THE DEVELOPMENT OF INTERNATIONAL NEW VENTURES: AN ENTREPRENEURSHIP IN NETWORKS APPROACH (INTERACTIVE PAPER)

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Around the same time as the first enquiries into international entrepreneurship began, interest arose in the study of the networking dimension within entrepreneurship (Hoang and Antonic, 2003). From social network theory, the entrepreneurial process involves accumulating scarce resources, building reputation, finding partners and attracting clients, knowledge, suppliers, etc. from the environment (Autio, Yli-Renko & Salonen, 1997; Brush, Greene & Hart, 2001; O’Farrell & Hitchens, 1998; Birley & Cromie, 1988). This practice among start-up firms has been widely reported and evidenced in entrepreneurship literature. However, setting up international activities while still in the start-up phase remains a very complex task as these resources are internationally dispersed. The value of networks as an integral part of entrepreneurial success is widely acknowledged; however, there is considerable confusion and disagreement as to the role particular network characteristics play in the performance of emerging firms (Johannisson, 2000; Rowley et al., 2000) and especially as to what network characteristics are most advantageous in a firm’s early stages (Hite and Hesterly, 2001). The aim of this paper is to examine to what extent the characteristics of structural and relational patterns of networks explain differences in internationalization performance?

Methodology/Key Propositions

We collected data from some 55 high technology ventures operating in Microsystems and nano-technology industries to examine our research question. This data was collected through face-to-face interviews with founding entrepreneurs of the firms and was conducted in micro/nano clusters centered round Albuquerque, New Mexico and the Twente region in the Netherlands.

Results and Implications

This research contributes theoretically to work in the areas of entrepreneurship in networks, early stage internationalization of high tech firms and the role of networks in the development of new ventures. It offers a longitudinal perspective on the network development of high technology new ventures and thus contributes to a more comprehensive understanding of this process. From a practical perspective the outcomes of this research will be beneficial to organizations providing support to internationalizing firms in high technology industries.

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