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EXPLORING THE IMMIGRANT ENTREPRENEUR’S BEHAVIOUR FROM THE PERSPECTIVE OF EFFECTUATION

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In our current and continuously globalising world, opportunities do not have borders any more. This fact encourages the rise of international immigrant entrepreneurs who are not afraid of leaving their home country in order to exploit opportunities in foreign territories. Indeed, these opportunities do not come with ready-made instructions. Therefore, it challenges entrepreneurs to evolve in an unpredictable environment and to leverage contingencies to make their business prosper. An intensive use of their social capital, network, self-efficacy, empathy and a creative use of their resources figure in among the key success factors of a venture, especially in the early stage of its life. Based on previous literature reviews regarding entrepreneurship, international entrepreneurship, immigrant entrepreneurship and a longitudinal case study from 2008-2015 which uses an auto-ethnographic approach to analyze the data, we have been able to determine key characteristics of the international immigrant entrepreneur’s behavior and illustrate how effectual principles dictate their actions. This paper aims to contribute to the discussions concerning immigrant entrepreneurship, give some insights regarding the entrepreneurial journey and encourage more persons to embrace this path, especially students.
Table of Contents

Abstract

Contents

Acknowledgments

ACKNOWLEDGEMENTS........................................................................................................... 4

1 INTRODUCTION.................................................................................................................. 5

1.1 Background and motivation......................................................................................... 5

1.2 Introduction to the phenomenon under research ...................................................... 6

1.3 Purpose, problem and methodology.......................................................................... 10

2 LITERATURE.................................................................................................................. 12

2.1 Understanding entrepreneurship ............................................................................... 12

2.1.1 Entrepreneurial behaviour .................................................................................. 13

2.1.2 Entrepreneurial behaviour from the effectuation perspective.......................... 17

2.2 Understanding international entrepreneurship ......................................................... 22

2.2.1 What is international entrepreneurship? ............................................................. 22

2.2.2 International entrepreneurship and effectuation................................................. 28

2.3 Understanding Immigrant entrepreneurship ............................................................. 38

2.3.1 The importance of developing social capital for the immigrant........................ 38

2.3.2 What is an immigrant entrepreneur?................................................................. 44

2.3.3 Immigrant entrepreneurship and international entrepreneurship.................... 48

2.3.4 Immigrant entrepreneurship and effectuation................................................... 57

3 RESEARCH METHODOLOGY ...................................................................................... 66

3.1 Research approach and methods.............................................................................. 66

3.2 Empirical research process and conducting of the research.................................. 68
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1 INTRODUCTION

1.1 Background and motivation

Oulu (Finland), with 194 000 inhabitants in 2014, is also known as the capital of northern Scandinavia. For the last decade, the city is becoming more and more international. Today, the city has 4600 foreign residents from 122 countries. Foreigners come to Oulu to work, to study, to join their family or for security and political reasons. Oulu is also one of the most supporting Finnish cities for start-ups and international businesses through different services offered by organizations like the City of Oulu, Business Oulu, the University of Oulu or the University of Applied Science.

Originally from Paris, I came to Oulu as an exchange student in September 2008. Later on, very much interested in meeting new people, in discovering new cultures and in entrepreneurship, I decided to apply for a Master’s Degree in international business at the University of Oulu to complete my studies. In addition to this, I was elected to be the president of the international student organization AIESEC, which aims to unleash students’ leadership potential through international internship programs, conferences and various activities. At this time, I become interested in gaining the maximum amount of skills which would allow me to successfully set up and run a company in the future. The University of Oulu seemed to be the perfect place for me, because I was able to tailor my curriculum through taking complementary lectures from other departments. Besides living abroad, working with the over 500 exchange students that come to the University every year was a wonderful opportunity through which to experience cultural diversity by living and working with people from all over the world.

When I arrived in Oulu, I did not speak Finnish, and every time I needed something, it was very difficult to find out information by myself, and I always had to ask a friend. It seemed that nothing was advertised, and that the best way to get information about events, job opportunities and so on, was to have someone in your network that already knew about them.
Furthermore, Oulu is an entrepreneur-oriented city where the start-up scene is very active. Several of my professors are entrepreneurs themselves. Many seminars and networking events were organized all around the year to allow people to make more contacts and develop their businesses, such as “Socializing Friday”, “Midnight Pitch fest” or “Mobile Monday”. Organizational structures like “Business Oulu” or “Business kitchen” are always available for entrepreneurs or people interested in setting up their own company, and helping them to have the best start.

Due to this wonderful eco-system, more and more people, especially students, are also considering entrepreneurship as a career path, including the international degree students and immigrants. To succeed in this context, these entrepreneurs also have to develop and activate their networks, to leverage contingencies, to learn to adapt themselves to their ecosystems and business cultures, especially when talking about immigrants. That is why I have been fascinated in developing a deeper understanding of the behaviour of immigrant entrepreneurs and in finding the elements which could help them to expand their business and to make it in their local environments, taking their businesses across borders into new areas.

1.2 Introduction to the phenomenon under research

In recent years, the study of the domain of entrepreneurship has shifted towards analysing the social behavioural styles, which would create new business opportunities (Saravasthy, 2008). Nowadays, companies are being placed more and more in the situation of exploiting resources and opportunities across national borders (Oviatt and McDougall, 2005). When talking about internationalization, many studies focus on analysing large corporations which have first built a strong presence in their domestic market before starting operations beyond their national borders (see, e.g. Johanson and Wiedersheim-Paul, 1975; Bilkey and Tesar, 1978). Before Oviatt and McDougall (1994), a few studies argued that an entrepreneurial firm could start its internationalization process from inception. Also, these studies focused on describing the processes of established companies without giving any information about what happen in the early stages, before the creation of the firm.
Usually, people think that the creation of a company is the result of a long planning process, when it is not. The success of a company is the juxtaposition of planned and unplanned strategies (Crick and Spence 2005) strengthened by various events (Aldrich 2001). Indeed, the creation of a company is a learning process caused by a series of encounters and happenings which contribute to shape what will become a new venture.

In others word, one’s network of entrepreneurs, the people one knows and their resources, have a significant impact on the success rate of new business start-ups (Johanson & Vahlne, 1977). Moreover, the properties of the entrepreneurial team also affect its chances of success (Leary & De Vaughn, 2009; Meewella, Mainela, Puhakka, 2011) to set up an international new venture (Andersson & Evangelista, 2006) or to take advantage of opportunities on a foreign market (Nordman & Melen, 2008).

Effectuation and its “making it happen” (Sarasvathy, 2004) view entrepreneurship as an “endogenous process of interactive human action striving to imagine and create a better world” (Sarasvathy et al. 2003: 155). Entrepreneurship is already known for its function of leading organizational and technological innovation into more productive services and products (Schumpeter, 1934). In the 1980s and 1990s, the creation of new ventures generated enough employment opportunities to overcome the destruction of more than five million jobs in big and more established businesses (Kirchhoff, 1997). Nevertheless, over 50% of new businesses close down during their first 5 years of activity (Aldrich, 1999). That is also why it would be interesting to apprehend the constituents of the success of new businesses and which role the entrepreneur’s behaviour plays in this story, as well as which of his characteristics are essential. Based on Sarasvathy’s observation (2004) of numerous entrepreneurs, when we look at the way they use words, the way they speak and the way they deal with people and problems; she makes the assumption that there must be elements that unite and guide their behaviour. However, traditional economics books do not say much about the processes of setting up new ventures, which are the genesis of big businesses (Blanchflower & Oswald, 1998), this thesis attempts to shed light on these elements.
To put it another way, the conception of a business requires the same amount of well-formed categorization and frugal projection as it requires the ability of solving problems and processing information. Entrepreneurs usually conceive new products, which incorporates social and individual signification (Douglas & Isherwood, 1982); this statement also works for markets (Fligstein, 2002). In creating new markets and businesses, entrepreneurs narrate stories (Lounsbury & Glynn, 2001) and negotiate/create new definitions through “metaphorical projection”, the coordination of the production and the delivery of quality goods and services at affordable prices (Sarasvathy, 2004).

Furthermore, several researchers have highlighted the fact that entrepreneurship and internationalization have comparable processes and that the entrepreneurship theories can augment the understanding of businesses’ internationalization patterns (Andersson, 2000; Johanson and Vahlne, 2009; Keupp and Gassman, 2009). Even though some studies have stressed the important role played by entrepreneurs (Andersson and Evangelista, 2006) more research studies are needed relating to entrepreneurs’ influence and decision making in an entrepreneurial and international environment (Andersson, 2011). In this context, entrepreneurship has two components, opportunities and persons who want to exploit them. Oviatt and McDougall (2005) also find these terms useful to define international entrepreneurship.

In her papers regarding effectuation, Sarasvasthy also points out Weick’s (1979) study, which states that the “environment does not directly affect an organization”. Decision makers interpret the firm’s environments and developed different cognitive patterns to issue different decisions and interpretations based on their previous experiences. Therefore, decision-makers or entrepreneurs are able to shape their surroundings through sensible decision making and enactment (Rasmussen et al., 2001). Regarding international entrepreneurship, it stresses the significance of investigating entrepreneurs’ lives and actions before they open their businesses, since it is during this time that entrepreneurs build the required mind-set which will allow them to discover international opportunities when others might not. In the effectuation theory, the entrepreneur is the centre of attention (Sarasvathy, 2001). An entrepreneur considered as an effectuator is “an imaginative actor who seizes
contingent opportunities and exploits any and all means at hand to fulfil a plurality of current and future aspirations, many of which are shaped and created through the very process of economic decision making and are not given a priori” (Sarasvathy, 2001, p 262).

Entrepreneurship is a creative discipline where the objectives, as well as the starting point, are generally unclear but defined along the course of the journey. Usually, the initial parameters are so mixed up and constantly evolving that it is difficult to make an accurate forecast and analysis, and therefore there is not one unique and optimal solution. The doors should then stay open for alternative scenarios (Mainela, Puhakka, 2009). Entrepreneurial behaviour is not limited to the context where one person opens a small firm (Shane, 2003), it could also be seen in a big multinational company, for example, when setting up a subsidiary (e.g. birkinshaw et al.2005) or an international joint venture (Mainela, Puhakka, 2009). Recently, many researchers have been advocating for more diversification of the context in entrepreneurship studies; the crossroad of international business and entrepreneurship has been a very interesting area (Mainela, Puhakka, 2009). Numerous studies on entrepreneurship have also suggested further research on effectual behaviours and opportunity discovery (e.g. Bruyat and Julien, 2000; Shane and Venkataraman, 2000; Sarasvathy, 2001; Davidsson, 2003; Dew et al. 2004; Zahra et al.2005; Chiles et al.2007; Hjorth, 2007). In this thesis, we answer this recommendation by scrutinizing an international immigrant entrepreneur’s behaviour through the lens of effectuation. An international immigrant entrepreneur is an entrepreneur based in a foreign country and exploring entrepreneurial opportunities across boarders.

It is known that immigrant entrepreneurs play an important role in the development of our society inside and outside the economic area (Chrysostome & Lin, 2010). The background of immigrant entrepreneurs also gives them a competitive advantage when developing international new ventures (Zollin& Schlosser, 2013). The analysis of the“ social remittances” (exchange of ideas, behaviours, identities and social capital and capital between an immigrant home and welcoming country) also highlights this statement (Levitt, 1998).
1.3 Purpose, problem and methodology

In this study, we are going to attempt to understand the behaviour of international immigrant entrepreneurs using effectuation through the pre-inception, the launch and post launch of an international new venture.

Effectuation is a promising theory to help develop entrepreneurship and the international entrepreneurship field. Effectuation stresses entrepreneurs’ ability to generate opportunities with a network of partners, and to seize opportunities when they are discovered, instead of starting the traditional strategizing and planning processes. Moreover, effectuation is an ideal way to illustrate what happens before the company is set up. Andersson (2011) also recommends carrying on more research on entrepreneurs’ behaviour instead of their competencies, including the period before they open their business. Indeed, the international business models which defend structural and strategical planning to help a company survive in a global and competitive market (Levitt, 1983, Barlett and Ghoshal, 1989, Ohmae, 1989) are not qualified to explain small firms’ internationalisation (Fletcher, 2004); internationalisation is fluctuating, iterative and processual, it does not happen following well-kept sequential stages as mentioned in product cycle models (Czinkota and Johnston, 1981, Churchill and Lewis, 1983, Reid, 1984; Ohmae, 1989; Dawes, 1995; Greiner, 1997). Besides, stage models are not sufficient to explain how entrepreneurs with a restricted amount of resources intuitively deal with international opportunities and learn from their previous experiences (Johannisson, 1987).

The effectuation theory, which was initially developed by Sarasvathy and the research of Oviatt and McDougall on the international new ventures, and by Chrysostome on immigrant entrepreneurship, would be paramount in this paper. Additionally, this thesis will attempt to give a better understanding of what happens before the birth of a company, since most of the studies on entrepreneurship and immigrant entrepreneurship have mainly focused on activities after the launch of a company. Simultaneously, it will also seek to augment our understanding regarding the development of new ventures in a Finnish context.
Therefore, using an auto-ethnographic approach, our longitudinal case study of Cisti Connexion from 2008 to 2015 will bring to light our phenomenon and allow us to determine how opportunity immigrant entrepreneurs do business in Oulu, northern Finland. Subsequently, we shall create more awareness of the framework of the international immigrant entrepreneurs’ entrepreneurial behaviour. In other word, which traits characterize international immigrant entrepreneurs’ behaviour?

So far, most of the research on immigrant entrepreneurship has been conducted in the United States, Australia, Canada and the United Kingdom (Chrysostome & Lin, 2010). With this paper, the subject will be approached, for the first time, from the perspective of Oulu (Northern Finland). This study will support the existing research by adding a new case, a new geographical region and deeper insights through the use of an auto-ethnography. It also aims to help decision and policy makers to plan better structures to encourage entrepreneurship among foreigners and international students.

In the upcoming sections, we are going to shed light on how entrepreneurs operate, and more specifically, international and immigrant ones. This is followed by the methodology section, which presents the motivation for making a qualitative longitudinal research using a single case study and an auto-ethnographic approach. Then, we shall go through the key actors and periods of our case study, Cisti Connexion, in 3 different phases of its development: pre launch, the launch and the post launch. In the past, many studies have demonstrated the importance of developing informal and formal business networks (Stephens, 2013), added to the fact that social capital is essential for economic activities (Turkina and Thai, 2013). Therefore, we shall discuss the importance for immigrant entrepreneurs to integrate themselves into their host country while capitalizing on their previous experiences/resources to develop connections outside their community when building up a new venture. Even though international business and international entrepreneurship need more papers regarding effectuation and more quantitative research (Chandler et al, 2009; Moroz and Hindle, 2012; Perry et al, 2012), we are aware that the results of this qualitative research are based on a single case and that further investigations should be done.
2 LITERATURE

2.1 Understanding entrepreneurship

Since Schumpeter in 1934, we already know that entrepreneurship plays a significant role in innovation, organizational and technological transformation and the creation of better products and services. Furthermore, new ventures are the drivers of our economy by creating enough jobs to compensate for dismissals in big companies. For example, during the 80s and 90s, start-ups offered enough employment contracts to cover over 5 million layoffs in larger corporations (Kirchhoff, 1997). Nevertheless, more than half of these new businesses cease their activity within the first 5 years (Aldrich, 1999). Therefore, we can wonder what the factors are that might explain the survival of certain ventures when others are closing down.

Almost all entrepreneurship theories have focused on the firm, when the entrepreneur himself may have a major influence on the direction a company is taking and its chances to succeed. For example, it has been proven that when an entrepreneur does not mind failing and that he is ready to do so a few times, it will considerably boost its success rate over the average company success rate in the economy (Sarasvathy, 2004).

It has been taken for granted that entrepreneurs have very small chances to succeed; and that the ones who do succeed do so based on factors beyond their control. Taking into account that every entrepreneur carries out their activities in the same macro-economic conditions; we must assume that entrepreneurs are able to impact their environment and affect the future of their company. Indeed “ firms are the product of individual abilities and expectations that are heterogeneous to begin with” (Sarasvathy, 2004). This statement reinforces the 1996 study made by Simon who considers the firm as the “output of the entrepreneur’s mind”.

That is why in this section we intend to better understand entrepreneurs’ behaviour and the processes they use.
2.1.1 Entrepreneurial behaviour

The majority of western countries offer some assistance and incentives to small businesses for them to succeed, including some fiscal ones. The governments of these countries do so because they also believe that entrepreneurs are beneficial for our society and face many obstacles when setting up their businesses (Banchflower & Oswald, 1998). As a matter of fact, we could wonder what are the general and personal attributes entrepreneurs would need to take off and overcome their drawbacks.

2.1.1.1 General attributes

Due to the notion of “intelligent altruism” developed by Simon in 1993, we can express that entrepreneurs who are willing “to depend on others and help others sustain in a group” have a higher probability to subsist and become leaders in their domain. These affirmations have also been backed up by the research carried out by De Waal in 2002.

Entrepreneurs could also be considered as risk takers who would give up a job offer in a big corporation (and the guarantees that go with it) to make their own fortune and multiply their capital, which are functions of their ambition and effort level (Goffee & Scase, 1987).

Based on the neo-classic approach, entrepreneurs are the portions of the population who decide to go after a business opportunity which is available to everyone. In this setting, the whole population is aware of the opportunity and its reward. However, entrepreneurs are the ones who will carry on due to their low risk aversion (Kanbur & Al, 1982; Khilstrom & Laffont, 1979; Grossman, 1984).

Based on the classic approach, entrepreneurs are exceptionally skilled and inventive persons who decide to go after a business opportunity that the rest of the population cannot see. In this context, entrepreneurs are revolutionary individuals who would rather have higher revenues through setting up their own ventures than through being employed. Furthermore they would also have a higher utility than “normal people”
who cannot go after this opportunity because they are not skilled enough (Knight, 1921, Schumpeter, 1939; Kirzner, 1973).

Furthermore entrepreneurs may “naturally be more optimistic and cheerful than others or feel forced to behave like that because the future of their business depends on them”, even though one of the biggest issues they are confronted with is finding additional capital. Many surveys have shown that the number one reason why people do not open their own company is due to a lack of capital. This is also one of the reasons most businesses are set up with money coming from their family. Indeed, bank are not willing to provide money to entrepreneurs unless they have collateral, since bankers do not have enough insight into the business to evaluate the true level of risk taken by the entrepreneur (Banchflower & Oswald, 1998). This brings us to talk more about the mind-set and personal features entrepreneurs would need to make a difference and impact their world.

2.1.1.2 Personal attributes

To select these characteristics, we have decided to focus only on the ones who would support the growth of the venture; since it is the “essence of entrepreneurship “ according to Covin and Slevin (1997). Furthermore, venture growth “reflects personal and market performance gains” and is easy to measure (Kirzner, 1985); not to mention its social and economic benefits and new job opportunities it generates (Aldrich, 1999).

Therefore, the personal characteristics that we could mainly find among entrepreneurs that would help them expand their businesses and overcome adversity are: passion, tenacity, self-efficacy, the ability to acquire “new resource skills”, communicate their vision and setting goals (Baum & Locke, 2004).

Being passionate about their work and what they are doing has been pinpointed as the key characteristic of the greatest entrepreneurs, like Michael Bloomberg or Bill Gates, Ken Iverson or Mary Kay Ash. “ Their enthusiasm for a type of business, their zeal for work, was so intense that they worked through financial barriers and challenges to their new products and their new ways of marketing” (Locke, 2000).
According to Simlor (1997), passion is the most observed attribute among entrepreneurs. Indeed, “entrepreneurial behaviour is passionate and full of emotional energy, drive and spirit” (Bird, 1989).

Tenacity is the ability to keep going and pursuing one’s objective even when times are tough. Tenacity is considered as a primordial property (Bass & Stogdill, 1990) because the entrepreneurial journey also entails overcoming a large amount of obstacles in order to enter the desired market (Gartner, Gatewood and Shaver, 1991). “Entrepreneurs who hold stubbornly to goals and who hate to give up increase their chances of start-up survival and success” (Timmons, 2000).

Communicated vision is a “projected mental image” of what the entrepreneur wants to accomplish (Bass & Stogdill, 1990). It is a dream and motivational tool, which represent the values and results he is aiming towards (House & Shamir, 1993). The vision could be “formal or informal” and positively affects the business (Collins & Porras, 1991). Founders often envision wealthy and growing pictures of the company they want to set up (Bird, 1989). A communicated vision would allow the entrepreneur to have an additional tool to adjust his employees’ objectives to his objectives (Locke, 2001). The vision could be delivered through the entrepreneur’s attitude but also through “speeches, pep talks and written presentations” (Tichy & Devana, 1986).

New resource skill is the ability to gather and organize the necessary resources to open and build up the company. New resource skill includes raising capital, establishing the company processes, finding the right staff and human resources duties (Bhide, 2000; Stevenson, 1985). Indeed, “entrepreneurship has been described as the acquisition, combination and redeployment of resources to provide new products and services through new organizations” (Bygrave, 1993). New resource skill also implies having different types of abilities, such as communicating to stakeholders the bigger picture of the venture (House & Shamir, 1993).

Self-efficacy could be defined as “task-specific self-confidence” (Bandura, 1997) and it covers the previous experiences, the achievements and the assessment one makes from his capacity to capitalize on his previous experiences. Self-efficacy goes
with aptitude and competence, which are practical criteria to evaluate the action of an entrepreneur. “Individuals who are confident that they have the requisite entrepreneurship capabilities (in terms of risk-taking and business expansion) are more likely to choose an entrepreneurship career (C.C Chen, Greene and Crick, 1998).

In entrepreneurship, goals are critical indicators of new firm survival (Carsrud & Krueger, 1995) and venture growth (Covin & Slevin, 1997). Setting “specific and challenging goals” engenders higher results and is an excellent motivator for groups and individuals (Landy & Becker, 1987; Locke & Latham, 1990, 2002). Defining high goals could result in high performance; even though it considerably raises the level of risk (Knight & Al, 2001). On the other hand, it could also lead to total disaster if the risks are unrealistic (Bandura, 1997); the same situation goes with overconfidence (Audia, Locke and Smith, 2000).

Over all, the attributes listed above only represent the most significant ones needed to develop a venture. For example, we could also add attributes like being proactive and energetic, which are related to entrepreneurial qualities like the vision (House & Shamir, 1993). Personal attributes could be decisive in explaining entrepreneurial success (Sexton, 2001; Smith & Smith, 2000); however, some of them, like passion and tenacity only have an indirect effect when building up a company (Baum & Locke, 2004). To find the most conclusive explanation for entrepreneurial behaviour, we would also need to understand the way, they think, interact with people, approach and solve problems (Sarasvathy, 2003).

Over the past years, many studies have been conducted to shed light upon entrepreneurial processes and reasoning. These studies could fall into 13 main categories of theory: Developmental, evolutionary, complexity and chaos, interpretive, phenomenological, narrative, dramaturgical, discursive, social constructionist, pragmatist, practice-based, and approach and radical processual (Steyaert, 2007). Nonetheless, to continue our analysis of entrepreneurial behaviour, we are going to focus on the effectuation theory, which has its roots in the pragmatist category of the process approaches. “Effectuation as a form of making it happen (Sarasvathy, 2004) understands entrepreneurship as an endogenous process of
interactive human action striving to imagine and create a better world” (Sarasvathy & Al, 2003).

2.1.2 Entrepreneurial behaviour from the effectuation perspective

During the last decades, effectuation has been an interesting topic for many researchers. “Effectual reasoning” intends to explain entrepreneurial behaviour by analysing the habits and the way successful entrepreneurs act in certain situation; it also contrasts with “causal reasoning” (Sarasvathy, 2001a). Let’s discover the genesis of the effectuation theory before tackling its core principles.

2.1.2.1 Inception of the effectuation theory

Until the introduction of the effectuation theory, the traditional theories assumed that entrepreneurs were manoeuvring in a predictable environment, where all the parameters were known. The effectuation theory stands out by stating that entrepreneurs are performing in an uncertain context (Dew & Sarasvathy, 2002). Subsequently, effectuation contests the economic principle of the maximization of the utility. It also stresses the entrepreneur’s role in building, influencing and shaping his society (Sarasvathy, 2002).

Effectuation is considered as the flip side of causation. Whereas causation assumes that decisions are made in a pool of pre-existing solutions; Effectual entrepreneurs relentlessly create different solutions themselves with the support of their stakeholders (Sarasvathy, 2003).
Causal models are running in a comfortable and small environment based on the following hypothesis:

- The objectives are well defined and given
- A well defined context which allows accurate forecast
- An “independent environment” / market, which acts as a filter to allow effective decision-making.

Indeed, in this utopic setting, there is no room for autogenous markets, Knightian uncertainty and ambiguous objectives. This is where effectuation is needed to explain how an entrepreneur would behave when the rules of the games are not set, the future is unclear and people do not truly know their preferences (Sarasvathy & Simon, 2000).

The effectual pattern describes how entrepreneurs build markets and their companies. Its principles go against the ones taught in traditional MBA lectures (based on causal reasoning) and their way of approaching a market to find new business ideas. By analysing the behaviour of expert entrepreneurs and their problem solving methods when developing their firms, Sarasvathy deducted in 2003 that:

- “Natural laws “ affect but do not command our actions
- We should take every opportunity not to use prediction to make our decisions
Our cognitive capacity and limited rationality only allow us to reach a “local optimal” (locality). Furthermore, unexpected events (contingency) can affect our actions. However, we can adapt and learn from these events or past experiences and turn them into new opportunities.

For actions and an organisation to be effective in the long run, it is important that they are near decomposable. “A complex system is near decomposable if it is comprised of a number of interconnected subsystems in such a way that elements within any particular subsystem interact much more vigorously and rapidly with each other than do elements belonging to different subsystems”. The behaviour of the subsystems in a nearly decomposable system are pretty independent of each other in the short term. Furthermore, if something happens to one of the sub-systems, it almost does not affect the other subsystems (Simon, 1969).

In a nutshell, “effectuators do not ignore external constraints imposed either by the environment or by events outside their control. Yet, they do not let these constraints dictate the designs of their firms. Similarly, effectuation emphasizes non-predictive strategies over forecasting; and embraces locality and contingency as levers to shape opportunities” (Sarasvathy, 2003). Next, lets discover the core principles of the effectuation theory.

2.1.2.2 Core principles of the effectuation theory

As you might have already understood, effectuation allows us to solve problems when our future, our goals and our environment are unclear. In such circumstances, we should not immediately start by defining an action plan and take some pre-existing roads to achieve our objectives, which have already been defined. Preferably, we should start from where we are, who we are, what we know and whom we know and do the things we can do. By constantly interacting with our stakeholders and getting them to commit to a certain part of the creation process, we shall be able to co-create new means, objectives and transform our world while going forward. In this world, nothing is set in stone; everything is possible through consultation and negotiation with the actors of our environment. Therefore, no need for extensive planning and forecast, since we can control our future by getting our
stakeholders to commit to create it with us. As Nelson Good said “We have to come to think of the actual as one among many possible worlds. We need to repaint that picture. All possible worlds lie within the actual one” (Sarasvathy, 2003).

![Fig 2. Emphasis on prediction and control (Sarasvathy and al, 2008)](image)

This brings us to explain the core of the effectuation theory (Sarasvathy, 2003):

1. “Affordable loss rather than expected returns”

Causal models aim at maximizing the return for every decision by choosing the optimal solutions. On the other hand, effectual entrepreneurs would determine an affordable loss level. Then they would experiment with as many scenarios as possible within their loss limit. Effectual entrepreneurs prefer scenarios which would create more opportunities in the long run than the ones which focus on maximizing returns in the short term.

2. “Partners rather than competitive analyses”

Causation models privilege competitive analysis. Effectuation stresses partnerships and encourages stakeholders to commit to prevent uncertainty and build entry
barriers. This way, the entrepreneurs can control the future as things have been agreed beforehand.

3. “Leveraging contingencies rather than avoiding them”

Causation models are better when “pre-existing knowledge” could be considered as a competitive advantage. However, effectuation is better when it comes to making the best out of unexpected events and a blurred context.

Tab 1. Causational vs. Effectual principles (Sarasvathy, 2001a)

<table>
<thead>
<tr>
<th>Causational principles</th>
<th>Effectual principles</th>
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<tbody>
<tr>
<td>Competitive analysis</td>
<td>Strategic partnerships</td>
</tr>
<tr>
<td>Expected return</td>
<td>Affordable losses</td>
</tr>
<tr>
<td>Exploitation of pre-existing knowledge and prediction</td>
<td>Leverage of contingencies</td>
</tr>
</tbody>
</table>

After understanding the entrepreneur’s behaviour, in the following section we are going to focus on the characteristic of the international entrepreneurs. Due to the rise of technological changes, competition and less restrictive trade barriers, many companies start their international operations from inception or pretty soon after it. An important part of their turnover also comes from activities out of the domestic market. These kinds of companies are often known as born global, international new ventures or early internationalizing firms (Rialp et al, 2005).

In 1994, Oviatt and McDougall (pioneer in this area) define an international new venture as “a business organisation that from inception seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries”. International new ventures (INVs) are a recent but global phenomenon. Even though, this phenomenon has initially been observed in high-tech companies, we can also find INVs in services, aquaculture and others industries (McDougall, Shane, Oviatt, 1994).
INVs have been seen as a growing phenomenon (Brokaw, 1990; The Economist, 1992,1993; Gupta, 1989; Mamis, 1989), which has led many researchers to begin focusing on them (Jolly, Alahuhta, Jeannet, 1992; Oviatt et al, 1994; Ray, 1989). The boost in the number of INVs has significantly contributed to a growth in the international entrepreneurship research field. This research field has been concentrating on the interdependence between entrepreneurship and international business (Rialp et al, 2005; Keupp, Gassman, 2009).

2.2 Understanding international entrepreneurship

Next, we are going to focus on understanding the international entrepreneur’s characteristics and their attitudes toward new venture creation and opportunities. Then, we shall pinpoint how these characteristics and behaviours relate to the effectual principles.

2.2.1 What is international entrepreneurship?

2.2.1.1 The essence of international entrepreneurship

During the last 20 years, the international entrepreneurship (IE) field has grown considerably by bringing together such fields as strategic, management, network, marketing, entrepreneurship and international business (Peiris, Akoorie, Sinha, 2012). International entrepreneurship (IE) surfaced as a research field at the beginning of the 1990s due to the rise of international new ventures (INV), which were considered as an anomaly of the existing internationalisation models since they were not following the traditional patterns (Oviatt and McDougall, 1994; McDougall and al, 1994).

Indeed, the 5 main international business theories which are the product cycle theory (Vernon, 1966), the monopolistic advantage theory (Hymer, 1976; Caves, 1982), the
stage theory of internationalization (Johanson, Vahlne, 1977, 1990), the oligopolistic reaction theory (Knickerbocker, 1973) and the internalization theory (Hennar, 1982; Rugman, 1981; Buckley, Casson, 1976) were not able to describe the INV creation process. The older theories were analysing large and mature businesses at the firm level instead of focusing on the entrepreneur, his team, his social network and partnerships. Additionally, these main theories assumed that companies can only start their internationalization process a long time after their creation (McDougall, Shane, Oviatt, 1994).

In order to link the IE field and the entrepreneurship one, in 2000, McDougall and Oviatt gave a definition of IE, which stressed “brokering, resource leverage or stretching value creation and opportunity creation through a combination of innovative, proactive and risk seeking behaviour”. This definition also suggests that “all international activities are entrepreneurial”. Therefore entrepreneurship is not only limited to start-ups but also take into account “entrepreneurial behaviour” that emerges later on when the business is developing. This definition also applies whether we are dealing at the organisation, group or individual level (Zhara, Al, 2000). Entrepreneurship is considered as a key element of the internationalization process (Johanson, Vahlne, 2009; Schweize, al; 2010; Harms, Shield, 2012). The introduction of the notion of “opportunity discovery and opportunity exploitation “ (Zhara, George, 2002) were later on acknowledged as a significant contribution to the IE and entrepreneurship field (Chandra, Al, 2009; Johanson, Vahlne, 2006, 2009; Freeman, Cavusgil, 2007; Butler;Al, 2010).

Contrary to what is said in the product or market life cycle models, “internationalization is a processual, iterative and fluctuating and does not occur in neat sequential stages” (Czinkota, Johnston, 1981; Churchill, Lewis, 1983; Reid, 1984; Ohmae, 1989; Dawes, 1995, Greiner, 1997). These models do not take into account the way entrepreneurs with restricted resources react to international opportunities and their learning curve from these experiences (Johannisson, 1987). “International business is constituted by a variety of transactions and exchanges that are carried out across national borders to satisfy the needs of individuals customers and organizations” (Rugman, Hodgetts, 1995; Czinkota, Al, 1996). By having a closer look to the practices of small enterprises, we can find out the importance of
“incremental process through which entrepreneurs build international relationships and transactions” (Buckley, 1991; Anderson, 1993; Calof, Beamish, 1995; Bell, Young, 1996; Jones, 1999). These elements reinforced the need for Oviatt and McDougall to update their definition, which became in 2005, “international entrepreneurship is the discovery, enactment, evaluation, and exploitation of opportunities across national borders to create future goods and services”.

This new definition created even more synergies between IE and others research fields and expanded the concept to every category of businesses regardless of their size and degree of internationalization (Peiris, Akoorie, Sinha, 2012). The notion of “entrepreneurial intention” (Styles, Seymour’s, 2006) also stresses some fundamental elements of IE research like human action, innovation, creativity, learning and value exchange. It is also a gateway to understand what happens before a firm is established (“pre-founding stage”) which is also seen as an important factor in understanding the internationalization process of the firm (Arenius, Al, 2005; Evald, Al, 2011; Prashantham, Dhanaraj, 2010; Rialp-Criado, Al, 2010).

Here, attention is focused on the fact that entrepreneurship is made of two elements: opportunities and individuals who are willing to exploit them (Peiris, Akoorie, Sinha, 2012). Agreeing with Weick’s (1995) notion of enactment, McDougall and Oviatt (2005) stress the fact that opportunities are not just present in the environment, but that entrepreneurs have the ability to interpret their environment differently and that some may see opportunities where others do not.

2.2.1.2 Opportunities and international entrepreneurs’ behaviour

“The concept of entrepreneurship has changed drastically” (Eckhardt, Shane, 2003). In the old days, it was seen as opening a business or a running a small firm. Nowadays, entrepreneurship is seen as “discovering new opportunities and realising them “regardless of the context (Shane, 2003). Here, we are trying to get a hang on the international entrepreneur’s behaviour that creates a competitive advantage for the firm from the identification of an opportunity to its exploitation (Peiris, Akoorie, Sinha, 2012).
“The IE process starts with the exploitation of international entrepreneurial opportunities (Oviatt, McDougall, 2005a; Ellis, 2011) discovered by individuals (Venkataraman, 1997). Indeed, the IE process is initiated and follows the aspiration and behaviour of the entrepreneur or the entrepreneurial team (Etemad, 2004a,b).

There are 3 main approaches in international entrepreneurship theories (Peiris, Akoorie, Sinha, 2012). The first one formulates that the entrepreneur, the firm and his environment are the primary concepts of the IE theory and stressed the need for understanding entrepreneurial behaviour (Jones, Coviello, 2005; Etemad, 2004a) before Johanson and Vahlne (2006) highlighted that attributes such as commitment and knowledge contribute to the success of the internationalisation process (Matthews, Zander, 2007; Greorio; Al, 2008; Muzychenko, 2008). The second one highlights the importance of the “right mind-set, the development and impact on choice of opportunities and value creation in foreign markets” (Peiris, Akoorie, Sinha, 2012). The “cognitive perspective (motivation and influence of environment, experience, mental models, self-efficacy, learning, heuristics)” affects the identification and the exploitation of the opportunity. Indeed, the mind-set and mental models of entrepreneurs have an important impact on internationalisation decisions (Zahra, Al, 2005). The cognitive perspective also affects the entrepreneur’s ability to react to an opportunity in an international and uncertain environment by using creativity (Butler, Al, 2010). The third one, the effectuation theory of Sarasvathi (2001), (we are going to develop it further in the subsection 2.2.2) has been useful to understand venture pre-inception and inception from the entrepreneur and network perspective (Andersson, 2011; Evers, O’Gorman, 2011), the impact on entry modes (Harms, Schiele, 2012) and the exploitation of contingencies and decision making (Schweizer, Al, 2010; Mort, Al, 2012).

In regards to character development, the core attributes of the international entrepreneur are risk taking, pro-activeness and innovativeness. Brought together they are called “entrepreneurial orientation” (EO). EO is known to impact the performance and growth of a venture (Covin, Slevin, 1991; Lumpkin, Dess, 1996; Miller, Friesen, 1978). Creativity is also an important factor, as it allows the entrepreneur to make an original combination of resources and inventive outcomes (Brazeal,Herbert, 1999; Kirzner, 1999; Ward, 2004; Ko, Butler, 2007; Wiklund, Al,
As with creativity, self-efficacy has a critical role in the internationalisation process (Styles, Seymour, 2006) since it determines the level of effort and perseverance towards adversity. It plays a role in the ability of entrepreneurs to see opportunities instead of risks and affects their level of engagement in pursuing international opportunities (Chen et al, 2004; Bandura, 1997). Entrepreneurs’ marketing skills also shape internationalization (Fillis, 2001).

Alertness, creativity, cognition, previous knowledge and being optimistic are attributes, which are related to opportunity identification (Ardichivili et al, 2003; Butler et Al, 2005; Gaglio et Katz, 2001). However, learning is an important attribute (Corbett, 2005) as it contributes to bringing together the other different attributes of entrepreneurs thanks to its previous and existing stock of knowledge (Kolb et Al, 2001; Rae et Carswell, 2001). “Entrepreneurial abilities are dependent on how we acquire, store, transform and use information” (Baron, 2004; Peiris, Akoorie, Sinha, 2012). “Knowledge refers to what is known (either explicitly or tacitly) and learning refers to the process by which knowledge is generated” (Harrison et Leitch, 2005). Knowledge and learning influence the internationalization process (Autio et Al, 2000). Learning by doing or through direct observation are the means by which entrepreneurial learning happens (Minniti et Bygrave, 2001). In others words, Johanson and Vahlne (2009) declared, “opportunity development is an interactive process characterised by gradual development of experiential learning”.

Coming back to the role of knowledge, which is considered as a “key value adding resource of a firm” and “a central enabling and driving resource (Yli-Renko et Al, 2002), knowledge is important for 3 reasons: 1) every discovery of opportunity is knowledge, 2) knowledge supports upcoming opportunity discoveries and their evaluation, 3) knowledge contributes to the development of capabilities that lead to the exploitation of these opportunities (Markman, 2006).

Finally, it is important to mention that the identification of an opportunity is also an “intentional process” and “intentions are a strong indicator of planned behaviours (Krueger et Al, 2000). In strategy literature, intentions are treated as the goals of the company founding members or its representatives (Katz and Gartner, 1988). The IE field also recognize the strong and positive impact of the manager/entrepreneur’s
vision and intentions on the company internationalization process (Bird, 1988; 1991). The entrepreneur, the firm, his network and environment influence these. The firm is “a bundle of resources (tangible and intangible) that is static in nature without human intervention, and the whole process is embedded in the external environment context “ (Peiris, Akoorie, Sinha, 2012). Fig 3 below gives us a better understanding of the opportunity development process.

Fig 3. An integrative model of IE. IOD* international opportunity development, Ent entrepreneurial, Int international (Peiris, Akoorie, Sinha, 2012)

In the end, opportunities do not come with clear labels and interpretation (Pfeffer et Salancik, 1976). Each individual is responsible for giving a meaning to these happenings. Entrepreneurs are not able to pursue every opportunity in their environment and need to choose the ones to follow (Weick, 1995). Therefore, based on possible gains, risks, added-value and losses, they pursue the ones which are worth it (Gartner et Al, 2003). Pursuing an opportunity does not necessarily require having specific intellectual skills that have to be in place beforehand. Even though the process of discovering an opportunity can be considered a stroke of luck; when we look back we realize that international opportunities follow some patterns which are constantly constituting and reconstituting themselves in the present. The
enactment of an opportunity is not only due to the fact that the opportunity was available at a certain point in time. It also requires entrepreneurs to recognize it and do something about it at this moment. “Social construction processes“ are then fundamental when it comes to IE (Fletcher, 2004).

Social constructionists are more interested in getting to know why people are the way they are and how the world is built through communications, discussions, relations, coordination and joint operations. “They emphasize the social self but focus on the interactive (rather than cognitive) aspects of social or international being and becoming” (Bouwen et Steyaert, 1992; Steyaert, 1998; Fletcher, 2004). When it comes to entrepreneurship, social constructionist theories highlight how entrepreneurs are continuously assessing information, processing various options and capitalizing on their past experiences when interacting with stakeholders, suppliers or customers. “In this way international entrepreneurship is a construction of the past in the present that is then envisioned in the future” (Fletcher, 2004). Therefore, entrepreneurs are able to recognize an opportunity because they can visualize what is going to happen in the future (Gartner 1993, Johannisson, 2000). According to Fletcher (2004), IE, from a social constructionist perspective, is “the creative enactment and envisioning of future scenarios and opportunities for service/product/organizational transformation that are socially constructed and realized through joint cross border coordination”. This makes us wonder about the relation between IE and the effectuation theory, which will be developed further in the upcoming section.

2.2.2 International entrepreneurship and effectuation

Due to the multi-theoretical and multi-disciplinary nature of IE, Jones et Al (2011) asserted that the future of IE would be in research advocating an iterative approach of debate, conversation and testing. They also encouraged researchers to carry on further studies, which would bring IE and effectuation together, including on the theme of opportunity recognition (that they consider as under studied). “Effectuation posits a theoretical framework describing how expert entrepreneurs utilize resources
within their control in conjunction with commitments and constraints from self-selected stakeholders to fabricate new artifacts such as ventures, products, opportunities and markets” (Sarasvathy, 2001; Wiltbank, Dew, Read, Sarasvathy, 2006). The effectuation is often used as a general theory to understand decision making with an uncertain environment (Sarasvathy, 2008, p.227); it also emphasizes the active role of the entrepreneur and its team in shaping the future (Sarasvathy, 2008, p.87).

Effectuation has been used in different areas like economics (Dew et al, 2004), management (Augier and Sarasvathy, 2004), finance (Wiltbank et al, 2009), R&D (Brettel et al, 2012) and marketing (Read et al, 2009a). The effectuation logic also fits the internationalization theory, which also features decision-making issues in uncertain contexts (Jones and Coviello, 2005; Schweizer et al, 2010). Jones and Coviello (2005) emphasized the link between entrepreneurship and internationalization by defining internationalization as an “entrepreneurial process of behaviour in time” (p.284) and by considering the international new venture creation (INVC) as an uncertain process. The seminal work of Johanson and Vahlne (1977) supports these statements, as the limited amount of knowledge about the foreign market makes the internationalization process uncertain. Furthermore, they asserted that opportunity (which can be created and discovered by entrepreneurs) is the principal element of knowledge, which leads the internationalization.

Naturally, the effectual entrepreneur exploits contingencies as a new business arises (Sarasvathy, 2001). Therefore, when it comes to internationalization, effectuators would seize opportunities that pop up; while entrepreneurs using causation would have a tendency to be involved in international activities, which utilize existing capabilities (Harms, shield, 2012). Indeed causation follows the traditional international business course books which teach internationalization (Sarasvathy, 2001) as a series of steps: selecting a target market, defining goals, choosing the entry mode, planning the operations and entering the chosen market (e.g., Root, 1994); this approach assumes that decision makers are fully aware of all the parameters which will allow them to make rational decisions and maximise their profit when selecting the entry mode (Maignan and Lukas, 1997). Alternatively, Crick and Spence (2005) argue that some entrepreneurs started their
internationalization process due to people they have met during an alumni reunion, their vacation or an employee with an international connection. Furthermore, Calistan et Al (2006) stressed that entrepreneurs may not always have the time to go through careful and rational planning, especially in dynamic markets like the high-tech one. By developing their awareness for opportunities, entrepreneurs could easily adopt emergent strategies (Crick and Spence, 2005).

Effectuation is ideal in contexts characterized by uncertainty and high risks, while causation works better in situations where we can plan the outcome. Effectuation goes with emergent strategies and consists of a selection of different solutions based on strategic partnership and loss affordability (Sarasvasthy, 2008). “Effectuation processes are not driven towards one goal. Instead they start from a given set of the entrepreneur’s characteristics (traits, tastes and abilities), what they know (Knowledge corridors) and who they know (social networks)” (Sarasvathy, kumar, York, Bhagavatula, 2014). This supports the statement concerning the important roles that individuals have in a business international development (Andersson, 2000; Andersson and Evangelista, 2006). In this section, we are going to shine light on the relationship between effectuation and IE, especially in terms of opportunity and new venture creation.

2.2.2.1 General synergies

Various studies from different industries have proven that expert entrepreneurs generally use a set of effectuation attributes (Read, Song, Smit, 2009; Sarasvathy et Dew, 2005; Wiltbank, Read, Dew, Sarasvathy, 2009). As mentioned earlier, the effectuation theory lies on four main principles: affordable loss, means orientation, leveraging contingency and building partnerships (Dew, Read, Sarasvathy, Wiltbank, 2009). Nevertheless, effectuation is also a dynamic mechanism with two parallel cycles of constraining goals and acquiring means. These cycles consist of increasing the amount of available resources of the business, while the other one collects data about the business, which will end up being used to form tangible goals (Sarasvathy, 2008, p.101; Sarasvathy & Dew, 2005,p.543).
After this short reminder about the essence of effectuation, we have enough background to look at the correlation between effectuation and IE. There are 3 main features of doing business in different countries that require entrepreneurship and effectuation, especially:” Cross-border uncertainty”, “limited resources” and “network dynamics” (Sarasvathy, kumar, York, Bhagavatula, 2014).

“Cross-border uncertainty”:

Internationalization processes add more uncertainty to the business environment, even when we are talking about well-established companies in mature markets. This means that non-entrepreneurial firms might also have to develop an entrepreneurial mind-set to handle the problematics related to conducting operations in different countries.

As mentioned above, the decision to internationalize is a process and not the result of a planned and deliberate strategic decision made on a defined date. The two traditional models on this topic, which are the internationalization model ( Johanson & Vahlne, 1977); Johanson & Wiedersheim-Paul, 1975) and the innovation model (Cavusgil, 1980), both support the process perspectives and therefore fit the effectual logic pretty well. IE and effectuation both stress the importance of entrepreneurs’ prior knowledge or experience and networks; more specifically, having international networks are key criteria of INVs. However, the effectual model only adds the endogeneity and dynamism to the IE perspective. This stresses the fact that who the entrepreneur is and his past matter, but that he also affects his environment. In others words, it means that opportunity, competition or technology are affected by the perception of the entrepreneur but these elements can also be reshaped by the entrepreneur and his stakeholders’ actions (Venkataraman, Sarasvathy, Dew, Forster, 2012).

The effectual principles that state the importance of who the entrepreneur is (named “bird-in-hand” by Sarasvathy in 2008) and that he can shape his own version (named “pilot-in-the-plane” by Sarasvathy in 2008) of the future are very useful when dealing with cross border uncertainty (Sarasvathy, kumar, York, Bhagavatula, 2014).
“Limited resources”

Dealing with risks, such as economic, political and sociocultural ones are pretty usual in IE and international business. However, doing it with a limited amount of resources requires an entrepreneurial way of thinking.

Effectuation principles also offer alternatives to deepen the IE field. In a study concerning 87 new ventures and their 212 foreign market entries, Shrader, Oviatt and Mc Dougall (2000) revealed how entrepreneurs may deal with the various risks they face when operating in different countries by taking advantage of the simultaneous exchanges between these risks. One of the examples of the study showed the affordable loss principle, which was that selling goods or services in a risky country goes with using an operating mode that was using less resources (Shrader et Al, p.1243). This is an example that shows how a firm could start its internationalization rather than whether it should do it. Affordable loss could be used both with an effectual or causal approach (Dew, Sarasvahty et Al, 2009).

Another aspect is that effectuators consider all resources as fungible. Being fungible is not a characteristic of their resources but a side effect of their attitude towards leveraging contingencies (principle named “lemonade” by Sarasvathy in 2008) (Dew, Sarasvathy & Venkataraman, 2004). The way people use resources is more important than the intrinsic characteristics of the resources themselves. Indeed, quality rather than quantity, creativity and innovation are necessary when internationalising (Prashantham & Dhanaraj, 2010; Yli-rneko, Autio & Tontti, 2002). By leveraging the resources and by taking into account that depending on the entrepreneur we can end up with a totally different output, we could also recognize the effectual principle that effectuators can shape the future (Autio, George, Alexy, 2011; Prashantham & Floyd, 2012).

“Network dynamics”

Building and managing networks at the personal, organization or inter-organizational level are pretty difficult tasks when operating in different countries because of
cultural and geographic distances, which increase the communication problems (Jon et Al, 2011). Therefore an entrepreneurial mind-set is also needed.

Effectuation logic could also be found in the IE literature when we look at the role social capital and networks play in cross border operations (Sarasvathy, kumar, York, Bhagavatula, 2014). Indeed, much attention has been given to social capital and social networks in the IE field (Chen & Chen, 1998; Coviello & Munro, 1997; Ellis & Pecotich, 2001; Harris & Wheeler, 2005; Quiu, 2005; Rutashobya & Jaensson, 2004; Sharma & Blomsterno, 2003). Furthermore, Ellis (2011) has proven the value of social ties as a driver of internationalization and their ability in generating success. This reflects the “whom you know “ parameter of the effectuation logic. Though Coviello (2006) highlighted for IE what effectuation advocates for resources in general, that the networks themselves do not matter but it is what entrepreneurs do with them that does. The findings from Coviello then bring up an “effectual model of network dynamics” in the IE field. Besides, Coviello (2006) discovered that these network dynamics are determinant in “pre-internationalization, pre-growth and even pre-commercialization” (p.723), which support Sarasvathy and Dew (2005)’s effectual dynamic model. As argued in the Uppsala Effectual model, internationalization is a “by-product of the entrepreneurs leveraging their extant networks to move their ventures forward (Johanson and Vahlne, 2009).

In a globalised and technological economy, entrepreneurs (or entrepreneurial managers) are confronted with a lot of uncertainties. As long as they are aware of these uncertainties, they will discover that it is impossible to make rational prediction in a context featuring Knightian or complete uncertainty (Knight, 1921). While they improve their ability to cope with Knightian uncertainty, they also acquire know-how in effectual techniques and strategies. Effectuators would also have some advantages when internationalizing their business, such as a creative way of using their relationships, resources and exploiting contingencies (Schweizet et Al, 2010; Sarasvathy, Kumar, York, Bhagavatual, 2014). Entrepreneurs try to focus on what they can do with the resources they have available (effectuation rationality) instead of planning what they should do given some specific goals (predictive rational view). Effectual rationality often correlates with the “unintentional internationalization” of a
firm as the result of an entrepreneurial or managerial endeavour (Shweizer et al., 2010). By interacting with other people in order to refine their products and get stakeholders to commit (a principle named “crazy-quilt” by Sarasvathy in 2008), effectuators avoid dealing with formal planning.

Though effectual approaches enable entrepreneurs to create new markets at a lesser cost of failure, causal ones can contribute to secure and set up effective leadership processes in those markets. Effectuation and causation are both required regarding the survival and the growth of established firms. Expert entrepreneurs who intend to set up a large company instead of a portfolio of several small ones, have to know how to master both effectual and causal techniques and when to use them, whether independently or together (Sarasvathy, Kumar, York, Bhagavatula, 2014; Harms, Shiele, 2012).

2.2.2.2 Opportunity, new venture creation and effectuation

We know that decision-makers shape their environment through sense making and enactment (Rasmussen et al., 2001). Nevertheless, the previous experiences of the entrepreneurs affect their cognitive and interpretation mechanisms (Weick, 1979). In the field of IE, this stresses the need of studying and finding out what entrepreneurs do before they start their company, since it is during this time that entrepreneurs develop the characteristics and mind-set which will allow them to see international opportunities where others cannot. Thus, effectuation enables a better understanding of entrepreneurs’ decisions concerning internationalisation and early internationalisation processes (Sarasvathy, Kumar, York, Bhagavatula, 2014).

As mentioned earlier, effectuation and causation are not systematically antagonistic notions; they can also complement each other. For example, causation supports pretty well effectuation characteristics, such as pre-commitment and affordable loss (Chandler et al., 2009). One of the essential decisions that concerns internationalisation involves the entry mode (Chandler and White, 2008), since it is hard to revoke and it has long lasting effects on a firm (Morschett et al., 2010). The entry mode is the institutional disposition that a business takes to enter an international market (Anderson and Gatigana, 1986).
New venture creation using effectuation focuses on flexibility, affordable loss and pre-commitment by expanding one’s network. These elements will be taken into consideration when choosing the international entry mode (Harms and Shield, 2012). First of all, businesses have a tendency to follow their customers when they start operating in a foreign country (Eriksson et Al, 2000; Erramilli and Rao, 1993; Madsen and Servais, 1997). This shows the importance of pre-commitment subsequent to a decisions based on affordable loss. Additionally, we can also find a high level of customer orientation among INVs (Madsen and Servais, 1997). Since companies with a high level of customer orientation are flexible with their customers’ requirements, we can say that flexibility is an important factor in the internationalisation process. Furthermore entrepreneurs with a lot of international experience usually use effectuation. However, having lots of internationalization experiences does not mean that entrepreneurs will use a higher dose effectuation (Harms, Shield, 2012).

Harms and Shield (2012) highlighted that decision-making processes have an impact when it come to international business, while adding effectuation among the international business theories. They assert that the market entry mode is not determined by uncertainty, by experience nor the company demographic. However, when effectuation cannot not predetermine the market entry mode which will be used, they point out that businesses which are using causation usually choose exporting as their entry mode rather than ones involving equity. Indeed entrepreneurs using causation often refuse to follow opportunity within their network or entry modes, which require a high level of commitment to the market. Furthermore, they also assert that psychic distance goes with causal behaviour. The psychic distance is “the individual’s perception of the differences between the home country and the foreign” one (Sousa and Bradley, 2006,p.51). Since entrepreneurs consider psychic distance as an information gap that they could cover with more planning, they do not therefore consider it as an uncertain situation.

Finally, we could also assert that the creation of a new venture is about reviewing what the social context wants and setting up a company that would answer its demands and reduce its turbulence (Mainela, Puhakka 2009). In their study, Mainela and Puhakka (2009) consider the behaviour of managers in the establishment of
international joint ventures as entrepreneurial. By deduction, this approach considers entrepreneurs as “a negotiator who tries to make a deal with his/her social context about the use of resources in order to introduce something that would be valuable to the whole social context”. To succeed, entrepreneurs must actively take into account the various considerations of his/her discussion partner (the context). Entrepreneurs come closer to their future clients, observe them, talk with them and generate solutions to their problems before they even have sellable services or products (Sarasvathy, 2001). Often, the ideas are tested or executed without much investigations (Dew et al, 2004), and strategic partnering substitutes large-scale market research (Sarasvathy and Kotha, 2001), which make failing affordable (Sarasvathy, 2001). International entrepreneurship then becomes a “process of intertwined behaviours of opportunity discovery and effectuation in international contexts” (Sarasvahty, 2001).

Mainela and Puhakka (2009) define opportunity as a “continuously developing sketch of a business based on a conglomeration of fragments of information that have to be made sense of while the situation is developing”; “The more opportunities you discover and realise, the more opportunities there are to be discovered and realised (Sarasvathy and Dew, 2005a).

Taking all these elements into account, setting up a new international business requires three types of activities. The social ones, which allow entrepreneurs to dive into the culture of the targeted country to gain more awareness about their habits and find some supporters (Coviello, 2006; Elandgo and Pattnaik, 2007). Secondly, the first reason to internationalize is never based on cost consideration. Thirdly, the recognition and effectuation of opportunities are due to personal initiatives of the entrepreneurs who took decisive steps to come up with the best possible solution; this solution does not have to be the most creative or optimal option but it is the most realistic one (Baker and Nelson, 2005; Jones and Coviello, 2005). The turbulence of the context will force the new firm to have an entrepreneurial mind-set for a long period of time. Later on, the firm will have a more managerial oriented behaviour when it becomes older (Gartner et al, 1992). The French word “entreprendre” describe pretty well what international entrepreneurship is about “it is stepping into a multicultural and multi historical activity space where it is known that new
business is wanted but what kind of business is still unclear” (Holt, 2008). The fig.3 below would sum the effectuation logic in an international context.

![Fig.3 Effectuation (Sarasvathy, 2008)](image)

**Fig.3 Effectuation (Sarasvathy, 2008)**

IE is portrayed as being “phenomenally based, potentially fragmented” and missing theoretical background (Jones et Al, 2011). It is a global phenomenon, though regions like Africa, South Asia, South America and the Middle East are not well represented (Peiris, Akoorie, Sinha, 2012). We highlighted some of the resources needed to identify and exploit entrepreneurial opportunities; and the determinant role of the entrepreneur or the entrepreneurial team in creatively putting these resources together to generate valuable outcomes (Peiris, Akoorie, Sinha, 2012; Meewella, Mainela, Puhakka, 2011). Effectuation add a new angle to the IE field, it shows that the internationalisation of new ventures is due to entrepreneurs’ growth oriented vision and their ability to follow opportunities that were not part of their plan (Spence and Crick, 2006; Ardichvili et Al, 2003; Kirzner, 1997; Sarasvathy, 2001; Dew et Al, 2009). Entrepreneurs’ alertness to new opportunities is stimulated by their past experiences, which give them a pattern for processing the information (Casson, 1982; Ronstadt, 1988); and the fact that they are educated and have been abroad (Birley and Norbum, 1987). Moreover, founders of INVs are often immigrants and have connections or family abroad (Harms, Shied, 2012). Indeed,
the next section we are going to dive further into the phenomenon of immigrant entrepreneurship.

2.3 Understanding Immigrant entrepreneurship

Immigrants have a 30 percent greater chance than locals for starting new ventures in the United States of America. This difference, which could be generalised, may be explained by the fact that immigrant entrepreneurs have the ability to reach more diverse networks (Fairlie, 2008). This statement highlights the need of understanding, first of all, the importance for immigrants to develop their network (more specifically their social capital), before defining what is an immigrant entrepreneur. Then, we shall look at immigrant entrepreneurship from the international entrepreneurship and effectuation perspective.

2.3.1 The importance of developing social capital for the immigrant

Social capital could be defined as "tangible and virtual resources which accrue to actors through a social structure and which facilitate their attainment of goals (Portes, 1999), it is a set of resources embedded in relationship (Burt, 1992)". In 2003, Light completed this definition by adding the notion of "relationship of trust embedded in social networks".

When arriving into a new country, immigrants’ social capital has a significant impact on their integration and in determining their level of incomes (Giorgas, 2000). Indeed, to start a new venture in a foreign country, an immigrant needs to have a certain amount of social resources (Salaff & Al, 2006). By focusing on increasing their stock of social capital, immigrants would also increase their standard of living and develop further opportunities in their new countries. They would also familiarize themselves faster with the habits and customs and deal better with cultural differences (Zimmermann, 2006).
In this following section, we shall stress the importance for immigrants to develop their network and how the level of trust in the host country and their families contributes to this purpose.

2.3.1.1 Networking and trust in the host country

The goal of developing social capital is to bring people from diverse horizons and to encourage networking. “Networking is viewed as an essential mechanism for encouraging cooperative behaviour, improving the efficiency of the society by generating coordinated actions and meeting common goals”. Social capital could be fostered by vertical and horizontal networking (Putnam, 2000). Vertical networking goes with hierarchy and dependency while the horizontal one goes with developing networks by being involved in various non-profit organizations, association or think tanks (Newton, 1999). However, in 2000, Putnam points out that extended hierarchical ethnic and family based networks have a negative impact on social capital.

On the other hand, focusing on developing horizontal networking has a more significant impact on immigrants’ social capital because it encourages the rise of “consensus, shared social norms and values”. Indeed, being involved in different types of associations develops further cooperation between immigrants and natives and it will allow them to trust each other (Putnam and Al, 1993; Coleman, 1988,1990). Finally being involved in non-profit organizations and associations is a cost efficient way for developing new contacts, it is also a way for immigrants to get involved in the local life and to be considered as excellent citizen (Maloney and Robteutshcher, 2007); it also develops the level of trust among its members. Indeed, the economic transactions of immigrant entrepreneurs are very much influenced by the level of trust in the environment, which determines their ability to have access to financial and human capital (Portes and Sensenbrenner, 1993).

The trust factor is composed of two elements: interpersonal trust and the institutional trust. The interpersonal trust among the members of a community is essential for developing social relationship and economy as it reduces transaction costs (Fukuyama, 1995). Naturally, doing business in a country is cheaper when the
counter-parts can trust each other. Therefore, interpersonal trust also decreases risk aversion and strengthens the involvement of immigrants in entrepreneurial activities; a high level of interpersonal trust will increase the probability for immigrant entrepreneurs to be involved in risky ventures because they would be able to trust the people they are working with and would not be afraid of failure (Newton, 1999). Nevertheless, the structure of the host country institutions also determines the nature of the business opportunities and transactions of immigrants (Kloosterman and Rath, 2001). Institutional trust will allow immigrant entrepreneurs to feel that the institutions in the host country would support their action and would not discriminate against them (Turkina and Thai, 2013).

“To become entrepreneurs, people have to believe in the efficacy of their own actions (Begley and Boyd, 1987) and potential entrepreneurs must be confident in the likelihood of success in their business initiative”.

However, immigrants with a low stock of social, financial and human–cultural capital are most likely to find employment in the ethnic market and vis versa (Nee, 2001).

Social network represents a capital of social contacts, once you gain it; it is a resource which could be used when needed (Boisjoly and Al, 1995). As mentioned earlier, horizontal networking is an easy way for immigrants to develop their social capital. Social capital and networking are important factors for developing immigrant entrepreneurial activities as they give them access to resources, information needed to make it in the new society. Indeed, immigrant entrepreneurs “are highly dependent on access to local contacts and support from local people to acquire sufficient knowledge about a new society and business opportunity” (Turkina and Thai, 2013). “Broad horizontal networking (as it involves cooperation through joint action, like launching joint projects, participating in campaigns and concluding partnerships) gives immigrant entrepreneurs a wide choice of areas in which to start their business activities rather than just in narrow ethnic communities where entrepreneurship is mostly about opening a small shop or offering some value-added services. It initiates cooperation, the development of partnership and rise of joint
projects between immigrants and natives”. Developing social capital is a crucial aspect for the high value added immigrant entrepreneur (Turkina and Thai 2013).

In the following section we will stress the impact of the immigrant’s family in building his social capital and activities.

2.3.1.2 the impact of the family

Investing in developing one’s amount of social capital is always a judicious decision whether it is for economic or non-economic purposes, such as education, social approval or a status (Coleman 1990; Portes 1995; Sanders and Nee, 1996). The immigrant’s family is a source of social, financial and human-cultural capital that immigrants bring with them and continue to develop in the host country within or outside the ethnic networks. “The family unit comprises strategic resources; its social capital is embodied in relationships both within the family and external to it in social relations that include kinship, ethnic and non-ethnic ties” (Coleman 1990; Portes 1995; Sanders and Nee, 1996).

The family is a social institution which inspires trust, collective behaviour and affects the way immigrants settle down in their new country (Nee and Sanders, 2010). The family collectively owns capital (Bourdieu, 1983) and offers the backing and emotional support needed by its members when living abroad (Yans-McLaughlin, 1971; Hareven, 1977). “Such solidarity provides the basis for trust that enables individuals to sacrifice their private interests for the benefit of the group, a form of altruism that is more characteristic of the family than other social groups” (Nee and Sanders, 2010). As mentioned earlier, besides their family, new immigrants often also depend on the social capital of their friends or ethnic group to reduce their costs of settling down: useful tips about life and work in the country, recommendations, work positions or information about housing and different services. The impact of this type of social capital usually depends on the social class of the immigrant family before the immigration. The higher the class, the more powerful and effective the social capital is. Using social capital generated by the family also contributes to create stronger bonds between his members (Nee and Sanders, 2001).
It is important to note that immigrants’ decisions to use ethnic-based social capital depends on the amount of connections they have in the ethnic community, its size and growth rate and the diversity of its institutions. Having an ethnic economy gives an opportunity to the new immigrants to use the skills acquired before the immigration into the ethnic labour market, which is characterized by lower salaries and greater concerns for working conditions than in the mainstream market (Bailey and Waldinger, 1991).

The family is also a source of financial capital, which can be inherited or used by immigrants when in need. This financial capital consists of savings, stocks or real estate in the home country. These assets can be transformed into liquid ones and transferred to the immigrant in their new destination. The amount of liquid assets at arrival determines the social class of the immigrant. Some immigrants continue to realize income from investments made in the home country. “In families characterized by high levels of internal solidarity, economic resources can be utilized by members to invest in new ventures or capital purchases through informal loan arrangements” (Nee and Sanders, 2010).

Finally, the family is a source of human-cultural capital. Immigrants often have to face many integration barriers in their host country. However, the ones who have competitive advantages in human capital integrate themselves faster than the others (Alba and Nee, 1997). “Competence in the language of the receiving country and familiarity with its cultural customs are highly valuable cultural capital” (Nee, 2001).

“Human capital pertains to investments in education, acquisition of job experience and skills that can generate returns in the labour market” (Schultz, 1963; Becker, 1964). Furthermore, “cultural capital emphasizes competence in cultural practices that can be converted into other forms of capital” (Di Maggio and Mohr, 1985). Cultural capital can be institutionalized (e.g. education) or embodied (“long lasting disposition of mind and body”) (Bourdieu 1983). Human and cultural capital can be acquired through formal and informal education. Although human capital can easily be measured and widely used in social sciences, this is not the case for cultural, especially in multicultural societies. That is why the appellation “human-cultural capital” is used to stress the cultural part of the human capital (Nee and Sanders,
2010). “The transmission of human-cultural capital, the investment strategies and methods of accumulation takes place largely within the immigrant family”. “Middle and higher classes spend more financial capital to develop cultural capital (musical training, foreign language tutorials). The mix of these capitals affects the way immigrants interact within the ethnic community or the mainstream one; it also affects the way they integrate themselves and determine whether they will be employed or will set up a business” (Nee, 2001).

Indeed, entrepreneurship is a path chosen by many immigrants and the following indicators lead to it:

- Working for a co-ethnic employer and depending on personal or family connection to find a job; in this context, we can see the significant role played by the social capital of the immigrant (Nee and Sanders, 2010)
- When the immigrant has a foreign degree because of their lack in human capital (Min, 1988)
- When the duration of the stay and number of experiences in the host country increases. Therefore immigrants acquire more business know-how and contacts (Sanders and Nee, 1996).
- When immigrants develop a desire of upward mobility, generally after living over 9 years in the host country (Portes and Bach, 1985; Sanders and Nee, 1996)

Immigrant entrepreneurship is often the consequence of family aspirations and sacrifices, which depend on their combination of social, financial and human cultural capital. These factors also determine whether immigrants will decide to stay in the ethnic community or whether they will go into the mainstream one. “Immigrants always keep in mind to calculate their success rate while mobilising their resources and network” (Nee, 2001).

In the following section, we shall dive deeper into understanding what an immigrant entrepreneur is.
2.3.2 What is an immigrant entrepreneur?

To set up their ventures, entrepreneurs often have the necessary resources to do so, such as ideas, knowledge and skills. However, they also need additional resources from their social circle, such as information, workers and capital to run their businesses (Aldrich & Zimmerman, 1986; Cooper & Al, 1995; Greve & Salaff, 2003). Indeed, it has been proven by several studies that social capital is a determinant factor for entrepreneurship (Aldrich & Martinez, 2010; Thornton & Flynn, 2003). Furthermore, the social capital of an entrepreneur will influence his capacity to come up with business ideas and the resources to pursue them (Casson & Della, 2007).

That is why, to set up their ventures in a foreign country, immigrant entrepreneurs must acquire enough social capital and resources (Salaff & Al, 2006) by developing their social networks, which are “a set of actors (individuals and organisations) and linkages among those actors” (Bonacich & Model, 1980; Light & Karageorgis, 1994; Zhou, 2004; Brass, 1992). As a matter of fact, the level of integration of immigrant entrepreneurs in their local business networks will affect their success rate since it is primary for them to find new business opportunities (Burt, 1992; Wasserman & Faust, 1999). “Immigrant entrepreneurs must rely on a network of relations to help them pull together what they need to start their firms, the structure of the network affects the essential resources entrepreneurs mobilize” (Gereffi, 1998).

Even though “broad horizontal and inclusive networks in a society enable better integration of immigrants and generate a much higher level of social capital than hierarchical and closed ethnic networks disconnected from each other (Putnam & Al, 1993) “; “The hostility of some host societies towards immigrants causes immigrants to be reluctant to assimilate completely and to perpetuate their stranger status“, and to develop strong ethnic networks of firms to move resources between their home and host ones (Wong & Ng, 1998; Marger, 2006; Rusinovic, 2008). Added to this, many immigrants end up taking jobs below their level of qualifications (Nee, 2001). One can wonder what are the reasons behind immigrants’ choices to consider entrepreneurship as a career path and what are the characteristics of the different types of immigrant entrepreneurs.
The notion of immigrant entrepreneurship has evolved a lot through the years and it represents very diverse groups of people. Historically, it alludes to immigrants who have started a business for the only motive of surviving in their new place of residence because of the numerous discriminations and difficulties they face while looking for an employer. Today, thanks to globalisation, many immigrants become entrepreneurs because they want to pursue a business opportunity and make money out of it; and not as a result of the challenges they are facing as a foreigner. Nevertheless, we can gather these heterogeneous groups into two main categories: necessity immigrant entrepreneurs and opportunity immigrant entrepreneurs (Chrysostome, 2010). The following section will tell us more about their characteristics.

2.3.2.1 Characteristics of necessity immigrant entrepreneurs

As mentioned earlier, immigrants have a tendency to become entrepreneurs when sensing discrimination (Constant & Zimmermann, 2006). When looking for a job in a host country, immigrants may face difficulties related to language barriers, the non-recognition of their degrees and work experience obtained in their home country and their lack of mobility and understanding of the local culture (Ladbury, 1984; Light, 1979; Light & God, 2000; Min & Bozorgmehr, 2003; Volery, 2007).

Necessity immigrant entrepreneurs are immigrants who become entrepreneurs because they face challenges finding a job, and setting up a business would be their only way to survive. Today, necessity immigrant entrepreneurs are usually the citizen of a developing country (Massey, 2000; Rumbaut, 1995).

Traditionally, necessity immigrant entrepreneurs are not very educated, they received their education in their home country and do not have an extensive working experience. Most of the time, their previous experiences have no correlation with their business. The business also has a deficit of capital when starting its operations (Min & Bozorgmehr, 2003). Taking into consideration that necessity immigrant entrepreneurs are not able to fund their activities through formal institutions, they have to rely on their ethnic community to do so using mechanisms like the rotating credit association (a group of people pitching in the same amount of money and
every month one of the members takes the whole collection) (Bonnet, 1980; Light, 1972; Light & Bonacich, 1988; Yoon, 1997). They also have co-ethnic workers (usually family members) who will work longer hours without expecting the salary a native worker would request (Altinay, 2006; Basu & Goswami, 1999; Bates, 1994; Evans, 1989; Waldinger & Al, 1990; Zhou, 1992). Furthermore, necessity immigrant entrepreneurs are principally targeting the ethnic community as a customer, which will represent their “ethnic market niche”. Generally, the products sold by necessity immigrant entrepreneurs are products from the home country, which would be essential for their compatriots in the host country (Auster & Aldrich, 1984; Min & Bozorgmehr, 2003).

Native entrepreneurs are usually not interested in the ethnic market due to the lack of prospective earnings (Siqueira, 2007). The ethnic market and the employees that immigrant entrepreneurs acquire through their social network are crucial for their survival and represent their competitive advantage (Ward, 1991; Ram, 1994; Chrysostome, 2010). The formal and informal connections of necessity immigrant entrepreneurs are determinant for their success. Family members and friends in the host and in the home country compose their informal connections (Sequeira & Rasheed, 2006).

Nevertheless, the larger the size of the network is, the bigger the degree of interconnection between the members of the network is. The more the members of a network communicate between themselves, the more impact the ethnic social network has (W.D Allen, 2000; Sequeira & Rasheed, 2006). “An ethnic network based on multiple ties will give the immigrant entrepreneur better access to various ethnic resources than an ethnic network characterized by structural holes (Burt, 1992)”. Additionally, immigrant entrepreneurs can also support their ethnic community through different social initiatives, which can be referred to as “social solidarity” (Min & Bozorgmehr, 2000).

Having, then, reviewed the characteristics of necessity immigrant entrepreneurs, the next section will give us a deeper understanding of opportunity immigrant entrepreneurs.
2.3.2.2 Characteristics of opportunity immigrant entrepreneurs

Looking for new business opportunities is a cultural factor for certain immigrants; they do it almost naturally. Opportunity immigrant entrepreneurs are foreigners who consciously choose to set up a venture to exploit a business opportunity and not because they cannot find job. They choose entrepreneurship because they want to be independent, follow a dream and earn more by being self-employed (Bozorgmehr, 1998; Hosler, 2000).

Most opportunity immigrant entrepreneurs come to their host country for academic or professional reasons and decide to stay to give life to their business idea later on. However it is not unusual to find some opportunity immigrant entrepreneurs who move to their host country for the sole purpose of executing their business opportunity (Li, 1993; Salaff, Greve & Wong, 2006).

As one could deduce from the previous paragraph, opportunity immigrant entrepreneurs are very educated and also have a university degree from their host country (Min & Bozorgmehr, 2000). In addition to the fact that entrepreneurship is not their ultimate way to make their living, they also do not have to focus on the ethnic market, since they can access the mainstream one (Kwong, 1987; Min & Bozorgmehr, 2003). Therefore, they do not have to rely on the ethnic labour market to recruit workers, and may also hire natives from the host country (Min & Bozorgmehr, 2003).

Due to their profile and education, opportunity immigrant entrepreneurs are better integrated and have a better network than the necessity ones in their host country. Compared to necessity immigrant entrepreneurs who turn to their ethnic network for financial capital, opportunity immigrant entrepreneurs fit the criteria to receive start-up funding from the host country official organisations. The host country financial institutions and the family of the opportunity immigrant entrepreneurs represent their principal source of financial capital (Bates, 1997).

In 1997, Bates also stated that a sufficient initial capital is crucial for the success of the business in the traditional sense of the term. As a matter of fact, necessity
immigrant entrepreneurs, opportunity immigrant entrepreneurs and mainstream entrepreneurs do not have the same goals. That is why it would be inappropriate to use the same criteria to evaluate their performances (Chrysostome, 2010).

These criteria can be split into the “survival” ones, such as the age of the business, and its profitability (in this context this means that costs are covered by the income of the business) and the “growth” ones. Contrary to the survival criteria, the growth ones are progressive and include dimensions like a rise in sales, profit, number of employees and market shares (Kalleberg & Leicht, 1991). Moreover, we can also find growth indicators such as the return on investment, sales, assets and cash flow (Keats & Hitt, 1988; Muse, Rutherford, Oswald & Raymond, 2005).

Based on these criteria we can find 4 types of opportunity immigrant entrepreneurs: the traditional one, the diaspora one, the transnational one and the global one. Traditional immigrant opportunity immigrant entrepreneurs only aim to set up a business because they will get more this way than by working for someone else, they target the mainstream market and are well integrated in the country. Diaspora entrepreneurs are linked to their home country and regularly commute between their home and host country (they kind of live in the two countries). Transnational immigrant entrepreneurs chose their residence in their host country and travel to the home one for business purposes. Regardless of their home and their host country, global immigrant entrepreneurs aim to sell their products anywhere in the world there is a market (Chrysostome, 2010).

It is also important to underline that the more exposure and publicity an immigrant entrepreneur get in his home country, the more his business, his revenue and reputation grow (Constant & Zimmermann, 2006). The upcoming section is going to focus on the way opportunity immigrant entrepreneurs capitalize on resources to set up ventures operating internationally.

2.3.3 Immigrant entrepreneurship and international entrepreneurship

Immigrant entrepreneurs (IMEs) have a higher proportion of representatives than native entrepreneurs (NEs) when it comes to INVs. Furthermore, IMEs have several
features known for leading to INV success such as international experience, contacts, knowledge or a university degree, which are also some revenue and growth success indicators (Zolin, Schlosser, 2011).

According to Honig and Drori, (2010) international entrepreneurship could also be defined as operations that go over national borders to create future services and goods. Organisations can start their internationalisation process at any time; they could be INVs or could start domestically and then expand to foreign countries (Zollin, Schlosser, 2011; Peiris, Akoorie, Sinha, 2012). McDougall et al (2003) have shown that INVs form a heterogeneous group, which has significant differences depending on the structure of the industry and the experience or the strategies of the entrepreneurial team. Furthermore, they have shown that INV strategies have a large emphasis on quality, innovation and differentiation; adding to the fact that they have a wider distribution and marketing medium than domestic new ventures (DNVs). Hart and Acs (2011) also mentioned that IMEs have a tendency to develop more “strategic international relationships” than native entrepreneurs (NEs).

In the domain of IE, we can also find transnational entrepreneurship, which is due to globalisation and the migration flow. Transnational entrepreneurs travel from one country to another while keeping a link between their home country and the host one to create new business activities between both countries (Honig & Drori, 2010); not to mention the diaspora entrepreneurs (Nkongolo-Bakenda, Chrysostome, 2012). The transnational stream of IE stresses migration and ethnic problems, while the INV one highlights competitive and non-ethnic matters (Olin, Schlosser, 2011). Next, we are going to bring light to this phenomenon.

2.3.3.1 Global immigrant entrepreneurs and international new ventures

Social networks are the most important type of network at the beginning of a firm’s life; they also play an essential role in the pre-launch phase of a business when entrepreneurs are gathering their resources (Lechner et al, 2006). By making the most out of their experience and networks acquired overseas, IMEs are able to build bridges between different countries and benefit from the value and price differences between them. That is also why immigrants have more chances to know about and
capitalise on international opportunities. Indeed, having access to more diverse networks increases the probability of finding relevant resources and opportunities than having access to one large network (Granovetter, 1985). This also highlights a change in the way IMEs and social capital are perceived. Contrary to focusing on a shortage of networks, IMEs have been compared to the NEs. IMEs can have a significant competitive advantage based on their international experience and the networks acquired in their home and host countries. From this perspective, IMEs perform on an international business scene, which allows them to recognize and exploit new international opportunities by mobilising their international human resources (experience, education, connections) (Zolin, Schlosser, 2011); because of this attributes, which happen to be associated with the development of INVs, IMEs are over-represented in this domain. However, the competitive advantage IMEs have over NEs is shrinking over time as NEs “catch up” by developing their own personal international experiences, knowledge and contacts base (McDougall et al, 2003).

Besides the attributes associated with INVs mentioned above, IMEs also develop more face-to-face connections and have greater technical capability. However, attributes such as having a greater number of founders or a larger amount of industrial experience and entrepreneurial experience only have a marginal influence on the development of INVs (Zolin, Schlosser, 2011).

Even though the size of the entrepreneurial team may only have a marginal influence on the development of INVs, McDougall et Al (2003) asserts that founding teams with at least one member with international experience has a better chance of creating a successful INV. To broaden the amount of available resources, IMEs may look for partners to build up equity, ideas or international expertise. Having a founding team could also be considered as a way for IMEs to build a strong headquarters in their host country (Zollin, Schlosser, 2010). Paré, Menzies, Filion and Brenner (2008) show that founding teams are also useful since the members often have complementary skills and share the managerial tasks when it comes to accounting, financing everyday operations, sales, marketing, human resources, etc. Chaganti, Watts, Zimmerman-Treichel (2008) also highlight that founding teams which have an immigrant among their member tend to have more dynamic, intense and perseverant prospector strategies than the ones without an immigrant.
Furthermore, Ostgaard and Birley (1996) have linked a firm’s growth with the amount of founders who have a higher education degree. It has also been proven that the proportion of immigrants with a higher education degree is usually higher than the one of the natives (Baker and Benjamin, 1994). This phenomenon may be due to the host country’s immigration policy criteria, which favour educated candidates, as is the case with the United States and Canada (Zolin, Schlosser, 2011). Schlosser and Kerr, (2010) also point out that students who have studied in a foreign country capitalize on their personal and social capital by becoming entrepreneurs. The learning and adaptation abilities of such students also favours them in building the cultural capital required to eclipse national boundaries (Luo, 2001). The prospect of learning about several different cultures gives a particular advantage to international students and immigrants, which will trigger the opportunities to create INVs (Zolin, Schlosser, 2011). Indeed, during their studies, international students have the chance to meet students from the host country and other countries as well. This exposure boosts the size of the social networks and the probability for international students to create friendships. These friendships support the creation of management teams and new ventures (Francis & Sandberg, 2000). International students are also in a good position to create a network of friends in their home country, which may lead to future transnational partnerships (Neri & Ville, 2008).

Finally, McDougall et al (2003) mentioned that entrepreneurial teams of INVs have more previous international experience than the ones of domestic new ventures. We have also mentioned earlier that immigrants come to their host country with a high level of international experience and knowledge. However, the experience that immigrants have acquired before coming to their host country is way less valued than that of a native with the same characteristics (Ferrer and Riddell, 2008). The lack of recognition of immigrants’ education and previous experiences might lead them to start their own INV so they can better exploit their previous international experience. An interesting fact is that IMEs usually attend more “trade fairs and other face-to-face forms of meetings to develop international connections” than the NEs. That may be due to the fact that since they have more experience in international business they know better the benefits of these connections. As a matter of fact, IMEs could know about international happenings from their previous international experience (Zolin, Schlosser, 2011).
After having deepened our knowledge on IMEs and INVs, let's find out more about transnational / diaspora entrepreneurship.

2.3.3.2 Transnational / diaspora entrepreneurship

“Through their remittances and expertise, diaspora members have become an important source of foreign direct investment and managerial capabilities”. Indeed, there are also a lot of studies highlighting the impact of diaspora in developing international entrepreneurship and reducing poverty. At times called “transnational entrepreneurs” (Wong and Ng, 2002; Fujita, 2003; Yeung, 2004; Sequeira et Al, 2009; Honig et Al, 2010), “diaspora international entrepreneurs” are a particular type of transnational entrepreneur but without the contextual components (Suddaby, 2010). Even though “transnational” characterizes an immigrant operating in two countries (home and host countries) (Saxenian, 2005, 36), it also describes a particular strategy of company venturing in multiple nations (Harzing, 2000). Therefore, the expression “diaspora entrepreneur” will allow us to avoid any ambiguity.

When approached from the perspective of the host country, diaspora entrepreneurship could be assimilated with ethnic immigrant entrepreneurship. However, the problematics behind diaspora entrepreneurship are bigger than the sole host country and include the home country and the challenge of operating between the two countries. Taking into account that several stay in their home and host country, Diaspora members have a good understanding of their economical, political, social, technological and cultural situations. Hence, Diaspora members have a higher probability of recognizing business opportunities in their home countries and finding out products or services from their host countries that could be used to exploit these opportunities. “Given their personal dynamism and low psychic distance to their home countries, they have a higher likelihood to access social networks and knowledge regarding their home countries. Diaspora members are naturally inclined to internationalize in their home country first.” This statement is reinforced by other factors like altruistic motivation and a need for recognition, which constitute the main success factors for this type of international new venture (Nkongolo-Bakenda, Chrysostome, 2012).
Even though diaspora entrepreneurs have a high probability of having the characteristics required to develop successful international activities, they can do it only if certain conditions are fulfilled in the home and host countries and if the right strategies are carried out (Kanter, 1983, Clydesdale, 2008; Newland and Tanaka, 2010). Hence, the need for a framework (fig.4) to understand these factors, which will highlight the synergies between the diaspora entrepreneur’s motivation, skills and environment. This framework gives a pattern for diaspora members to recognize opportunities, create or find relevant products or services and have the required flexibility to juggle between the host and home country environment to set up a new business (Nkongolo-Bakenda, Chrysostome, 2012).

The elements encouraging the rise of diaspora entrepreneurship in both host and home country are: having a stable economy and policies regarding the engagement of diaspora members (such as educational institutions, tax reductions, training facilities), opportunities to acquire financial capital (loans, great jobs, status), good governing bodies (good and functioning public institutions and low corruption), good impression towards entrepreneurship and a critical mass of social and human capital (Newland and Tanaka, 2010).
In this framework (fig.4), the environment rests on two dimensions both in the home and host countries: the “task environment (industry) and the macro-environment” (Bourgeois, 1980). The task environments have 5 forces that drive competition: potential entrants, buyers, suppliers, rivals and substitutes (Porter, 1980), while the macro-environment tackles four areas: economical, legal and political, sociocultural, and technological (Daft et al.1988).

In this framework, we consider that an entrepreneurial opportunity is “a situation of unsatisfied market needs that can be translated in added value creation through the mobilization of appropriate resources” (Nkongolo-Bakenda, Chrysostome, 2012). Therefore, diaspora entrepreneurs should be able to apprehend market needs and unused resources in the host and home country or find a match between the host and home country specific market needs and resources, and concoct a new match.
between the resources and needs as a business concept (Hills, 1995; De Koning, 1999; Ardichvili et al, 2003). However, managerial skills are required from the diaspora entrepreneurs to successfully exploit those opportunities. They should also pay attention to choose appropriate entry strategies to enter the home country (Nkongolo-Bakenda, Chrysostome, 2012). Though, their ability to “balance the scope and size” of their networks in the host and home country is critical to the success of the business (Patel and Conklin, 2009).

Furthermore, the environment is important for the success of entrepreneurial activities at an international level (Zhara and George, 2002; Zahra and Garvis, 2000; Dyck and Ovaska, 2011). In a welcoming environment, firms have a higher probability to be involved in entrepreneurial activities. On the other hand, in a hostile environment, the development of entrepreneurial activities can be significantly hindered (Venkataraman and Van de Ven, 1998; Zahra, 1993; 2000). A hostile environment gathers external elements which are not favourable for a firm’s activities (Zahra, 2000) and could include savage competition (Porter, 1980; grant 1995; Werner et al, 1996), a considerable amount of regulations (Werner et al, 1996), odd regulations (Rosenzweig and Singh, 1991) and nationalist policies to protect domestic companies (Zahra, 2000). A hostile environment would discourage diaspora members from getting involved in entrepreneurial activities (Nkongolo-Bakenda, Chrysostome, 2012). Indeed a “munificent environment” affects the survival and growth of a business and the capacity new players have to enter this environment (Tang, 2008; McArtur and Nystrom, 1991; Goll and Rasheed, 2005). A “munificent environment” has a positive effect on the entrepreneurs’ alertness and their commitment to grasp opportunities to set a new venture (Kirzner, 1979; Tang, 2008).

“According to Dyer et al (2008) four behaviours, namely questioning, observing, experimenting and idea networking can help identify entrepreneurial opportunities”. We shall call these behaviours and cognitive patterns, “active alertness”. Diaspora members with active alertness will continuously analyse their host and home country in order to find entrepreneurial opportunities, which could be exploited in either one (Nkongolo-Bakenda, Chrysostome, 2012). The personality of the diaspora entrepreneurs, especially their creativity and optimism, the social networks they have
established in their home country and their prior knowledge, will support their entrepreneurial alertness which will lead them to recognize and pursue entrepreneurial opportunities (Ardichvili et al, 2003).

The impact of the selection of the partner on the success of international companies has been proven in earlier research, mainly in regarding the need of local management and knowledge (Beamish 1987, Nielsen 2002, Brouthers et al 1995). When a business is looking for a complementary partner, “task-related criteria are more useful than partner related criteria”(Geringer, 1991; Wand and Kess, 2006; Cummings and Holmberg, 2012). The entry mode is also a crucial aspect of the internationalisation process that diaspora entrepreneurs should take into consideration when developing activities in their home country or others; especially when it comes to determining the level of risk in the foreign country and control needed (Anderson and Gatigno, 1986), knowledge of the chosen country and the experience in international business (Lyles, 1988; Gomes-Casseres, 1989; Agarwal and Ramaswami, 1992), the reason behind the internationalization, the institutional environment and the restriction of the government (Lyles, 1988) and the resources need (Hennart and Park, 1993). Chen and Hu (2002) also suggest “proprietary assets, size and potential of the market, cultural distance, capital intensity and planned duration of the project as determinants”. Some researches propose to select the entry mode based on cost efficiency (Poppo and Zenger, 1998; Brouthers, 2002; Brouthers and Nakos, 2004). However, an entry mode could be more effective than others depending on the different parameters mentioned above and the situation (Woodcock et al, 1994; Shelanski and Klein, 1995).

To sum up, we have analysed the grounds for a positive expectation and the conditions which are required for diaspora entrepreneurship success. Elements like low psychic distance, dynamic personality, less liability of foreignness, more social networks and experience with foreign countries help diaspora entrepreneurs to succeed in their international enterprises. At the head of the classical drivers of international entrepreneurship, “altruistic motivations, the need for social recognition from the home country, identification of entrepreneurial opportunities in the home countries, the friendliness of the home country’s socioeconomic environment”, the receptivity of the home country’s government, the integration of immigrants in the
host countries and diaspora support programs in the host countries” are crucial factors in fostering diaspora entrepreneurship (Nkongolo-Bakenda, Chrysostome, 2012). Diaspora entrepreneurship defies the stage (sequential) and the INV (non-sequential) theory of internationalisation. Indeed, Diaspora entrepreneurs do not have to go through stages to operate in a foreign country due to their previous international experience, their networks and low psychic distance. Taking into account all these features, we could easily assume that diaspora entrepreneurs are similar to born-global entrepreneurs. However, when born global theories advocate having a unique product, diaspora entrepreneurs do not require a unique product, but they enjoy a special position, which allows them to juggle between two different environments. Through capital accumulation, know-how, technology transfer, education, learning, job creation and innovation, diaspora entrepreneurship results in a sustainable business method, and in the long term helps to reduce poverty in the home country and developing countries (Nkongolo-Bakenda, Chrysostome, 2012).

Having analysed, then, the synergies between immigrant entrepreneurship and the IE theories, let’s find out more about the synergies between immigrant entrepreneurship and the effectuation theory.

2.3.4 Immigrant entrepreneurship and effectuation

Even though the promotion of immigrant entrepreneurship was originally a neo-liberal initiative, it is now at the crossroads of two schools of thought. For social democrats, it goes with the government supporting unfortunate groups to find a place in the society. However, for the partisans of free-market policies, it stands for advocating “supply side solutions” and the importance of the market as a legitimate referee for social allocation, which implies considering individuals as responsible for designing their own future (Kloosterman, 2003). Naturally, it makes us wonder if effectual principles are still relevant when talking about immigrant entrepreneurship.
2.3.4.1 Effectual principal and immigrant entrepreneurship

Keeping in mind that effectuation is grounded on affordable loss, building partnership, means orientation and leveraging contingency (Sarasvathy, 2003), we are going to use Sarasvathy to break down the effectual principles made in 2008 to find out if these characteristics could be found in the literature on immigrant entrepreneurship.

- **Bird in hands:** “Who I am, what I know, whom I know” (Sarasvathy, 2008)

Earlier, we described certain of the skills which survival and opportunity IMEs needed to successfully develop their business. We have also shown how in the pre-founding phase and at the beginning of their entrepreneurial activities IMEs had to mobilize and capitalize on their previous experience, knowledge, networks and social capital to launch their businesses and the impact these attributes will have on it (Chrysostome, 2010; Nkongolo-Bakenda, Chrysostome, 2012). That is why, we could argue that IMEs also fit in the “bird in hands” description presented by Sarasvathy (2008) regarding the effectuation principles.

- **Affordable loss:** “what can I do with what I have” (Sarasvathy, 2008)

Throughout this study, we have also shown that instead of going through extensive planning, IMEs tend to capitalize on the resource available within their network whether they come from the ethnic community, the family or institutions; which allow them to recognize and exploit opportunities. These resources also determine the level of time and capital the IME is ready to invest in the business (Nee, 2001; Nee and Sanders, 2010; Casson and Della, 2007; Zolin and Shlosser, 2011; Geriffi, 1998). That is also why we could argue that IMEs fit in the “affordable loss” description presented by Sarasvathy (2008) regarding the effectuation principles.
- Crazy quilts: “interaction with others people” (Sarasvathy, 2008)

IMEs develop social capital by being involved in horizontal and vertical networking, attending fairs (including international ones), preferring face to face encounters and developing partnerships (Putnam and Al, 1993; Coleman, 1988, 1990; Yeung, 2002; Chen, 2007; Welpe, 2006; Pare, Menzies, Filion, Brenner, 2008; Gerifî, 1998; Nkongolo-Bakenda, Chrysostome, 2012). All these activities allow them to meet a lot of people, interact with them, gain valuable feedback and contacts which will later on help them in improving and developing their products or business ideas. That is also why we could argue that IMEs fit in the “crazy quilts” description presented by Sarasvathy (2008) regarding the effectuation principles.

- Pilot in the plane: “effectual stakeholders commitments (Sarasvathy, 2008)

When it comes to self-employment, IME are extremely committed and determined to succeed (Light, 1979; ladbury, 1984; Jones, McEvoy, Barrett, 1994) and they believe in the efficacy of their own actions (Begley and boyd, 1987). A high level of interpersonal and institutional trust encourages IMEs to be involved in risky ventures since they would not be afraid to fail because they can trust the people they are working with and would be confident in the host institution’s ability to support their initiatives and not to discriminate against them (Turkina and thai, 2013). Furthermore, IMEs believe in and encourage the development of partnerships, which allow them to secure deals (Chrysostome, 2010; Nkongolo-Bakenda, Chrysostome, 2012; Pare, Menzies, Filion, Brenner, 2008) and have committed stakeholders. In regard to these elements, we could argue that IMEs fit in the “pilot in the plane” description presented by Sarasvathy (2008) regarding the effectuation principles.
Due to their foreigner status, by nature, IMEs evolve in an uncertain environment where they need to deal with unexpected events and adapt to various situations in order to succeed. IMEs entrepreneurs are flexible, have important adaptation skills, leverage resources from their home and host country and use them in creative ways to overcome their drawbacks (Yeung, 2002; Chen, 2007; Chrysostome, 2010; Nkongolo-Bakenda, Chrysostome, 2012). This is also why we could argue that IMEs fit in the “lemonade” description presented by Sarasvathy (2008) regarding the effectuation principles.

Following this analysis and what has been said about IMEs in the literature, we can argue that IMEs can also be considered as “effectuators” since they meet the criteria set by Sarasvathy (2008). Consequently, in the next section we are going to bring more light to bear on the correlation between effectuation, immigrant entrepreneurship and international entrepreneurship.

2.3.4.2 Immigrant entrepreneurship, international entrepreneurship and effectuation.

Now that we have a better understanding of what immigrant entrepreneurship and international entrepreneurship are, (Fig.5) sums up the themes which have been treated in the literature concerning these topics. Furthermore, the effectuation theory could also be used as a tool to analyse the behaviour of immigrant entrepreneurs in these different contexts.
As we have noticed, immigrant entrepreneurship is a broad concept. That is why we cannot talk about an immigrant entrepreneur archetype, but “archetypes” instead. We have 5 main categories of immigrant entrepreneurs:

- Necessity IME

This alludes to immigrants who have started a business for the only motive of surviving in their new place of residence because of the numerous discriminations and difficulties they are facing to find an employer (Chyrsostome, 2010).
Furthermore, necessity immigrant entrepreneurs are principally targeting the ethnic community as their customer, which will represent their “ethnic market niche”. Generally, the products sold by necessity immigrant entrepreneurs are products from the home country, which would be essential for their compatriots in the host country (Auster & Aldrich, 1984; Min & Bozorgmehr, 2003).

- Traditional opportunity IME

Traditional Opportunity immigrant entrepreneurs are foreigners who consciously choose to set up a venture to exploit a business opportunity and not because they cannot find a job in the host country (Bozorgmehr, 1998; Hosler, 2000). Traditional opportunity immigrant entrepreneurs only aim to set up a business because they will get more this way than by working for someone else, they target the mainstream market and are well integrated in the country (Chrysostome, 2010).

- Transnational IME

Transnational immigrant entrepreneurs are part of the opportunity immigrant entrepreneur category. They chose their residence in their host country and travel home for business purposes (Chrysostome, 2010). Transnational entrepreneurs travel to the home country to keep themselves up to date and to create new business activities between both countries (Honig & Drori, 2010).

- Diaspora IME

Part of the opportunity immigrant category, diaspora international entrepreneurs could also be considered as a particular type of transnational entrepreneurs but without the contextual components (Suddaby, 2010). Diaspora entrepreneurs are linked to their home country and commute regularly between their home and host country (they kind of live in the two countries) (Chysostome, 2010). When considering their internationalization process, diaspora entrepreneurs are naturally inclined to internationalize in their home country first. When looked at from the perspective of the host country, diaspora entrepreneurship could be assimilated with ethnic immigrant entrepreneurship (Nkongolo-Bakenda, Chrysostome, 2012).
- And global IME (Chrysostome, 2010)

Global IMEs are part of the opportunity immigrant entrepreneur category. Regardless of their home or host country, global immigrant entrepreneurs aim to sell their products anywhere in the world where there is a market (Chrysostome, 2010). Taking into account all features, we sometimes could assume that diaspora entrepreneurs are similar to born-global entrepreneurs. However, when born global theories advocate having a unique product, diaspora entrepreneurs do not require a unique product but they enjoy a special position, which allow them juggle between two different environments (Nkongolo-Bakenda, Chrysostome, 2012). The transnational stream of IE stresses migration and ethnic problematics, while the INV one highlights competitive and non-ethnic matters (Olin, Schlosser, 2011).

International entrepreneurship is also a vast field, which has received various contributions from researchers over time. These contributions fall into the following categories:

- The entrepreneurs’ behaviour and mind-set

Indeed, the IE process is initiated and follows the aspiration and behaviour of the entrepreneur or the entrepreneurial team (Etemad, 2004a,b). There are 3 main approaches in international entrepreneurship theories (Peiris, Akoorie, Sinha, 2012). The first one formulates that the entrepreneur, the firm and his environment are the primary concept of the IE theory, and stresses the need of understanding entrepreneurial behaviour (Jones, Coviello, 2005; Etemad, 2004a); The second one highlights the importance of the “right mind set, the development and impact on choice of opportunities and value creation in foreign markets” (Peiris, Akoorie, Sinha, 2012). The third one, the effectuation theory of Sarasvathi (2001) has been useful for understanding venture, pre-inception and inception from the entrepreneur and network perspective (Ander son, 2011; Evers, O’Gorman, 2011), the impact of entry modes (Harms, Schiele, 2012) and the exploitation of contingencies and decision making (Schweizer, Al, 2010; Mort, Al, 2012).
The opportunity recognition and exploitation

Nowadays, entrepreneurship is seen as “discovering new opportunities and realising them” regardless of the context (Shane, 2003). The IE process starts with the exploitation of international entrepreneurial opportunities (Oviatt, McDougall, 2005a; Ellis, 2011) discovered by individuals (Venkataraman, 1997). Finally, it is important to mention that the identification of an opportunity is also an “intentional process” and “intentions are a strong indicator of planned behaviours” (Krueger et al, 2000).

The different type of internationalisation processes

International entrepreneurship (IE) surfaced as a research field at the beginning of the 1990s due to the rise of international new ventures (INV), which were considered as an anomaly of the exiting internationalisation models since they were not following the traditional patterns (Oviatt and McDougall, 1994; McDougall and al, 1994). The 5 main international business theories, which are the product cycle theory (Vernon, 1966), the monopolistic advantage theory (Hymer, 1976; Caves, 1982), the stage theory of internationalization (Johanson, Vahlne, 1977, 1990), the oligopolistic reaction theory (Knickerbocker, 1973) and the internalization theory (Hennar, 1982; Rugman, 1981; Buckley, Casson, 1976) were not able to describe the INV creation process. The older theories were analysing large and mature businesses at the firm level instead of focusing on the entrepreneur, his team, his social network and partnerships. Furthermore, these main theories assumed that companies could only start their internationalization process a long time after their creation (McDougall, Shane, Oviatt, 1994). “Internationalization is processual, iterative and fluctuating and does not occur in neat sequential stages” (Czinkota, Johnston, 1981; Churchill, Lewis, 1983; Reid, 1984; Ohmae, 1989; Dawes, 1995, Greiner, 1997).

- Venture characteristics
Many studies have been made on the characteristics of the different types of ventures in the IE field. However, this area has not been treated much in the present study because we have been focusing on analysing entrepreneurs’ behaviour instead of firms. There are four main types of companies that can be reviewed under the IE field: born global, enduring global, early exporter and mature exporter. These companies are classified based on their degree of internationalization and the time it took them to achieve this level. While the research widens our understanding regarding born global and their internationalisation process, it also underlines companies which initially focused on the domestic market before progressively entering international markets (Peiris, Akoorie, Sinha, 2012). Fig.6 below is a representation of these different categories.

![Fig.6: Typologies of international new ventures (Peiris, Akoorie, Sinha, 2012).](image)

After modelling the different themes investigated in IE and the immigrant entrepreneurship field, the empirical part of this study will help us to draw a profile of the international immigrant entrepreneur, which will allow us to determine the characteristics of his behaviour and his mind-set when it comes to opportunity recognition and exploitation. Additionally, the case study will allow us to confirm or reject the hypothesis that effectual principles also apply when talking about the international immigrant entrepreneur. Indeed, we are attempting to understand the factors that make up the international immigrant entrepreneur’s entrepreneurial behaviour.
3  RESEARCH METHODOLOGY

Studies which simultaneously tackle the domain of international business and entrepreneurship are often considered as an emerging field, which still lacks somewhat clear and comprehensive methodological guidelines (Coviello & Jones, 2004; McDougall & Oviatt, 2000). Recently, most of the reviews regarding IE have been centred on breeding defined pools of high technology and manufacturing analysis for comparative examination (Coviello & Jones, 2004).

Through a longitudinal case study using an auto-ethnographic approach to analyse the data, we shall attempt to bring an original and inspirational contribution to the field. First we are going to give more information concerning the research approach and methods. Then, we shall focus on the empirical research process and the way it has conducted.

3.1  Research approach and methods

In their paper reviewing all the main articles in this area, Coviello and Jones (2004) highlighted the fact that the field was generally missing extensive and in depth longitudinal data. Therefore, the IE field is missing and is not fully taking advantage of the rich perspective and information which could be gained by having a researcher immersed in diverse entrepreneurial processes. Several researchers have acknowledged this deficit and argued that the IE needs more process of studies or series of complementary studies and that holistic viewpoints which would allow us to understand the whole process would be better than having isolated or static studies (Coviello & Jones, 2004; Patton, 2002).

Based on these recommendations, we will try to longitudinally enhance the IE and the immigrant entrepreneurship field by bringing fresh perspectives and describing more elaborated behaviours of the entrepreneurs. The goal of this study is to make sense of what the founder of the case study Cisti Connexion did and highlight what we can learn from the creation of a business overtime by analysing key periods from the pre-launch to the current projects (pre-launch, launch, post-launch).
The hypothesis will be tested empirically using a “single explorative historical case study” (Ahokangas, Juho, Haapanen, 2010). The data of this qualitative study have been collected longitudinally from 2008 to 2015. Given the facts that the context gives an ideal understanding of the company and the entrepreneur’s actions (Langley, 1999). The longitudinal perspective allows us to observe the firm developments over time (Pettigrew, 1992; Langley, 1999, Saunders, Lewis & Thornhill, 2003) to unfold the entrepreneur’s behaviour. Furthermore, we are going to use a self-ethnographic approach (Alvesson, 2003), or more precisely, an analytic auto-ethnography (Anderson, 2012) since the author of the study is also the entrepreneur/founder of the case company. This approach will allow us to better understand what the entrepreneur did and the creation of a new business over time.

Processual studies on organisation have been significantly growing during the last decades and we are going to follow this methodology. A process is a sequence of collective and individual activities, events and actions which occur in a certain setting over time (Pettigrew, 1997; Van de Ven and Poole, 2005; Buttriss and Wilkinson, 2006). As we already know, human behaviours are written in time, structures, contexts, agency, development and emergence (Dawson, 1997; Orton, 1997).

As Sandberg & Tsoukas (2010), we are interested in the epistemology; therefore we will mainly be focusing on social relationship processes and how they are conceived. Since understanding the entrepreneur’s behaviour and mind-set is our main objective, we will primarily reflect on these processes from his perspective. Though, we shall also include analysis of the other actors to explain the cultural factors that affect the entrepreneur. Indeed, we shall try to theorize the behaviours through different events happening over time and analyse Cisti Connexion in its city of Oulu (Finland) context to make sense out of these interactions holistically (Bhaskar, 1998; Hedstrom & Swedberg, 1998; Piekkari et Al, 2009; Sandberg & Tsoukas, 1989). The data has mainly been collected using the primary method of having access to the entrepreneur’s communications and emails with different actors and through retrospective documents and discussions. Our secondary data were composed of public online and printed documents, website and media information from Finland.
To certify the validity and generalizability of the generated theory, we shall connect our findings with previous literature (Eisenhardt, 1989).

Now that we have a better understanding on the way we have collected the data, let's discover more about the analytic auto-ethnographic approach, which allowed us to process them.

### 3.2 Empirical research process and conducting of the research

An analytic auto-ethnography is “research in which the researcher is a full member in the research group or setting, visible as such as a member in published texts and committed to developing theoretical understandings of broader social phenomena” (Anderson, 2012).

An auto-ethnography is a particular type of ethnography. Ethnographies are often used when one is researching on cultural systems and meanings (Eriksson & Kovalainen, 2008; Goulding, 2005). Generally, the purpose of ethnography is to “understand reality by focusing on ordinary experiences and the everyday life of people” (Holloway, Brown, Shipway, 2010). An ethnography will allow us to get “first-hand experience and explore certain social or cultural settings” by mostly using the observation of the participants (Atkinson, Coffey, Delamont, Lofland, Lofland, 2007). Ethnographic researches study one or a small amount of cases commonly over a long time period while utilizing a wide initial angle of the subject of the research (it does not just test narrowed and specific hypotheses); using different data sources (e.g. documents, questionnaire data, statistics observation and/or interview data), the "structuring of the data" is kept at a minimal level (focusing on field notes or audio or video) and the analysis of the data uses verbal explanations and interpretation (Hammersley, 1992).

In other words, “analytic auto-ethnography refers to ethnographic work in which the researcher is a full member in the research group or setting, visible as such as a member in published texts and committed to an analytic research agenda focused on improving theoretical understanding of a broader social phenomena” (Anderson, 2012).
Analytic auto-ethnography has 5 essential elements (Anderson, 2012):

- 1) “Complete member researcher (CMR) status”

Even though it now sounds evident, the researcher must be a complete member of the social context of the study. This allows him to better investigate the emotional position of the people in the study. However being a complete member does not require a non-problematic or panoptical stance. Moreover, we can have different interpretations of an event even for people in the same position (Anderson, 2012).

- 2) “Analytic reflexivity”

As authors, auto-ethnographers give their analysis based on their own reflexive opinion of themselves. Their data is based on their personal reasoning and experience. They are part of the processes and story they are telling and recounting. “This mutual informativity is one of the most appealing features of the auto-ethnographic work.” (Anderson, 2012).

- 3) “Narrative visibility of the researcher’s ‘self”

The auto-ethnographer must be very much active and visible in the text. His feelings and impressions must be included into the story and are important to understand the social context of the study. He should also discuss the changes in his opinions during the study (Anderson, 2012).

- 4) “Dialogue with informants beyond the self”

Analytic auto-ethnography is based on self-experience. However, it should not be seen as a self-absorption but as interrelationship with others (Anderson, 2012).

- 5) “Commitment to theoretical analysis”

Analytic auto-ethnography must commit to an analytical agenda. The goal is not only to give an individual, emotional or insider point of view, but also to use the data to
have a better understanding of a “broader set of social phenomena” (Anderson, 2012).

A significant benefit of involving the researcher is that it gives him access to some privileged data. Auto-ethnography is ideal when the researcher wants to understand himself, the way he interacts with his environment and its consequences (Anderson, 2012).

Indeed, auto-ethnography allows us to go through the data (Anderson, 2012) using relevant events or periods (Mainela et al, 2010; Langley, 1999 cf. Buttriss & Wilkinson, 2007), highlighting their order and timing as crucial to understanding our phenomenon (cf. Hoang & Antonic, 2003). The chronology of the happenings was important to understand the behaviour of the entrepreneur and the development of the business within a holistic process.
4 CASE STUDY: CISTI CONNEXION

In this case study, we are going to analyse different events which occurred during the inception, the launch and the post launch of Cisti Connexion, which is an event and communication agency, using an auto-ethnographic approach. This analysis will allow us to observe the behaviour of the entrepreneur who set up the company in these key moments.

4.1 Description of the inception

The inception phase of Cisti Connexion is marked by the following happenings:

• Erasmus experience in September 2008

In September 2008, I was a Parisian student coming to the University of Oulu for a 4-month exchange program. I chose to go on exchange because I wanted to improve my communication skills in English and discover a new culture. Additionally, Nordic countries were praised in France and considered as an economic and political model, not to mention that they also had a leading role in environmental issues and technologies. Besides the great learning experience, I was also seeing Finland as a source of inspiration which could allow me to improve some things in the areas mentioned above when I would be back home, and to perhaps help in setting up a business one day after I had completed my studies in Banking and Finance and would have more working experience and capital.

When I arrived in Oulu, I realized that almost nothing was advertised in the city and the best way to know about something was to know someone who knows about it and tells it you. 4 months flies quickly, and since I did not know anyone here, I decided to become a more outgoing person for the duration of my Erasmus, so I would not miss any nice thing during my time in Finland. Therefore, I had to make more friends so I would not miss any opportunities to discover more about the culture, the country and the people here. I also decided to turn myself into a “yes man” and accept every activity and invitation I would receive. With this new attitude, I rapidly got know most of the other exchange students. We were all experiencing the
same adventure and came to Finland and knew almost nobody here prior to our arrival. I would assume it was also one of the reasons it was easier to connect with the other exchange students.

On the other hand, it was more difficult to connect with the Finnish students. While getting to know over 200 people from over 40 different countries was already a rich cultural experience, I was still very interested in discovering more about the Finnish culture. However, at the university it was difficult to interact with our Finnish classmates. It seemed that they were trying to save their words. For example, when I would ask a “yes or no” question, they would answer only by a “yes” or a by a “no”. That is why, at the beginning of my stay, it was harder to have a conversation with them because they would not develop their sentences as I would do or other international students would. Another example was that if you met someone in a socializing event, the next time you saw him in the city, he would pretend that he did not see you and would not say hello.

The first time, I thought that my Finnish classmates were not interested in conversing with us (international students) and that they wanted us to leave them alone. Then, I noticed similar behaviour in almost everybody, and I started wondering if it was not a Finnish cultural trait. After asking more questions on the topic to different people, I did discover that it was to some extent a normal behaviour. Since, I was into making more Finnish friends as well, I decided to slightly change the way I communicate by using only “open questions” when interacting with Finns so they would have to form more detailed sentences.

Later on, I realized it was more a matter of context, since it was easier to interact with and make Finnish friends in socializing events or in bars. They were more open to discussion and to getting to know people. After meeting the same person several times in different settings, they would start greeting me every time we saw each other instead of trying to avoid eye contact. Compared with international students, it just took more time to create acquaintances with Finnish students, they just needed more time to get to know us. As they like to say, “in Finland, it takes some time to get know someone but when you do, you have a real friend for life”. I was determined to meet more Finns because I thought it was the only way for me to truly experience
Finland since they would have more insights about the country than an exchange student.

Even though, I acquired a lot of social capital, my Erasmus period was more about developing cultural human capital by meeting a lot of people among international and Finnish students. Interacting with different people, discussing, exchanging stories and doing common activities were the best way for me to learn. I was determined to make the most out of my time in Finland while I was here. At that time, I did not know when I would have another opportunity to come here again so I wanted to discover as much as I could, not have any regrets afterwards.

I was proactive, outgoing towards people and optimistically embracing new experiences. Even though it wasn’t easy in the beginning, I was tenacious in developing friendships with Finnish students. I also had to adapt to this new environment and be flexible regarding the people and the lifestyle in Finland. While some other international students may have found a way out of the problem by staying in the international student sphere and saying that Finnish students were “shy, closed and difficult to discuss things with”, I challenged myself and went out of my comfort zone. To do so, I had to find some creative solutions for interacting with Finns, such as only using open questions in conversation. However, my previous experience of working and taking summer English classes in England might have already taught me how to be flexible, patient and adapt to different situations. Indeed, I couldn’t expect to find the exact same conditions I had in Paris in a foreign country. I was also active, alert, gaining new experiences, asking a lot of questions and networking to get a better understanding of the country and its habits. Why not find a nice opportunity that I could develop back home as well?

- Elected AIESEC Oulu president term in May 2009- May 2010

AIESEC is a student organisation which aims to empower young people to have a positive impact on their society through leadership positions and a global internship program. Agreeing to become the AIESEC Oulu president implied significant changes in my life: moving to Finland, changing my career field from Finance to International business and refusing a job offer from a prestigious company in France.
However, it also meant gaining practical leadership and communication skills and learning to do business in an international context. I knew I needed such skills if I ever wanted to run a global company. I did not want to sacrifice a great learning opportunity. By staying in France, I was also afraid I’d get too comfortable and neglect to fulfil my potential and reach my objectives, so I did not want to take this risk.

Since, I was already considering entrepreneurship as a career path at some point in my life, I was very excited about the way the curriculum at the University of Oulu was designed. Besides the compulsory courses for my degree, I was also able to take more courses in different areas if I wanted to. It allowed me to take additional courses in management, marketing and in human resources to have a better and overall understanding of the key issues in a company. I also had a mentor, an AIESEC Alumni and lecturer at the university and who used to be a CEO of a listed company. I have always dreamed about setting up a listed company which would operate all over the world. We used to meet for coffee and I was able to ask him different questions about life, AIESEC and what it takes to be a CEO of a listed company. These mentorship sessions gave me very valuable insights and confidence for the future as well, because he used to tell me that if I really wanted to run a listed company I would be able to make it happen.

At the beginning of my term with AIESEC, I noticed that many things could be done and improved on. The problem was that I only had one year. I had to focus on performing sustainable tasks which would have the biggest impact in the present while giving us a solid foundation for long term activities. Therefore, I decided to put more effort into improving awareness of the AIESEC brand, and structure our sales channel for the long run. If people were familiar with our brand, it would be easier for us to carry out our activities and further cooperation with our stakeholders.

Concerning the sales, we usually called a lot of companies in the area to ask them to take foreign interns in their teams. However, calling was very frustrating and it ended up demotivating our local committee members. It was difficult for us to understand that we need a lot of “no” answers to get a “yes”. Now that our problem was defined, I was wondering how we could get companies to come to us instead of us going to
them. So I was thinking that we could organise a seminar called "Doing business abroad", which would bring lot of companies into one room and would allow us to showcase what AIESEC can do and can offer them. This would also keep our members motivated, since the process of organising a seminar is teamwork and is a little bit more exciting for everyone than just calling from the office. In this seminar, we would have international students telling Finnish companies how to do business in their country and enter in their countries. It would also let companies know that if they need international experts to help them with their projects, AIESEC could select a talented one from its worldwide database and bring them to Finland. Therefore, I went to see my mentor with my idea in order to have his viewpoints. He said it was a very good idea and he suggested that the university could also be involved, and later on he brought another organisation Tekes (Organisation serving the interest of technical organisation in Finland) on board. Even though TEKES did not manage to fund the project as we were hoping, we did carry on the process and organise the seminar anyway. AIESEC was taking care of the practicalities regarding the seminar and its content with the feedback of my mentor. The university and TEKES were responsible for inviting the companies. The university also provided the venue and covered some of the cost related to the event. Later on, my mentor brought in the director of the business institute who knew a popular keynote speaker and decided to invite her to the event. From my side, since I was already in relation with different student organisations of the University of Oulu and the university of applied science it was easier for me to invite them so we could have a lot of students as well. At the end we had 70 companies and over 90 students.

Additionally, I also wanted to be closer with the students. I wanted them to see the organisation as a place where they could gain valuable skills for their upcoming professional life. However, it was also important that they know that in AIESEC we have a really nice atmosphere and we know how to relax as well. To do so, I wanted our members to be closer with other students so they could share their own experiences outside our traditional information events or stands. Remembering my Erasmus period, I knew that students were more open to new discussion in socializing events in bars. On top of the traditional info events, we also started organising an event in a bar, since it would allow us to reach even more students. I really wanted it to be different from the traditional event happening in bars in Oulu,
so in consultation with my team we decided to make a "Moulin Rouge" night (my French background might have influenced the theme, I presume) and one of my relatives was also a popular DJ in France so we flew him to Oulu. The idea of the night was to make people in Oulu experience a memorable night in a legendary Parisian establishment without having to fly to Paris. The event was mixing a bar event with the notion of internationalisation and traveling, which also matches the AIESEC values. Simultaneously, it would allow students to get familiar with the AIESEC members and hear their stories. It was also the first time a student organisation flew a foreign DJ to play in Oulu for one night only and a lot of people were thrilled about this DJ. After this event, and the discussion with our members, we also noticed that students were more interested in AIESEC activities.

Even though, it was not really part of my duties as an AIESEC president, I also started advocating for better integration of international students in their faculties, guilds and university life, through meeting with the student union and the different student organisations of the university to which I had access via AIESEC. Many of the international students were complaining about the difficulties they had here and I wanted all of them to have an experience as amazing as the one I was having in Oulu; and I knew that the starting point for this was them spending more time with Finnish students and making more friends.

I was also very active in going to the national and international conferences within the AIESEC network. These conferences allowed us to network, get to know personally and have direct contact with the other committee members within the network, and to deepen our cooperation. It was also a good way to get to know about the best case practices that were happening in the organisation globally. I am a big fan of not spending too much time on things that have already been mastered by others. I’d rather learn these things from them and spend more time on issues that have not yet been solved, or improve existing processes to create something new. That is also one of the reasons I went to the AIESEC international President meeting in Portugal where I met over 100 presidents and learned a lot from their activities and the way they were doing things. When I came back to Oulu, it was also easier for our members to get an internship position abroad because all we had to do was to send them to a committee that we have a partnership with, or already knew the president.
For other people, moving to Finland could look like a huge risk. But, somehow, it was not so for me because I knew that I shall gain lot of useful managerial skills and this knowledge will benefit me later on. From my perspective, the university experience here was well tailored and fitting for my long-term goals. It also involved a lot of horizontal networking, which allowed me to meet a lot of new people from diverse backgrounds, whether they were working or studying. With a small budget and some creativity we managed to acquire lot of new resources for the organisation, improved its visibility, improving its members and financial situation. The local and international connection that I made allowed us to significantly improve our results. I think it was really important for the organisation that its board and I went to these conferences and that the local level students were able to put a face and name on the AIESEC members and interact with them in the bar events. It was a very efficient marketing tool. Altruistically, I have also been dedicating myself to create more synergies between Finnish and international students, even though I did not have to do it. Aware that I would not be able to accomplish everything in one year, improving the marketing strategy of the organisation and setting up a structure that would allow it to prosper in the future were the most important objectives for me.

The seminar and bar events would also be an important source of income for the local committee over time; many participants and companies were willing to pay an entrance fee or sponsor it. During my term, we won the AIESEC in Finland 2010 innovation award and the best exchange team award (thanks to the partnerships we made with other local committees to strengthen the processes and the dedication of our local committee). In 2015, AIESEC Oulu was also elected the best local committee in Finland. Change takes time, which is why, while trying to impact the present as much as I could, I was also focusing on building the foundation for a bigger impact in the future. I learned about leading a team through the good and the hard times, managing and producing different types of events and finding original ways to promote and develop products. This period could be considered as one of the biggest learning experiences in my life so far. Learning is a never-ending process, however.

• Internship in Pakistan, summer 2010
After my AIESEC Oulu term as president, I went for an internship in Karachi. My friend, Lilja, who was Vice-president of AIESEC in Finland, had been freshly elected President of AIESEC in Pakistan. She knew that I was planning to go and work abroad, and AIESEC in Pakistan had recently signed a contract with a new partner, which included leading a team to develop the company’s new sales and online marketing strategy. She contacted me and told me I would be a good fit for the position, and she could match me with the company if I wanted too. Based on the vision we have in the media, it is true that Pakistan seemed like a very exotic destination, as well as a risky one. However, during my stay in Oulu I had met many Pakistani friends who told me a lot about the country, and some of them had been on holiday there and just come back to Oulu. In addition to that, my friend was going there and I knew how cautious she is, so I decided to take the position after the CEO allowed me to make a YouTube introduction video in place of an interview. The position was challenging, and I knew that I would normally not get a job with such responsibilities at my age in Europe. It was a wonderful opportunity to keep learning and develop new skills and apply what I’d learned about leadership in the non-profit world into the corporate one. Even though some relatives and friends advised me not to go to Pakistan, based on the information I collected beforehand, I knew that I would be safe.

The CEO of the company, Riad, was a serial entrepreneur, very inspirational and a technology and social media fanatic. One of the first things every employee does when entering this company is to open an account on all the social media platforms. We did not use written reports, but YouTube videos, and he also encouraged people to make YouTube tutorial videos to explain every process in the company. He was also an amazing networker; people were saying that he knows everyone in Pakistan. He introduced me to many different people. He also had this personal mission to connect everyone in the world together and wanted to connect all his Facebook friends together. He was also encouraging Pakistanis to connect with foreigners on Facebook, even though they did not know each other, this way they could learn more about new cultures and inspire each other. He started his first company when he was still a teenager and he used to say that there is no age for making an impact, start today, where you are with what you have. Every impact matters regardless of how small it is. Since, I was working, listening and observing him on a daily basis, I
started picking up the positive aspect of his personality. I always wanted to open a company one day, but I was initially planning to do it when I would be 40 years old with a lot of working experience and valuable contacts. However, being with the CEO of this company, I started realizing that I did not have to be old to do it.

One day, the project I was working on was delayed due to some technical problems with the developers and I could not go further until the problem was solved. Therefore, I decided to Skype a friend in Finland, Kari. We were talking about different things, life, and the weather … and at some point; we started talking about setting up a company together. Then, for many days we were brainstorming on different business ideas and what kind of company we could set up together. Eventually, I suggested to him that we should create an event company, which would organise seminars, conferences and other type of corporate events in Oulu. He was not so interested in it but he said I should go ahead and meanwhile, we should keep looking for something we could do together. Then, we started brainstorming on the name of the event company. When, we started turning around the same names, I consulted a second Finnish friend, Pietari, that I had met in Oulu when I was in Erasmus, and who was now living in Switzerland. After several discussion rounds, Skype calls and emails, we chose Cisti Connexion as the name of the company. When Pietari was still in Oulu, I asked him how to say “cool” in Finnish, and he answered that I could use the word “siisti” or “siistia” depending on the context. Then, during my Erasmus, Pietari and I were constantly using word the “siistia”, we even infected some of our friends who started using it often as well. Therefore, “Cool Connexion” seemed to sum up our story pretty well.

As we can notice, I was able to gain more international experience and discover a different culture and business practices. Social capital was also a determinant factor regarding the way I ended up in Pakistan and made the company name. There were also a lot of interactions with my Finnish friends which contributed to the business idea and the name of the company (crazy quilts). Coming up with the name was a co-creation process.
4.2 Description of the launch

The launch of the company is marked by 3 main happenings:

- First “Caribbean Fever” socializing event, March 2011

After my internship in Pakistan, which ended in August, I went back to France where I stayed for 2 months. In November 2010, I came back in Oulu to begin looking for a company with which to start writing my master thesis. In January 2011, I still did not find a thesis position and doing nothing was annoying me because I have always been pretty active in my life. So, I decided that until I find a thesis position, I could start working a little bit more on the entrepreneurial project I had during the summer. In February 2011 when I was visiting a local pizzeria, my friend, Stan was working there and he also a fan of Reggae music. He told me that I was very good at organizing events in bars and he was wondering why I stopped doing them. I told him that my term in AIESEC was over and I was not the one responsible of planning the activities anymore. He said that that was a shame because Oulu needs such events, it brings life to the city and there are not enough of them.

As mentioned earlier, during my AIESEC president term, I was very active on issues regarding the integration of international students in our university; finding solutions to increase interactions between Finnish and international students and create more synergies between them. I also thought that the starting point could be through having more socializing events in bars, since Finns are more open in such settings. Indeed, the more Finnish friends an international student will have, the more he will know about the country and about what is going on in the city, and this friendship could also lead to some job opportunities, especially since it seems that everything in Oulu was advertised through word of mouth and the language barrier prevented international students from accessing certain information. In a nutshell, the more friends you have, the easier it is for you to live in Oulu and enjoy your university experience.

After my term, it seemed that no one was actively taking care of these issues. Furthermore, I had already spent a lot of time on these issues after my lectures, so I
did not want this cause to die and I truly wanted the situation to change. I also have the attitude that I should always finish what I have started.

Therefore, I decided to continue advocating this cause by organising once a month an informal networking event in a bar. The event would be called, “Caribbean Fever”, due to the contrast between Finland (cold) and the Caribbean (warm). I wanted to bring some sun to Oulu and warm up the social atmosphere. The idea was to meet new people in a relaxing atmosphere. The motto was “the more people you know, the more friends, activities and job opportunities you will get”. Music wise, we were also playing some reggae music as Stan requested and a lot of people seemed to agree with his opinion. Initially, the participants were mainly international students and my friends (I was actively promoting it within my network and on Facebook). Then, it became a place where Finnish students and international students could meet and discuss more often. In the beginning, many of my friends where helping me carry out the different tasks, like the marketing, putting up posters … the designs. I used to give my friends some posters so they could put them up in different spots on their way home or a path they would use anyway. In this way, I would not bother them or ask them to take some detour. Seeing the enthusiasm around the event also gave me more motivation to give it my best. I was feeling that I was useful and that I was contributing to a cause that will improve the life of many people.

I organised the event in a bar where I used to organise the AIESEC event, it was also easier because I already knew the people and knew how things worked there. For the first event, I was also planning to use the DJ that we used for the “Moulin Rouge” night. However, a few days before the event something came up and he was not available anymore. I still needed a very good DJ and the one I knew in France was not available as well. Therefore, I contacted a childhood friend, William, who was working in a bar in London, to refer me to the best DJ he knew, which was Jeremy. After contacting Jeremy, we did not manage to agree on the fee. Nevertheless, he referred me to another good London based DJ who could come to the event and fit my budget. Such an event requires very skilful DJs who are able to blend with the diverse background of the attendees.
My main goal for the company was to create a corporate event agency. I only created the bar events to improve the condition of international students in Oulu and make the Finnish student know that they should take advantage of the multicultural campus that the university of Oulu offers them. Therefore, I wanted the bar events to auto-finance themselves so that I would not have to put much money into it, besides what was needed for the first event.

The previous events I organised for AIESEC allowed me to have a pretty good understanding of the revenue that such an event could generate; this amount was also the amount I was willing to use to produce the event. My goal was to break even, which is why I did not mind flying the DJ from abroad for the event. Later, with the help of Business Oulu, who gave me lot of information on running a business in Oulu, I also received a small funding grant from the “Ely keskus” called “Starttiraha“ to help me start this business event agency.

To receive this grant, I had to make a business plan and do a little bit of traditional planning. The Caribbean Fever event was mainly the result of my previous experience, a cause I was passionate about through the interactions I had with other people. These interactions and the result of all the conversations I had allowed me to design an event made to bring people together, which generated a lot of enthusiasm. My network of friends was very important for carrying out the initial tasks, acquiring new resources and leveraging contingencies. I was following the bird in hand, lemonade and crazy quilts effectual principles. But, I also came to realize that effectuation and causation work well together, since I also had to do a little bit of planning.

- Logo design in April 2011

While, I was in Pakistan, there was a popular DJ called, Samad. He was not living in Karachi but in Lahore. I didn’t know him, but we had some common friends and they introduced us on Facebook. Until today, we still have never met in real life, but we became good friends. He often keeps me posted regarding his different projects and he had also mentioned that before being a DJ he was a graphic designer.

Almost 9 months after I met him, I set up the company and I needed a logo. It was then pretty convenient that I already knew a graphic designer. Therefore, I contacted Samad to
let him know I would need a logo and he agreed to make it for me. Initially, I thought it would have been an easy task but it took us a lot of time to design it. First, Samad sent me over 15 different logos. Of course, I had some preferences regarding the logo, but I had no idea which one to choose in the end, because I did not know how other people would interpret them. So, I wanted to show them to different people so I could find out which one they liked the most, why they liked it and how they interpreted these logos.

Initially, I went to the university to show these logos to a few friends and get their opinions. Then, I was wondering why should I limit it only to my friends. With the help of my friend Lily, we ran a small survey within the university, walking the corridors and going to different tables in the restaurants to get opinions from a larger pool of students and university staff from different faculties.

When, I received a satisfactory amount of feedback, I gather all the data and gave new objectives to Samad, who designed a new logo. After that, I went again to the university to get more opinions about the new ones, which allowed me to have the final version.

This episode also highlights the importance of meeting a lot of different persons because you never know what you could do together in the future. I met Samad because he was a DJ and we have some common friends. 9 months later, we end up working together on my company logo. Here again we can recognize the crazy quilts and bird in hand mechanisms of the effectual principles. I created my first logo with a friend from Pakistan and I used it to walk around the university, asking friends and random students which logo they preferred. Based on their feedback, I made some changes and created the final version of my logo.

• Meetings with my entrepreneurship lecturer, fall 2011

In the fall 2011, I went to see one of our university entrepreneurship lecturers for advice, Jimmy. I did attend one of his classes in 2009 about doing business in Arab countries. In this lecture Jimmy was talking about the importance of business modelling and having a big vision. I told him that I set up an event company and I was planning to focus on organising seminars, conferences and offer communication services. However, once a month, I am also organising a socialising event in a bar of the city centre.

After this meeting, we met many other times, he visited a few of my socialising events and we went for a tour of all the bars in the city centre of Oulu. Then, he told the stories about of one of his childhood friends who started by arranging bar events and later on bought his own bar and now has a chain of bars in Australia. On top of
all his advice and he also recommended me a book to read “The secret” by Rhonda Byrne.

Afterwards, my vision concerning the company has changed a lot. Besides, the corporate events, I also started thinking that I had the opportunity to change the bar scene in Oulu, Finland, and the world one day, by making it a socializing and informal networking place of excellence. This new direction was also mixing business and my personal interests very well. I was pursuing a cause I really believed in: “bringing people together to create a greater good”. This new perspective allowed me to set a few goals to keep myself motivated and focused on achieving these landmarks: organizing weekly events within 2 years, having my first bar within 5 years and operating in different countries within 10 years.

This period could be considered as the time when I recognized the opportunity and decided to follow it. Initially, my goal was to focus on the corporate events and organise the socializing events in a bar once a month in my free time. However, the set of meetings with Jimmy allowed me to see the bigger picture and realize that my cause could have a bigger impact. This period is also the time when my vision was formulated and I started setting goals to achieve it. It also includes an accumulation of knowledge on theoretical and practical points of view.

4.3 Description of the post launch

The post launch is marked by the following events:

- Weekly event, May 2012

In the beginning of May 2012, I was meeting with Jane regarding an event Cisti Connexion would organize for the City of Oulu where she was working. She was also a fan of the “Caribbean Fever” concept and she was wondering if I have ever been considering more events of this type. Then, she advised me to contact Iikka, owner of another popular bar in Oulu, and gave me his number.
A few days later I called Iikka to introduce myself and organise a single event. A Spanish DJ was coming to Oulu and he already had a fan base here. The fans of the DJ told me that about 150 people would come to the event if we make it happen. Iikka was a bit sceptical about the date we chose for the event because it was a bank holiday. Usually, in Finland, there are not so many people going out on bank holidays, because everyone does it the day before.

Since, I was pretty confident about the turnover of the night, he did not mind giving it a try because he was expecting a slow night anyway. Indeed, because of the partnership with the fans of the DJ, I was able to predict accurately the result of the night. The night went as planned and Iikka and I started discussing further cooperation opportunity. That was also the perfect timing to start a weekly socializing event in his bar. We initially started with a weekly one for the summer time only. Since everything went fine, I continued organising weekly events there during the fall and the spring as well. Now, our cooperation has been going on for over 4 years.

This section highlights the importance of partnership and stakeholder commitments, which also allowed me to determine the output of the night. We can recognize the “pilot in the plane” effectual principle. The agreement with the fans allowed me not to have to do extensive research regarding the feasibility of such an event on bank holidays. Due to the partnership, I knew that the result of the night would be independent of the normal conditions that apply to bank holidays. Even though, the meeting with Jane was not to talk about Iikka, it is important to stay alert and be open to new opportunity regardless of the context and the agenda. Once again, the importance of developing social capital is repeated, even when the trigger is a third party.

- Caribbean Fever season 3, August 2013

Over these two and an half years, we had our share of unexpected events and challenges, but they all made us stronger and better. In August 2013, the “Caribbean Fever” was about to start its third season. I also had a good team to help me organise all the events. The events, the themes and the artists were planned over 5 months in
advance and we were finding a lot of routines and processes to help us be more efficient.

From the beginning, we have been flying foreign DJs to Finland. Even though it was more expensive, I decided to keep using them because they were raising the quality of the events and people have become used to it. Marketing wise, it also brought an added value to the events. I also had different partnerships with different organisations and we were constantly looking for feedback to improve the events and increase the participants’ experience and allow them to meet more people in the best settings.

Until this period, I have always been working very much and I was also under the impression that this opportunity might disappear unless I keep developing it. I felt that if I stopped focusing on this opportunity for a while to spend more time on other projects, when I returned the opportunity may not be waiting for me. Furthermore, I knew that the people attending these events had very high expectations regarding each of them. Therefore, I also wanted each event to match their expectations. August 2013 was also one of the first times I had the chance to sit and realize everything I had done. This was also the period where I thought it would be time for me to delegate most of my tasks so I could have enough time to finalise a project I had started a long time ago, but had not had time to finish.

Here again, the AIESEC experience allowed me to gain a good understanding of how the student organisation system at the university works. It also allowed me to meet a lot of student organisation active members. These factors enabled me to make different partnerships regarding these events. I was also very marketing oriented and I was not thinking too much about optimising the cost of the events at the beginning, because I had in mind the long term effect and maintaining the quality.

- Acquisition of Caio, August 2014

In November 2012, while I was in a meeting with a customer, he mentioned that he was planning to buy the building where the restaurant Caio is located, but he dropped the case because they did not manage to agree on the price. It was also the first time
that I knew the place was for sale. However, in June 2013, I received a call from Matti (former AIESEC Alumni that I met in 2008) to let me know that Caio was for sale and he thought that it would be a perfect fit for me. Subconsciously, it seems that the idea had grown in my head since November and this time I was a bit more curious and started taking more information. After the holidays, when I was able to process all the information and make my decision, I discovered that the place had been rented but was still for sale.

The acquisition process took a year, when I was initially planning to spend only 5 months on it. Many challenges arose due to the bureaucracy, the negotiation with the seller, the bank and the partner selection. However, keeping in mind the end goal, the support of the family and good friends were motivational factors which strengthened my determination and willingness to persevere.

The acquisition could have also have been considered a risky transaction, since the restaurant is located outside the city centre, where most people usually go. But due to my previous experience and that of my partners, I was confident I would be able to make this place work better. Since I was mainly interested in marketing, developing the place into a successful, highly customer service oriented franchise, and creating a setting which would boost informal networking and encourage people to make more connections, partnering with Iikka (bar owner met 3 years earlier, with over 25 years experience in the industry) was very helpful, since he was able to guide me to successfully start the operations and speed my learning process when it comes to bar and restaurant management.

I had to be tenacious to overcome the challenges. It was also important to look at the extra time required to close the deal not as a reason to give up (or to think it was not made for me), but as an opportunity to prepare myself and get better insights into the business. I was also looking at the additional time the beginning of the process took as time that I would not have to use in the future, since it made me sharper. Keeping a positive mind-set throughout the process was very important to keep going forward.
It was also important that I have a pretty clear vision of what I wanted to achieve with the restaurant and that I was able to communicate it to my team. The hours spent in making and improving the business plan were very helpful in this regard, and I had a causal behaviour. Even though I know that the road is going to be long and full of unexpected events, I stressed in interviews with my team the direction we are heading to and the importance of fulfilling these long-term objectives. It was important that everyone is working towards achieving our long-term goals. It was important to clearly communicate the vision. It also allowed us to keep the most motivated persons who believe in the project, and for the one who did not fully believe in it to let us know that this adventure was not made for them.

Having looked, then, at the case study, let’s discuss the findings of this study.
5 DISCUSSION AND FINDINGS

For many years entrepreneurship has not enjoyed a good reputation and people have been reluctant to embrace this path. However, nowadays, the situation has changed (Banchflower & Oswald, 1998). More and more people including young graduates are considering entrepreneurship, excited by the challenge of setting up, developing and shaping their own venture, thus, veering away from a career in larger and more established corporation. From an opportunity and growth perspective, entrepreneurs are innovators and risk-takers who want to establish successful businesses, through depending on their own efforts and ambitions (Goffee & Scase, 1987).

Even though the majority of the traditional economics text books neglect entrepreneurship and do not say much about the genesis of small ventures, which are the first stone of bigger companies, most of the western countries are working towards reducing the barriers towards entrepreneurship through different promotional and tax deduction programs, because they believe that entrepreneurs contribute to the betterment of the society. A lot of people would like to become entrepreneurs or self-employed, but only a few actually do it. According to one survey, 63% of Americans would like to be self-employed, while only 15% were; we can also find the same trend in many other countries. As a matter of fact, entrepreneurs are the ones who are willing to use their own savings or family and surrounding persons to give life to their venture. Alternatively, they are ready to take business loans against collateral (Banchflower & Oswald, 1998).

Based on the theoretical and empirical background of the present study, we acknowledge that effectual principles apply to immigrant entrepreneurs, which ended up allowing us to start the discussion regarding the main characteristics of international immigrant entrepreneurs’ behaviour from an opportunity and growth point of view; followed by the managerial and theoretical implications.
• Behaviour of the international immigrant entrepreneur

The purpose of this study was to determine how to categorize international immigrant entrepreneurs’ entrepreneurial behaviour; more precisely, which traits characterize international immigrant entrepreneurs’ behaviour?

Before being an international immigrant entrepreneur, the individual is first of all an entrepreneur, an international entrepreneur and an immigrant entrepreneur using effectual principles to develop his ventures. Therefore, he also shares the features of such entrepreneurs as listed below, seasoned with some curiosity, imagination and empathy.

“Genuine uncertainty is a central feature of entrepreneurs” (Banchflower & Oswald, 1998). Entrepreneurs are risk takers (Goffee & Scase, 1987) and have an atypically low risk aversion (Khilstrom & Laffont, 1979). When others would see a risk, entrepreneurs would see an opportunity to improve things and make a difference. They are the ones who are innovative and alert enough to go after a business opportunity (Knight, 1921; Schumpeter, 1939; Kirzner, 1973). They are usually more cheerful and optimistic (Blanchflower & Oswald, 1998). Passion, tenacity, self-efficacy, task-specificity, self-confidence (Bandura, 1997), new resource skills, setting goals, having a vision and the ability to communicate it (Baum & Locke, 2004) are also among entrepreneurs’ key characteristics. Based on the notion of intelligent altruism developed by Simon (1993), we can argue that entrepreneurs who are also willing to rely on others and assist others to sustain in a group also have a greater chance to succeed and to become a leader in their field.

“International entrepreneurship is the discovery, enactment, evaluation and exploitation of opportunities across national borders to create future goods and services (McDougall & Oviatt, 2005). When discovering an opportunity, entrepreneurs often make the decision to pursue it immediately as they do not know if it will still be waiting for them or be exploitable later on (Fletcher, 2004). The discovery and exploitation of opportunities are the result of an “incremental process to build international relationships” (Buckley, 1991; Anderson, 1993; Calof, Beamish, 1995; Bell, Young, 1996; Jones, 1999) which requires proactive,
innovative and “risking seeking brokering” behaviour (McDougall & Oviatt, 2000). Styles and Seymour (2006) highlighted the notion of “entrepreneurial intention” based on the notion of innovation, learning and value exchange. Knowledge is an empowering and compelling resource when it comes to the creation of value (Yli-Renko et al., 2002). Learning by doing or via direct observation are the mechanisms through which “entrepreneurial learning” happens (Minniti et Bygrave, 2001). Knowledge, learning (Autio et al., 2000), commitment (Johanson and Vahlne, 2006), the mind-set and the mental models of the entrepreneur (Zahra, Al, 2005) contribute to the success of international opportunity exploitation and process. Furthermore, creativity is an important element since it enables entrepreneurs to build up inventive combinations of resources and outcomes (Brazzeal, Herbert, 1999; Kirzner, 1999; Ward, 2004; Ko, Butler, 2007; Wiklund, Al, 2007; Baron, Tang, 2011). Entrepreneurs are the persons willing to exploit the available opportunities (Peiris, Akoorie, Sinha, 2012).

When it comes to immigrant entrepreneurs, they must develop more social capital and gather resources (Salaff & Al, 2006). The most important kind of network when starting a business is social networks, especially in the pre-launch phase (Lechner & Al, 2006). For immigrant entrepreneurs, social capital and networking are determinant factors since it allows them to receive the information and resources needed to succeed in their new country; having local contacts enable them to gain more knowledge regarding the host country, which supports the discovery of business opportunities. Horizontal networking is one of the most efficient ways for immigrant entrepreneurs to develop social capital and have access to network beyond their ethnic community. Horizontal networking opens doors to partnerships, cooperation and joint projects between natives and immigrant entrepreneurs. Furthermore, developing social capital is a key component for high value added immigrant entrepreneurs (Turkina & Thai, 2013).

The concept of immigrant entrepreneurship has changed a lot over the years to represent a very heterogeneous group. Historically, it refers to “necessity immigrant entrepreneurs”, individuals who opened a business to survive in the host country because they cannot find an employer. Nowadays, thanks to globalisation, a lot of immigrants become entrepreneurs to pursue a business opportunity, and not because
they are discriminated against, or face difficulties in the host country job market. There are four main types of immigrant entrepreneurs (IMEs): necessity, traditional opportunity, transnational, diaspora and global, though they fall into two main categories, necessity and opportunity immigrant entrepreneurs (Chrysostome, 2010). Opportunity immigrant entrepreneurs usually come to the host country for academic or professional reasons before embracing the entrepreneurial path (Li, 1993; Salaff, Greve & Wong, 2006); they chose entrepreneurship because they want to follow a dream, be independent or because they would have better income by being self-employed (Bozorgmehr, 1998; Hosler, 2000). The opportunity immigrant entrepreneur’s family and the host country’s financial institutions are their principal source of financial capital. Opportunity immigrant entrepreneurs are more integrated in the host country and have a better network than necessity ones (Bates, 1997). Opportunity immigrant entrepreneurs are also the ones who could be found in the domain of international entrepreneurship (IE).

Opportunity IMEs have many characteristics, such as international contacts, experiences, knowledge or a university degree, which are known for building up a successful international new venture (INV) (Zolin, Schlosser, 2011). IMEs develop more “strategic international relationships” (McDougall et Al, 2003) and more face-to-face connections (Zolin, Schlosser, 2011) than native entrepreneurs. To widen the amount of resources, IMEs may look for partners to increase their equity, idea pool or international expertise. Having a founding team enables IMEs to set up a strong headquarter in the host country (Zollin, Schlosser, 2010) and to focus on the tasks they do the best. Businesses with an immigrant in the founding team have a tendency to have a more ambitious prospector strategy than the ones without one (Chaganti, Watts, Chaganti, Zimmerman-Treichel, 2008). To eclipse the national boundaries, IMEs develop more cultural capital (Luo, 2001). IMEs are flexible with impressive adaptation skills, the ability to leverage resources from the home and host country and creative ways to overcome their challenges (Yeung, 2002; Chen, 2007, Chrysostome, 2010; Nkongolo-Bakenda, Chrysostome, 2012). Learning about many different cultures helps an immigrant to trigger opportunities to establish INVs (Zolin, Schlosser, 2011). Managerial skills are needed from the IMEs to exploit these opportunities, and their “ability to balance the scope and size” of their networks in the host country and abroad is crucial to their success (Patel and Conklin, 2009).
Active alertness (behaviours of questioning, observing, experimenting and idea networking) contributes to ease the discovery of opportunities (Dyer et al., 2008) by immigrants through constant analyses of their environment (Nkongolo-Bakenda, Chrysostome, 2012). The entrepreneur’s personality, particularly their optimism, creativity, prior knowledge and the social network would contribute to boost their alertness (Ardichvili et al., 2003); not to mention factors such as pro-activeness, low psychic distance, “less liability of foreignness”, experiences abroad which would help IMEs succeed in their international adventures. Adding to the traditional IE criteria, altruistic motivations and the need of social recognition from the home country foster immigrant entrepreneurship (Nkongolo-Bakenda, Chrysostome, 2012).

As demonstrated in the literature review and highlighted in the case study, IMEs are also effectuators. As stated by Sarasvathy (2003), effectuators perform in an uncertain environment and believe that they can influence and shape their society; they are the master of their own destiny and can create the future by consulting, negotiating and involving their stakeholders in the creation of various partnerships, which allows them to avoid excessive planning; they adapt and learn from unexpected events and their previous experience; They prefer to focus on developing solutions which will create more opportunities in the long run than maximising short term profit. Effectuators “utilize resources within their control in conjunction with commitments and constraints from self-selected stakeholders to fabricate new artifacts such as ventures, products, opportunities and markets” (Sarasvathy, 2001; Wiltbank, Dew, Read, Sarasvathy, 2006). Effectuators consider resources as fungible (Dew, Sarasvathy, Venkataraman, 2004) and they use the available ones to create various solutions instead of limiting themselves to follow and stick to a specific goals (Sarasvathy, Kumar, York, Bhagavatula, 2014). As Mainela and Puhakka (2009) stated “the creation of a new venture is about reviewing what the social context wants, and setting up a company that answer its demands and reduce its turbulence”.

Many people would like to become an entrepreneur or self-employed but have not made the jump. The main reason which prevents them from following this path is a lack of capital (Banchflower & Oswald, 1998). Additionally, to pursue an opportunity, one does not necessarily need to have some specific intellectual skill beforehand (Fletcher, 2004). The effectuation theory is a solution to these problems
as it encourages people to start their business with the resources they have in hand first, while looking for further ways to expand the business later on. The important aspect in this case is to start and keep moving forward. The speed of this process will depend on the entrepreneur’s mind-set, intentions, available resources or his ability to acquire new resources. An effectual behaviour is fundamental in the early stage of the venture to leverage contingency and keep the entrepreneur motivated. However, later on, entrepreneurs need to find the right balance between causal behaviours to efficiently meet the company objectives and effectual ones to keep discovering new opportunities and overcome challenges. Furthermore, entrepreneurs “cannot” pursue every opportunity in their environment; they should select the ones they want to follow (Weick, 1995). By assessing risks, gains, added value and losses, they can go for the ones worth pursuing (Gartner et Al, 2003); this is also an area where causal behaviours would be useful and help entrepreneurs to stay focus, channel their energy and use it for the right battles. IMEs are usually seen as necessity entrepreneurs because of their limited employment perspectives, though there are also opportunity immigrant entrepreneurs who leverage their international human capital to exploit opportunities. Factors in the host and home country, such as stable policies and economy, the means to acquire social capital, good governance and vision towards entrepreneurs and sufficient social and human capital encourage the rise of immigrant entrepreneurship (Newland and Tanaka, 2010). It is also important to be curious, willing to experience a lot of new adventures, get exposed to diverse domains, be interested in discovering new areas and learn from them. The more various sources of experiences and knowledge one gets, the more chance the individual has to discover an opportunity and pursue it. That is why it is important to widen our interest in life and to expose ourselves to a lot of different ideas, arts, facts, stories, discussions, people…. It takes curiosity to find out a business idea and imagination to implement it. It is also important to continue to pursue the vision and have the willingness to take it to the next level and to constantly try to improve the business and ourselves regardless of the amount of work required or the drawbacks which could prevent us of achieving it. Empathy is also a trait that should be developed by immigrant entrepreneurs, since it will give them the ability to better understand others and the behaviour of the natives of the host country.
• Managerial implication:

This research also has some managerial implications. As seen in the work of McDougall, Shane and Oviatt (2004), it can help venture capitalists and other types of investors to find the right companies to focus on by having a better understanding of entrepreneurs’ characteristics. The study encourages entrepreneurs to create hybrid structures to better manage their resources and leverage contingencies, and to reflect on whether it would be a better strategy for entrepreneurs to set up a domestic business which will internationalize itself later or to set up a venture, which will internationalize itself from its commencement.

Entrepreneurs’ characteristics, motivation and skills affect the growth of their ventures; this study highlights a non-exhaustive list of these elements and encourages upcoming and existing entrepreneurs to continuously seek for the development of such attributes throughout their journey in order to better achieve their vision. Furthermore, the study could help educational institutions to better understand entrepreneurs’ needs and improve their teaching, especially in terms of opportunity recognition, formulating and communicating the vision, self-efficacy, imagination and leveraging contingency; additional classes could be designed to complement the existing ones.

Keeping in mind that resources are fungible, it encourages entrepreneurs to look for alternative solutions and imaginative combinations of resources to overcome their challenges and reach their goals. Therefore, a lack of resources is not a fatality any more, but an opportunity to find a new or alternative operating modes. Multiplying experiences in various areas, accumulating knowledge from different sources and developing social capital in order to boost creativity and the available amount of opportunities should help entrepreneurs and managers in their missions.

Furthermore, this study gives a better understanding of immigrant entrepreneurship and a strategy they could use to promote their business while contributing to the betterment of the host country’s economic indicators. It also helps policy makers and governing bodies to develop their programs towards entrepreneurship in general, and
immigrant entrepreneurship in particular. Furthermore, it could support students in selecting their career path and give them more insights.

- Theoretical implication:

From a theoretical point of view, a longitudinal case study over a period of 7 years is quite rare in the domain of immigrant entrepreneurship, added to the fact that an auto-ethnographic approach has been used. Therefore, the study allows a deep understanding of entrepreneurs / IMEs’ behaviour throughout the development of the ventures (inception, launch, post launch) and pin up the characteristics of the behaviour which contribute to the venture growth.

Effectuation is growing in the area of entrepreneurship and international entrepreneurship. However, very few studies have been focused on effectuation in regards to immigrant entrepreneurship. This study shows that effectual principles also apply to immigrant entrepreneurship, as do causal ones. The early stage of the life of a venture is mainly dominated by the use of effectuation. However, later the use of causation is increasingly growing. Even though, theoretically, effectuation and causation are set against each other; the truth is that they are complementary.

Social ventures (“ventures that look beyond profit motives and explicitly embrace additional objectives such as environmental sustainability, responsibilities toward the community and/or tackle large societal problems”) are of growing interest in the domain of entrepreneurship and they have a lot to gain from international entrepreneurship (Sarasvathy, Kumar, York, Bhagavatula, 2014). More studies and models could be developed on this topic, especially regarding the organizational structure of such ventures, how they deal with innovation and their development perspectives. The effectuation method could help to enlighten the IE field.

By using an auto-ethnographic approach over such a long period, we strengthen the immigrant entrepreneurship literature by bringing detailed insight into their behaviour and journey. By highlighting the key role of IMEs in the IE we are also contributing to breaking the general necessity-based assumptions regarding IMEs. Effectuation also brings new perspective to IE and immigrant entrepreneurship, as it
points out that the development and/or internationalisation of new ventures are the result of the entrepreneur’s aptitude to pursue unplanned opportunities, their vision and orientation toward growth.

Further research could also be conducted regarding the existence of walkways/transitions from necessity immigrant entrepreneurship to opportunity immigrant entrepreneurship. Can a necessity IME become an opportunity IME? Are these notions fundamentally contradictory? By exposing the benefit of immigrant entrepreneurship and their competitive advantages over natives, further studies could also be conducted on the ways host countries could better tap into the experience, the human and cultural capital of their immigrants. Another practical application of effectuation in the IE and immigrant entrepreneurship literature would be to dig further into the network and social capital dynamics to find out the motives that push people to partner beyond economic factors; could we then imply a notion of “affinity capital”? Indeed, more studies along the same lines, as an alternative to the current ones, should be repeated in other countries.

Assessing the quality of the research, auto-ethnography was a wise choice since we aimed to develop a broader understanding of the social phenomenon that is international immigrant entrepreneurship. By focusing on analysing a French immigrant entrepreneur’s behaviour operating in Finland, we were able to collect first hand information through direct observation and through having access to email and various documents of the company. We used verbal explanations and interpretations to analyse the data. Also, the time period of the research (7 years) was long enough to utilize the data and benefit from the wide initial angle of the topic. The “complete member researcher status” principle of an analytic auto-ethnography has been respected, although in this study the researcher was also the entrepreneur who’s behaviour was analysed. This allowed us to totally immerse ourselves in the social context and to investigate the different emotional positions; being a complete member researcher does not require a panoptical vision, and different interpretations of the same event are still possible. Therefore, we have mainly been focusing on the entrepreneur’s perspective. The originality of this study is found in the fact that the analysis is based on the entrepreneur’s own personal sense making, which validate the “analytic reflexivity” criteria of an analytic auto-
ethnography. The “narrative visibility“ criterion was also respected in the empirical section of this study, which reflects the researcher/entrepreneur’s own impressions and experiences. Since the subject of the study was the entrepreneur (a person) and not a group, we did not focus much on interrelations with other actors, unless they were affecting the entrepreneur’s behaviour; this use differs from the traditional guidelines of analytic auto-ethnography, which advocate a “dialogue with informants beyond the self” and the interrelation with others. We have also committed ourselves to theoretical analysis in order to develop a better understanding of our phenomena. However, we have also been confronted with one of the recurrent issues in auto-ethnographies, when the researcher is working for the company under investigation, in the busiest business period, the researcher has a tendency to prioritize his corporate imperatives over the research ones.

This study does not come without limitations, nor does it aim to give an extensive list of entrepreneur, particularly immigrant entrepreneur, behaviour, but lays a solid foundation for further research. In an attempt to include the most relevant information into a limited slot, we might not have developed some aspects which could have also been treated in a more detailed way. The research is based on a single case of a French entrepreneur operating in Oulu, Finland. We know that the context does affect the behaviour of the entrepreneur, and we may wonder what behaviour an entrepreneur from a different nationality could have in the same or different context. An auto-ethnographic approach might suggest a lack of objectivity. But, it allowed us to have a deeper view of the phenomenon; more qualitative and quantitative studies from a larger pool of data would be needed. The research is limited by being focused on one single entrepreneur in only one country and one city, which could lead to some bias. However, the effectuation theory holds a lot of promise to further develop the international entrepreneurship and immigrant entrepreneurship field.
6 REFERENCES


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