Entrepreneurs' Networking Activities

A qualitative study of how entrepreneurs utilize the network they are operating within

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Abstract

Networks have gained increasingly attention in the academia where entrepreneurship has been described as a networking activity. It has been argued that entrepreneurs are dependent on its relationship to other actors within its environment, since it is through these contacts a firm has the ability to locate and gain access to opportunities in the environment. Furthermore, networks have been discussed to play a significant role for the entrepreneurs’ activities in their start-up period since they enable entrepreneurs to locate and get access to resources, information regarding market opportunities, and moral and financial support. However, until recently, little attention has been given to how entrepreneurs who already passed the start-up period take advantage of the network they are surrounded by. Small businesses have been argued to be more vulnerable compared to the larger ones, and hence they are more dependent on networking.

In this paper, we are studying how four small-firm entrepreneurs utilize a specific network established by a project called Leia Accelerator. The network is aimed at businesses that have been running for at least three years and with at least fifty percent of female management/ownership. We have conducted a qualitative case study, performing semi-structured interviews with four of the entrepreneurs within this network in order to provide a descriptive analysis of their networking activities.

The study shows that by interacting with other entrepreneurs within the same network, the respondents can gain inspiration and motivation, as well as practical help such as with the marketing or accounting. Furthermore, the study found that the network of Leia has facilitated the entrepreneurs’ marketing of themselves, since it arranges meetings with external actors where the entrepreneurs get the opportunity to present themselves and their businesses. Networking has also led to increased cooperation among the entrepreneurs which in some cases has led to the development of new projects and new business concepts that would not have emerged otherwise.
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1. Introduction

In this chapter, the background to the study will be presented based on existing theories relevant for this paper. Furthermore, the research question will be presented together with the purpose of this study. In addition, limitations for this paper will be discussed in the end of the chapter.

1.1 Background

The traditional view of entrepreneurship is associated with an individual’s employment choice and with innovation (Simoni & Labory, 2006, p. 101). In the last decade, however, theorists within the field have shown that social networks also play a crucial role in the decision whether to become an entrepreneur. The authors continue with the argument that entrepreneurial activity does not take place in a vacuum; instead, it is embedded in networks of social relationships.

Understanding how networks functions and which role they play on entrepreneurs’ activities and decisions can deepen the insight into how dependent entrepreneurs are on being embedded by networks. Wellman’s (1999, p. 94) statement “life is a network” derives from his interpretation of one constantly being surrounded by networks in different shapes; starting from the unbounded network of friends and of friends of friends in the childhood; till the surrounding networks that schools, organizations, communities and societies constitutes. Networks obviously influence most of us, maybe not in our daily life, but during a lifetime one most probably encounters networks in various forms.

Increasingly attention has been given to networks and what they can offer to individuals and organizations. Dubini and Aldrich (1991, pp. 305-306) sees networking as a useful tool for entrepreneurs who wish to increase their activities and save time. The authors explain the importance for entrepreneurs to seize the opportunities that arise in unsettling and turbulent conditions; as well as the opportunities that may be available under normal conditions in the shape of untapped markets. Through networks, the entrepreneur obtains the required resources such as knowledge, information and contacts necessary to pursue these opportunities. Simoni and Labory (2006, p.101) shares the same resource oriented view of networks, claiming that entrepreneurs acquire information and skills by observing and interacting with other individuals. By networking, entrepreneurs also can obtain financial support, find potential buyers and learn how to find inputs at reasonable prices. Research has shown that individuals tend to base their decisions on social cues and that participation in social networks is of high importance for entrepreneurs.

Håkansson and Snehota (2006, p. 261) also describe entrepreneurship as a networking activity, stating that a firm is largely dependent upon its relationships. Further, the
performance and effectiveness of organizations operating in a network, is dependent not only how well the organization itself performs in interaction with its direct counterparts, but also on how these counterparts in turn manage their relationships with third parties.

According to existing literature, it has been argued that entrepreneurs benefit from social networks in the start-up period of the business. Social ties have received a lot of attention in regard to the formation and maintenance of a new firm (Brüderl & Preisendörfer, 1998, p. 213). Lin (1999, p. 31) presents three arguments for why embedded resources in social networks will enhance the outcomes of actors. First, social ties facilitate the flow of information. Second, through social ties an individual may gain power to influence others. Thirdly, the social ties may be seen by the organization or its agents as a confirmation of the individual’s social credentials since it verifies that the individual can bring added resources through its social network.

Burt (2000b, p. 282) has observed that entrepreneurs bring three kinds of capital to the process of establishing an organization; their financial capital which is their financial resources, their human capital which refers to their personal skills, and their social capital. Entrepreneurial network researchers have given a lot of attention to the third type of capital, social resources, and the role that these resources play in the process of founding new organizations. To gain a better understanding of networks, we will examine the notion of social capital which is a cornerstone in the activity of networking.
1.2 Research Problem and Purpose
As mentioned earlier, networking has a crucial impact on entrepreneurs and individuals within organizations. Since social networks are a relatively new academic field, the literature on the subject is far from comprehensive. Different approaches to measure networks, such as social network analysis (Wasserman & Faust, 1994, p. 17) have been introduced. However, these network analyzes tend to take on a statistical approach, focusing on structural variables within the network. To our knowledge, few studies within this field provide a descriptive in-depth study of a single case where the aim is to describe and exemplify how entrepreneurs utilizes the networks they are surrounded by. Therefore, this paper is set out to provide a descriptive analysis of the networking activity entrepreneurs engage in. We want to investigate what kind of resources that is available to the entrepreneurs through the contacts within the network and how the entrepreneurs utilize these resources. To be able to fulfill this aim, a descriptive case study based on in-depth interviews will be conducted in order to answer the following research question:

How do the entrepreneurs utilize the network they are operating within?

1.3 Limitations
The study conducted in this paper has been restricted to include entrepreneurs executing their businesses within a specific network offered by an organization in Umeå. Since the thesis does not aim to make comparisons between different networks, but rather provide an in-depth description of the networking activities, one specific network of entrepreneurs has been examined. Aspects such as the size, density, and structure of a network will be mentioned in the theoretical part since we believe they contribute to the understanding of networks. However, our study will not be focused on these network features. Instead, it will describe the networking activities that take place within this specific network. As stated above, there are three different types of capital associated with entrepreneurial business creation. In order to limit the study, the focus will be on the social resources within networks which are embedded in the network relations. The network we choose to examine is mainly aimed at women but since the aim of our study is not to make comparisons between different networks, this aspect will not be taken into consideration as a part of our limitations.
2. Previous Research

This chapter aims to review previous research in the field of entrepreneurial networks and business formation. Reviewing the empirical studies conducted within this field will provide us with an insight into what has been done within similar areas of this study and hopefully indicate a gap where further research is needed.

Most academics within the field argue that a company is dependent on its relationship to other actors within its environment, since it is through these contacts a firm has the ability to locate and gain access to opportunities in the environment. When establishing relations to others, one can gain access to resources controlled by them (Håkansson & Snehota, 2006, p. 260).

In 1985, Birley investigated the extent to which the entrepreneur interacts with the networks in the entrepreneur’s external environment during the process of establishing a new firm. The study found that the support and advices obtained from both informal and formal networks significantly influenced the firm in the establishment process. The results further indicated that the main sources of assistance in acquiring the resources of raw materials, supplies, equipment and employees were the informal contacts of family, friends and colleagues. The only formal contact that was mentioned was the bank, which was approached towards the end of the establishment process. The study further showed that the external search for financing was not only important to the start-up process of the new firm, but also to the continued growth and development of the firm. Three years later, Johannisson (1988) examined the importance of networking for entrepreneurs in the establishment of an enterprise. The study supported Birley’s research when suggesting that the key to entrepreneurial success was to be found in the ability to develop and maintain a personal network since it is through these networks the established entrepreneurs exchange information and acquires the necessary resources.

Håkansson and Snehota (2006, pp. 259-260) claim that networks contribute to the performance and effectiveness of the business. In 1996, Birley and Ostgaard examined the effectiveness of personal networks in terms of firm performance and growth in a study including 159 owner-managed companies in England. The study found that the size of the network and the time dedicated to develop supplier relationships were positively associated with performance. Concerning employment growth, the results indicated it was significantly related to time spent developing contacts with all the strategic interest groups such as customers, suppliers, and investors.

Although several empirical studies can be found concerning networks, most of the attention has been given to entrepreneurs and business creation. Research regarding places for entrepreneurs to turn when they are seeking for different kinds of help and support most often regards incubators. Academia often describes incubators in form of a place where entrepreneurs in the start-up period can rent office space, share service that
involves an office, and that it functions as a tool to promote the entrepreneurs. (Allen, 1985) Some incubators even offer a broad network consisting of business connections, which can contribute with competitive advantage to the competitors operating in the market. The study of Hansen, Chesbrough, Nohria and Sull (2000) found that incubators who do not offer the businesses more than an office space tend to fail. This is agreed upon by Aernoudt (2004, p. 127) who claims an incubator should provide more than just a venue for their entrepreneurs. It should also consist of different types of services that can be of help for the entrepreneurs conducting their businesses within it. The author further states that an incubator should provide access to finance and the entrepreneurs should be able to get legal advice, operational know-how, as well as access to new markets.

Hansen et al (2000, pp. 75-76, 84) also found one type of network incubator who showed to be more successful than other incubators. The incubators who are suggested to be the more successful ones consists of the following characteristics; they continue to have the character of entrepreneurship; the charge of and conditions from top-tier service contributors are the ones that are preferred by the entrepreneurs; and there is a special access to a network of companies. Incubators have the tendency to beat organizational structures that already exist when it comes to generating and growing new businesses.

Grimaldi and Grandi’s (2003, p. 118) research underlines the relationships of networks. They give attention to relationships with strategic partners where all of these partners were found to have profited from the possibility to create long-lasting relationships with partners existing in an incubator. The studies also indicated that an incubator gives the entrepreneurs access to competences that could be of importance for their businesses through the external partners, which could not be gained from the incubator itself. This in turn contributes to an acceleration of the business development. External partners can have the incentives to share their knowledge with the entrepreneurs within the incubators since they might want to engage in a partnership or engage in activities concerning the entrepreneur. The authors distinguished between two types of incubators in their research, referred to as model 1 and model 2. The basis for model 1 incubator are that this type of incubator reduces the costs to start-up a business, helps identify local markets as it is limited to the local surrounding, and there is no need for a big amount of capital to start the business. The model 2 incubator has the ability to help the entrepreneurs with promising business ideas in order to accelerate the start-up process. These entrepreneurs share the commonness of searching for services of high-value, like advanced technology, and good knowledge in both management and concerning the market.

The literature review introduced us to several empirical studies conducted in the field of entrepreneurial activity and the role of networking. Most academics seem to agree that networking activity plays an important role to entrepreneurs, both in the start-up
process, as well as for the continued growth and performance of their venturing. However, we recognize an emphasis towards the role of networking for start-up firms in the empirical studies. Another reflection we made during the review of previous research was that none of the studies provided an in-depth, descriptive analysis of a single network. These observations motivated us in our choice of research area.
3. Theory

The purpose of this chapter is to provide the reader with an overview of the literature that constitutes the background of this study. The starting point will be a short definition of networks, followed by an introduction to the environment surrounding entrepreneurs. This will be continued by a discussion of why networks are of importance to entrepreneurial activity followed by a closer examination into the different connections that exist between network relations. To conclude this section, we will examine how networks can be measured and look further into the concept of social capital since it constitutes a cornerstone in networking activity.

3.1 Definition of network

The literature describes networks in different ways. The term “network” is commonly used to describe the observed pattern of organizations (Nohria, 1992, p. 287). Håkansson and Ford (2002, p. 133) describes a network as: “in its most abstract form a network is a structure where a number of nodes are related to each other by specific threads”. Yeung (1994, p. 476) further describes a network as an integrated and coordinated set of continuous economic and noneconomic relations embedded within, among and outside business firms. Furthermore, networks can include a variety of different interactions such as the ones schools, communities, and websites that for instance Facebook offers. In this paper we will refer to networks in the organizational context since that is the type of network we are examining.

According to Dubini and Aldrich (1991, p. 306) one of the main properties of a network is the enabling of relations between individuals. “Network theory is based on the idea that the entrepreneurial function exists and develops in a network of social relations (Cuervo et al., 2007, p. 46).” According to Degenne and Forsé (2007, p. 120) a network should consist of at least three persons because the individuals attributes must be more than the sum of two individuals.

Independent of what networks look like, and how and why they are created, they need to be maintained. The successful network requires a purpose, a set of members and links, which consist of physical existence, whereas the purpose and relationships are insubstantial (Carsrud & Brännback, 2007, p. 25). The figure on the next page illustrates the body of a network, where each circle in accordance to this paper, represent an individual and the lines between the circles represent the links that exists between these individuals.
Figure 1. Illustration of a network anatomy
Source: Based on Carsrud & Brännback

- Purpose: The members of a network share a common aim and sets of values
- Members: Capability of those within a network that contribute to achieve the purpose
- Links: Relationships unite members’ repetitive interaction and physical ties (Carsrud & Brännback, 2007, p. 26)

3.2 The environment surrounding entrepreneurs

Dubini and Aldrich (1991, p. 306) emphasizes the importance of viewing the organization and the environment as a totality. “Organizations are in environments, and environments are in organizations”. Håkansson and Snehota (2006, pp. 259-260) also recognize the relational view between the organization and its environment. Based on a collection of studies dealing with the functioning of business markets, the authors have developed a model called the Network Model which aims to describe the interface between the organization and the environment. The studies suggest that business organizations often operate in environments where only a limited number of actors surround them. These actors are involved in continuous exchange relationships with the organization, where each individual party exerts considerable influence on the organization. As a result, relationships develop that connects the actors’ resources and activities together which gradually leads to interdependency between the actors.

Håkansson and Snehota’s (2006, p. 271) statement that “no business is an island” derives from his study regarding to what extent a single business could be viewed as an island. Relationships were found to have an important effect for economic development, as well as for the efficiency of the organization, as it creates both specific interfaces and a complex pattern of interfaces. The authors (2006, pp. 259-260) further discuss that there are opportunities within the environment that cannot be created or enacted, and in
order to take advantage of these opportunities, organizations need to adjust themselves to the environment.

For the entrepreneur to find these opportunities existing in the environment, Carsrud and Brännback (2007, p. 22) suggest they need to have the knowledge of how to utilize and organize the resources embedded in their surroundings. The authors continue by arguing that the entrepreneur is dependent on the network he or she have access to in order to take advantage of these opportunities. This is agreed upon by Håkansson and Snehota (2006, p. 259) who argues a firm can get access to further resources through the exchange with its environment.

Johannisson (1988, p. 90) puts forward that people in the process of starting their own business sometimes lack both a broader personal network and the ambition and/or the competence needed to create one on their own. He further discusses how an entrepreneur who lacks a personal network will experience difficulties in both psychological and practical levels to launch his business.

For new ventures lacking an efficient network however, there is a possibility to get support by incubators which provide networks customized for creating business contacts of different forms. This can be very useful for a firm in the start-up process since it usually takes time to develop a broad network of contacts (Carsrud & Brännback, 2007, p. 22). This is confirmed by Johannisson (1988, p. 84) who claims that an entrepreneur that is relatively new in the business becomes dependent upon his personal network as a complement to his own business resources. Aernoudt (2004, p. 127) further suggests a successful incubator should apart from providing access to office space and other facilities, also offer their entrepreneurs legal advice, operational know-how and access to financial support. Incubators who offer a broad network consisting of business connections can contribute to the competitive advantage for the entrepreneur.

Carsrud and Brännback (2007, p. 24) highlight the importance for an entrepreneur to have a skilled network to turn to, where new and fresh information can be attained, which in turn can provide the entrepreneur with insights into markets and opportunities. Since entrepreneurs need to be updated with recent information concerning the environment surrounding them, they need complements to the information that is available in the media. The stakeholders, who form the networks of entrepreneurs, will serve as these complements. Since it is of such importance, entrepreneurs need to form a network that is shaped after their needs and interest and then maintain these network relations (Carsrud & Brännback, 2007, p. 24).
The figure above aims to illustrate the environment surrounding a firm. The different stakeholders that are represented in the figure are all actors who constitute a network that entrepreneurs wish to be a part of, or even endeavor to build themselves. It is through these contacts existing in the surroundings of a firm, the entrepreneur gets access to information from. The relations to these different kinds of stakeholders are highly important for an entrepreneur, and they take time and effort to establish. For new ventures, incubators facilitate this relationship-building process since they usually offer their entrepreneurs an existing network they can take part of (Carsrud & Brännback, 2007, p. 24; Cuervo, Ribeiro & Roig, 2007, p. 46).

3.3 Why networking are of importance for entrepreneurs

Carsrud and Brännback (2007, p. 22) claim that entrepreneurs seldom succeed working alone since success is dependent on the entrepreneur’s relationships, and the ability to create and maintain those connections. This is also supported by Håkansson and Snehota (2006, pp. 259-261) who views a business as “part of the main” and not as an independent entity; an organization’s performance is largely dependent on whom it interacts with. The authors further claim that interaction with others can open new doors for the firm. Dubini and Aldrich (1991, p. 308) agree on this relationship-oriented view of networks by describing the activity of networking as an investment in long-term relationships between individuals. Furthermore, Håkansson and Ford (2002, p. 135) suggest that opportunities and limitations for a firm are connected both to the resources invested in relationships and to the firm’s internal capacity. Each company’s relationships and resources can be developed and combined with others in a variety of ways. Anderson and Miller (2003, p. 22) also recognizes the link between relationships and opportunities stating that opportunities are created within
and among organizations as a product of ongoing networks of relationships and exchanges.

According to Håkansson and Ford (2002, p. 137) no firm has adequate resources itself to satisfy the requirements of all customers. The firm is therefore dependent on the skills, resources and action of others in order to satisfy their customers’ requirements. Another aspect of networking that has been a target of discussion is the importance of learning through others. It has been argued that the more connections a relationship has, the higher are the possibilities to learn (Håkansson, Havila & Pederson, 1991, pp. 444, 447). By examining the learning perspective of networking, the authors concluded that there is a high correlation between the extent to which learning takes place and the existence of connections between the relationships. The more each single relationship is part of a network, the more the firm in average seems to learn from it.

According to Wickham (2004, p. 41) the successful entrepreneurial venture is usually based on significant innovation. Teece (2007, p. 1320) on the other hand, discusses how businesses due to the open global competition need more than the traditional elements such as maintaining encouragement, owning tangible assets, controlling costs, and maintaining quality. The author argues a firm also needs unique and dynamic capacity that is difficult for others to take after, since this is what can contribute to a competitive advantage in form of a unique asset base. Gadde, Huemer and Håkansson (2003, p. 360) claims that interactions with others can contribute to unexploited dimensions and further development for the businesses. The authors (2003, p. 357) discusses the importance of strategizing in industrial networks and suggest that firms operate in the context of interconnected business relationships, forming networks. The authors further emphasize the importance for a company to relate its activities to those of other firms in order to improve its performance. These relationships are vital since they affect the nature and the outcome of the company’s actions.

Håkansson and Ford (2002, pp. 133-134) also highlight the importance of business relationships, and argue relationships allow companies to cope with their increasing technological dependence on others and the need to develop and customize offerings to more specific requirements. The authors state that “the characteristics of companies’ relationships influence what happens inside the companies themselves.” Through networks, entrepreneurs can benefit from more experienced persons within their networks who have lived through the venture process themselves and are willing to share the knowledge and experience they have accrued as a result of their own mistakes (Johannisson, 1988, p. 86).

According to Håkansson and Snehota (2006, pp. 259-260) networks contribute to the performance and effectiveness of the business as well as contributing to a feeling of meaning and role for an organization. This theory is supported by Dubini and Aldrich (1991, p. 309) who suggest companies becomes relevant by belonging to a network. It has been argued that organizations engaging in networking tend to shift the focus of the business. When interacting with other businesses, the focus shifts away from being put on how the firm structures its resources towards a focus in how they relate their
activities and assets to others within the network (Håkansson & Snehota, 2006, pp. 259-260).

Especially small businesses have been discussed to benefit from networks since they are more vulnerable than the larger ones. Small firms can benefit from a network in the sense that it could be seen as a tool for the firm to handle the complexity of the environment (Szarka, 1990, p. 10). When establishing relations to others, one can gain access to resources controlled by them (Håkansson & Snehota, 2006, p. 260). Networks can also compliment the confidence of internal managerial capacity since networks of relations can function as a solution, concerning problems which cannot be solved by neither the market nor the management, it can be considered as a mix of managing situations which consist of trust, reputation and mutual dependency. Relations within a network are more flexible than the market when dealing with difficult transactions. In that way, networks limit the dependency on management (Perry, 2002, pp. 4-5). Since the entrepreneurs included in our study run small firms and also are the managers of their firms, we argue that this is of relevance for our study. Furthermore, Yeung (1994, p. 476) claims that networks earn special attention since it has a direct link when it comes to the understanding of business organizations. We believe this support the importance of our research question and that network is a relevant topic to study in accordance to entrepreneurship and the understanding for how networks are used as a tool to keep their businesses running.

3.4 The importance of the network relations

As mentioned earlier, a lot of opportunities exist within the environment that one might not be aware of. It is therefore important to nurture and maintain the relations with those in the network since it is through these relations access to resources and a reliable flow of information can be gained.

According to Håkansson and Ford (2002, p. 134) business relationships are connected to each other, and the activities in one relationship will always affect all connected relationships to some extent. The connections within one’s network provide opportunities for the firm to influence others, but the same relationships are also a force for these others to influence one’s company. Dubini and Aldrich (1991, p. 308) perceive networks as an investment in long-term relationships between individuals. The authors present three advantages that result from creating these relationships. First, trust is an essential element of business dealings since it determines the strength of the relation. Second, the creation of long-term relations increases predictability since an individual can relate back to previous situations and thereby limit uncertainty regarding what actions one’s network contacts will take. Third, in long-term relations, people are more likely to use voice meaning they are more likely to speak out their complaints instead of remain silent.

Within networks, good relations must be kept with both direct contacts as well as indirect contacts, such as interactions with a third party, as the performance and the
effectiveness of a firm is largely dependent on these contacts (Håkansson & Snehota, 2006, p. 261). The relationships can be seen as tools in two ways. The first is that every relationship is being selected in accordance to interface each other and that it reflects a combination of physical and organizational resources which is being developed over time as business relationships develops. The second is that links between different relationships result in larger patterns of interface combinations and that relationships act as go-between different businesses and their physical resources. Thus, the authors argue that relationships interface in themselves and that they also function as an aggregate of interfaces (Håkansson & Snehota, 2006, pp. 259-260).

Although most academics view business relationships as important for entrepreneurs, Håkansson and Ford (2002, p. 134) argue that the stronger the relationships are, the more they will also restrict the freedom of the entrepreneurs to change their activities within the network. A company seeking to change its operations in any kind of manner is always dependent on the approval and acts of others in order to achieve the change.

The links within one’s network can also be referred to as ties. These ties facilitate the gathering of new information, knowledge and resources (Degenne & Forsé, 2007, p 108). Granovetter (1992, p. 202) distinguishes between weak and strong ties where the former refers to contacts that are not included in close relations, whereas the latter refers to the opposite. Furthermore, Dubini and Aldrich (1991, p. 307) suggest connections built with strong ties are relations the entrepreneur can “count on”, whereas weak ties are superficial or causal relations in which there is little emotional engagement. The smaller the quantity of weak ties within ones network, the poorer the access to information from external social system will be, and therefore people with weak ties will be limited to the ideas that their close contacts has. A low amount of weak ties can also lack the ability to reach out with information regarding the labor market which can be of importance for the person in order to exploit new opportunities (Granovetter, 1992, p. 202). Carsrud and Brännback (2007, p. 22) confirm this view of the strength of weak ties as they state that a lot of acquaintance and few close friends are most beneficial from an entrepreneurial perspective. Entrepreneurs should interact with a variety of new people and promote themselves. Dubini and Aldrich (1991, p. 308) argue on the other hand, that having a diversified network is crucial for an entrepreneur when it comes to locating opportunities in the environment. A network should include a mix of strong and weak ties, and it is the relative balance between them that is important.

Interaction that occurs within networks can take different forms; it takes place when information is passing, when goods and service are exchanged, and when people have expectations on others due to special characteristics or quality. The strengths of ties are often used to make a distinction between the level, frequency and reciprocity that concerns these relations (Cuervo et al., 2007, p. 46).
The entrepreneur and his network relations

Source: Based on Carsrud & Brännback (2007, p. 27)

The figure above illustrates how individuals are related to each other through connections which link people together that otherwise would not be connected. These network relations are of importance even for the entrepreneur in the other end of the network. It therefore illustrates the importance of weak relations to others. Every letter represents a contact and the arrows between the boxes represent the relations between these contacts.

Reachability describes the link between two persons. The links can be ranked by how many intermediaries separates the persons (Dubini & Aldrich, 1991, p. 310). In the figure, B 2.1.2.2 is an example of a contact that the entrepreneur is connected to with a weak tie, whereas contacts A-E constitutes strong ties within the entrepreneur's network. Some units are totally isolated from others, as no link can be established to any individual in the network (Dubini & Aldrich, 1991, p. 310).

Burt (2000b, p. 291) on the other hand, argues that what matters is the structural hole the tie cover. By structural holes, the author refers to relationships of non redundancy between two contacts, meaning that contacts are not connected in any way and therefore this can provide more information benefits. The more contacts one has, the more likely one is to be introduced to valuable information and hence the earlier exposure and more recommendation are likely to take place for the entrepreneur. In contrast, a contact that is redundant is a contact that is connected in some way; either directly or indirectly (Burt, 2000b, p. 291). To relate this to the figure 2 above, one can assume that A-E is considered a redundant contact for the entrepreneur, whereas B 2.1.2.2 represents a non
redundant contact. This can be compared to Dubini and Aldrich’s, and Granovetter’s strong and weak ties. A redundant contact represents a strong tie, whereas a nonredundant contact represents a weak tie.

3.5 Social capital
To gain a deeper understanding of networks and to continue the discussion of why networking is of importance for entrepreneurs, a deeper insight into the notion of social capital will be provided in this section since it is highly related to social networks. Wikipedia’s definition of social capital is; “Social capital is a sociological concept, which refers to connections within and between social networks.” This seems to be the general agreement between scholars concerning the fundamental meaning of the term. Bourdieu (1986, p. 248) refers to social capital as resources gained through membership in networks. This is consistent with Lin’s (1999, p. 28) definition of social capital as assets in networks. Burt (2000a, p. 347) further describes social capital as the contextual complement to human capital. The underlying assumption is that the individuals who do better are somehow better connected. The author argues that the exchange between those individuals can be considered an asset, and this asset constitutes social capital. In summation, social capital exists in the relations among individuals.

Social capital is a rather broad theory and there is an underlying disagreement regarding the range of phenomena that should be included in the social capital concept (Halpern, 2005, p. 13). While some include the term to involve large-scale cultural phenomena such as voluntary associations, sports and special interest clubs and the social network of friends and families, we will henceforward in our paper refer to social capital in the organizational context.

Although there is divergent views about social capital in its various forms and context, most scholars in the field seems to be agreed upon that it is of high importance for organizations. Halpern (2005, p. 43) claims there are strong theoretical reasons to expect social capital to have an impact on economic performance. This is in accordance with Portes (1998, p. 4) perspective of social capital, who considers it as a means for individuals to gain direct access to economic resources such as subsidized loans and investment tips. Lin (1999, p. 31) further argues that enclosed resources in social networks will improve the outcomes of actors since social ties facilitate the flow of information.

Seemingly, social capital is of importance for organizations, we will continue to discuss the processes of how an organization can build social capital and how it can generate returns. Lesser (2000, p. 13) emphasizes the importance of trust and explains how organizations can build social capital by bringing together informal groups of employees to share knowledge and expertise. These networks serve as a meeting point where individuals looking for others with common experiences, work tools, and
challenges can meet to solve problems and build an affiliation to others with similar work interests. The author further argues that by bringing individuals together enables them to develop trust for each other since they will have the opportunity to evaluate the trustworthiness of others and make judgments prior to having to rely on those individuals in a more critical context.

Lin (2005, pp. 5-6) presents two theoretical approaches to describing the process of how social capital is expected to generate returns. The first theory assumes a connection between the capacity of one’s social capital and the degree of its returns. The underlying assumption is that the greater the amount of available resources within one’s social network, the greater the capacity; thus, the greater the return. In the second approach, social capital is defined in terms of its actual use in production and the assumption is that the better the capital used the better the return. However, the author recognizes difficulties when measuring the returns yielded through these two processes as well since invested resources can result in “invisible returns”.

Most research literature on social capital tends to emphasize its positive consequences, but a number of scholars draw attention to its downsides as well. Portes (1998, p. 15) argues group participation can restrict individual freedom and lead to exclusion of outsiders. Bourdieu (1986, p. 248) claims it can lead to inequality in the sense that people can gain access to powerful positions through the direct and indirect employment of social connections.

3.6 Social network analysis

There is a range of possible social network measures. Social network analysts attempt to describe underlying patterns of social network members and their relationships, and provide an explanation of the impact of such patterns on behavior and attitudes (Wellman, 1999, p. 95). Most scholars tend to hold that social networks should be measured through the social capital since it is deeply embedded in a social network. Lin (2000, p. 12) presents three elements of social capital that according to him and many scholars in the field, could function as a measurement tool. These are the resources embedded in a social structure; the accessibility to such social resources by individuals; and the use or mobilization of such resources.

Granovetter (1990, p. 98; 1992, p. 33) introduced the aspect of “embeddedness” that explains how the configuration of one’s network and the quality of those relationships affects economic action and outcome. The author distinguishes between structural and relational embeddedness in networks, where the former one refers to the structure of the overall networking relations; and the latter refers to personal relationships and emphasizes how normative aspects, such as trust, impact those relationships. Lin (2000, p. 12) proposes that the access to and use of these embedded resources can lead to better socioeconomic status.
The theory puts forward that the access to and use of social resources is in part determined by network positions and by the strength of tie proposition. Certain network positions are suggested to have effects on individuals getting better positions or rewards in organizations (Lin, 2000, p. 12). Scott (2005, p.5) analyzes two different measurements of the network positions; one of them being the distance between two actors within a network. A friend of a friend for example, is a more distant contact than a direct personal friend. The density is a measure of the extent to which actors in the network are connected to each other. Thus networks can be described as being either tight- or loose-knit. Density is especially important when it comes to measuring the overall cohesion or solidarity of a social group.

Granovetter’s theory of weak ties and Burt’s theory of structural holes that was mentioned earlier in this chapter also functions as network-location measurements (Lin, 2000, p. 13). According to the author, those closer to structural holes or bridges have less structural constraint, and thus seem to gain better returns. This is assumed to be because these specific positions give these individuals better opportunities to access certain capital in the organization. The suggestion of using the strength of ties as a network-location measurement is based on the proposal that weaker ties usually provide better access to information (Lin, 2000, pp. 22-23).

The literature of social capital and networks is far from comprehensive and a lot of attention has been given to the difficulties of measuring social capital and its returns. Attempts has been given to measure network size (Lin, 2000, p. 8), the volume of capital possessed by members (Bourdieu, 1986, p. 248) and network density (Burt, 2000a, p. 374). However, social capital is a relative new field and is therefore suffering from a lack of reliable data over time. According to Putnam (2001, p. 14) it will be a long time until there will be a cross-national reliable measurement of social capital.

To summarize this section so far, one can draw the conclusion that networks are of high importance for an entrepreneur since the success and performance of the business is largely dependent upon the firm’s relationships and interaction with others. These relationships are vital for the entrepreneur since it is through these contacts the entrepreneur has the ability to locate and gain access to opportunities in the market; and furthermore, it is through these relations the exchange of information and resources take place. Entrepreneurs have to form their own network to suit their needs and demands. The relations within and between the individuals within a network is what constitutes the social capital, i.e. the exchange between these individuals can be considered an asset, and this asset constitutes social capital.
Figure 4. The four elements of a successful venture

The figure above illustrates how the entrepreneur is connected to others within a network through either strong or weak ties (redundant or non redundant contacts). The connections within and between these relations is what constitutes the social capital. Through these relations the entrepreneurs gets access to resources and information. If there is no network, there will be no network relations meaning there is no access to social capital and hence no information is likely to take place. In order for entrepreneurs to be successful, a network needs to be established and maintained.
4. Methodology

In this chapter we will discuss our research philosophy and thoroughly describe which method we used to conduct our research. Our research strategy will be based upon relevant theories from books and articles, but it will also be influenced by our preconceptions which is a product of our own thoughts and knowledge that we gained during our bachelor degree in the International Business Program. To conclude, we will discuss the secondary sources that we have used in this study.

4.1 Preconceptions

Apart from the researchers’ stance on theory and view of knowledge and reality, their values and practical considerations also influences the study (Bryman & Bell, 2007, p. 29). Such preconceptions constitute the basis for understanding and lead the researcher to use certain modes of inquiry rather than others. Therefore, it is of importance for the reader to understand the researchers’ background so that this can be taken account of.

Both of us are now studying our last semester of the International Business Program. During our previous semester in the Netherlands we both studied advanced courses in management where our interest in the subject grew. We both have also taken a course in entrepreneurship where we had the opportunity to develop our own business plan, and gathered the basic knowledge of the requirements to start a business. We believe these courses have provided us with a deeper understanding in the fields of management and entrepreneurship. A possible disadvantage for our study can be our similar educational background, which might constrain us from viewing matters from different perspectives. The fact that we both have about three years of experience from working life before starting our education at Umeå University we consider an advantage for our study, since it has provided us with a broader understanding of how organizations functions.

4.2 Choice of topic

Our interest in the field of management was the starting point for the choice of topic. Our wish to study an organizational matter from the perspective of the people involved in the organization, guided us in our search for a company to collaborate with. One of the main reasons for our choice to write our thesis in cooperation with a company was since we felt it would be more interesting to investigate a phenomenon in the “real world” instead of conducting a literature review of a subject. Another reason for our wish to write for a company was the motivating factor we believed it would bring since one might have the possibility to contribute to the companies’ development and shaping in the future. In our search for a company to cooperate with we learned about a project owned by Magma Västerbotten we found interesting. The project aims to provide a network for companies with at least fifty percent of female management/ownership
wherein they can gain inspiration and support, and gradually accelerate their business. The project, called Leia Accelerator was officially introduced January 1st 2010 and for the moment there are twenty female entrepreneurs conducting their businesses within the network of Leia.

### 4.3 Research Philosophy

The way in which data about a phenomenon should be gathered, analyzed and used depends on the underlying research philosophy. Ontology and epistemology constitutes two main branches of research philosophy, which depending on the researcher’s view of knowledge and reality provides a framework for the study.

According to Johansson-Lindfors (1993, p. 34) ontology concerns the nature of social entities and their reality. Objectivism is an ontological position which holds that knowledge and meaning exist objectively in the world independent of human concerns. The organization is considered to have a reality that is external to the individuals surrounded by it. People within the organization learn to conform to the rules and requirements of the organization (Bryman & Bell, 2007, p. 22; Johansson-Lindfors, 1993, pp. 40-41). An objectivist researcher believes that there is one true and correct reality, which we can study following the objective methods of science (Vrasidas, 2000, p. 3). We do not agree with the assumption that there is one correct understanding of any subject, instead we believe people within an organization have divergent perceptions and knowledge of the world. If the purpose of our paper were to explore the structure of a network, an objective approach might have been appropriate. However, since we are aiming to understand the meaning and underlying reasons for individuals’ behavior, the objectivist view is not suitable for our purposes.

The constructivist approach is described by Bryman and Bell (2007, pp. 22-23, 26) as having the view that social reality is produced through social interaction and thereby it is constantly changing. This challenges the objectivist opinion that organizations and culture are pre-given and exist external to the reality. A constructivist researcher is assumed to perceive reality as socially constructed and social reality can only be understood from the viewpoint of the individuals involved in it. Peoples’ thoughts develop out of perception, experiences and social interaction (Vrasidas, 2000, p. 7). We believe social interaction between people within the same network affect their opinions and actions, which is why we apply the constructionist methodological approach. In our case, we aim to understand how the social network is being utilized and we believe this will best be explored from the point of view of the entrepreneurs involved in it. Our belief that knowledge and reality depends on the perspective it is being viewed from and that it is also affected by the context strengthen our arguments for applying a constructionist approach.

The term epistemology is according to Bryman and Bell (2007, p. 416) concerned with
the questions of what is considered acceptable knowledge and how the knowledge should be treated. There are two different perspectives on epistemology depending on how you view the issue of knowledge. The advocates of epistemological positivism argue that all human beings are basically similar, and the social world can be studied by applying the same principles and practices of natural sciences. From an objective view, the researcher gathers knowledge relating to causal connections. Furthermore, the positivist researcher usually applies quantitative methods in order to test or verify hypothesis. Positivism has the belief that truth exists independently of the observer and that reality is separated from the individual who observes it. Since the researcher’s preconceptions and values should be reduced in such a research, it is not relevant for our study (Johansson-Lindfors, 1993, pp. 40, 45).

Epistemological interpretivism holds in contrast to positivism a belief that social sciences is fundamentally different from that of the natural sciences and the research process therefore demands a different logic when examining the social reality (Bryman & Bell, 2007, p. 17). Interpretivists believe that there is no true reality; rather, individuals have competing definitions about the reality and therefore the social world should be interpreted from the perspective of the people being studied (Gephart, 2004, p. 457). Compared to the positivist, the interpretive researcher holds a subjective view. The researcher is interested in human behavior and perceives meaning as rather context specific, and therefore interpretive studies is usually connected with a qualitative research method (Johansson-Lindfors, 1993, p. 41; Gephart, 2004, p. 455). The aim of the interpretive study is to uncover, describe and theoretically interpret actual meanings that people use in real surroundings (Gephart, 2004, p. 457). We agree with the assumption that there are multiple views of the world, and therefore consider an interpretive methodology most likely to uncover the different meanings held by individuals. Since our objective is to understand how the entrepreneurs take advantage of the social relations within a specific network by conducting in-depth interviews we consider this approach most aligned with our purposes. We believe our preconceptions and values will influence our research which also indicates relatedness with an interpretive research. Further, we emphasize the importance of context in shaping human behavior which is in accordance with the interpretive view.

4.4 Scientific approach

In this part, we will discuss the connection between theory and research and present the scientific approach we consider appropriate for our study. According to Johansson-Lindfors (1993, pp. 44-45) the research problem in focus and which view on knowledge the researcher holds, decides which scientific approach to use. Bryman and Bell (2007, p. 11) presents two different approaches to the relationship between theory and research. Deductive methodologies begin with existing theories as a starting-point for the research and the aim is then to collect and analyze new data in order to develop and test a hypothesis. The deductive process is usually employed in quantitative studies, where
theory-testing is the aim of the research. If, on the other hand, the research begins with observation and proceeds by reasoning towards theory, the approach is inductive. According to Halvorsen (1992, p. 43) an inductive procedure can be appropriate when examining a new rather unexplored field. The inductive process is more common in qualitative studies where theory is developing from observations. In our study, we aim to develop our understanding of the field through empirical investigations which during the research process will direct us towards an appropriate theory. However, we will not exclude existing theories; instead they will assist us in our attempt to increase our understanding of the subject. This abductive procedure is according to Alvesson and Sköldberg (2008, pp. 55-56) a commonly used approach in case studies. Our interpretive view on knowledge combined with our constructionist stance on reality guided our research towards the abductive approach. Our research will take the starting point from empirical findings since we believe reality best can be understood from the viewpoint of the people within it. These findings will then guide us in our search for theories to connect these findings to and based on this, our research problem will emerge and further information will be collected in order to further connect our findings to theory.

4.5 Research strategy

The research strategy adopted provides guidelines of how to proceed from the theoretical level to the empirical level. This includes the way in which data should be collected and analyzed. An in-depth study that investigates several characteristics within one single case is referred to as an intensive research design. The possibility for generalization is reduced but the researcher obtains a comprehensive knowledge about the entity being examined (Halvorsen, 1992, pp. 61-62). In our case, we will conduct an in-depth study of how women within a specific network utilize the possible benefits accessible within that network.

There are two main approaches to research methodologies; qualitative and quantitative. According to Halvorsen (1992, pp. 78, 82) quantitative research is concerned with collecting data which are measurable either in its nature or through coding of the data. The researcher assumes an objective and singular reality, apart from the researcher, and hence people’s behavior is usually being studied from the perspective of the researcher (Gephart, 2004, p. 456). In our case, we consider a qualitative study more appropriate. Bryman and Bell (2007, pp. 402, 407, 426) describes a qualitative research as a research strategy that aims to gather an in-depth understanding of human behavior from a subjective view, and as one that usually tends to be concerned with words rather than numbers. For most qualitative researchers the emphasis is on treating theory as something that develops out of the collection and analysis of data. Further, qualitative research is highly descriptive with an emphasis on questions about how social experience is created and given meaning (Eisenhardt, 2007, p. 28). This view focuses on the social construction of reality, which also is the aim of our study. Our interpretive
view of knowledge and constructionist view of reality guided us in our choice to conduct a qualitative research since this method is concerned with how social experience is created and given meaning, and examines phenomena from the viewpoint of the participants which is in line with our purposes. In this paper we are seeking to understand the meaning and importance of social networks and how they are being utilized. As stated before, we believe this can best be investigated from the viewpoint of the participants and therefore we consider the qualitative research most aligned with the purpose of our study.

4.6 Research design
A research design provides a framework for the collection and analysis of data (Bryman & Bell, 2007, p. 40). Which type of research design to choose depends on the aim of the study. For our paper, the research seeks to generate an understanding of the importance of a social network for an entrepreneur. We believe a qualitative case study conducted through interviews will be most suitable for our purposes since the researcher in a qualitative study views reality as subjective and multiple, and thus best can be understood from the viewpoint of the participants in the study. Bryman and Bell (2007, pp. 62-63) describes a case study as a detailed and intensive analysis of a single case. Further, the authors describe the case as an object of interest in which the researcher aims to provide an in-depth explanation of. A case is defined by Gillham (2000, p.1) as a unit of human activity embedded in the real world, which can only be studied or understood in its context. Yin (2003, p. 5) distinguishes between three different types of case studies: exploratory, descriptive and explanatory. The descriptive case study aims at describing a phenomenon within its context, which is the objective of our research. The case study is an appropriate research design when rather little is known about a phenomenon (Eisenhardt, 1989, p. 548). Bryman and Bell (2007, p. 25) explains the process of developing theories from case studies by recognizing patterns of relationships among phenomena within and across cases, and their underlying logical explanations. In our research a single case study is used since this paper does not aim to compare specific situations, but to create a deep and thorough understanding of a complicated phenomenon within a relatively new research field. Since a case study research is suitable to study human phenomena, we believe this research design will be most beneficial for our study. Further, we argue that the role of a social network best can be understood when examined in its context.

4.7 Research method
As the research design provides guidelines for collecting and analyzing the data, the research method is simply a technique for collecting the data (Bryman & Bell, 2007, pp. 39-40). Since we are following the interpretive and constructionist approach to reality and knowledge we consider social reality can best be interpreted from the people being studied. In our opinion, conducting interviews will entail us to investigate our initial
research questions from the interviewees' own perspective while at the same time it enables us to interact with the respondents whenever we feel it is necessary to probe deeper into the initial responses of the respondent to gain a more detailed answer to the questions.

When deciding which type of interview to conduct we considered the advantages and disadvantages of the different types and came to the conclusion that a semi-structured interview would fit our study best. In a semi-structured interview, the researcher typically has a series of questions that are in the general form of an interview guide, but the interviewee has a great deal of leeway in how to reply (Bryman & Bell, 2007, p. 474). The flexibility the semi-structured interview offers was one of the main reasons for our choice, allowing us to focus on our research interest while at the same time enabling the interviewee to elaborate and describe matters freely when responding to the questions. Our interviews were performed by using open-ended and follow-up questions.

4.8 Choice of research object

The choice of study objects for our research was self-explanatory. Since we are writing our thesis in cooperation with an organization, the entities active within it became our natural choice of population to examine. To clarify the meaning of active within the organization, we refer to active entities as companies renting a space within Leiais venues. Leia currently includes twenty entities and these will hence constitute our sampling frame. By examining entrepreneurs operating under the same network, we believe environmental variations will be reduced. Size differences of the companies will also be minimized since most of the entities within Leia have single ownership. Selecting an appropriate population to investigate is crucial since it allows the researcher to control variations as those just mentioned (Eisenhardt, 1989, p. 537).

Interviewing can be rather time consuming (Bryman & Bell, 2007, p. 214), but since our sampling frame comprised a relative modest amount of companies we decided to include all companies in our research in order to get the most representative sample as possible. Our sample can be referred to as a relatively homogeneous sample, meaning the attributes of the people within the sample is not so varied (Bryman & Bell, 2007, p. 196). The authors suggest a smaller sample size is needed when the population is homogenous. Since all entities within Leia need to be owned or managed to at least fifty percent by a woman, there is a female bias within our sample frame. However, since the main purpose of our research is not to generalize our findings, but rather to gain a more detailed picture of a phenomenon, we believe this does not affect our study.
4.9 Performing the interviews and treating the data

Prior to our interviews, we decided to meet with the project manager of this specific network we are investigating. The meeting took the form of an unstructured face-to-face interview, which according to Bryman and Bell (2007, p. 474) tend to be very similar to a conversation. The purpose of this meeting was to get more information of this specific network, and hopefully from this information, connect our findings to theory and get ideas regarding a research problem. We had a few outlined questions, but apart from that we let the interviewee talk freely and followed up and probed on answers we deemed more important.

To gain as much as possible out of our interviews, we decided to conduct a pilot study prior to our actual interviews. We wanted to ensure that our interview-questions were functioning well and that the answers they would produce were sufficient in order for us to answer our research question. The pilot study was conducted as a face-to-face semi-structured interview where we followed an interview guide to some extent, but allowed the respondent to elaborate on the answers. The interview was then transcribed and analyzed in order to detect eventual weaknesses.

After reconstructing the interview guide, the interviews were initiated. Our initial thought was to interview all entrepreneurs within Leia, but due to non-response, four people were interviewed. Ingrid Lindelöw Berntson, the project manager, was interviewed twice; the first interview was set out to provide a description of how Leia functions and to guide us in our search for theories to develop our research problem from. The second interview was conducted after our pilot study and the development of our interview guide, which was aimed at the entrepreneurs conducting their business within Leia. Since Ingrid Lindelöw Berntson apart from being the project manager, also runs her own company, we thought she was relevant for our interview. One of the other respondents, Ellinor Carlander, was also interviewed twice. The first interview functioned as a pilot study that enabled us to evaluate our questions and reconstruct the interview guide. After redesigning the interview, Ellinor Carlander was interviewed again in order to complement the information gathered from the first interview. The other two respondents were interviewed once following the interview guide.

The interviews were initially intended to be conducted face-to-face, but since many of the entrepreneurs seldom are at Leia and thus rarely available for an interview, we therefore decided to perform telephone interviews instead. The interviews were ranging between thirty to forty minutes. In preparation for our interviews, an outline of questions to be addressed was drafted and followed loosely in order to keep the interview on track but at the same time allowing the respondent to elaborate when answering the questions. The interviews were conducted in a similar manner with both of us present during all interviews. One interviewer was handling the research questions, while the other one was observing and taking notes. A disadvantage with more than one interviewer is the risk of inter-interviewer variability which according to
Bryman and Bell (2007, p. 211) arises when interviewers are inconsistent in their way of asking questions. To handle such a limitation of interviewer bias, both of us have been present during all interviews. Eisenhardt (1989, p. 538) on the other hand, perceives an advantage with multiple interviewers since different perspectives increases the likelihood to get the most out of the interview. The interviewees were offered the possibility of anonymity. All interviews were recorded with the permission of the interviewee, and then transcribed and analyzed in a similar manner. The interviews were carried out in Swedish, transcribed, and then translated into English. A disadvantage with this translating process is that it may lead to some distortion of the data (Bryman & Bell, 2007, p. 496).

4.10 Secondary sources

This section aims to describe the secondary sources used in this paper. The articles we have used are all scientific articles and have been collected from different reliable databases. We have primarily used Science Direct, Business Source Premiere (EBSCO), Google Scholar, as well as the database of scientific articles which is provided by the university library of Umeå University. When searching for relevant articles for this paper we have used different keywords such as network, social network, social capital, network ties, business network, networking entrepreneur, and entrepreneurship. This has provided us with theories which we have tried to put together in order to build up a good base for the empirics we have collected. The books used for this paper have been borrowed from the university library at Umeå University, and available books from previous courses have also been used.

4.11 Criticism of sources

This section will discuss the reliability of the sources used for this paper, which is of great important in all scientific studies. According to Ejvegård (1996, pp. 59-61) there are four criteria which a source should fulfill in order to be considered reliable; namely, it should be authentic, independent, recent and contemporary.

The authenticity of a source refers to whether the sources are real or not (Ejvegård, 1996, p. 59). Since we have only used scientific articles which means that they have been reviewed before publication we believe these articles can be considered reliable. The books that have been used for this study are course books from previous courses and books that have been borrowed from the university library which also indicates reliability and authenticity. To ensure independency of a source, we have always gone back to the original source whenever an author has referred to someone else. In our literature review, we have tried to use the most recent articles. However, many times new articles often refer to older theories and in those cases we have gone back to the original source to ensure the independence. We believe these older articles and theories are still relevant since they are being referred to by other authors in more recent articles.
How contemporary a source is depends on the time that has passed between the occurrence of the event studied and the documentation of it. We have tried to use as contemporary sources as possible for our study. As previously mentioned, if an article referred to older studies and theories, we tried to trace the information back to its original source whenever possible.
5. Empirical Findings

In this chapter the empirical findings of the study will be presented. We will start by providing a short introduction to the project of Leia Accelerator, followed by the findings from the interview with the project manager. The chapter will continue with a brief presentation of our interview subjects. Finally, the findings from the interviews will be presented by dividing the answers into two main questions that we believe summarizes the interviews in the best way.

5.1 Presentation of the project - Leia Accelerator

The project of Leia Accelerator is aimed at companies with at least fifty percent of female management/ownership. Another criterion is that the companies must have been in the business for at least three years. The project owner, Magma Västerbotten, is a nonprofit organization and has been the owner of the project since 2008. Magma conducted a research during 2008 which found that there was an interest among female entrepreneurs in Umeå, who had been running their businesses for some years, to continue conducting their businesses within a “business-hotel”. The study also found that women managing their own businesses seek not only an office space, but also financial advice, coaching, and a business network as well as education. What was also clear from the research was that this project could work as an accelerator for companies who had been running for some years and with a desire to expand their businesses. The project, called Leia Accelerator was officially introduced January 1st 2010 and the aim is to permanently establish the activities by the end of 2012. For the moment there are twenty female entrepreneurs within Leia Accelerator.

5.2 Interview with the project manager of Leia Accelerator

Ingrid Lindelöw Berntson is the project manager of Leia Accelerator. Apart from being the project manager of Leia Accelerator, she is also an entrepreneur running two companies. Now, when the project is in action, Ingrid Lindelöw Berntson says that she thinks that many of the women who are active within Leia Accelerator were seeking for the social aspects. She believes this is due to the fact that running a business by yourself can be very lonely, but at the same time that it is more acceptable to say that you seek the social aspects instead of saying that you want to do business. However, Ingrid Lindelöw Berntson believes it is possible to do both. She experiences that many do speak the language of business in the corridors. “When it comes to the end, running a business is much about making money. By sharing office spaces and supply, costs will be reduced and coming in contact with a network would generate more business.” She does believe that this also contributed to that many of the entrepreneurs wanted to be a part of Leia Accelerator. If someone has knowledge at one task, that person can help the others who are not as good in that field. Ingrid Lindelöw Berntson who is a coach and holds seminars in self confidence and self esteem tries to help the others when they are
having trouble believing in themselves. Ingrid Lindelöw Berntson thinks that it is important to be a role model for the others within Leia Accelerator and to show them that it is important to support and help each other to succeed. She also believes that the rents for the office spaces, which consist of a fixed cost of 5000 SEK each year, can function as a driving force for the entrepreneurs to realize that they have to start selling their products and services to be able to pay this amount. She is also convinced that by having an office to go to and implementing routines can work as a kick off for many single business owners. All of the existing incubators who exist in Umeå have subsidized rents or no rent at all. She continues by distinguishing the main differences between these incubators and the accelerator of Leia. The incubators help new businesses that are in the start-up period. An accelerator helps companies that have been active in the business for a while. In this case, for at least three years. By paying market oriented rent, she believes the company owner will have to force themselves to sell more and that it might be one factor that can contribute to acceleration. At Leia, the entrepreneurs are also offered seminars and coaching and she believes that many of the entrepreneurs “step in to the working shoes” when they enter Leias offices. It also becomes easier to separate yourself from the business. Ingrid Lindelöw Berntson explains what differs this network from an ordinary network of entrepreneurs and other accelerators is that “we are about to create our own gamepad”.

5.3 Presentation of the companies and the respondents

Table 1. Presentation of the companies included in the study

<table>
<thead>
<tr>
<th>Company</th>
<th>TuttiFrutti Kompetens</th>
<th>Projekt Hälsa AB</th>
<th>Livskraft Nord</th>
<th>BeRör Dej</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of business</td>
<td>Consultancy /training</td>
<td>Project Mgmt /coaching</td>
<td>Health treatments</td>
<td>Body &amp; therapy treatments</td>
</tr>
<tr>
<td>Years in the business</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Active period within Leia</td>
<td>September 2009</td>
<td>September 2009</td>
<td>February 2010</td>
<td>September 2009</td>
</tr>
<tr>
<td>Time and date of Interview</td>
<td>12th May 2010 10:00 - 10:41</td>
<td>14th May 2010 10:00-10:40</td>
<td>14th May 2010 11:00-11:27</td>
<td>15th May 2010 12:56-13:33</td>
</tr>
</tbody>
</table>

5.3.1 TuttiFrutti Kompetens

In 2008, Susanne Wiklund started the consultancy and training company TuttiFrutti Kompetens. Susanne Wiklund, who has a journalism education previously worked at the university as the head of information department. The main areas for her business are within education, leadership, media, communication and sales. Since the launch of
Lei in September 2009, Susanne Wiklund has rented an office within their venues and she estimates the amount of time of utilizing the office space to be around two days a week.

5.3.2 Projekt Hälsa AB
In 2004, Ingrid Lindelöw Berntson started the company of Projekt Hälsa AB, and has been a member of Leia since the start in September 2009. Through the company she offers project management, lectures and evaluation of projects. To her assistance, she has one employee and two trainees. Apart from the project matters, she also offers courses in “dare to sing”. Ingrid Lindelöw Berntson does not think in terms of how many percent she works and it is therefore difficult for her to answer how often she is present at Leia during the weeks.

5.3.3 Livskraft Nord
Livskraft Nord is a single-owned company established by Ellinor Carlander. Initially, the firm was operating between the period of 1996 and 1997. The company was restarted in 2010, and has been active within Leia since February 1st, 2010. The main area for the business is within health maintenance. In the beginning Ellinor Carlander offered relaxation through qi gong but after the restart she has expanded her business idea by offering dance lessons, courses about stress relief, meditation and might also start by offering different kinds of treatment. Ellinor Carlander is a subscriber at Leia, which means that she does not rent an office space, but she has access to Leia four hours a week and she can attend seminars and courses held by Leia.

5.3.4 BeRör Dej
Kerstin Sjödin is the owner of BeRör Dej, and offers treatments as massages with different kinds of oils that are good for the body and soul. By evaluating the problem of the customer through a dialogue she analyses the needs and bring forward the right treatment for each individual. Kerstin Sjödin has been active within Leia since the start-up of the project. Since she shares a room with another entrepreneur who is in the same branch as her, her access to the room where she offers her treatments is limited to two or three days a week.
5.4 Clarifications of the respondents’ answers

5.4.1 Why do the entrepreneurs engage in networking activities?

The reason for Susanne Wiklund’s choice to conduct her business within the venues of Leia was primarily the wish to change the working environment. After managing the business from her resident for about one year, she realized the amount of time spent at home was overmuch and desired to change location of her office space in order to alter her work conditions. According to her, the transposition to Leia’s venues has given her “the better of two worlds” since she now has the possibility to choose whenever she wants to be at home or at Leia.

One of the main reasons for Ellinor Carlander to join Leia was the possibilities to establish relations which could contribute to her venturing in the form of exchanging ideas. The access to lectures and educations offered by the network and the financial benefits such as sharing office rent also contributed. As in the case for Susanne Wiklund, she felt she wanted to get an office space in order to separate her firm from her private life, as well as being surrounded by colleagues.

Since Ingrid Lindelöw Berntson is the project manager we reformulated the question to asking why she was interested to start the project. Ingrid Lindelöw Berntson experienced that there was a need for businesses that had been active for a while to have access to the possibility to get support and push to get their businesses to accelerate. Ingrid Lindelöw Berntson herself wanted to come in contact with other women who also speak “the language of business” because her experience of being a business woman is that you can feel very lonely.

Kerstin Sjödin came in contact with her present “room-mate” when she attended a lunch meeting at Magma, who is in charge of the Leia Accelerator project. She decided to join Leia since she thought that it could bring extra value in the opportunity of having a receptionist where she also could sell her products even when she was not present at Leia’s office herself.

5.4.2 How do the entrepreneurs utilize the network they are operating within?

Susanne Wiklund considers Leia an important source for her company in the light of gaining advice and support. She views people that have been active in the business for a much longer time than her, as role models for her business since they are usually more experienced. Another valuable aspect the network provides is the possibility to meet other entrepreneurs and gain an insight of how they are managing their businesses. The network enables her to establish contacts and relations within the business world and facilitates the feeling of being part of a context. Executing her business within a
network has according to Susanne Wiklund provided her with many important business relations. An example of a valuable contact Susanne Wiklund gained through Leia is the cooperation she established with a person working at the chamber of commerce. They came in contact with each other as a result of a lecture arranged by Leia where this person was hired to speak about the chamber of commerce. This interaction led to Susanne Wiklund later on being inquired to inform about her business activities at a meeting organized by the chamber of commerce.

Susanne Wiklund believes that it is easier to come in contact with other business people through Leia as they every now and then arrange different meetings with many interesting people who they have the possibility to present themselves to, and in best case, establish a new contact. She also feels that it is important for her to have other entrepreneurs around her that can inspire her in her work. Her experience is that the contacts between the entrepreneurs are good even if many are in different branches from hers. The managers are available and easy to have contact with which she appreciate.

Susanne Wiklund shares a room with another entrepreneur, who she did not know before she came in contact with Leia. Together they have just started a new project, which she is not able to tell us about at this moment, as it is still new and under development. Susanne Wiklund tells us that they complement each other in a good way as Susanne Wiklund is good with words and writing, and her companion is good at those things Susanne Wiklund is not. Without the network within Leia, this would never have happen to Susanne Wiklund.

Through the network, Susanne Wiklund finds a lot of support. “If you come here and are having a bad day, then there is always someone to talk to” she says. To have other business owners around you contributes with dynamic which she believes is very important. She gives us an example one time when she had a job one Sunday, and suddenly got sick. She then contacted one of the other entrepreneurs who are in the same branch as she, and managed to get a stand-in for the job. Susanne Wiklund tries to learn from the others, see how they solve problems and try to implement that in her own business. Through the others, she finds encouragement and can remind herself that it is not impossible to succeed. She also contributes with her knowledge and expertise to the others within Leia. She writes their press releases and gives advice regarding marketing to the others.

The network within Leia has also contributed to that Susanne Wiklund now works at least forty hours a week and has become more structured in her work. When she was working at home before, she did less hours. She also experience that Leia has contributed to a higher rate of return as a result that she has been able to establish more contacts. Some of the contacts have even become friends of hers. However, she does not experience that those who are in the same branch as her are those she feels she has more in common with in comparison to the others. Susanne Wiklund believes that she
benefits from the seminars and courses held by Leia which she tries to attend as much as possible.

Susanne Wiklund has a lot of support from her husband which helps her in many situations regarding her business. She trusts him the most because he is a businessman himself and knows what running a business is all about and what it requires. She also says that one of the other entrepreneurs, who is a coach, is a good resource for her to have access to in her business. From her, she receives a lot of support and advice. She is glad that she has established this contact which she most probably would not have done otherwise. We ask Susanne Wiklund if she has been able to establish any contacts outside the network thanks to Leia and she tells us about one person she met a while ago. Leia had invited some of the politicians in Umeå to come and visit. The entrepreneurs were given the opportunity to present themselves and Susanne Wiklund took the chance. At the end of the day, one of the politicians came up to her and presented himself and told her that he wanted to arrange a meeting with her because he needed help with some questions concerning the election. The same day we interviewed Susanne Wiklund, she was going to this meeting where they were going to go through some of his strategies for the election and she is now going to work for him the whole year and she also believes that it can develop into more jobs later on.

Ellinor Carlander views Leia as a tool for her venturing mainly in the form of the educations and lectures Leia offers which she consider she learns a lot from. Through the network of Leia, Ellinor Carlander has created contacts that have led to a cooperation which resulted in a new business concept. Ellinor Carlander tells us about this time when Leia had an open-house day. This day she came in contact with one person who told her about a concept they were planning. Ellinor Carlander’s interest woke and through one of the coaches at Leia Accelerator, they arrange a meeting in one of the locals at Leia, where 15 people showed up. They presented their idea and investigated if there was anyone else who also had an interest to join the development of the concept. They ended up being seven people in total and the project was on the run. Along the way, some people have dropped out, but the project is still alive and they are looking forward to present it to the market later this year. The stress management concept is jointly put together by different entrepreneurs at Leia. It is a package consisting of their different services in order to satisfy the customers’ needs.

Ellinor Carlander thinks this cooperation is of importance and also mentions the advantage of being able to direct customers between each other in situations when they are booked up. Ellinor Carlander tells us about another example of cooperation within the network. Sometimes, price agreement between people conducting similar businesses, in where customers joining Ellinor Carlander’s classes get a price reduction at classes held by one of her collaborators and vice versa. She believes this is a good way to connect with new clients. The network have helped her to reach out to more customer, either they are inside the network or outside. She also explains to us that Leia
wants to reach out to other entrepreneurs in order to have more diversified businesses within Leia, which they believe can contribute to even more cooperation and new concepts being developed. However, Ellinor Carlander thinks that she has most use of them being in the same business as she is. So far, it is too early to say if the network has contributed with any higher rate of return financially, however, at an emotional level she believes that she has received that.

Overall, what Ellinor Carlander hopes for is that the cooperation can increase. Right now, she is trying to put some of her focus on talking to others in hope of being able to create common goals and to support each other in order to expand their businesses. Through the network as it is right now, she feels that she gets inspired as well as extra energy. At lunch meetings arranges every once in a while, everyone gets the opportunity to tell what has happened since last time, Ellinor Carlander thinks it is encouraging to hear about others as it inspires her in her work. She also finds support in the coaches available at Leia, who she feels that she can turn to in case of her having something on her mind that she want to talk about. Ellinor Carlander experience that there is a trust between the entrepreneurs that she have had use of in terms of doing business. In case of her being fully booked she tells us that it feels good to be able to direct her customer to someone else that is in the same branch as her, she thinks of this possibility as a extra value she can offer her customers. She also experience that she can trust the others and that they are doing the same on case of them being fully-booked.

We ask Ellinor Carlander if she believes that the network that is available within Leia can contribute with some important information for her company and she says she knows it can, and tells us about the stress management concept again. Those involved in this concept are going to keep track on different issues that can be of importance for the business. For instance, one is going to keep an eye on the convention market which she believes she can of importance even for her own business. Ellinor Carlander also has support from her boyfriend in her business as he helps her with the accounting.

Ingrid Lindelöw Berntson believes that it is of important to be able to focus on what she is good at. Through the network she has been able to find help with the accounting, which is of big importance for Ingrid Lindelöw Berntson as she has no knowledge in that field. Through the network, Ingrid Lindelöw Berntson seeks for role models in the others as she believes it if highly important to be able to learn from each other. As an example, one of the other entrepreneurs at Leia had some trainees for her help which was of big help in that entrepreneurs business. As Ingrid Lindelöw Berntson saw what the trainees could do for her business, she decided to hire two trainees herself. “If other can do that, why should not I be able to” she says. For Ingrid Lindelöw Berntson it is of importance to have other entrepreneurs surrounding her as they can speak businesses. “How do the others do, how much do they charge for this type of job etc.” For Ingrid Lindelöw Berntson, this is encouraging her to have others around her so she can adjust her business in order for it to do better. For instance she tells us that by having the
others around, she knows what others in the same branch charge for their offers, and by that she has also been able to adjust her prices. “Negotiations are not one of my strongest sides” Ingrid Lindelöw Berntson says. The others have helped me to set up rules. As an example, Ingrid Lindelöw Berntson has now implemented that if a client cancel their time scheduled with me, they have to pay half of the price. Before, she did not have these kinds of rules, but the others within Leia have helped her with this. “It is now exist a clairiness” Ingrid Lindelöw Berntson says. Within Leia, Ingrid Lindelöw Berntson feels like she is coming home when she enters the building. “You know that you can come here to cry out, laugh or tell the others what have happen during a job, it feels like a family in somehow”.

Something else that Ingrid Lindelöw Berntson talks about is the possibility to pass job to others, in case of being fully booked some day when someone asks for her to do coaching. She then directs them to someone of the others that offers the same coaching, and by doing that she minimize the risk of loosing a client. However, she is aware of that next time this client want coaching, he or she might call the other one, but Ingrid Lindelöw Berntson has trust in the others and believes that they the next time they are over booked, they will pass on their clients to her. Ingrid Lindelöw Berntson has the confidence that she can accept almost every job offering that shows up, this is mainly due to the other entrepreneurs surrounding het at Leia. If she feels that she won’t be able to handle the job, she knows she can get help from someone of the others as there is much competence existing there.

Ingrid Lindelöw Berntson also tells us that she has created new contacts through the network within Leia, for example, she is now doing jobs at “nätverkskammaren” which she would not have come in contact if it was not for Leia. She experience that the network of hers have increased since the start of Leia. “The bigger network the better” she says. By that she means that one can have more control of what happens around you. One of the other coaches within Leia sends out much information to the entrepreneurs which is a good way for the entrepreneurs to have an eye on the market changes.

Those within Leia is also those she trust the most when it comes to concerns regarding her business. Her friends and family does not have the knowledge of running a business in contrast to those within Leia. That’s why she trust them the most. Ingrid Lindelöw Berntson also uses Leia when marketing her business. Mostly, she believes that mouth to mouth is the best way to market herself. When she is out doing jobs, she also markets the other entrepreneurs within Leia. She believes the others do the same. She base this on her believes that it is easier to talk about others instead of yourself because it is difficult to distinguish between yourself and your business.

Kerstin Sjödin has a wish that the network within Leia can function as a tool for her to find complements to her business. Primarily, she wishes to find someone who can help
her with the marketing since that is not one of her strength. So far, she has been inspired by other in their way of marketing themselves. Now she thinks more about the way she present herself. Kerstin Sjödin tells us that through Leia, she has offered the other entrepreneurs the treatments she is working with. Many of those who have tried her treatments have said to her that they really enjoyed it and that it was over their expectancy. This in turn have resulted in that they have been telling their friends about Kerstin Sjödin’s treatments and recommended them to visit her and they also have. Kerstin Sjödin tells us that she offered friends of her treatments before she came in contact with Leia as well, but this has broadened her network of contacts even more she believes.

She also finds it exiting to have people around her in her work and that she can combine that with recruiting new customers is very fun. She also tells us that she have made recommendations about others that exist within Leia when she has experienced a good treatment.

She believes that it is important to have people around her in her work that can inspire her. At Leia she thinks that the coaching available has contributed a lot for her. Kerstin Sjödin tells us that they were offered six meeting with the coaches in the beginning. The coaching has been of importance for her at the personal level.

At the meeting that Leia arranges, she thinks that it is good that they have the opportunity to speak their minds out. Kerstin Sjödin thinks that the seminars Leia Accelerator offers the entrepreneurs are good, however, she finds it harder to convert it into practise. Most of all, she feels that it is the marketing she needs most help with. As far as she knows, a course in that will be offered in autumn. Before Kerstin Sjödin moved to Leias offices, she had her business at another place where more people in the same bransch were available. Through Leia Accelerator, she tells us that she has expanded her network as she has come in contact with more people. She also believes that through the network within Leia, there is competence that she does not have her selves, and that she is convinced that it can provide her with help in some way and that she can offers some of her help back. But it is still too early to be able to give an example of that.
6. Analysis and discussion

In this part, the purpose will be to analyze the reason why the entrepreneurs joined the network of Leia and how they have utilized the network. The empirics' will be connected to the previous research presented in this paper as well as with the theories presented in order for us to conduct explanations of the activities that are occurring within this network of Leia.

6.1 Why do the entrepreneurs engage in networking activities?

From the theoretical findings, we can see that scholars have different theories on the subject of why entrepreneurs engage in networking activities. Entrepreneurs have been argued to be dependent on others in order to survive on the market and also that their relations to others have connection to the success of their business as well as to the efficiency (Carsrud & Brännback, 2007, p. 22). Regarding the respondents in our interview, most of them said that one of the reasons for them deciding to join the Leia network was that they wanted to come in contact with other entrepreneurs. These respondents felt that it was uninspiring to have their office at home in combination with the lack of colleges. The driving force behind these longings for colleges can be connected to some of the existing theories concerning this issue. Membership in a network contributes along with what have been stated above also to a feeling of meaning and role for the entrepreneur (Håkansson & Snehota, 2006, pp. 259-260). In the interview with Ingrid Lindelöw Berntson, she said that she believes that many of the entrepreneurs who become part of the Leia network gain a feeling of being for real as they have an office to come to and where they can meet other entrepreneurs. In the case of Susanne Wiklund and Ellinor Carlander, we can assume that this can be connected to this theory since they wanted to distinguish their business from their personal life, and by that gain another feeling and meaning of their business. For Ingrid Lindelöw Berntson, who is one of the founders for this concept, and who felt that having an office to come to where fixed costs exists, forces her start doing business at another level than before. There seems like having routines and a “job to go to” increases the motivation for these entrepreneurs. And as motivation increases, one can assume that even the efficiency increases.

We can also see that some of the reasons for joining the network were the possibilities to establish cooperation. It could be assumed that cooperation contributes to success as in this case, the development of the stress management concept has increased the target of the market these entrepreneurs can reach out to.

6.2 How do the entrepreneurs utilize the network they are operating within?

Theories put forward that entrepreneurs who are members of networks, along with a contribution to success also gain new perspectives and opportunities. We can see from the entrepreneurs in our study that interaction with others have contributed to new
opportunities and perspectives for some of these entrepreneurs (Cuervo, Domingo & Roig, 2007, p. 46). Ingrid Lindelöw Berntson, Ellinor Carlander and Susanne Wiklund, have all three started new projects with others within the network. These opportunities would most likely never have arisen if not being a part of the network. The theory of Håkansson and Ford (2002, p. 135) who suggests that each company’s relationships and resources can be developed and combined with others in a variety of ways, can be confirmed by these newly established concepts. Ellinor Carlander has together with other entrepreneurs within Leia developed the stress management concept, Susanne Wiklund has combined her business with another entrepreneur in order to start a new project, and Ingrid Lindelöw Berntson has started new projects together with others within Leia as well. These entrepreneurs contribute with their different resources in order to set up these new concepts and offerings to the customers. And as Anderson and Miller’s (2003, p. 22) theory states, opportunities are created within and among organizations as a product of ongoing networks of relationships and exchanges, can therefore be confirmed in these examples of Ellinor Carlander, Ingrid Lindelöw Berntson and Susanne Wiklund as the network has increased these entrepreneurs activities, as also Dubini and Aldrich’s (1991, pp. 305-306) theory suggests it should.

From this study, we have the incentive to believe that coming in contact with others, will not only contribute to positive effects for the businesses, but as well as to a positive contribution to the entrepreneur as an individual. Being surrounded by colleges will motivate the entrepreneur to keep running its business, as the success of others can be encouraging enough. Ingrid Lindelöw Berntson is an example of this as she has told herself that if someone else can, she can also, and from that she has implemented new ways of doing business. Susanne Wiklund also finds encouragement from the others to remind herself that it is not impossible to succeed, which is also an example that supports this theory. Through the network, there seems like these entrepreneurs find more self confidence as it contributes them to believe in themselves more. One could explain this by the theory made by Håkansson et al (1991, pp. 444, 447), who claims that interaction with others contribute to higher learning. One believes this is applicable to the self-esteem for these entrepreneurs as well. As they have interacted with others within the network, who believes in themselves and are not frightened to try new ways, they have influenced the behavior of these entrepreneurs who have seemed to be more frightened. This can be applied to Susanne Wiklund, who has now restructured some parts of its business by employing others. One can also assume that the increased confidence in themselves might be due to the backup many of the entrepreneurs feels that they have access to. Many of those included in our study have expressed that they know that they can take on almost whatever job they want since they know that if they are not able to handle the situation, there is always someone who can help them out. Theories support this by saying that network can complement the confidence of internal managerial capacity since networks of relations can function as a solution, concerning problems which cannot be solved by neither the market nor the management and that it can be considered as a mix of managing situations which consist of trust, reputation and mutual dependency (Perry, 1999, pp. 4-5), and one believe this can be confirmed in our study since they do trust
each other to be there for one another if something goes wrong, and even that they believe that the next time this entrepreneur, who they just sent their customer to, will send one of hers to them in case of her is fully-booked the next time. One can therefore assume that there exists mutual dependency within the network of Leia. The authors of this theory also state that the time spent in the network affect the learning. However, we can see no correlation of that through these entrepreneurs as they all spend different amount of time in their offices at Leia, and there is no clear link between those who are more active in Leia of having learnt more from others than those who are there fewer hours a week. However, since the network has not existed for such a long period yet, one can assume that it is too early to make any conclusion at this time. On the other hand, what could be assumed is that the entrepreneurs who feel that they have not received any help with their main problems might not have interacted with the others yet in a way that could contribute to support for the issue. As Håkansson and Snehota states (2006, pp. 259-260) one have to adjust to the environment in order to take advantage of the opportunities existing within the environment. We argue that interaction with others can be seen as an intangible resource which can be connected to Håkansson and Snehota’s theory, that relations to others give one access to their resources (2006, p. 260). As Susanne Wiklund said, she tries to give help to the other regarding their marketing, whereas Kerstin Sjödin says that she has not yet been able to receive any help with her marketing. One could therefore suggest that Kerstin Sjödin could exploit the surrounding within Leia in order for her to solve her marketing problem. However, we can also see that many of the entrepreneurs have received access to each other’s resources in those areas they are not as skilled in. For example, Ellinor Carlander has got access to Susanne Wiklund’s knowledge and technology when making her marketing, as Susanne Wiklund has help her, which can be supported by the theory.

As theories also suggest, Susanne Wiklund consider those within Leia as important sources to learn from. Entrepreneurs can benefit from more experienced persons within their networks (Johannisson, 1988, p. 86) and Susanne Wiklund views those who have been in the business for a longer period of time as role models for her business since they are usually more experienced and can therefore benefit from the network in a way that she would not have been able to do otherwise.

Through the relations within Leia, all of the entrepreneurs included in the study have developed contacts outside the network through their relations within Leia. This is also what theories suggest that relationships contribute with, as they function as an aggregate of interfaces (Håkansson & Snehota, 2006, pp. 259-260). These entrepreneurs have gotten in contact with people visiting other entrepreneurs within the network, or received recommendations of where their services are requested or even established contacts due to recommendations made from inside the network. All of the entrepreneurs’ experiences that they have broaden their network due to their membership of Leia.
From what can be seen, the social ties, which consist of the relations between the entrepreneurs (Lin, 1999, p. 31) facilitate flow of information that is of importance for these entrepreneurs. Information in this network arises from presentations of each other’s contacts, or by cooperating and dividing the responsibilities of the different sources of where information comes from. There seems like there exist a link between these activities and the economic performance of theirs. All new formations and new customers they have gained through each other can be connected to some of their economic performance. And since it is argued that the social capital gives direct access to economic resources and is referred to the resources gained through membership in networks (Bourdieu 1986, p. 248) one can refer these interactions as their social capital.

Three of the entrepreneurs included in our study shown to have some connection to their strong ties e.g. their families and friends, in regards to their business. According to theories about ties, strong ties have been discussed to be those the entrepreneur can count on (Dubini and Aldrich, 1991, p. 307) but also that it limits the entrepreneur’s inflow of new ideas. A network should include a mix of strong and weak ties, and it is the relative balance between them that is important. The entrepreneurs in our study have shown to have relations to both weak and strong ties as they rely on their family and/or friends when they ask for advice or receive help with the accounting for example. However, three of the respondents said that why they rely on these family members and friends is because they are business owners or working with accounting themselves, which is why they play a role in these entrepreneurs businesses, whereas one answered that she relies on her friends without them necessary being entrepreneurs or business owner themselves. All four entrepreneurs in our study seem to have a mix of influences over their businesses as they involve other than just strong or weak ties in their companies. Weak ties are here referred to those within the network of Leia. Ingrid Lindelöw Berntson is the only one who does not involve her family into her business. She only discusses her business with those inside the network of Leia. However, Ingrid Lindelöw Berntson has become friends with some of the entrepreneurs inside Leia, so it is obvious that even she involves her strong ties into her business.

As interaction can take different forms (Dubini and Aldrich 1991, p. 308), we can see that in this case, interaction between the entrepreneurs in the network of Leia is most common when goods and services are exchanged, which we believe also can be seen as the structural hole as they seem to fill the gap their strong ties, e.g., family cannot fill. The aspect of “embeddedness” which explains how the relationship of one’s network and the quality of those relationships affects economic action and outcome could here be connected to the relations of these entrepreneurs. It can be said that these entrepreneurs are being affected both by their strong and their weak ties.

In this Accelerator, we can see similarities to what a successful incubator should offer the entrepreneurs active within it. Different types of services to help the entrepreneurs with their businesses should exist (Aernoudt 2004, p. 127). We believe that it exist
within this accelerator. As Ingrid Lindelöw Berntson mentioned, the main difference between an incubator and an accelerator is that they help entrepreneurs that has been running their business for at least three years. There is neither any limit amount of time the entrepreneurs can stay within this accelerator. From what we can see, many similarities exist between incubators and accelerators as well. In incubators, one of the possibilities that exist is to create long-lasting relationships (Grimaldi and Grandi, 2003, p. 118). From what has been shown in this paper, these kinds of possibilities exist in this accelerator as well. However, we believe that the long-lasting relationships that is possible to establish within this accelerator gives the entrepreneurs even more confidence, since in the accelerator, the entrepreneurs do not risk standing alone after a while and loosing these relationships as they are no longer regarded as being in the start-up period, since they are welcome to stay as long as they wish for in this accelerator. We believe that this is a security for the entrepreneur, to not have to be afraid to one day have to stand on their own again if they do not wish for.
7. Conclusion

In this chapter, the purpose is to present the conclusion resulted from the empirical findings and the analysis which together answers the research question and supports the purpose of this paper.

How do the entrepreneurs included in the study utilize the network they are operating within?

The purpose of this paper was to conduct a descriptive analyze of how entrepreneurs in a specific network utilize the resources available in a network. We have presented four entrepreneurs in different branches that are active within Leia Accelerator. Through them we have described how they use the network and the social capital available in Leia and what they have gained from these interactions. From the analysis, one can make the following conclusions:

- We can conclude that the network has contributed to cooperation’s and new business concepts for most of the entrepreneurs as they have been interacting with other entrepreneurs. The confidence of these entrepreneurs has also shown to be affected as their self esteem has increased. Further, the network has shown to contribute with both inspirational and motivational factors for the entrepreneurs.

- These entrepreneurs use each other as resources for their business as they exchange services and we can see that there exist mutual dependency within the network as they rely on each other when situations that are difficult for them to handle arises.

- We can see that the entrepreneurs utilize the social capital within the network of Leia Accelerator by interacting with other entrepreneurs in order to find support and role-models. What can also be said is that most of these entrepreneurs’ strong ties play a significant role in their business as they are either business owner themselves or have knowledge in the field the entrepreneur seeks for help.

- The network has increased these entrepreneurs customer base as they have been interacting and established new relations within Leia Accelerator which they would most probably never have come in contact with otherwise.

- Through the network, we can conclude that there exist potential for the entrepreneurs to market themselves through each other.
In this paper, we have studied the role of network for these entrepreneurs. From what we can see, the circle of the network we showed in chapter three (figure 4) is completed for these entrepreneurs, as they receive information from their social capital which belongs to the network they are a part of.
8. Closing Chapter

When conducting a qualitative research as has been done in this paper, there are a number of concerns that have to be given attention to. In this chapter, we will present some criteria which can be used to evaluate the trustworthiness and authenticity of this research. Finally, this chapter will be concluded by presenting suggestions for further research.

8.1 Trustworthiness

8.1.1 Credibility (Internal validity)

The credibility of a research ensures that the findings are reliable to the research population of the study (Bryman & Bell, 2007, p. 43). Since we have conducted a qualitative research with a purpose to describe the reality seen from the participants’ viewpoint, the respondents are the only ones who can judge the credibility of the findings. Therefore, to ensure that we did not misinterpret anything in the interviews, we transcribed the interviews and sent the transcription to the respondents in order for them to read through it and verify our empirical data. This enabled us to validate our findings, and gave the respondents a possibility to correct any eventual misunderstandings.

8.1.2 Transferability (External validity)

The research circumstances are important in qualitative researches. It is well known that findings from a qualitative research are difficult to transfer from one situation to another. The transferability can be defined as to which degree the results can be generalized or transferred to another setting or context (Bryman & Bell, 2007, p. 410). In order to enhance the transferability of our study, the research method and the circumstances when conducting the study has been clearly stated. Our preconceptions has been presented in order for the readers and any eventual researcher that wishes to replicate our study to form their own judgment regarding what impact this might have had on our study. If someone wishes to replicate this study in order to confirm the credibility, they would have to conduct semi-structured interviews, e.g. use the same interview guide as we did in our research, and interview the same entrepreneurs as us. One could believe that interviewing the same entrepreneurs with the same interview guide would result in the same findings. However, since this project of Leia still is relatively new, which means that the entrepreneurs have not been active in this network for such a long period of time, we believe that the findings from the interviews could differ if conducting the research again in a few years. This is due to the fact that the answers might change when the entrepreneurs have more experience from the network and how to utilize it. The semi-structured interview technique allows the respondents to connect their answers to experiences they have, and experiences might change over time.
8.1.3 Confirmability (Objectivity)

The confirmability of a study can best be evaluated by the readers. Data should be available for the reader to make their own judgment and compare the data with the result. We have presented our research method thoroughly and the result from the data collected can be found in our empirical part. However, we have not included the transcriptions in our paper since some of the respondents did not want us to publish certain answers. What should be mentioned is that those answers did not influence the result.

8.1.4 Dependability (Reliability)

To ensure reliability and handle the limitation of interviewer bias, we were both present during all interviews. All interviews were taped and transcribed in a similar manner. By recording the interview, the risk of losing valuable information or misinterpret a statement was limited since it enabled us to go back and analyze what had been said whenever necessary. The research methods adopted, conducting face-to-face and telephone interviews, allowed us to probe the respondent when a clarification was needed. We have enclosed the interview guide we utilized during our interviews in order for the readers to evaluate our research process themselves.

8.2 Authenticity

8.2.1 Fairness

One criterion to evaluate the authenticity of the research concerns the fairness of the study, meaning whether the study fairly represents different viewpoints among members within the examined population (Bryman & Bell, 2007, p. 414). Since the purpose of this study is to describe and gain a deeper understanding in how entrepreneurs engage in networking activities, we want the research circumstances to be as authentic as possible. In order to get a fair representation of the people within the network, we have tried to interview people within different branches.

8.3 Suggestions for further research

The research conducted in this study aimed to provide an in-depth description of a single network. Since most research in the field concerns start-up ventures, we decided to look further into a network aimed at already established companies. Regarding future research, a comparative study that examines the differences between networks functioning as incubators and networks for established companies could be of interest. Another topic that we believe could be of interest to examine further is the difference between a network aimed solely at women and one that does not take into account the gender of the entrepreneurs. A comparison between these two types of networks would be of interest in order to examine if there is any difference regarding which type of
support and assistance they offer their entrepreneurs. Another suggestion for future research could be to study one single network during a longer period of time in order to investigate whether the networking activities changes during the time frame.
9. List of References

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Appendix A

A.1 Swedish interview guide

- Om du skulle kunna börja med att beskriva ditt företag? (Bransch, hur länge du haft ditt företag, position, heltid/deltid, antal anställda, antal män/kvinnor, hur ofta du är på Leia, hur länge du varit aktiv inom Leia.)
- Vad är viktigt för dig att få stöd och hjälp med i ditt företagande?
- Varför valde du att hyra in dig hos Leia?
- Upplever du att Leia har gjort inverkan på ditt företag?
  - Performance
  - Efficiency
  - Feeling & meaning
- Tycker du att det är viktigt att ha folk omkring dig som kan inspirera dig i ditt företagande?
- Hur upplever du kontakten mellan er företagare på Leia?
- Vad pratar ni mest om på fikarasterna, privata saker, affärsidéer, etc.?
- Vilka kontakter upplever du som viktigast inom Leia? Varför är dom viktigast?
- Vad är det viktigaste med att ha andra företagare omkring dig?
- Har du inspirerats/påverkats av någon av de andra företagarna i ditt eget arbete?
- Upplever du att kontakten med andra företagare har haft någon inverkan på dig och ditt företagande som du inte hade förväntat dig? Gällande:
  - Kunskapsutbyte
  - Produktinnovation/idéer
  - Praktiska kontakter (hjälp med hemsida t.ex.)
- Ser du på dig själv som en tillgång för andra företagare? Bidrar med idéer, inspiration, etc.
- Har du ändrat på ditt företagande på något sätt sedan du kom i kontakt med Leia?
- Har du ändrat på vad det är du lägger fokus på sedan du kom i kontakt med Leia? Isåfall, hur och varför?
- Tror du att Leias nätverk kan bidra till en högre omsättning för dig och ditt företag? Isåfall, hur?
- Upplever du tillgången till nätverket inom Leia som en konkurrensfördel för ditt företag? Isåfall, vad anser du vara konkurrenskraftigt?
- Anser du dig ha breddat ditt nätverk av kontakter tack vare Leia?
- Tror du att dina nätverk kan bidra till viktig information för ditt företag? Isåfall, hur?
- Upplever du dina nätverk som nätverk med nära kontakter, ytliga eller en mix?
• Upplever du att det existerar ett mervärde i den information som kan komma ifrån en kontakt som ej står dig så nära? Isåfall, varför?
• Är det någon på Leia som är inom samma bransch som dig? Om, känner du mer samhörighet med den personen?
• Vem rådgör du helst med när det gäller ditt företag?
  - Familj och vänner eller kontakter inom ditt nätverk?
  - Om dessa nära kontakter blir svaret: upplever du att det kan bidra till något negativt att rådgöra med nära anhöriga? Till exempel på så sätt att de inte alltid ger dig konstruktiv kritik?
• Anser du att dem du frågar är dem du litar mest på?
• Hur marknadsför du dig genom ditt nätverk?
A.2 Interview guide translated into English

- Please tell us about your company (which branch are you in, for how long have you had your company, how often are you at Leia, and for how long have you been active within Leia)
- What do you believe is of importance for you to get help and support with in regard to your business?
- Why did you decide to join Leia?
- Do you experience that Leia has affected your business?
  - Performance
  - Efficiency
  - Feeling & meaning
- Do you believe it is of importance to have people around you that can inspire you in your work?
- How do you experience that the contact is between the entrepreneurs at Leia?
- What do you usually speak of at your coffeebreaks? Business, family?
- Which contacts do you believe is of importance for you within Leia?
- What is the most important with having other entrepreneurs around you?
- Have you been inspired or affected by any of the other entrepreneurs at Leia?
- Have you been able to create contacts outside Leia? If, please describe.
- Do you experience that the contact with the other entrepreneurs have had any influence in your business that you did not expected?
  - Exchange of knowledge
  - Production innovation/ideas
  - Practical contacts (help with homepage for ex.)
- Do you believe that you are an asset for the other entrepreneurs?
- Have you changed anything with your business since you became active within Leia?
- Have you changed focus since you became active within Leia?
- Do you believe that the network through Leia can result in higher rate of return? If, how?
- Do you experience that the network within Leia can be for your advantage regarding competition?
- Do you experience that your network has been broaden due to Leia?
- Do you believe that the network can contribute with important information for your business? If, how?
- Do you experience your network within Leia as close, distant or mix relations?
- Do you experience that it exist an extra value in information that comes from your distant contacts?
• Is there someone that is in the same branch as you within Leia? If, do you experience that you have a better relation with that person?
• Who do you ask for advice regarding your business?
  - Family & friends or your network within Leia?
  - If close contacts is the answer: do you experience any negative effects of asking your close contacts? Not receiving constructive criticism for example.
• Those that you ask, are those the ones you trust the most in?
• How do you market yourself through Leia?