrepreneurs. They provide a solution that detects anomalies and intrusions in IT servers. Both of the founders are highly experienced in IT systems and have previous competence in producing security software
programs for the IT branch. The product is a result from the statistical data that 93% of anomalies and intrusions in the IT sector is discovered by a third party and the founders saw an opportunity in creating a product which will detect these undesired events more efficiently (Gustavsson, 2014-05-12). They are now operating in all of Scandinavia and Belgium where they also have established a new office (Unomaly.com).

3.4.5 Now Interact Nordic AB

The company was founded in 2010 by Magnus Åström through the acquisition of an innovative technology platform. The product provide the customers home page with intelligent real-time behavioural analytics and predictive intelligence which enables the company to interpret the customer’s wants and needs which in turn increases the purchase rate. The company is acting globally since 2011 and now has sales offices in Denmark, the Netherlands and the UK and customers throughout most of Europe (Nowinteract.com).

3.4.6 IQF Frost AB

The company was founded in 1999 by Ruben Larsson. Through his extensive experience of the freezer production industry he came up with his own product which today is sold all around the world. The products has revolutionised the freezing industry with a freezing capacity ranging from 500-8000kg/h. Their production and head-office is located in Sweden with a sales subsidiary located in San José, USA (IQF.se).

3.5 Data collection

3.5.1 Primary and secondary data

We will use both secondary and primary data when conducting our research. The secondary data will be used in order to find relevant companies and gather some information before conducting our interviews. We will use primary data gathered through interviews in order to analyse the companies. Ghauri and Gronhaug (2005), Bell (2006) and Dahmström (2011) are of the opinion that primary data is more preferable than secondary data since it is gathered for the specific purpose of the ongoing research. Secondary data is explained as information which has been gathered for another purpose than your own research (Zikmund et al, 2010). The authors explain that there are both pro’s and con’s with secondary data. Its greatest upside is according to the authors its availability, since it is almost always easier and cheaper to acquire
than primary data. However it can be difficult to determine the quality of secondary data since the author might be partial (Zikmund et al, 2010).

3.5.2 Qualitative interviews

The qualitative interview serves to identify unknown or unsatisfied phenomena and its purpose is to determine its characteristics rather than confirming something which has already been discovered (Svensson & Starring, 1996). According to Ghauri and Gronhaug (2005) there are mainly three ways of conducting an interview; structured, semi-structured and unstructured. Kvale and Brinkman (2009) state in that with a semi structured interview the interviewers seek to understand the every-day universe through the research objects own perspective. It has the same characteristics as an every-day conversation but is instead a professional interview with a certain purpose and a certain technique. It is semi-structured, neither an open conversation nor a closed questionnaire (Kvale & Brinkman, 2009). It is according to the authors conducted through an interview guide which focus on certain subject that can contain suggested questions.

We chose the semi-structured interview because of its characteristics and deducted the structured interview as an option since it is less flexible than the unstructured interview and we are of the opinion that a semi-structured interview can give us valuable information outside the range of our questions.

We conducted semi-structured panel interviews which mean that there are several interviewers and one interviewee (Kylén, 2004). The author is of the opinion that this way of performing interviews is preferable since the interviewers can add several tones to the interview with their different areas of expertise. Another upside is the fact that all interviewers will hear the same thing and will not disagree afterwards of what has been said (kylén, 2004).

3.6 Operationalization

In qualitative research, operationalization refers to the links between the theoretical ideas and the examples of it that could occur in the data collected for a project (Wisker, 2009). This transfer from theory to empirical data is a critical phase in the research (Holme & Solvang, 1997) and literary means to put an idea into action (Wisker, 2009). Grönmo (2004) is of the opinion that one of the main tasks in the problem formulation is to operationalise the problem. He continues to emphasize just as Wisker (2009) that operationalization means that you
formulate criteria’s of how the concepts and the correlation in the research question will be represented through empirical data.

We have identified a gap in the research on INV's home networks and relationships, and what roles they have in the internationalization process as well as how they are used by these companies, which has led to our research questions. Interview questions are based on the operationalization of our theoretical framework. The theories have had different functions in our operationalization and we have chosen to explain these functions with three blocks; *directly linked interview questions, semi linked interview questions* and *indirect linked interview questions*. All theories will be the basis for answering both the main research question and the sub questions.

### 3.6.1 Directly linked interview questions

Network and relationship theories, and parts of INV theories are directly linked to the interview questions. Oviatt and McDougalls (2005) different types of INV's enable a potential categorization of the companies that we study and has also been operationalized into interview questions. This categorization demonstrates the similarities / differences in the various types of INV’s’ networks and relationships and is included for analysis of all the research questions. These theories have been clearly and directly operationalized into interview questions.

### 3.6.2 Semi linked interview questions

INV theories do not appear with the same obvious nature in the interview questions as previous mentioned theories. However, they have influenced the questions in a sense where they are of more open character. Interview questions such as the company’s vision today versus when it was started have been operationalized into INV theories. These theories also enable us to relate our interview questions to a time scale that can be used to help answering all research questions.

### 3.6.3 Indirect related interview questions

Effectuation theories are used in order for us to see how emerging occurrences have affected the internationalization process. These theories have not been directly operationalized since it will be used as a higher theoretical lens to look at the answers from an effectual logic point of view. However, effectuation has influenced questions to be more open and less specific. These
open questions allow us to get a wide scope of the companies’ way of acting which will be analysed together with Sarasvathy’s (2001) five principles.

3.7 Research quality - Trustworthiness

In this context an emerging question rises; has any systematic or random errors occurred during the development of the research question or the procurement of the data? (Holme & Solvang, 1997). It is according to the authors of great importance that the researchers ask these questions throughout the journey in order to reach a satisfying degree of validity and reliability. By having this question in mind throughout our research we have tried to bring the highest degree of value to our research. However, Ghauri & Gronhaug (2005) and Kylén (2004) argue that it is important to understand that validity and reliability have different meanings depending on what kind of research you conduct. Merriam (1994) mentions that many researchers even claim that
there is no way of determining validity and reliability when conducting qualitative research and that the terms are invalid in this field of research. Lincoln and Guba (1985) instead comprise validity and reliability in trustworthiness and has reclaimed the terms of credibility, dependability and transferability in order to operationalise the trustworthiness of the research. Since we are conducting qualitative research we will instead use these terms, thus replacing validity and reliability.

3.7.1 Credibility

Lincoln and Guba (1985) explain credibility as activities which make it more likely that credible findings and interpretations will be produced. They present three ways of ensuring credibility; prolonged engagement, persistent observations and triangulation. Prolonged engagement is explained by the authors as when you spend enough time researching the subject in order to achieve a certain purpose.

We thoroughly examined the definition of INVs, and the different types of networks in order to be able to understand what we were researching, be able to pose relevant questions during the interviews to get valuable answers and also understand the subject and the result of the interviews to such an extent so that we can make a credible analysis. Furthermore we examined Sarasvathy’s theory of effectuation in order to understand to what extent the companies’ actions towards its relations and internationalization was correlated with unforeseen events and effectuation logic.

Persistent observations are to what extent you manage to identify the characteristics and elements in the situation that are most relevant to the research (Lincoln & Guba, 1985). During our interviews we let the interviewee talk freely about a subject with hopes that he would naturally answer our questions and also provide us with information that we would not have thought to ask about. When we felt that the interviewee started to specifically talk about our subject we focused on follow-up questions until we felt that we had covered each category. This provided us with a certain depth about the subject which gave us a clearer picture about the different industries which will make it easier to generalize when we do our analysis. When we felt that the conversation went too far away from our subject we asked questions from our interview guide to steer the conversation back to the desired subject.
The third way to confirm the credibility of the acquired information researchers often uses triangulation (Lincoln & Guba, 1985). By using the triangulation process it is possible for one to establish the interpretations and arguments which comes from analysing the data. Triangulation means that you look at the area under investigation with at least two perspectives simultaneously or sequentially by using two or more research methods, sample groups or investigators (Wisker, 2009). Merriam (1994) explains that there are four kinds of triangulation; methodology triangulation, data triangulation, research triangulation and theoretical triangulation. We used (i) data triangulation with primary and secondary data by first researching about the company online (secondary data), and then conducted various interviews (primary data), (ii) research triangulation since we were two researchers who gathered the data and (iii) theoretical triangulation since we have combined different theoretical perspectives.

3.7.2 Dependability

Dependability is according to Lincoln and Guba (1985) linked to credibility since you cannot have dependability without credibility. We have ensured a certain degree of dependability by transcribing all interviews and going through the material several times to make sure that we understand what has been said and also to ensure that we did not fail to receive important data. All of our interviewees were in the board of the company and had first-hand data of how their home networks were related to their internationalization. We chose to do this as a way to minimize the chance of anomalies in the data. We also used triangulation as a way to increase our dependability, which is described under our credibility section. However when we conducted our interview with Magnus Åström, CEO of Now Interact Nordic he was in a hurry which made us suspect that the data he provided might have been tainted with stress. We solved this problem by asking the same questions again through email and then compared the new data with the transcription.

3.7.3 Transferability

Since we are not performing a statistical study but researching through a qualitative research method it is important to understand how one can generalize the results. Lincoln and Guba (1985) explain that it is possible to set out working hypothesis together with an explanation of the time and context where one can make generalizations. Since we will not do a statistical generalization but rather analytical on the phenomenon that we have researched we will answer how and why questions. These answers will then serve to be transferable to new research on a
4. Empirical data

In the following chapter we will account for the gathered empirical data. We will show each result in turn, thus dividing all companies one by one. We will divide the result in two categories; its internationalization process and its networks and relationships. We have chosen to add a small presentation about the interviewed person in order for the reader to understand his role and previous experiences.

4.1 Energikakan/Vitargo
Thomas Gustavsson is the founder of Energikakan and now operates as its CEO. He is a former professional athlete and is one of Sweden’s most successful triathlon runner internationally. He now runs the company Energikakan which is the official distributor of Vitargo. Gustavsson is also one of the creators of the product Vitargo and is still closely related to the product.

**Internationalization**

Thomas Gustavsson explained that the reason that he started the company was due to mainly two reasons. First he mentioned the lack of high quality carbohydrate nutrition for elite sportsmen and secondly that the science showed that the carbohydrate that he later bought the rights to manufacture was so superior to others. The only actor on the market before Vitargo was according to Gustavsson Nestlé with their Powerbar which mostly contained sugar. He stated that the internationalization process began slowly at first since they were making the bars themselves in their homes and one batch comprised 16 bars. Gustavsson then packaged the product and sent it to his old colleges from his professional days as a triathlon runner in order to get the brand out on the market.

Gustavsson also stated in the interview that the company would not have existed if it was not for his extensive network from his earlier days as a triathlon runner. He was also of the opinion that the company would never have existed if he only would have looked at it at a financial perspective. Gustavsson explained that when he in 2001 bought the rights for the carbohydrate that makes Vitargo what it is, the turnover was four million SEK and the company was making a two million SEK loss annually. He told us that since he was always exercising daily and really felt the difference whilst using Vitargo Gustavsson went against all recommendations and bought the company for 15 million SEK which financially wise was a very bad deal. Gustavsson explained that he maximized both the loan on his and his parents houses and borrowed money from all of his friends in order to keep the company afloat. He told us that it continued to make a loss and his financial advisor said that he should declare bankruptcy. Gustavsson told us that he instead reached out to his friends and made three people believe in him and invested in his company. This made it according to Gustavsson possible to really start mass-producing the product Vitargo.

**Networks and relationships**
He explained that one of the people to believe in his bars early were an old competitor to him who were now acting as the head nutrition physicist of the football team Barcelona FC. Gustavsson explained that this physicist who was the personal nutrition doctor for Ronaldinho then recommended Vitargo to all the players in Barcelona which created a steady flow. He was also working for Rubens Barichello, the renowned F1 driver who also started to use the product, according to Gustavsson. He continued to explain that the players in Barcelona FC then started to recommend Vitargo to their national teams which created rings on water for the company.

Gustavsson explained that the same effect happened with many cross-country ski teams. This was according to Gustavsson also due to two main reasons since the professional ski society is quite small and many live and train at the same places during the season. This led to people talking about nutrition and many skiers recommended Vitargo which in turn according to Gustavsson led to a certain word of mouth when they competed for their countries during for example the Olympics. Gustavsson continued to explain that the second reason was that Vitargo was classified as one of two stamina nutrition products that were internationally allowed which led to an increase in sales in many organisations. This was according to Gustavsson due to the fact that since they had their own production facility which only created Vitargo they could guarantee a dope free product.

4.2 Elsip AB

Adam Edström is the CEO of the data management engine company Elsip AB. He is a former journalist and IT consultant and has gained international experience through employment in America. Edström said that, during his time in America, he developed an interest in managing his own business. In 2011 he was ready for new challenges and got in contact with Sics, which he explained as a research institute with various activities. Prior to this Edström had done some projects for Sics and would now engage in internationalization projects in new firms. This is where he got in contact with three researchers from Kungliga Tekniska Högskolan (KTH) who developed a product that they wanted to introduce to the market. Edström was shortly after the meeting with the researchers assigned as CEO of the company.

Internationalization
Edström explained that the three researchers all came from different backgrounds with different nationalities which he later in the interview explained was beneficial for the firm’s internationalization. The researchers behind the company come from India, Austria and China. Edström further explained that having three international researchers with contacts in various countries, as well as his own international experience also had a great impact on their initial vision of engaging internationally. He especially highlighted the importance of the Chinese market where they now have a sister company with five developers. When we asked Edström about the future and further international expansion for Elsip, he answers that the target is constantly on the move, which is why they do not know what markets that will be next of choice. He also said that Elsip is a small company with restricted resources and are therefore bound to be flexible in order to seize upcoming opportunities, we are opportunists, he said. Edström mentioned a few markets that are of interest to penetrate. Israel, Europe, Korea and Japan, but the Japanese market requires a different mind-set in order to be successful. He meant that it is of importance to have local representation on the markets you want to enter.

**Networks and relationships**

"I thought I could contribute a lot because I have over 20 years’ experience in the media industry where I know a lot of people. I know people who know people."- Edström (2014-05-09).

Edström said that he very early in the process of becoming the CEO of Elsip, contacted his former colleague Bengt and wanted to include him somehow in this project. He described Bengt as a successful sales person and manager with various international positions in the same industry as Elsip is active in. He believed that Bengt’s experience in the industry as well as his international relationships and network could be useful when internationalizing Elsip. He continued to explain that Bengt is today a member of the board and informally Edströms sales coach.
When he talked about what influence Sics had on Elsip’s internationalization, he started with describing Sics environment as open where dialogs and conversations between the institute and companies takes place. Valuable ideas, thoughts and experience between entrepreneurs and researchers are exchanged, he said. Business contacts are exchanged, which can be valuable for international activities. He further explained that the company’s initial ideas and goals in general were vague. Even though the researchers came from different countries, no initial approaches on launching the product on these markets was made before Edström was assigned. He said that his role as CEO was to clarify the business strategy for the firm and to contribute with commercial actions.

When we asked him if any relationships or networks have been more important than others in Elsip’s internationalization, he highlights the researchers’ domestic contacts in their home countries. Their contacts with Universities in Asia led to the establishment of a sister company in China. Further on he explained that KTH also provided Elsip with contacts in the Greece market where they now are partnering with a new venture for technological development. He also emphasized the opportunities with engaging and interacting with international actors at Sics. Edström further said that Elsip find their clients through their network of contacts from both Sweden and abroad. Due to the relatively small market in Sweden, the actors in the industry tend to help each other in order to bring more light to the industry. He argued that when it comes to finding clients, everyone works for themselves.

4.3 Ass Savers AB

Staffan Weigel, CEO of Ass Savers, starts the interview with explaining his background in industrial design. He said that he has always been fascinated by the creative process and mean that the entrepreneurial and creative process is very similar. In 2005 he started a consultant company, with a former classmate, in the design business. Weigel said that the company lasted for five years but they never reached a breakthrough. He explained that the idea behind Ass Savers started when he was bicycling through a rainy Gothenburg and as an industrial designer you always think product when problems like these occur. He talked to a friend who worked with production from plastic waste, which later led to the first produced Ass Saver mud guard.

Internationalization
Weigel is today one of five partners in the company and has his remote office in Barcelona. The company has a small office in San Francisco and three persons are stationed in Sweden. He further stated that the initial intentions with Ass Savers were not to make a lot of money or to experience fast growth but just to see where this product could take them. Things have just happened and it has turned out well, Weigel said. He explained that the company’s internationalization process started when he recorded an instruction video of their mud guards and posted this on the site Vimeo. The video was shared around the world at different blogs and websites and requests about the product started to come on from every corner of the world. This made Ass Savers to quickly set up a web shop in order to take the requested orders. This made us realize the potential in our product which led us to trying to think more strategic and be more serious (Weigel). However, the more business focused we got, the more it took they joy out of the process and naturally they decided to continue with their initial ideas of having fun and do what felt right, he said. In 2011 the office in Amsterdam was established as a result of Weigel's girlfriend getting a job there. He said that there was no strategic thinking behind the move but it has probably benefited the company since the industry looks different in the Netherlands compared to Sweden. The Netherlands is currently one of Ass Savers largest export destination, he said. Today he has moved on to Barcelona where have set up his remote office together with other businesses and companies. Furthermore, he explained that the company’s largest markets are England, the Netherlands, Germany and Japan. He believes that it has just happened without an active approach towards these markets. “It is not more difficult to handle an order from The Netherlands than from Småland i.eg.” - Weigel (2014-05-09)

In the United Kingdom, the company has a distributor who contacted them at an early stage. In Japan, the company is working with an agent who acts as an intermediary for them. Both the distributor and the agent approached Ass Savers and the cooperation has been excellent Weigel. Their customer service is now partly outsourced to India where one person is handling inquiries from customers (Weigel).

**Networks and relationships**

Weigel soon realized that he did not want to manage the company on his own. He stated that it is more fun to cooperate and work with someone than doing it yourself. He contacted his American friend who he had been cooperating with before in smaller projects. The friend is a graphic designer and could contribute with external knowledge. Weigel involved a third person
in the process before the final product was made. This person worked in the plastic production industry and could contribute with knowledge about the making of the product. Their initial idea was to manufacture and sell one hundred mud guards to get some sort of response from the market. Weigel had a contact within his personal network who owned a bicycle shop, where the product later was sold.

Weigel said that the move to Amsterdam was good for the company since he got a chance to establish relevant relationships and good contacts in the business. He further meant that it is important to experience new cultures in order to fully understand how they work. Ass Savers is now cooperating with a Dutch magazine in order to get more exposure. He continued with emphasising the importance of social networks such as Facebook in order to reach global attention. The aim was to be a part of the new evolving bicycle community (Weigel). He also emphasized the importance of keeping an informal touch to the company. He concluded that this is an important brick in the companies branding strategy.

When Weigel talked about establishing a business on the American market, he mentioned the bureaucratic and juridical challenges that comes with it. The Swedish Chamber of commerce will be contacted to help Ass Savers to overcome these challenges and give important inputs on how these systems works (Weigel).

### 4.4 IQF Frost

Rasmus Larsson is the CEO of IQF Frost. He is the son of the founder and has been with the company since 2001 but did not join the company until 2006. In 1991 he had a smaller role in the company helping his father with every day work and also with the filing of the existing patent of the company’s product. He has previous experience in sales which was one of the reasons that he started his employment in 2006.

“To be able to build a sustainable contact web is key to succeed in this company” -Larsson (2014-05-14).

**Internationalization**
Rasmus Larsson started the interview by explaining that his father who was the founder of the company had a long experience working for Scandia where he was the head manager of South America. However his father was laid off after a change of ownership in the company which led him to start his own business since he during his career had developed a few ideas about electrical freezing techniques (Larsson). Larsson stated that he was involved in the company early, helping his father to start the business and also to file the patent of the product simultaneously as he conducted his studies. Larsson continued by describing how the first sales had come to pass. He told us that the company was founded in 2000 and made its first sale in 2001. These first two sales were according to Larsson made domestically in Sweden due to the increased simplicity of the closeness to the customer, even though his father tried already from the start to find international customers. However the third machine was according to Larsson sold to Chile. This sale was made successful due to his father’s previous contacts from his past in South America. He stated that his father made a lot of “cold calls”, trying to find customers by simply using the phone and call up all his last contacts. However Larsson emphasized that even though his father’s contacts in Chile was not crucial for the sale in this region, it was a mere door opener since the contact could confirm the validity of his father. The fourth sale was made to Germany and was according to Larsson the result of a successful cold call to a company who happened to need a new freezer.

**Networks and relationships**

Larsson emphasized that their network did not play any importance, but all sales are made through hard work by finding companies mainly on the internet, establishing a contact and make a presentation on site. He stated that the only time they had use of their network was actually connected to the sale made to the company in Chile. However Larsson was of the opinion that his father had an advantage since he had been in the freezing business for a long time which gave him some sort of credibility when making his first sales. “If you are a nobody, no one will listen to you” (Larsson, 2014-05-14). Larsson explained that when they make a sale they use the customer as a reference of which they refer to when reaching out to new customers.

Larsson made it clear that they also have a great usage of agents when they conduct business abroad. He stated that the agents do not have the required knowledge about the market in order
to do any actual sales but he was of the opinion that they are valuable to have when meeting customers because they add legitimacy when negotiating and discussing an eventual sale. Larsson said that the presence of the agents were important, and he thought that this is linked to the fact that the machines have a price range between 2-6 million SEK.

Larsson said that he deliberately hired people with a selling background instead of hiring people with experience of the actual market. This was due to the fact that Larsson does not want his selling personnel to be too close to the product but rather be a very convincing seller. Larsson explained that since the products are quite expensive it is important that the seller can convince the customer that he believes in the product and that he will always be there if there are any problems at all. Larsson continued to explain that he think that it is equally important as to be able to provide closeness to the customer. This has according to Larsson led to the opening of the sales office in San José, US.

4.5 Unomaly

“We have always thought globally, we want to sell and be seen globally. The ambition is to create a global phenomenon. We want to make a real mark in the industry.” - Gustavsson (2014-05-12)

Johan Gustavsson is CEO of Unomaly AB, an IT security firm. He founded the company in 2011 together with his childhood friend Göran Sandahl. Gustavsson explained that both he and Sandahl have a solid background in the IT industry. He said that both of them resigned from their jobs in 2010 to start something of their own. They did not have a clear idea of what they were going to do but they were determined to start their own business. Before Unomaly was started they tried a few other ideas, but it never felt quite right, which led to closing down the projects. Gustavsson further explained that a few hours after their first project was closed down, they started to brainstorm in order to bring life into new projects. One month of brainstorming
in a friend’s summer house led to their current journey with their company Unomaly (Gustavsson).

**Internationalization**

Gustavsson told us that they already knew from the start that their company would become international. He exemplified this by saying that all the texts and communication, internal and external, was written in English already from the outset. He further said that the market in Sweden definitely has potential but if one wants to make a mark in the industry it is not enough to act on one single market. He said that their product is not specifically designed the Scandinavian market, so why keep it there. Today, the company has twelve employees. Two persons are based in their office in Brussels and the rest in Stockholm. The office in Belgium was established in 2013 but at that time they only had Swedish customers. Some test installations had been made to potential customers but none of these were actually paying customers. Gustavsson said that cultural differences between Benelux and Sweden are not particularly large, which has been an important factor when deciding to enter these markets. The company had at this stage also customers in Denmark, Finland and Norway. He further explained that their internationalization strategy was based on gradually entering new countries nearby Sweden. “To spread out your company on geographic markets all over the world from the beginning is like butter spread on too much bread” - Gustavsson (2014-05-12).

When we asked Gustavsson about the company’s internationalization strategy he argued that it is of high importance to know and understand why you want to enter new markets. Unomaly’s internationalization strategy and ways of entering new markets are based on logical reasoning and a plan where pros and cons are evaluated (Gustavsson). Unomaly’s next step in this process is to enter the American market. New York offers possibilities with many big companies in a small geographic area and the time difference between New York and Sweden is not that big (Gustavsson). He further said that the American market can be complex to enter in terms of regulations and juridical barriers, they are therefore in contact with The Swedish chamber of commerce.

**Networks and relationships**

Gustavsson told us that he and Sandahl have been friends since childhood. It was natural for them to start this project together. They knew each other well and their different experience in the industry made them a good team. He explained that their business idea was created without
much conviction from their surrounding environment. Their belief in themselves together with previous knowledge and experience from the IT industry was what mattered (Gustavsson). They soon realized that they had to start selling more pro-actively. He further told us that it was at this point they began to search for potential sales people to the company. They looked through their existing contacts on both personal and business level and got in contact with Mathias. They had met Mathias several times before when he was working as head of sales at large American cooperation’s with focus on the European market. Mathias had 15 years of experience, extremely high sales expertise and a wide global network of customers and resellers (Gustavsson). He stated that Sandahls’ international contacts in the industry were very important to their internationalization. He provided the company with a lot of information about potential customers which he had established contact with before. His experience, together with his contacts in the Belgian market led to their establishment of an office there. Even the hiring of a new person to that office was through Mathias wide network of contacts.

All people working in the company today has been part of the founders’ network in one way or another. Some of the persons that are working for Unomaly today were prospected already from the start of the company. Other employees had a connection to someone else in the firm (Gustavsson).

When we asked about participation in fairs and trade shows, Gustavsson responded that their aim of participation have changed during the firm’s development. In the beginning they participated in the fairs without any clear goals or knowing what to expect. He further said that their aim of being present at fairs was to meet clients and to see how they interacted with each other. The events they are participating today are chosen carefully with clear goals. At some of these events Unomaly has presentations on stage and they are now in phase where they are aiming towards a higher acceptance in the industry (Gustavsson).

4.6 Now Interact Nordic

Magnus Åström is the founder and CEO of Now Interact Nordic an IT solution company. Magnus has started two ventures before where one was only active on the Swedish market and the other one internationally. With the acquired international knowledge the business model was to internationalize the company as soon as possible due to the great opportunity of the product.

Internationalization
Åström explained that he saw the international opportunity for his product already at the start of his company. He was of the opinion that there are no reasons to stay domestically if you can do it internationally. He continued to explain that if there are no barriers hindering you to enter a new market, why not just go ahead and do it? Åström told us that he hired a sales and market executive in order to screen for new markets. This guy had then found two suitable markets, Great Britain and The Netherlands.

Åström explained that they started to use these contacts as consultants to find customers and when they knew enough about the company and the product they were hired by Åström. He explained that it was of high importance to set up offices on the markets in order to get closer to the customer especially since they focus on larger companies. Åström was of the opinion that these larger companies demanded that you acted locally on the market since their IT solution was rather expensive and it added legitimacy to have an office in the country. This had according to Åström led to their expansion with subsidiary companies on each market.

Åström was of the opinion that he set his eyes on Great Britain and The Netherlands early on because of the contacts his market executive had which simplified the internationalization to these markets since these international people supposedly knew the markets and potential customers. Åström emphasized on the importance of thinking internationally already from the start when starting a company. This was according to him due to the fact that it is not enough to hire people from Stockholm. He told us that you will need people who have lived internationally and know people abroad. This was according to Åström due to that they understand the culture in the different countries which minimize the risk of making errors due to cultural differences.

Åström was of the opinion that you should not be afraid of setting up offices but embrace it and take the chance. He explained that Now Interact Nordic could have been a solely Swedish company acting locally and still run pretty well but since Sweden is such a small market and you act in an industry where you can give value to so many more markets there are no reasons not to. Åström was of the opinion that if you know what you are doing there are a lot to gain from the international market and it is rather stupid not to act on it.

Network and relationships

Åström was of the opinion that if you do not have contacts on a particular market it is not necessarily a problem. He instead stated that you instead hire the people who has these networks
and relations. Åström told us that he hired the market executive because of his skills and relations abroad which was important, but he explained that the contact the executive had in England had failed to provide enough profits so he was let go. However this was not a problem according to Åström because he explained that they had gathered enough information about the market through that associate and could then find a new associate through a head hunter. Åström was of the opinion that it is very good to have a contact on a market but it is not crucial. He told us that to headhunt a person with an important network and make him an executive board member was equally efficient.

5. Analysis

In this chapter we will present our analysis where we will compare the similarities and differences between the theoretical framework and the gathered empirical data. In order to get a better overview of our empirical data, we have separated the case studies individually and analysed these with topics that are based on the theoretical framework. This chapter will be concluded with a summary where a comparison between the cases is made.

5.1 Vitargo/Energikakan

INV

Gustavsson started his company without any great resources, neither financial or experience wise which Zahra (2005) argue are a key characteristics for INV firms. We have also found similarities between Oviatt and Mcdougalls (2005) multinational trader in the category of international market makers. Even though Gustavssons business network relations were not so extensive we can see that he used his informal network very extensively when reaching out to
new markets. Furthermore we can analyze that he had no previous familiarity to these markets business wise but he did not let this stop him, which according to Oviatt and Mcdougall (2005) is just how the multinational trader acts in general. We can also see that Gustavsson identified the need for a better product for elite sportsmen and acted on that opportunity, which can be seen in the Barcelona example.

He also possessed the ability to build valuable relationships with business associates since he managed to keep the company afloat by finding valuable people in his surrounding that could invest in his company in exchange for a ten percent share. In fact if he had not found these investors the company would not only not have been an INV it would not have been a company at all. This leaves us with the understanding of how important strong ties (Söderkvist & Chetty, 2013) are in early stages of internationalization.

Networks and relationships

Wictor (2003) and Coviello (2006) agree that networks function as door openers for INVs to reach new geographic markets. This can be seen in Vitargo since Gustavsson used his relations extensively to reach new markets. Gustavsson got the doctor of Barcelona FC, an old colleague from his competing days to recommend Vitargo for both Barcelona FC and the F1 driver Rubens Barichello. This became a great door opener because the players then brought Vitargo home when competing for their national teams which was also the case with the various ski teams that brought Vitargo to their national teams.

Wictor (2003) explains that the firm use networks differently depending on what stage it is in. This can definitely be seen in the process of Vitargo as well since Gustavsson borrowed money from his friends and family which is explained by the authors as how the entrepreneur use the identity based network, since it consists of social or personal ties such as family. This network does not require a special role in the company but only provide it with essential means which can be closely related to how Gustavsson borrowed money from them. These ties also led to a reduced environmental uncertainty since the money provided by the investors ensured the company’s survival for quite some time which Wictor (2003) and Hite and Hesterly (2001) emphasize is important when using a calculative network.

Wictor (2003) also states that firms tend to use their network in a formal and planned way to reach international markets. This can be seen throughout Vitargo’s whole process since
Gustavsson stated in the interview that the internationalization process of the company has relied solely on his old connections around the world. However, Vitargos choice of markets have not been planned to the same extent since these markets have been the outcome of interactions in the network. We can see that even though he did not have previous business contacts he have had many informal relationships around the world that made the internationalization process possible.

**Effectuation**

We can see many similarities with Sarasvathy’s (2001) theory of effectuation and the internationalization process of Vitargo. Gustavsson stated that he did not have a calculated plan when starting the business, he was just genuinely interested in the product and bought the rights of the carbohydrate in order for him to be able to work with the product the way he wanted. We can see that this is closely related to Saravathy (2008) where she states that the goal emerges slowly through the process. We can also see a clear similarity between Sarasvathy’s (2001) three questions in the bird in a hand principle accurately reflects on Vitargos early startup phase. Gustavsson used his closest friends and family in order to get the financial means for him to run the company. He is an old elite athlete and we can see that this have coloured the hole process of the firm since it has added legitimacy to the product.

Sarasvathy’s (2001) Crazy quilt principle states that the entrepreneur should carefully choose his network and form alliances. This can also be related to what Gustavsson did when he had financial problems in the beginning of the process and reached out to his friends and family.

There are also many traces of effectuation in the internationalization process of the firm. Gustavsson stated that it was a mere coincidence that he found the different markets and that he never aimed for a specific one when internationalizing. His contact in Barcelona FC was not meant to actually support his product to such an extent so that he would recommend it for the whole team, Gustavsson just wanted to see what his old competitor thought of his product. Here we can see that the internationalization process of the firm has been tainted of effectuation since the goal was not clear from the beginning but Barcelona FC started using the product which later resulted in that the national football teams started by rings on water order the products which led to internationalization into England and Italy etc.

**5.2 Elsip AB**
Elsips gestation phase can be divided into different periods. The company was founded by researchers from different countries that worked together in Sweden (Edström). However, as Edström explained, no real commercial intentions was formulated at that time which is why we, in this analysis, focus on initiatives made after Edström was assigned as CEO which will be defined as the gestation period (Zahra, 2005). When we discussed Elsips internationalization, we realized that they search for opportunities globally but the lack of actual economic transactions is evident. We believe that the gestation period of Elsip is the fundamental base for their opportunity searching on foreign markets with Bengt as the driving factor due to his international experience and contacts. The only activity that has been internationalized is their sister company in China and Greece, where focus is development of their product (Edström). Oviatt and Mcdougalls (2005) definition of geographically focused start-up’s is appropriate in Elsips case due to the importance of technological development and its internationalization. Edström arguments about the importance of the Chinese founders contacts and relationships in China is in line with Oviatt and Mcdougalls (2005) argument where geographical start-ups are dependent on extensive knowledge about specific markets and cultures. We further argue that the founders experience, language skills and connection to the Chinese market have been important for the firm to set up their activities.

Networks and relationships

We find it interesting that no concrete examples of how Sics contacts have influenced Elsips internationalization. It is clear to us that it was actually the contacts from the researchers’ network at KTH in Sweden provided Elsip with necessary contacts in Greece which led to the establishment of their current partnership. However, we mean that Edström had the ability to see potential in the company’s already existing network which could not be initiated by the researchers themselves. This triggering function can be linked to Sarasvathys (2001) ideas of entrepreneurs’ ability to procure existing resources. This approach in internationalization correlates with Elg’s (2000) argument on INVs increasing opportunities through actively seeking within their home network. Elg (2000) means that a high level of dependency on a company’s home network decreases the company’s possibilities to find international opportunities. Elsip are closely related to the University in Sweden which in our opinion may have had an impact on the firm’s activities before Edström and Bengt joined the company. However, we believe that the mix with the researchers and the more business minded CEO has
led to increased actions on before identified opportunities abroad. This organizational change may have been the key for Elsip to overcome their high dependency on home market networks. This is also in line with Victor’s (2003) argument about INVs behavior when they are in need of supplementary resources or knowledge.

When we look at Elsip's relationships and what ties that are/have been important for their internationalization we can identify a high influence of what Kontinen and Ojala (2011) state as weak ties. This finding contradicts Chetty’s and Söderkvist (2013) argument that INVs strong ties are of highest importance to the company. Edström argument that the industry in Sweden, in which Elsip operates in, consist of actors who are collaborating to a high extent in order to bring international attention to industry. We also see this as an indication of a high usage of weak ties which indirectly are used to reach international markets. However, Edström contact, Bengt, have gone through a transformation from a tie with informal characteristics to a formal tie since he today is a member of the board and directly linked to the business. Oviatt and McDougalls (2005) third type, intermediaries, have not been identified in the case of Elsip.

Edström's first action in the company was to involve Bengt, a personal contact, to the firm which indicates a usage of socially embedded ties (Hite and Hesterly, 2001). External ties with networks such as Sics was established, which also origins from previous relationships on behalf of Edström. However, the transition from identity based networks to calculative is not obvious in Elsip case. One can argue that the organization change with a Chinese sister company indicates a change in networks. On the other hand, this transition has only been made internally. The empirical data do not offer any substantial findings of customers or intermediaries that can strengthen this transition process.

**Effectuation**

When comparing effectuation theories from Sarasvathy (2001) and the empirical data on Elsip, we can identify both similarities and differences. The effectual entrepreneur is likely to have started the firm himself (Sarasvathy, 2001) which is not the case with Edström and Elsip. However, Edström's role have been to commercialize and transform the company from an academic project to a competing company. Edström way of doing this have similarities to the effectual entrepreneur in terms of using existing relationships and network when needed (Sarasvathy, 2008). *Whom do I know* can be exemplified with Edström's contact Bengt who was involved in the company at an early stage since Edström recognized his high potential, previous
sales experience and international contacts as valuable assets for the firm. In the case of Elsip we see the need of revising this question to *Whom do WE know* since Edström has been able to formulate the importance of the founders contacts and make the company act on opportunities that have come from these. Elsips international journey have also been influenced by occurring events, where contacts from the home market network have identified opportunities abroad.

### 5.3 Ass Savers

**INV**

Ass Savers journey to international markets is characterized by rapid and extensive attention to their product through the internet at a very early stage. The global attention to their product has influenced how the company acts internationally. We mean that Zahra’s (2005) arguments about gestation periods importance for the company’s vision is accurate when describing Ass Savers development. We believe that the extensive attention that was given to their product was a confirmation of the international potential it had and was a triggering factor that made them act on opportunities that were given. We are also of the opinion that Zahra’s (2005) thoughts of usage of resources correlates with Ass Savers initial internationalization since Weigel used strategic online channels, such as Vimeo, as a marketing platform.

Oviatt and Mcdougall (2005) mean that INVs often are extensions of previous firms who have provided them with financial resources, however exceptions can be found. Ass Savers is an example of such exception. The founders had not been involved in the industry before and did not have any formal expectations of success but were instead driven by their sense of creativeness and to have fun. Initially, Ass Savers internationalized through exporting their product to customers around the world without internationalizing any activities. We can see similarities of Oviatt and Mcdougalls (2005) multinational trader and Ass Savers since the company at an early stage identified opportunities abroad. However, their lack of knowledge about the market and its suppliers contradicts the usual characteristics of a multinational trader. The features of Oviatt and Mcdougalls (2005) global startup are also applicable on Ass Savers in terms of amount of geographic markets. However, this form of INV relies on internationalized value chain activities which leave us with the opinion that Ass Saver rather is a multinational trader than a global startup.

**Networks and relationships**
Ass Savers is a part of the new global generation of bicycle culture where actors and competitors exchange experiences Weigel. However, when the company was formed they did not have any place in this network. Hollensens (2014) business network can therefore not be used as tool to explain Ass Savers early internationalization process. Instead, personal relationships influenced this process. Weigel’s friend from University set up the web shop which enabled customers from around the world to buy their product, his associate provided production facilities where the product could be made and his acquaintance in a Gothenburg based bicycle store enabled them to test-selling the product. This is in line with Wictor’s (2003) argument where he says that entrepreneurs often use their existing relationship to reach international markets. At this stage we can see similarities to Hite and Hesterly’s (2001) identity based networks since social embedded ties influenced the firm’s strategic decisions. However, the ties used by Ass Savers were not family related or used in a way where the identity was of the highest importance but instead specific knowledge and resources could be provided. These features are rather to be found in calculative ties, which Hite and Hesterly (2011) mean is the second stage of the firm.

Ass Savers approach to both customers and associates is rather informal than formal. Communication with customers and employees is deliberately managed in informal ways and Weigel argued that this informality is a central part of the culture in their company. We further argue that Ojala’s (2009) definition of informal and formal relationships are difficult to separate in the case of Ass Savers. In extension this difficulty is strengthened by Ojala and Kontinen (2011) where they explain that ties of both forms can be transformed. Ass Savers agents and distributors have not been proactively searched for by themselves but rather been incoming inquiries. No personal or business contacts have led to the establishment of these relationships which in our opinion contradicts assumptions about firms’ usage of home market ties to connect with international networks (Elg, 2000, Wictor, 2003, Hite and Hesterly). Weigel means that these intermediaries have been very successful due to good communication and a high level of understanding each other. This indicates in our opinion a usage of strong ties which Kontinen and Ojala (2011) explains as where mutual respect and high level of commitment is central (Kontinen and Ojala, 2011).

We argue that strong ties have been established rapidly in the case of Ass Savers. However, Ass Savers informal characteristics are also reflected on the categorization of weak and strong ties since their intermediaries not origin from a previous relationship but have features of strong ties in terms of commitment (Weigel). Since both Great Britain and Japan are two of Ass Savers key markets, we conclude that these intermediaries have been important to the company.
Söderkvist and Chetty (2013) mean that strong ties can be useful in terms of providing useful information about markets. This is in our opinion strengthened by Ass Savers contacts on international markets.

**Effectuation**

We have found many similarities between Weigel and Sarasvathy’s (2001) description of an effectual entrepreneur where the journey is not strictly planned in advance. This is especially strengthened by Ass Savers goals at early stages since they in our opinion rather focused on the creation process of their product than growth and internationalization of the firm. Long term plans have never been formalized which is closely related to Sarasvathy (2001) where she states that the goal slowly emerges in the effectuation process. Since this deliberate mind set is an important part of their company culture, the parallel to Read et. al. (2011) thoughts of effectual entrepreneurs as people who create novelty for themselves rather than identifying market needs is obvious to us. Sarasvathy’s (2001) bird-in-hand principle can to some extent be linked to the process when Weigel started the company. He may not intentionally have answered Sarasvathy’s (2001) questions; who am I, what can I do and whom do I know? But we can however see influences from these questions in especially the startup phase of the company.

Weigel knew that he did not want to run the company on his own. However, we believe that his choice of companions was equally focused on their personalities as their capabilities. *Whom do I know* have has in our opinion been answered by Ass Savers in order to find business associates rather than customers. We can see that Weigel’s self-selected stakeholders are therefore in line with Sarasvathy’s (2001) argument that effectual entrepreneurs surround themselves with people who can contribute to success in their venture.

Weigel’s move to Amsterdam was not a strategic choice based on possible success for Ass Savers but an effect of his girlfriend getting a job there. Even though this event was not planned by professional means, the outcome of the move has led to establishing important contacts and stakeholders on the Dutch market. We interpret this move as an embracing of surprises rather than to see it as an uncertainty which is very central in the effectual entrepreneur’s characteristics (Sarasvathy, 2001). We see Weigel’s move to Barcelona as a more strategic decision since he explained that the bicycle culture is different there and he would now have the opportunity to explore this culture at a deeper level. We interpret the move from Amsterdam to Barcelona as the end of Ass Savers emergence stage and their entrance to the early growth
stage which implies that networks will be more calculated (Hite & Hesterly, 2001). The correlation between Sarasvathys (2001) theories about effectual entrepreneurs and Weigel is very obvious to us. The way he have included informal contacts, weak and strong ties, the lack of strict business plans and his mindset where surprises are seen as opportunities rather than uncertainties all points at Sarasvathys (2001) key characteristics of an effectual entrepreneur.

5.4 IQF Frost

INV

There are many similarities with IQF Frost and what Oviatt and Mcdougall (2005) explain as the international market maker type two; multinational trader since IQF according to Larsson only focused on cold calls to big companies around the world regardless what country. Furthermore we can see that the founder of the company saw an opportunity for the product when he was employed before starting IQF. Since he had worked for such a long time in that industry he knew the market, especially the South American one and how high the competition was, and had the ability to build and maintain valuable relationships, which we can analyze is another characteristic for the multinational trader. Last but not least, it is clear to us that they have a clear ability to build and maintain valuable business relationships which we base on large numbers of re-orders to existing customers.

Networks and relationships

It has been very interesting to study IQF Frost in the sense that they have used their network in a very different way when internationalizing. We can see that the key for their success has not been to have relations around the world which have helped them to make sales. Instead we can conclude that they have used hard work and “cold calls” to companies and not hired people for their network but for their sales experience.
One interesting aspect with IQF Frost is that we can see that they used their agents as a network in order to decrease uncertainty. Larsson was of the opinion that these agents were unable to sell the product due to lack of expertise but they did however use them during negotiations with customers. This can be related to what Hite and Hesterly (2001) refer as the calculative network since these actions and the increased availability of extended resources will lead to a reduced environmental uncertainty. We can see that IQF Frost’s usage of these agents has not been to find new customers but to add legitimacy during negotiations which in our opinion is just as qualified.

Effectuation

It has been difficult to link Sarasvathy’s (2001) effectuation theory and IQF Frost, they reflect a lot of traditional theory when conducting business. It has been made clear to us that the founder had a clear goal when starting the business which Sarasvathy (2001) refers to as causation. The founder had a clear idea of how he wanted to develop his business and made a business plan accordingly which can also be referred to as causation. We can however see patterns of effectuation in the internationalization process. This is due to the fact that even though IQF have had a clear plan, their choice of markets have been emerged depending on where they make the sales. Their internationalization into the U.S is one of these occurrences. During the internationalization process Larsson came to the conclusion that the U.S market were less reluctant to make high sum investments which after a few years resulted in a sales office in San José. We can see that since the goal was not clear from the beginning but the vision of San José emerged more and more during the internationalization of the firm we are of the opinion that this is a clear trace of effectuation.

5.5 Unomaly

INV

There are several obvious parallels between the literatures explanation of INV founders’ mindset and our empirical findings of Unomaly AB. Gustavsson and Sandahl had already from inception a clear vision of acting internationally. Unomaly can be linked to Zahra’s (2005) generalization of INVs where he argues that they often origin from other firms which can provide them with necessary resources. In this case the company’s founders had extensive knowledge of the industry which, in our opinion, provided them with both expertise and valuable contacts. Their extensive knowledge about the industry have led strategic initiatives
on foreign markets. Most activities in Unomaly´s value chain are based in Sweden. However, a sales office in Brussels was established in order to be close to their customers in Benelux (Gustavsson). We have identified similarities between Oviatt and Mcdougalls (2005) geographically focused start-up’s where needs at certain markets are identified. These INVs are likely to internationalize value chain activities (Oviatt and Mcdougall, 2005). However, Gustavsson highlighted the importance of understanding the market you enter, and that Benelux is a preferable market to enter since their business culture is similar to the Swedish. Their next step in the internationalization process is to enter the American market where the company has identified certain needs, especially on the east coast (Gustavsson). Their awareness in choice of markets further strengthen our connection to geographically start-up’s since key characteristics in this type are identification of needs at certain markets (Oviatt & Mcdougall, 2005).

**Networks and relationships**

We argue that Gustavsson and his companion’s history in the industry has influenced the company´s hiring process as well as internationalization process. They knew already from the beginning that they wanted to employ in order to become successful on international markets (Gustavsson). Their choice of sales manager, whom they knew from before, was strategic since this person had a long international experience in the industry. His international contacts at prospected client companies were valuable to the firm (Gustavsson). The choice of including this contact in the company in order to reach foreign markets strengthens Elg’s (2000) argument about the importance of home market relationship. The Swedish sales manager opened the door to the Belgian market and hired a person whom he had been working with before.

We are fascinated by the pattern of how Unomaly employ their staff. Each and every person in the company has joined through a reference from someone else in the firm (Gustavsson). We therefore argue that their employees have an important role in their internationalization process in terms of connecting the company to new networks and contacts. We also argue that the founders home market networks have enabled the company to hire and involve contacts, that earlier have been of a formal characteristic (Kontinen and Ojala, 2011). The ties to these employees are also likely to have changed from weak to strong (Kontinen and Ojala, 2011). The employees have in turn provided the company with important knowledge and contacts on new geographic markets. Strong ties, such as family and friends provided Gustavsson and
Sandahl with facilities at the emergent stage which is in line with Söderkvist and Chetty’s (2013) argument of strong ties importance for INVs at early stages. We cannot see that intermediaries have been used to a high extent in Unomaly’s internationalization process at early stages. However, the company’s expansion on the American market may require an involvement of The Swedish chamber of commerce. This means that the company follows Hite and Hesterly’s (2001) suggested path of growth stage where the company intentionally work beyond survival. Unomaly’s emerging stage can be examplified with the early period where the company tested its product on companies where the founders had worked before (Gustavsson).

Effectuation

Gustavsson stated early in the interview that Sandahl and he had failed in two previous ventures together. This can be linked to Sarasvathy´s (2008) affordable loss principle where she states that the effectual entrepreneur does not seek to avoid failure but to create their own success. The idea of the company was according to Gustavsson without much conviction from their surroundings, they instead relied on themselves in their own beliefs and previous knowledge. This can be paralleled with what Read et al. (2011) state about the effectual entrepreneur as they explain that it does not act to satisfy a certain demand but seek to create novelty for themselves. This is closely linked their process since they created a demand that was not there until they created the product. This can be further linked to Sarasvathy (2008) when she states that the effectual entrepreneur sees the world as a place still in the making where human interaction is needed.

Gustavsson highlighted the importance of knowing why you seek international opportunities and to have clear strategies to seize these. Sarasvathy (2001) mean that effectual entrepreneurs not always have a clear vision of their goals. Even though Gustavsson argued that the company follows a clear strategy and business plan, we argue that they are able to act on occuring opportunities which are an important characteristics of an effectual entrepreneur (Sarasvathy, 2001).

5.6 Now Interact Nordic
We can see certain similarities between Now Interact Nordic and what Oviatt and Mcdougall (2005) explain as the geographically focused startup. This is due to the fact that Åström hired a market executive with relations in both Great Britain and the Netherlands. Due to their limited cash flow did Åström first used these contacts as consultants, helping them to find customers, and he told us that he wanted to focus on high value markets. We find this closely linked to the geographically focused startup since Åström was of the opinion already from the start of the venture that if you have the means to internationalize you are stupid if you do not internationalize the firm. Even though Åström did not personally have the knowledge of the different markets he made sure that he always was surrounded by people who did. We can see clear similarities with this way of internationalizing with what Oviatt and Mcdougall (2005) state in their explanation for international market makers where the entrepreneur has a high knowledge of the market and its suppliers. Furthermore we can see that Åström has clearly been able to build and maintain valuable relationships abroad by finding the valuable assets in both Great Britain and The Netherlands which is the third pillar in the author’s international market maker.

Åström already had some experience of internationalizing firms which in our opinion have led to an increased opportunity seeking abroad. This can be linked to what Zahra (2005) refers to previous research from Oviatt and Mcdougall (2005) when explaining different types of INVs. Even though Åström stated that he did not acquire any valuable international contacts when conducting his previous ventures he did however in our opinion gather valuable experience of which he brought to Now Interact Nordic which for us is a clear pattern since it is related to what the authors state that the entrepreneur sometimes already have valuable resources.

Networks and relations

Zahra (2005) states that it is not the amount of resources the INV have that is important, it is how you use them. This can be closely linked to Åström as he did not personally have any valuable relations abroad, so instead he hired a market executive who did. This can also be paralleled to what Hollensen (2014) means when he writes that networks and relations are used as bridges between countries. Åström told us that he used the people in Great Britain and The Netherlands as consultants in order to find customers in England and Holland. This is in our opinion a clear bridge between the nations in order to find customers. Åström explained to us
that the consultant in England and Holland were later employed when they knew enough about
the product and the company. He did however let the guy in England go due to a lack of
expected profit generation. He then hired a headhunting firm to find a new suitable person to
hire in England. We find this quite interesting since this is another example of how Åström uses
his calculative network in order to solve his lack of network by hiring people to find the right
man.

When we asked Åström about new markets and what the next step would be he told us that he
was interested in Italy, Germany, France and Spain. We then asked him if he had any relations
to people who could help him find customers in those regions who could help him and again
the answer was no. He explained that it did not really matter because when he wants to enter
those markets he will hire people who know them. We find this interesting since Åström has a
very different view on the importance of networks and relations to the other interviewed
companies. Åström surrounds himself with experienced people who know the markets and
solves his lack of network by hiring people with extensive international relations. He
emphasized that when hiring people to an international company he did not search for people
around Stockholm but on the international arena. The door openers that we saw in the
internationalization process of Vitargo take the form of hired people instead of previous
relations.

**Effectuation**

Sarsvathy (2001) states in her lemonade principle that when life gives you lemons, make
lemonade. This can be linked to what Åström did when he fired his employee in England.
Instead of giving up that market he was determined that there were revenues to find it was just
that his employee failed in his task to find customers. He stated that they had learned enough
of the English market to still be able to be successful, so he hired a head hunting firm and found
himself a new, better suited employee. We can also see similarities with Åströms actions and
the crazy-quilt-principle since Sarasvathy (2008) states that the entrepreneur should focus on
his own merits and surround itself with a network to find customers and business partners. We
are of the opinion that Åström lacked a crazy-quilt in the beginning but solved this by sowing
his own by hiring people who had the required networks and relations.

*Table 1 Analytical summary (own model)*
5.7 Analytical cross case discussion

We will in this part conduct a cross case comparison between our case companies and the stated theories. We will within the following topics examine the correlation between the companies which will be narrowed down into an illustration which will found the base of our conclusion.

The case companies in this study have demonstrated both differences and similarities in their usage of home market networks and relationships. The roles of these networks and relationships have also varied between the INVs. When it comes to identity based networks we can see a correlation between the importance of the network and how extensive the experience of the industry that the entrepreneur possess. Vitargo, Unomaly and IQF Frost do not have the same dependency on these networks in terms of gaining knowledge about the specific industry. Here we can see a linkage between earlier experience in the same industry and to some extent earlier conduction of business. Two of the latter named companies have previously run their own businesses before the start of their current INVs and the founder of IQF Frost had already a great experience of the market. Even if we are not able to make a generalization of this occurrence we are of the opinion that these earlier experiences have colored them in their development of their present companies as they have not needed a clear anchor to rely on before the upstart of the present ventures.
It is clear to us that all of the case companies have entered stages where calculative networks have been used to a great extent but in different ways, but we can see one clear parallel as the calculative network serve to reduce uncertainty. Furthermore, the calculative network takes many different forms such as agents, investors or consultants but they serve very similar purposes for our case companies as they are closely connected to further international expansion of the firms.

During the previous part of our analysis we came to see that there are several different categories which explain the same phenomenon. The different types of INVs have similar purpose but we have extinguished certain characteristics which have led to different types of internationalizations. We found that all companies started their venture with very limited financial resources which adds up with Oviatt and Mcdougalls (2005) theories. Furthermore we have been able to see that this lack of financial resources has led to an increased usage of their home network/relationships which is also supported by the authors. We have however found that the choice of markets have been greatly impacted by the home network/relationships either as a pro-active choice or re-active. This is very interesting since this is not something we have been able to find in earlier research.

To make a generalisation in the multinational trader category is impossible in the study. This is due to the fact that the home network/relations have played a vital role in the internationalization process for some of the case companies but less in other. We can see that Vitargo’s internationalization would have been impossible if the founder’s previous relations to former athletes would not have existed. Ass Savers made a web based video about the product which led to a global demand of their product. Thus we cannot make the generalisation that the entrepreneur needs a great network already from the beginning in order to internationalize the firm.

Vitargo has since day one been dependent on its home network in order to create a demand for their product but we can see that the networks/relations have played different roles in different stages in the internationalization process. While Vitargo had a great use of its network/relations already from the start of the company we can see that IQF Frost have had a greater use of theirs in a much later stage, when it comes to re-sells and validation.

Vitargo and Ass Savers have been affected by their informal relations in the early stage of the internationalization. IQF Frost has instead been influenced by their formal relations since both
re-orders and validation from their customers have established a deeper commitment to the market. Even if the companies have acted different in the beginning of the internationalization there are still great similarities in the continuing expansion of new markets. Both companies have experienced rings on water effects. In the case of Vitargo this can be seen both throughout the case of Barcelona FC and the national cross country ski teams. The same phenomenon can be seen in the internationalization process of Ass Savers as their sales went viral after posting the web based video which was spread on numerous blogs and websites. In the case of IQF Frost, Elsip and Now Interact Nordic no clear rings on water effects can be distinguished in the same way as previous mentioned cases. Unomaly’s hiring of a sales manager led to increased knowledge of specific markets and also functioned as a door opener to a new network where future employees with new important ties were accessed. This behavior is characteristic for firm’s internationalization process in growth stages (Sullivan & Ford, 2014, Hite & Hesterly, 2001).

We have identified a rather large contrast between the multinational traders and the geographically focused start-up’s in how the network has affected their choice of markets. The similarities between Elsip, Now Interact Nordic and Unomaly lay in how they have created their own network in order to reach their markets. We have come to the insight that the need of market knowledge does not necessarily have to come through already existing relations but can be accessed by hiring people, either as employees or third party, with the required knowledge. This has led us to understand that it is how the networks are structured before the internationalization process that differs the INVs way of internationalizing. Even if we are not able to make a generalization we can see a link between the geographically focused start-up’s and a lack of relevant home networks/relations that directly give these INVs access to new markets. We are of the opinion that this certain deficit of contacts decreases the possibility to enter several markets already from start.

We have however found one similarity that runs through all of the companies and that is their way of responding to opportunities. They have all understood the international value of their products and acted on this opportunity, with or without a strong home network/relationships at the starting point. We believe that the entrepreneurs’ visions of internationalization is the factor that combines their purpose. On the other hand we believe that their ways of reaching this vision is what separates them.

Effectuation
All companies have had a clear vision of doing business internationally. However, when we look at these companies’ journey towards internationalization, we can as clearly as their vision, identify that the journey itself has been unplanned and characterized by seizing emerging opportunities. By using Sarasvathy’s (2001) effectuation as a higher theoretical lens above the other theories we have been able to ascertain that the path from startup to the vision of internationalization has been characterized by numerous unforeseen events.

We have identified different procedures in how the INVs adopt new networks and create relationships that have been important to them in the internationalization process. Vitargo and Unomaly have through their network of contacts, both personal and business, gained access to new contacts that have given them access to new markets at an early stage. However, these contacts have not been a part of an initial internationalization plan. Instead, the INVs have been able to take advantage of the unplanned occurrence of these contacts which matches Sarasvathy’s (2001) theories.

Although the degree of effectuation differs between companies have we seen a behavior in the entrepreneurs where they believe that their actions in internationalizing their companies have been more planned than they actually were. Instead we argue that their goal, to become an international competitor, have been clear but their journey to reach that goal has not. Ass Savers with their video that created an unforeseen global demand, IQF Frost with their international vision but random market choices, Elsips entrepreneur who became a trigger to use the resources from the firm’s already existing home network and Now Interact Nordic who ended up in The Netherlands and Great Britain. By studying these companies with an effectuation lens we have been able to see that their choices of markets have been affected by coincident or through emerging events.

Besides the difference in the degree of effectuation, we have also seen how seen traces of the effectuation logic in different stages of internationalization process. Since INVs internationalize from inception we have been able to look at the importance of networks at very early stages of these firms. Our analysis shows that the companies’ startup period has been highly affected by the entrepreneur’s strong ties relationships. Sarasvathy’s (2001) whom do I know? Have been central for all companies in this phase. It is impossible to know if this behavior is a specific feature of INV entrepreneurs but the observation indicates that the companies are highly dependent on their strong ties in the startup phase. These strong ties have however existed in all of the case companies and they have all worked to decrease uncertainty. Sarasvathy’s (2008,
“pilot in a plane” principle constitutes that “to the extent we can control the future; we do not need to predict it”. We can see a clear pattern in how all the entrepreneurs have used their networks in order to control the future by surrounding themselves with people they trust who make the future less uncertain.

The theoretical framework strengthen the fact that firms tend to use existing relationships and network ties to get access to foreign markets (Elg, 2000, Victor, 2003, Coviello, 2006). However, we see a limitation of these theories since their focus have been on firms behavior when entering new markets. We would rather argue that Kontinen and Ojala’s (2011) strong ties have been essential for these firms existence.

Our analysis also shows that all INVs have, regardless of goal with internationalization, entered geographical markets without initial intention. In some cases, markets have been entered as a result of network resources, in other cases, markets have been penetrated due to unsolicited orders. Regardless of access to markets, the opportunities for entries have occurred during the process and the common factor among companies has been that the choice of markets not been predetermined by the INVs themselves.
6. Conclusion

In the following chapter we will present the conclusions of our thesis, which are primarily begun with the answers to our research questions. This will be followed by a discussion regarding our recommendations to the companies. The conclusion will then be ended with through recommendations for further research.

In the beginning of this thesis we discussed networks and relationships from an International New Venture perspective. During the process of writing this thesis we have gained understanding of these companies as a phenomenon but we have also been able to identify different features in companies that are included in this term. All these features have made us understand why there are various definitions of INV and we have therefore come to the conclusion that the term INV should be defined in a clear way which will enable future research to make accurate findings within this phenomenon. Our findings can contribute to strengthen further definitions of INVs.

6.1 Answer to research question one

What roles do relationships and networks on the home market have for Swedish INVs internationalization?

The literature suggests that INVs network and relationships on the home market can provide firms with necessary knowledge and resources which can contribute to the internationalization process. This is strengthened by our empirical data and we have been able to identify home market networks and relationships as door openers to new geographic markets as well as other
networks. We can also conclude that home market networks have different roles in INVs internationalization process depending on the type of INV. The literatures suggestion on different types of INVs has enabled us to identify patterns in the internationalization process. In those cases where the INV, before internationalizing, has identified a demand at a certain geographical market the role of home market network has been to provide new relationships on this market. These relationships have in turn functioned as door openers to the prospected markets since they have been able to provide expertise, knowledge, language skills and relevant business relationships on these markets. This have in turn affected their internationalization process.

The other type of INVs we have been able to identify in our empirical data rather imply that the role of home market networks and relationships are to decide what geographic markets the INV will enter. This type of INV also tend to have less planned activities before they internationalize and are therefore more flexible in terms of occurring opportunities. We have come to the conclusion that these types of INVs rather respond to their intuition when doing business than analysing market demands. We also conclude that the entrepreneurs are central in all cases when building relationships and engagement in networks. This is shown through the effectual entrepreneurship point of view. However, we want to clarify that all cases offered individual characteristics and to make a generalization is difficult since the effects of the effectual entrepreneur have varied. INVs mindset of immediate internationalization have been confirmed in this study. In what way this mindset has been affected by relationships and networks cannot be concluded. However, the involvement of previous established relationships in early stages of the company shows that strong ties are of high importance to INV founders.

- Door openers to new markets.
- Door openers to new networks.
- Decision maker in choice of markets.

6.2 Answer to research question two

*How do Swedish INVs use domestic relationships and their home network when internationalizing?*

Our empirical data shows that INVs use their home networks and relationships in different ways in their internationalization. A consistent way of usage of these relationships and networks is therefore not possible to generalize. However, we can demonstrate that previous relationships
with entrepreneurs have been proactively used in order to reach foreign markets at different stages. The entrepreneurs past relationships, both personal and professional, have in many cases been used as a confirmatory tool of their business idea in the startup phase. We therefore conclude that already existing relationships and contacts have been fundamental for the formulation of these companies. These strong ties which have been developed during a very long time, have been very important for all of the entrepreneurs in the sense that they have used them for reduced uncertainty. Even if these ties have been used quite differently and in some cases not even deliberately we can see that there is a connection to make in how the entrepreneurs use their close connections in order to understand or even accept the value of their venture. This is interesting because without the effectuation perspective, this reoccurring phenomenon might not have been spotted, and it has come to be one of few links that connects all of our companies. We have also seen that all entrepreneurs have used their home networks/relationships in order to control their future, or at least to a greater extent. We have come to the conclusion that INV entrepreneurs are not supernatural in any way but they see the world as a more open place, and that the international arena is not so far away from their front door.

- Reduce uncertainties.
- To control the future.

### 6.3 Limitations

The empirical data in this study is limited to Swedish INVs. This may have had an impact on our findings and conclusions in ways we are not aware of. Country specific factors have not been taken into consideration when conducting this study which may have impacted the generalizations made on INVs.

### 6.4 Suggestions on further research

The limitations in this study suggest that further research should be made in the same context but with an angle from other parts of the world.

During this study we have seen that further research on the same topic would make it possible to make greater generalisations. We can see a demand to further be able to explain the link between effectuation and home networks/relationships and thus be able to see how the choice of markets have been affected by emergent occurrences. To do a larger multi case study on
firms with big contact webs would have helped to see if there are any generalisations to make between these companies and effectuations influence on choice of markets.

It would also have been interesting to conduct a larger quantitative study of firms who have failed in their internationalization before the birth of internet. Gustavsson, the founder of Vitargo claimed that it would have been impossible to internationalize Vitargo without this earlier home network/relationships. Gustavsson founded Vitargo 1991 where internet had not even closely been developed to the same extent as today. If we instead look at Weigel, the founder of Ass Savers, it was the internet who made the internationalization really accelerate and who made the brand known worldwide. It would therefore have been interesting to see if the internet has such an impact that if Vitargo would have been founded at the same time as Ass Savers would have been able to make a successful internationalization. By conducting this research one could have analyse if the internet can be used as a substitution to a wide network.

We would also like to see further categories made within the subject INV and also more distinguished sub categories in order to more explicitly explain the different characteristics of the companies.

6.5 Managerial implications

This study has shown that home market networks can be used in different ways when firms ‘internationalize. To seek resources, knowledge and experience in an already existing network can be a convenient, especially for firms that lack resources, way to decrease uncertainties when approaching foreign markets. We also want to emphasize that the path to reach a goal not always have to be pre-determined in order to be successful internationally. The entrepreneurs in this multiple case study have instead proved the importance of seizing upcoming opportunities as a key to succeed. When conducting business in countries with great psychic distances it helps to use agents as they can help you to both find customers and thus get established on new markets and also to help you when negotiating new deals.

We have also found that it is important for the entrepreneur to understand his or her limits and surround themselves with experienced people when internationalizing the firm. If you do not have a great network or relations which can help you to make you firm international, then hire that competence and find your solutions in external people. We have also found that entrepreneurs should not overestimate the difficulty of making their firm competing on the
international market. If you just dare to internationalize and have the means to it, there are many
opportunities waiting around the corner.

6.6 Theoretical contributions

We have followed recommendations on further research when conducting this study. Gaps in
behavioural theories and INV as a phenomenon was identified prior to this study. Our research have
contributed to fill some of these gaps in IB literature. We have also contributed with research to IE
literature since we have been able to prove the importance of looking at internationalization process
from various perspectives.

Most previous INV research have been focused on post internationalization occurrences. We have
however been able to share some light on the earlier stage of the internationalization of INVs, which
can be of use in INV theory. We have found that relations before the start of the venture play an
important role for the entrepreneurs in terms of risk reducing. Earlier INV studies have focused on
previous B2B relations with customers and suppliers but we have seen that INV entrepreneurs have
a great need of other networks/relations as they rather begin to search for confirmation than for
potential customers in the early stage of the firm. We have also been able to clarify how the home
networks/relationships have influenced the internationalization of the firm. Depending on what kind
of initial international relations the entrepreneur possess, the choice of markets will develop in
different ways. Where strong ties have existed before the internationalization, they have had a great
impact in which markets are initially entered.
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Figures, Models and Tables
**Figure 1** – Illustration of integrated research questions
**Figure 2** – Four different types of INVs - Oviatt, B.M. & McDougall, P.P (2005) Toward a Theory of International New Ventures, *Journal of international business studies, Vol. 36*, p. 37
Model 1 – Theoretical synthesis

Model 2 – Operationalization model

Table 1 – Analytical summary

Appendix 1

Interview guide

Bakgrundsfrågor till företaget:
1. Berätta lite om dig själv, bakgrund, erfarenheter, roll inom företaget, hur länge har du varit i företaget?
2. Berätta om när/hur/varför företaget grundades.
3. Vilka visioner hade/har företaget vid grundadet respektive idag?
4. Hur såg företagets/privata kontaktnät ut vid företagets start?
5. Har detta kontaktnät förändrats genom tiden, isåfall hur?
7. Har ert befintliga kontaktnät (affärsämssiga/privata) påverkat er internationalisering?
8. Har ni några externa partners i Sverige/utomlands?
9. Hur har ni använt ert kontaktnät i internationaliseringen och har detta påverkat er internationalisering?
10. Vilken roll har ert hemma nätverk haft i er internationaliseringsprocess

Possible follow up questions
Har du erfarenheter av företagande sedan tidigare?
Har du någon eftergymnasial utbildning?

Hur ställde sig er omgivning till att ni startade företaget?
Tog det lång tid från tanke till uppstart?
Hade ni tydliga/klara visioner mål då ni startade?
Blev dessa visioner/mål påverkade av någon utomstående part?
Bollade ni idéer med andra under tiden?
Deltog man i aktiviteter för nystartade företag etc?

Var någon relation/kontakt viktigare än ngn annan vid uppstarten?
Personliga vs. Business relationer?
Upplever ni att ert nätverk har expanderat och att relationerna används på ett annat sätt idag än vid starten?

Var planen från början att internationaliseras?
Användes utomstående kontakter, relationer på något sätt vid er internationalisering?
Om ja, hade ni internationaliserats på samma sätt tror du utan dessa relationer?
Fick ni tips/hjälp av externa parter?
Egen erfarenhet från de marknader ni finns på?
Var de marknaderna specifikt valda eller utvecklades de under tiden som gick?
Hur såg internationaliseringsprocessen ut? (Entry modes etc). Hur/när/varför/med hjälp av någon?
Söker ni aktivt efter nya geografiska marknader?
Har relationerna förändrats sedan starten?