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Dissertation

MSc in Management 2012

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ABSTRACT

The purpose of this thesis has been to explore how 5 Irish SME's use their business network and inter-organizational collaboration to gain competitive advantages and stimulate growth

The research has been exploratory using 5 separate case studies with an aim to gain better insights how entrepreneurs shape their strategies and utilize networks and relationships with other actors to expand their business, and business knowledge

Five entrepreneurs have been interviewed regarding how they network with other firms, on a formal and informal basis. What type of networks they utilize to achieve competitiveness and upsize their business, or develop new business opportunities and their interest and activities on emerging markets

The results show that business networks (formal and informal) are essential for SME's and all those interviewed agreed that networks improve the long term sustainability of the SME

What becomes evident from this study is that in order to survive, the entrepreneur and SME must establish a strong strategic network to rely on

Relationships within the networks are reflective of life itself. Some networks are for the duration of the business contract, others become more long term, with actors free to come and go at any point

The emergence of new technology business networking tools, can facilitate new methods of doing business, and harnessing the business capabilities of these new networking mechanisms can help firms gain competitive advantage and long term sustainability

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DEDICATION

This work is dedicated to my children, Nicole, Aaron and Dylan

Your support, encouragement and laughter kept me going

Love you very much

August 2012

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INTRODUCTION TO STUDY

In this MSc in Management, which I have just completed, what has become evident is that management theory is not a static science. It is dynamic and multi-faceted, it is complex and yet simplistic in its design and application. Management theory is a reflection of organisations themselves and what has become apparent to me as a student is that every organization, be it the large multi-national, or the SME, share commonalities, but yet are intrinsically different. My particular interest is the uniqueness every organization from the largest to the smallest. Whether that can be attributed to the culture of the organization, which can be influenced by the individuals working there, the key to looking at organisations is that they must be taken at a moment in time. Analysing organisations gives us a snap shot of what is happening in that moment, and this information can provide us with evidence of how firms handled situations at that time and provide insights as to how they may handle situations in the future.

Ireland is in the midst of the worst financial crisis to hit the country in decades possibly ever. Much emphasis is placed on how Ireland Inc. can return to growth and build an economic future, which is sustainable and not dependent upon any one sector of the economy.

The growth of indigenous industry is widely heralded as one of the ways in which Ireland can build a viable sustainable economy, which reduces our dependency/reliance on foreign direct investment. Therefore my focus in this study looks at what is happening for entrepreneurs in Ireland, how they interlink with other entrepreneurs and how they use this networking to further their business growth and how the dynamic of networking operates in SME's today, and how it is possibly changing and adapting to meet the needs of entrepreneurial/business demand.

BACKGROUND TO STUDY

The first part of this study is to look at and define what we mean by an entrepreneur? This clarification is important in relation to the concept of networking Which will become clearer later in the study There are many definitions, but the consensus is in the ability to take 'risk' and show 'leadership'

Firstly, what is an entrepreneur?

There are many definitions of what an entrepreneur is, but for the purpose of this study I will use the Timmons (1994) definition "Entrepreneurship is the process of creating or seizing an opportunity and pursuing it regardless of the resources currently controlled" (Timmons, 1994 7)

The second stage of my research is to identify the different types of entrepreneur For the purposes of this study, this is an important area, as the Case Studies will show 5 separate individuals in the different stages of their entrepreneurial development This identification can assist the reader in placing the entrepreneur in their particular entrepreneurial 'lifecycle', which can assist in explaining and understanding actions of a particular entrepreneur at a particular place in time

Studies have tried to identify the different types of entrepreneur as follows

- * Nascent – individuals considering starting their own businesses
- * Novice - individuals with no prior business ownership experience as a business founder, an inheritor or a purchaser of a business
- * Habitual - individuals with prior business ownership experience
- * Serial - individuals who have sold/closed their original business but at a later date have inherited, established and/or purchased another business
- * Portfolio entrepreneurs - individuals who have retained their original business but a later date have inherited, established and /or purchased another business

(Westhead and Wright, 1998a, Wright, Westhead and Sohl, 1998, Delmar and Davidsson, 2000)

Within current organizational theory, it is commonly held that managers should acquire entrepreneurial skills and bring these skills to the organization in that they are able to identify opportunities and take risk for organizational benefit, and yet on the other hand, entrepreneurs are expected with the growth of their businesses, take on the role of managers. Are the two mutually exclusive, have any of the entrepreneurs in our Case Studies managed to achieve these things, have they outsourced these skills? have they networked to learn these skills?

The Case Studies will show, what is happening for the five contributors to this study

With the advent of the globalized economy the world has become more competitive,
more entrepreneurial and as a result, more demanding

AIM AND CONTEXT OF STUDY

The aim of the study is simply to look at Five Case Studies, how the entrepreneurs tell their stories of their business development and the role that formal and informal networks played in their business development

'Networking is the single most powerful marketing tactic to accelerate and sustain success for any individual or organization!' – Adam Small

This study will consider this concept of networking and why is it so important to the survival of business? What are the different types of networks? and what role do these networks play in business today?

Networking is about making connections and building lasting, mutually rewarding relationships. Many networking organisations such as Chambers of Commerce claim to operate as a conduit to ensure you meet the 'right' people to include in your network and expand personal and business network

There are those that claim that the value of business networking is 'not about who you know but WHO KNOWS YOU!!'

Current networking theory suggests that you must continually connect with new people, to develop new relationships and leverage your existing network

Why would business leaders network?

- 1 Learn dynamics within the industry
- 2 Establish your business contacts
- 3 Establish links to your community
- 4 Seek new business opportunities
- 5 Establish mutually rewarding business relationships
- 6 Become a conduit for 3rd party business opportunities which may reap long term benefits
- 7 Access information through well established communication channels
- 8 Access knowledge through established links and 3rd parties

Definitions of networks

Before we undertake this study, it is important to start by looking at some theories of networks

Networks and networking was originally studied in the anthropology field and then became used in organizational behavior. It is accepted that networks consist of a specific set of relations between various people (Aldrich and Whetten 1981, Curran et al 1993, Donckels and Lambrecht 1995, Johannisson 1986, Szarka 1990). According to this definition, first the network is a group, and secondly, specific relationships exist within the group (Curran et al 1993, Donckels and Lambrecht 1995, Szarka 1990)

From the perspective of entrepreneurship and networks, there is an accepted definition of networks, which is that entrepreneurship has been classified as a dynamic force that requires linkages or networks between key players if it is to develop successfully

This approach was originally developed by Aldrich and Zimmer (1986). This takes the view that it is impossible to separate the entrepreneurial process from its social environment, and that the entrepreneurial process is heavily influenced, positively or negatively, by people's positions in social networks (Aldrich and Zimmer 1986, Aldrich et al 1986, 1987, Fombrun 1982, Granovetter 1976, 1985, Gray 1985, Larson and Starr 1993)

The focus of this study on the entrepreneur as the unit of analysis and is concerned with understanding how the entrepreneur creates and manages a network, and what the

outcomes are (Aldrich and Zimmer 1986, Aldrich et al 1987, Birley 1985, Dubini and Aldrich 1991, Larson 1991, 1992, Larson and Starr 1993, Venkataraman 1989) In this study, network analysis provides a method of looking at the importance of network relationships as a factor in the success of 5 businesses taken as case studies

However, when it comes to networks, what exactly do we mean? There are many types of networks For example, formal business type networks, Chambers of Commerce, Business Networks Ireland (BNI), even our predecessors had the idea that to network was a good idea, ie, freemasons

Is it possible to separate the business from the entrepreneur? If the entrepreneur is well connected socially and has a large network, does this mean that the business will have a high success rate, than others in the same area? Therefore the concept of networks is still vague and contradictory when analysing small businesses and their networks

Recent studies on small business enterprises and their networks are largely concerned with the entrepreneur and his network relations (Birley and Cromie 1988, Cromie et al 1994, Curran et al 1993, Donckels and Lambrecht 1995, Dubini and Aldrich 1991, Falemo 1989, Ozcan 1995)

For the purpose of this study – networks are any resource, which an entrepreneur has access to and can provide timely interventions when called upon (Aldrich and Zimmer 1985, Birley 1985, Birley and Cromie 1991, Johannisson 1986, 1988) In other words, the term ‘Network’ is defined as long-term contacts between small business owners and people or other businesses in order to obtain information, moral supports and other resources

For the purpose of this study, personal relationships are treated no differently to other relationships and are understood to be as important as any other relationship for the entrepreneur

In summary, we are looking at the importance of the relationships ie, networks utilized within the five case studies. These networks can be formal or informal and can include personal relationships. The key aspect that we are taking from the definition of networking is that it is the interlinking of relationships and the manner in which these relationships are maximised for the benefit of the business

REVIEW OF EXISTING LITERATURE

Introduction

For this study to make sense it is important to look at the literature from two perspectives. The first perspective is to ascertain 'what is meant by entrepreneur?' and secondly business networking.

Industrial society is not that old, and we have come a long way in a short time. Literature has charted these developments. The nineteenth century saw the emergence of industrial society, which meant the transition from a largely agricultural society to a more industrial based society. This period led to the emergence of the 'entrepreneur'. Individuals who took advantage of opportunities and in doing so, accumulated wealth and for the first time aristocrats did not have exclusive rights to wealth, this new society could produce individuals who could possess great wealth in a single generation, and lead to the emergence of a new class in society. Joseph Schumpeter's (1885-1950) was one of the founding theorists on entrepreneurship.

Schumpeter describes entrepreneurs as visionary change management agents (Sandberg, 1992) who introduce new economic activity that leads to a change in the market. Schumpeter concluded that an entrepreneur is the person with the business idea and not necessarily the one who provides the start up capital or the inventor of new products.

Importantly, Schumpeter contended that entrepreneur can also be a manager employed in any organization. The key characteristic, according to Schumpeter is that the entrepreneur must have a long-term impact on the market to characterize the difference between him/her from business founders or the owner of a small/medium enterprise.

Second, entrepreneurship is not a profession and, in general, it is not a long-lasting state. Whatever the entrepreneur is doing – as a salesman or a software manufacturer etc – he or she remains an entrepreneur as long he/she actually links a market problem with innovation. An entrepreneur loses his/her entrepreneurial character when, after having exploited his/her business idea, he/she shifts to a “business as usual” activity (Schumpeter, 1980). In line with the growth of the organization, processes and organizational structures evolve. The organizational functions gradually take over a part of the founder’s tasks as well as decision-making responsibilities being delegated to the employees. In this way, the enterprise “starts a life of its own”, and becomes separated from its founder relatively early (Dobak, 1999).

Third, Schumpeter portrayed entrepreneurship as making a difference. The entrepreneur breaks up with established practice and destroys the status quo while moving the market forward (Mintzberg et al., 1998: 125). Instead of learning how to swim with the tide, he wants to change its course. In order to do that he must swim against the tide, what was previously a supporting factor is now turned now into an obstacle, so it must be destroyed. However, this is a creative destruction, after all, the entrepreneur induces qualitative advancement by creating new combinations of resources and introducing new products and new business models. Even if the entrepreneur is not successful in all cases, some of his successors eventually succeed in finding a viable business model, in such

cases, the process results in long-lasting development of the market (Christensen, 2003)
In the end, entrepreneurship results in changes, if there are no changes, the activity does not qualify as entrepreneurship (Davidsson, 2003 318)

Entrepreneurial Characteristics

Early literature on the subject of entrepreneurship tends to focus on the ‘personality traits of successful entrepreneurs’ McClelland (1961) contended that entrepreneurs appeared to have a higher need for achievement than non-entrepreneurs and only took moderate risks. Literature and research on the subject of entrepreneurship was not abundant, especially in Ireland, however this is an area, which has shown a great deal of research development especially since the 1980’s. Interest in the topic has principally centered on personality characteristic and socio-cultural backgrounds of successful entrepreneurs. Timmons’ (1994) analysis of more than 50 studies found a general consensus of six general characteristics of entrepreneurs

- 1 Commitment and determination
- 2 Leadership
- 3 Opportunity obsession
- 4 High level of tolerance to risk ambiguity and uncertainty
- 5 Creativity, self-reliance and ability to adapt
- 6 Motivation to excel

Other researchers considered how an individual's background may influence a person's likelihood to become an entrepreneur

Bianchi's (1993) research states that these factors include

- 1 Having parents who are self employed
- 2 Being fired from more than one job
- 3 Being an immigrant or a child of immigrants
- 4 Previous employment in a firm with more than 100 people
- 5 Being the oldest child in the family
- 6 Being a college graduate

With the growth of the Information Technology era and the development of media personalities, successful entrepreneurs have become household names, eg Bill Gates, Microsoft, Steve Jobs, Apple, Richard Branson, Virgin and our own Michael O'Leary, Ryanair. These individuals are well known personalities, and we are very familiar with the somewhat 'odd' behavior of all of those mentioned above at various times, which unfortunately suggests that perhaps to be a successful entrepreneur it is necessary to be 'one of a kind', 'unique' type individuals. Academic literature, has also done much to reinforce the idea that the success of a new venture hinges on the role of a dynamic CEO who is almost part of 'celebrity culture'

What is true though, is that no successful entrepreneur acts alone, although society tends to believe that those who work side by side with successful entrepreneurs are back up staff and are replaceable. In addition to those who work within the firm, there are linkages to others which form 'networks'

Entrepreneurship and the Social Process

In recent times sociologists including Howard Aldrich (1986) and John Freeman (1996) have been developing theory and carrying out research on the implications of viewing entrepreneurship as a social process. Aldrich (1986) proposes that entrepreneurship is part of the social environment, channeled and facilitated (or inhibited) by a person's position in a social network.

The social networks of any entrepreneur facilitate their activities by introducing them to opportunities they would otherwise have missed, but social networks are also key mechanisms to providing resources to a new venture. This view suggests that success doesn't depend just on the initial social position of the entrepreneur within society, but also on the personal contacts he or she establishes and maintains in throughout their lifetime.

Freeman (1996) emphasizes that, as a result, successful entrepreneurs have particular skills to establish key networks and to develop relationships with people who have a role to play in the success of their new business.

A new business may start from an idea of one person, but to build a successful business a team must be put together to grow and develop the business. Often the first growth

stages of the business come from the existing network of the entrepreneur, ie friends and family. But as the business grows, often the entrepreneur needs to tap into resources outside of their immediate network, for instance if the entrepreneur needs legal/funding/political assistance

Entrepreneurial Studies

What is clear from studying the literature of entrepreneurship, is it is still a developing area. In their review of 416 articles published in the entrepreneurship journals over the past number of years, Chandler and Lyon (2001: 107) found that 35% of the published studies analyzed entrepreneurship on the level of individuals, 53% on a corporate level, and 14% either on an industrial or on a macro level. Research studies can be further broken down depending on perspective of entrepreneurship as a phenomenon (economical, social or evolutionary phenomenon)

Despite the number of published papers that might be considered related to the theory of entrepreneurship, there exists no powerful unifying consensus (Brown et al., 2001, Busenitz et al., 2003, Gartner, 2001). After comparing research papers published before 1995, Aldrich and Baker (1997) concluded that the body of entrepreneurship research is eclectic and non-coherent.

The difficulty with research into the realm of entrepreneurship, is that entrepreneurship is a personal journey, and is largely influenced by the diversity in individuals, social, and cultural backgrounds, and their location on the planet. Therefore coherence between studies is difficult to obtain and limited in its nature (Murphy et al, 2006, Shane and Venkataraman, 2000) and solid and testable theoretical bases are still missing (Sexton and Landstrom, 2000)

Entrepreneurship is simply a too broad area for scholars to study in any meaningful way. Therefore the consensus in the literature is that due to the diversity of the subject and subjects within it, understanding of entrepreneurship would be greatly strengthened if researchers chose topics within the subject that identify with one of the core research areas and engage in discussion with others carrying out similar research with that particular focus (Gartner and Brush, 2007)

Therefore as a consequence of this school of thought, this study will focus on the role of networking for 5 entrepreneurs in the development of their businesses

Since it is accepted that entrepreneurs and encouraging entrepreneurship is at the centre of our economic recovery due to their ability to drive economic growth, the understanding of what are their key drivers and dynamics to network from the conventional management practices is interesting as these characteristics if they could be nurtured and developed could have serious implications for Ireland's future domestic industrial growth and with the addition of export potential of these industries, which is central to our economic revival

Table 1 0 Network structures

Authors	Network Structure Name	Network Characteristics
Alter & Hage 1993	Interorganisational Networks	Non hierarchical networks of legally separate units
Dubini & Aldrich 1991	Networks	Patterned relationships between individuals groups and organisations
Gerlach & Lincoln 1992	Alliance Capitalism	Strategic, long term relationship across a broad spectrum of markets
Granovetter 1994,1995	Business Groups	Collection of firms bound together in either formal or informal ties by an intermediary
Kreiner & Schultz 1993	Networks	Informal collaborations
Larson 1992	Network organizational forms	Long-term habitual exchanges that create interdependencies, which may test expectations and reputations
Liebeskind, Oliver, Zucker and Brewer 1996	Social Networks	Collectivity of individuals based on shared norms of trustworthy behavior
Miles & Snow 1986, 1992	Network Organisations	Clusters of networks dictated by market trends
Powell 1990	Network form of organization	Lateral or horizontal flow of exchange, independent flow of resources, reciprocal communication

As can be seen from Table 10 there is a considerable amount of business network literature trying to explain the different structures of networks in existence today

'Business networks can take numerous forms and have numerous objectives' (OECD 2000)

Conclusion

The objective of this chapter is to identify the different business network structures and to outline the structures in terms of their relevance to this study

As Table 10 shows there are many terms used to describe various network structures. Each structure describes the collaborative activities between the network participants. Evident from this however, is that the network literature presents an array of terms to describe the actions of firms cooperating with one another.

Therefore the role of this study is to present a way in which these terms can be used as a yardstick to look at the way the entrepreneurs in our case studies utilized their networking capabilities.

The general consensus from the literature is that networking is, strategic, involves relationships, individuals and groups, interdependencies, trust, markets and reciprocal in nature.

The limitations of the literature is that it is too broad, and too generalistic, this is not the fault of the literature as it refers to specific instances and general accepted behavioral patterns and norms. However the limitation comes from the fact that human behavior and human networking behavior is by its very nature un-predictable, therefore this study has to be case specific and will highlight incidents of networking as told from the perspective of the actors themselves.

RESEARCH QUESTION

The basic premise of this study is that both formal and informal networks are important for small and medium business in Ireland. Therefore the research question is to establish the role of informal and formal networks in SME's in Ireland today for entrepreneurs.

A secondary research question is to establish the types of networks which have relevance to SME entrepreneurs.

A third area of consideration is to establish the growing importance of social media networks for SME entrepreneurs.

Why is this important?

There are two main networking avenues open to entrepreneurs and business: Informal and formal networks. Formal networks are policy driven and generally are the conduit by which small and medium enterprises can access funding. These funding mechanisms are generally linked to training programs all of which are targeted to improve the skillset of the entrepreneur.

However it is important to ascertain the attitude of entrepreneurs to formal networking mechanisms – did they use them and were they beneficial. In the Case Studies, the participants themselves will outline their contact with formal networks and will express their own experiences.

Informal networking is the mechanisms of contact devised by the entrepreneurs themselves. How good are they at informal networking, does it have any relevance to their business outcomes, and for what reasons are they likely to network informally?

These research questions are to be looked at in conjunction with the case studies themselves in isolation, as this study will try to show how the entrepreneurs coped in certain situations and how they used efficiently or not networking opportunities available to them.

METHODOLOGY

Introduction

The basic premise of this study is that both formal and informal networks are important for small and medium business in Ireland

It is important when studying the role of networking both informal and formal, that the concepts of 'time and place' are also taken into consideration because when you consider any actions we may have taken in both our personal and business lives, as human beings we do not act in isolation from our environment, nor are we solitary beings, we like to interact and communicate – its part of the human condition. Therefore in our business lives we also have certain patterns of behavior which affect our capabilities in the workplace, regardless of whether we are self-employed or part of large organisations

The research proposition for this study is to establish the role of informal and formal networks in SME's in Ireland today for entrepreneurs

A secondary research proposition is to establish the types of networks, which have relevance to SME entrepreneurs

A third area of consideration is to establish the growing importance of social media networks for SME entrepreneurs

Why Case Study Approach?

The decision to take a case study approach and to let the entrepreneurs tell their own stories was a 'natural' approach to take. This is simply because, these are real live events being told by the main actors in the stories. Entrepreneurs like to talk, this is a fact, and whilst they were telling their stories it became personal, and the information contained in the cases needed to reflect the environmental factors which played a large part in shaping the cases.

In order to present a background to this study, initial research involved a review of the literature and lead to the development of research questions.

The literature review included works suggested by my supervisor, Mr Jimmy Hill, academic journals, abstracts, relevant books and references from articles, using the body of literature available through our on-line search and referencing materials in the Norma Smurfit Library at National College of Ireland.

In conjunction with my supervisor, it was decided to conduct a series of five case studies of entrepreneurs. The methodology included a review of the qualitative research literature including phenomenological studies (Gadamer, 1976, Ricoeur, 1981, Van Maanen 1991) and qualitative research and evaluation (Patton 1990, Strauss and Corbin, 1990 Denzin and Lincoln, 1994).

The methods of the case studies, including grounded theory and action research are documented in this dissertation

For the purpose of this research, a number of candidates were proposed by the Small Business Network of the Dublin Chamber of Commerce. Candidates were selected on their geographical location, age, and willingness to take part in the study

The final selection of candidates provided an interesting mix of entrepreneurs who had been in business over 30 years and some under 10 years. Thus providing exposure to traditional methods of networking and new technology networking capabilities

The case study, provided a rich analytical source to allow the entrepreneur tell his story in its relevant context without being privy to the exact nature of the research. The entrepreneur themselves contextualized the information and had the opportunity to freely tell their story. However during the course of the interviews and where appropriate, questions were asked which would 'draw out' information of relevance to the study

During the course of the formulation of the case studies a number of key areas were identified which would formulate the basis of the study of networks for entrepreneurs and are as follows

- 1 General introductions and ice breakers to relax the mood and establish comfort zone for open discussions
- 2 Invite owners to outline the story of their business evolution
 - Family involvement
 - Family demands
 - Hurdles and challenges faced over the business evolution
 - Problem solving techniques – how problems were dealt with, lessons learnt, did solutions work or could they have had different outcomes if handled differently?
 - How do they market their products/services
 - Do they have – see the value in a business plan?
 - Where do they see the business going in the next 12 months?
 - What are the perceived obstacles to their plans?
 - What plans/contingencies have they in place to address possible issues/problems?

Three of the participants in the case studies agreed to being recorded and two preferred not to be recorded. The transcripts of the recordings are included in this study. Notes were taken during the interview of the other two participants.

Case studies were composed based upon the key areas identified above.

The five case studies were analysed to identify patterns and issues of importance to the developing theory.

From each line of the case study coding was applied as follows:

(See Sample table attached separately)

FN = Formal Networks (IMI, Business Card, BNI, Chambers of Commerce)

IN= Informal Networks (accountants/professionals, Online social media, inter-business, friends, family)

3rd Level

O/S = Time overseas

ENT HIST = Family Entrepreneurial History

OBST = Obstacles

MKT INF = Informal Marketing

FO MARK= Formal Marketing

BP = Business Plan

INV = Investors

What is a case study and why choose this method of analysis?

A case study is a narrative, based upon real events, that creates the environment for discussion, identification of obstacles and the opportunity to discuss possible outcomes or opportunities that may or may not present themselves in the future

My presentation of these 5 case studies, facilitates the researcher in the analysis of events as they unfolded in the real stories of the cases and interpret the information provided by the candidates as to why they made the decisions they did and acted the way they did at specific moments in the evolution of their business

The purpose of this research is to disseminate the information contained within the cases, to present the findings to the reader and to cross the bridge between events at the 'coalface' for the individual entrepreneurs into knowledge management for organizational learning

The story is told from each candidate, in their own words and from their own perspective
This information is free flowing as entrepreneurs tend to like speaking about themselves
Therefore, we are privy to a story of events as they unfolded with insights as to how, on reflection, the entrepreneur may have done things differently And an indication of learning

These case studies are just a part of the story, they are intended to be a reflection of events that occurred at a particular moment in time and are subjective to the decision making processes of the individual candidates given their particular resources and competences in particular situations

Following the Case Studies, the purpose of this study is to analyse the case studies using theories regarding dynamics in business studies. To place these case studies into context of organizational theory

In the analysis of the information contained in the case study, I considered different methodologies of analyzing primary data. The data contained in the case studies is taken from the perspective of the principals, who recount their own stories in their own words and in a given time. The stories evolve over, in some cases, 30 years and therefore are reflective of business practices in a time past which for the purpose of this study, would be inappropriate to analyse using today's business ethical value system or which may result in the imposition of opinion. Therefore I believe the most accurate and decisive way of dealing with the information contained in the case studies is to present them, as they were intended, as a series of events and comments from the principals involved to outline their entrepreneurial activities over their own time frame

Case Studies comparison to Existing Theory

The Case Studies will then be compared to networking and organizational theory, which seeks to highlight and substantiate theory based upon the findings in the Cases

This substantive comparison to the theory will provide evidence of the importance and roles of networking both informal and formal in SME's and entrepreneurial activity in Ireland today. This will help to contextualize real events that occurred in the lives of our entrepreneurs and make sense of them.

In addition I will be seeking to look at the networking theory and use the theory to explain the phenomena evolving in the use of social media networking for new business models.

This study will therefore seek to increase knowledge in the development of social media for business networking purposes.

Confidentiality

A complete copy of this study is with my Supervisor. To protect the identity of those who assisted with this study, personal identities and company names have been protected. I hope this does not detract from the meaningfulness of the Cases and the stories therein.

CASE STUDY 1 – CASE M - COMPANY M

Introduction

Go-Car is a Car Sharing Company which operates a scheme whereby customers join Go-Car for a fee of €50 00. They receive a Go-Car membership card. Then they pay by credit card to use any Go-Car at various locations in Dublin and Cork for short journeys as required. These journeys are paid by using their credit card. Go-Car estimate that if your journeys are between 8-10K miles per annum you will save money by using Go-Car rather than purchasing your own vehicle.

Case M is a 39 year old Business Management graduate from Trinity College, Dublin, who has lived in San Francisco and Holland. Mark, who is the eldest in his family, has always considered himself to be an entrepreneur, even though there is no family history of entrepreneurship. Mark held down various jobs, but only for periods of up to a year, always looking for the right opportunity to have his own business. None of Mark's siblings are self employed.

During his time in San Francisco, Mark saw a similar car sharing scheme, which was fully supported by the city councils, due to its 'green credentials', and figured that such a scheme could work successfully in Ireland.

On returning to Ireland Mark discovered that a similar type of business already was running in Cork receiving some funding from the Enterprise Board, so Mark decided to go into partnership with its owners and invested a small amount of money which would enable him to discover on a practical level how the business operated in Ireland and following his initial small investment, he followed with a larger investment and became Managing Director and the business was launched in Dublin

Start-up obstacles

Funding

Mark had returned to Ireland after a period of living overseas, in 2009 This was the height of Irelands financial crisis Financial institutions were clawing back financial supports to established companies with good track records, never mind funding a start up Company, for €275,000, which was the initial amount Mark requested Having being rejected, Marks persistence eventually paid off eventually when he received funding for €30,000 For any Company to secure this amount of financial backing at this time was quite an achievement Mark attributes his success to the fact that he persisted and the Bank Manager liked him His first major obstacle was overcome through persistence and the effective application of a business plan which enabled the bank to fund the start up under the terms of our bail out conditions

Cash Flow

Mark identified the issue of cash flow and one, which became a major issue are of concern for the start up business. As a fledgling Company, and a new entrepreneur, Marks energies were focused on the start up Company and not necessarily on the financial issues of the Company. A major learning curve for Mark was the importance of the 'bottom line' and the importance of accessing information from professionals who could offer assistance and advice. Mark stressed the importance of engaging the services of a good accountant from the start. In his opinion, if the entrepreneur is not from a financial background, it is crucial for the success of the operation to outsource this role to the professionals who can also offer advice from their own experiences of dealing with other fledgling companies, ie legal etc.

Legal issues

The key idea of Company M is that customers can access vehicles on the roadside. However, Dublin City Council is prohibited under the Road Traffic Act from designating car parking spaces on the street for commercial purpose. This issue is being over come through a legal amendment. What Mark had anticipated to be a simple obstacle, this has in real terms proved one of the major stumbling blocks in the development of the

business Mark feels that it is important not to assume things will happen at your pace, but to always have a Plan B

Limited resources = limited business growth

Mark quickly realized that in order for Company M to grow beyond the start up phase in its development, additional resources would be required. Unable to provide those resources himself, Mark sought an additional investor who could take the business to the next level. Mark believed that any potential investor would need to come from an associated industry, as the investor would need to bring additional finance, economies of scale, and telemarketing resources which could align Company M with the investors existing business model. Mark actively pursued potential investors he identified, and eventually secured investment from within the car hire industry with him becoming a minority director.

Marketing

Marketing was never an issue for Company M, as Mark believes that it is possible to do clever marketing cheaply using social media and existing business networks. Cross marketing has become a useful tool for Company M. Mark has initiated a concept on the Company M website called Company M Deals where he cross promotes products and services from other SME owners in his network. In turn Company M is promoted by

these other companies on their websites or at their premises Cross Marketing costs nothing says Case M, but can be highly beneficial to both parties

Networks

Case M identified the importance of networks from the initial start up phase Case M does not believe that the major business networks, ie Dublin Chamber, BMI etc have much to offer an entrepreneur like Case M

Case Ms business networks have been formed in his immediate environment through supporting new start ups, even when a struggling start up business, Case M believes that it is important for companies to align themselves with other companies and to offer cross marketing and customer loyalty and discount schemes between business

Networks – Even as a struggling start up it is important to support others, by eating in local entrepreneur locations as opposed to chains

The importance of cross marketing between entrepreneurs is crucial Case Ms networks have been established through years of networking in business He does not believe in the value of formal networks but is a strong supporter of networking between businesses in communities to support each other locally

Perceived obstacles in next 12 months

In summary, Case M believes he has overcome existing obstacles to maximize his abilities to bring Company M to its existing level. The choice to seek an investor for the sake of the business growth was identified by Case M and pursued by him to enable Company M develop its full potential. This came at a cost and Case M's next obstacle is to deal with his diminished position within the Company and the challenge for Case M is whether to continue in this role with Company M or to pursue other avenues.

Either way, his ability to network and harness community based links has enabled him to establish a platform to launch any future business.

CASE STUDY 2 – CASE F

Case F is a man in his late 40's who grew up in Glasnevin, north Dublin. He is one of two children whose father was a civil servant and the family background would have been considered to have been risk adverse.

He attended Trinity College and is a business studies graduate and up to his mid 30's worked in a 'normal' job in the traditional media but always had the feeling that he did not quite 'fit in'.

In the mid-90's coinciding with the arrival of the internet, Case F changed employment to work with An Post Ireland online as his employer, and for the first time Case F admits to feeling like an entrepreneur in a job, where the nature of the work was evolving, things were happening 'off the cuff'. There was the challenge of doing things for the first time and in this role Case F felt appreciated.

Since then Case F has gone on to become a 'habitual entrepreneur'.

In 2006, Case F went on BBC's Dragons Den looking for £500,000, for a 15% share in a company called 'Yougetitback.com', which is fundamentally an insurance company for your IT equipment, based upon an idea he saw in the US.

Six months after his appearance on the TV show, Case F found an investor who provided the funding he needed. Today the Company is doing well and turned over £750,000 last year, the forecast is for continual growth in the coming years.

Having been involved in the evolution of the internet and the effects on business, Case F believes that the internet is a resource that can solve all business needs.

Frank's personality can best be described as enigmatic. He has an innate ability to talk, he listens intently and this man could engage a room with tales of past meetings and encounters. Case F could never be described as shy and could easily walk up to a complete stranger, introduce himself and be sitting down having a coffee 10 minutes later. Tales of chance meetings with people in such far off places as Shanghai where he did just that. He uses the 'Irish' connection in his travels and has found that this network has paid dividends over the years.

This natural ability and Franks exposure to the internet at a very early stage, opened opportunities for Case F to explore.

Case F has become a serial entrepreneur and a natural networker. He combines both of these in his business ventures. He has turned networking into a business.

What are the obstacles Case Fencountered when starting his business? Finance and the fact that his businesses were involved 'online' trust became an issue This was an unproven method of doing business, which was met with a certain amount of skepticism

However, if you put any obstacle in front of Frank, he would look at it as an opportunity rather than an obstacle

Since the advent of LinkedIn, Case Fhas used this social media platform to raise extraordinary amounts of working capital for start up ventures purely on the basis of his reputation and his ability to connect with people

There is a widely quoted story of Case Ftrying to raise \$240,000 to invest in a company called Goshido Goshido produces a platform where you can run all of your projects using one computer software product

What did Case Fdo? Conventional methods of funding by this stage were closed to Frank, as we were in the midst of a banking crisis, so Case Fcreated a business plan and circulated it to a number of his 'linked in' network In his note to his network, he added, if this is not of any interest to you, please forward this to people in your own networks who you think may have an interest in it

Over a period of a weekend, he had raised the necessary investment and Goshido, was up and running

Case F has turned this skill into an active business. He invests his brand into a business, shows the owner/managers how to raise necessary funding and takes positions on the board. In similar fashion to how 'dragons' invest their brand and name in fledgling companies with a view to upskilling managers and making network connections to enhance the business.

Case F also provides angel investment services to fledgling start-up businesses.

What are future problems that Case F has identified? This is a personal issue for Frank. He has acknowledged that he moves very quickly and is very spontaneous, this can sometimes mean that he misses the bigger picture.

I questioned Case F on the relevance of formal networks, and he felt that formal networking events worked more efficiently on the periphery. Case F believes that if you are a regular attendee at say formal chamber of commerce events, friendships are formed and people tend to stay within certain groups, which is contrary to the reason why one would attend such an event. To keep maximizing benefits from the networking events, you need to keep your attention on the people who are just in frequent attendees or new, those people tend to keep to the periphery at such events and Case F contends that this is where new business can be achieved.

Case F is active in Small Business Networking groups in Cork, and recently was part of a working group, which drew in people from different walks of life. They were part of a working group, and while Frank's personality would be outgoing, not every in the group was. Case F noticed that other people's thought processes and methods of resolving issues that arose, were different to his own. This led him to question the quality of his decision making processes, and he acknowledged that he needs to slow down and take more stock of issues and difficulties that arise, and this he feels would result in more quality decisions in future dilemmas. He feels the need for him to invest his 'emotional' side in the decision making process. Sometimes it is necessary to think with both your 'heart' and your 'head' as opposed to just your 'head'.

Also Case F is working on spending more time with his young family. When Case F was developing the business, taking care of the family was largely carried out by his partner. However, now that the boys are older, he is actively getting involved in the football club and taking the boys to matches. This was a conscious move on his part, but it does have added benefits. This also provides a means of furthering his network.

Case F has marketed himself, by actively promoting his services on Bloggertone TV. But he has not just limited himself to Ireland. He has spread his wings extensively and he has a wide variety of experience in business development, evaluation, consultancy and training, in areas such as local economic development, entrepreneurship and business

creation working in USA, Ireland, Spain, Portugal, UK, Taiwan, Albania, Mongolia,
China, Kyrgyzstan, Azerbaijan, Serbia and Montenegro

CASE STUDY 3 – CASE B

Case B is a 3rd level graduate who has developed a business, which provides hands on sales and managerial consultancy and training for small businesses in Ireland

Case B comes from a family business background and while he worked in 'real jobs' for a number of years before entering the family travel business, Case B felt that there was not enough challenge for him within the family firm and left to 'make his own way'. Case B was given an ultimatum by his family that if he left, there could be no guarantee that a place would exist for him in the family business if he chose to return.

Case B travelled to Germany in 1990 and after struggling with his inability to speak German, becoming competent enough to gain employment in the travel business there. He established the English speaking division which targeted the large ex-pat community. Case B managed to grow sales by more than 40% in a year and a half. Case B returned to Ireland five years later and formed his own corporate travel business, which he sold in 2004.

At this point he was at a stage in his career where he knew that there were changes in the travel industry brought on by the on line travel facilities available to customers which reduced the need for 'shop front' travel agents, therefore Case B knew he needed to change direction but not lose sight of his skill set.

A good friend approached Case B about coming to work in the insurance industry. Case

Bfelt that he would have to learn this industry from scratch and felt it would be unfair to expect his friend to have to pay him a salary during this time. An agreement was reached whereby Case B would be paid a commission based upon meeting his targets.

Within 6 months Case B was not only reaching his targets but surpassing them comfortably and making significant money. After a period of time Case B felt unchallenged and that there was no further learning for him here.

At this point, Case B realized that the skills he had could be applied to any business, not just travel or insurance. That it is possible to equip staff with the skills necessary to improve sales performance which could be cross applied many industry sectors. Case B decided at this point to establish himself as a provider of these services to SME's who could not afford to provide them for themselves on a continual basis.

Case B discussed this with his friend who had taken him under his wing when he needed it, and suffice it to say they are still good friends.

Case B started his own business offering his services to small companies where he would work 1 or 2 days per week for a specified number of weeks. During this time he would not only seek to improve managerial practices within companies, he would also up skill existing staff in improved sales/managerial techniques. This hands-on approach to training and up skilling of both the staff and the knock on affect of improving sales figures in businesses, proved a winning combination and soon Case B found himself in much demand.

The obstacles to Case Bin the start up phase of his business, was simple – Time Money was not an obstacle as Case Bhad stockpiled some reserves for this move, which he felt, was going to be inevitable for him anyhow

Time became the biggest issue as he was now married, had a young family and was starting a business How much time was he going to be able to dedicate to businesses and how could he finish contracts with companies who still needed his services?

This problem was overcome to a degree by working out plans with customers Some customers were more straightforward and he agreed a job, and a timescale in which it would be completed When the job was done, he was paid and moved on to the next customer

Some customers were not so straightforward In some cases, Case Bhas become part of the furniture within businesses and has indeed developed his own business so that part of their role is that Case Btakes part ownership of the Company, so instead of charging a fee for his services, he is rewarded by a sharing in the profits generated by the business This has happened in a couple of instances

Brian's services have become so well known not by any active marketing campaign, he has been actively sought out by a number of organisations At present he is working 3 days per week for a major media organization, up skilling staff and working 'hands on' in the organization – gearing the organization for change

Whilst this client is 'blue chip' and a 'money in the bank' client – Brian's difficulty at this point is a personal one Case Bprefers to work with SME's He is a member of the

small business network and finds working with owner managers a personally more rewarding exercise for him – some may say a more risky one, but due to Case B attributes this to his family business background and feels that his work could possibly have more impact on the SME than on larger corporations

Case B is an avid networker, he believes in the role of the formal networking institutions eg Chambers, BNI etc, but also believes that being personable and chatting to people can overcome barriers, and provide the opportunities for business which may have been missed by a failure to engage

Discussing the various networks which Case B uses frequently, Case B comes to the realization that he has a close network of friends who are approximately the same age as him, in similar family circumstances, so in jobs and others self employed, the role that the friends network has played in his life has been one of opening up opportunities which may not have otherwise become open to him, but also he relies on this network to problem solve

Brian's friends network have the capacity to assist him solve issues and point out solutions or considerations that need to be made which is a resource he has relied heavily on by his own admission over the years

To unwind and think Case B cycles and runs on his own, and finds this a useful way to contemplate the road ahead

CASE STUDY 4 – CASE K- COMPANY K DESIGN

Case K is a man in his late 50's early 60's who has the energy of a 20 year old

This man is driven. Our meeting was late starting as he was concluding a meeting regarding the taking over of a competitor's firm which had gone into liquidation. Case K knew the firm and the owner well, and in the middle of this current downturn in the Irish economy, Case K feels it is important for him, and the Company to keep focused, and this move, whilst it doesn't make sense on paper, sends the right message to staff who have made sacrifices for the sake of the future of the Company, and to the market, that COMPANY K is still investing and growing and expanding its product range, when others are all retracting.

But Case K does not generally take risks, he acknowledges that the amount of money invested in this move is small, and if it doesn't work within the next 9 months, he can liquidate it and get out of it for approx 10K which won't affect him badly.

Kevin's father had a haberdashery business. Case K is the 2nd eldest of 6 children. Case K acknowledges that his skills weren't in the academic arena, when the rest of his brothers and sisters were academic – Kevin's skills were in retail. He passed his leaving

Cert, went back and repeated it – but still didn't get the points for University, so his father gave him a job selling beds and bed linen and so began a career in retail

Case K believes he had good natural selling skills. He attributes this to his father. Some of his family got the brains and he got the natural selling ability. When he was in school he worked in shoe shops in summer holidays, he admits to having customers eating out of his hands.

After the retail store, Case K got a job in a wholesale company who supplied retail stores with carpets, curtain poles etc. At this stage Case K was now 19/20. Case K was ambitious and wanted to be on the road as a sales representative, the main attraction was the provision of a company car. A vacancy arose and Case K waited and eventually plucked up the courage to ask for the job. His boss reprimanded him for not asking for the position sooner as it would have saved the Company £50 on advertising costs.

Case K learned a valuable lesson – If you want something – just ask for it.

Case K moved around in the industry, he was never short of money as his selling ability served him well. He stayed in positions until he became bored and felt he had learned as much as he was going to in positions and then was generally headhunted into new positions.

The lead up to Case K becoming self employed is of particular interest. Kevin's mentor in the company had a significant impact on Kevin. He lists him as one of the people in his life that inspired him. In the end his mentor was sidelined as his skills of entrepreneurship were not enough to carry the company forward, he was a visionary, but could not handle the finance side of the business. Accountants took over the business side of the company, but Case K contends that a mixture of talents is what the business needed and the accountants were reluctant to take risks and run it like a business should be run.

Case K identified an opportunity with a supplier. This was a significant brand – Stanley. Case K felt that the company he worked for was not maximizing the business potential of the products and indeed there was some frustration with Stanley as to the apparent lack of commitment to the brand.

Case K engineered a situation where he got the Company to resign distribution rights for the Stanley products, 2 weeks later he announced his resignation and took up the agency for Stanley products. He meticulously planned this, even using the skills of a coach who was working for the company at the time to engage with him in the execution of his takeover of the agency. Was this ethical? Was it a conflict of interest? Case K readily admits it was – if you did it now, you probably would be locked up he contends, but these were different times.

Kevin, already knew the people in the Stanley Group, and although Case K had no money to purchase stock for sale, they trusted him with stock, which he paid for as he sold it

When questioned as to the biggest obstacle he encountered at the beginning, Case K admits that it wasn't a particularly difficult obstacle, it was simply making the decision to hit the 'green' button and go out on his own. Case K is a meticulous planner, and likes to plan things down to the final detail, so it was probably a long road for him, but when he got there, there was not stopping him

Case K has been in business for the past 22 years. He has made a profit and continuous growth up to 2 years ago

Case K has 2 children and one is an academic and the other one, Ian, works in the business with him and his wife Joyce

Even though Case K has one of his children in the business with him, he feels that Ian must earn his place. He is attending courses in the IMI and is going to be running the new expansion with another member of staff. Case K is happy for Ian to do this, but will be watching as it is Kevin's money he is spending!

When questioned over family issues, Case K readily admits that the family side of things was handled by Joyce, and this freed up Case K to concentrate on growing and developing the business. Case K admits to working '8 days per week' in the beginning as he felt that

if he had orders to fill, this was his number one priority Case Kalso was involved in sport and liked to unwind with solo sporting activities Case Kwas in the office every day at 7am and felt that this didn't impact negatively on his family In fact he says that COMPANY K became another member of the family Joyce had played a role in the Company when time allowed and didn't conflict with family commitments Now that the children have grown and left home, Joyce works in the Company with Case Kon a full time basis

Case Kadmits to becoming more dependent upon Joyce's input into the business since she joined it full time He feels her opinions and insights are of great benefit to him and the business

Case Kregards himself of an 'old school' entrepreneur He plays his cards very close to his chest He claims not to have networked a lot Case Kbelieves that it was not in his personality to do that He likes to do things alone He is an avid hill walker and runner, he takes his iPod with him and could go off walking in the Dublin mountains on a Sunday for 7 hours, and chat to people if he met them, but would not be a member of the ramblers group as that would 'drive him mad'

Case Ksays that the nature of doing business has evolved over the years and networking is becoming key to survival of business Especially in the area of social media Ian is a bit like Case Kin that his personality does not easily lend itself to networking easily What is emerging from what Case Kis saying is that his engagement with customers is a

tactical skills. It is business, but to get to know the 'real' Case K – there are only a few people who have ever got to do that.

Formal networking events have played a part in Kevin's business life. He has attended IMI functions, he has attended seminars and every course he could do, especially in the downturn, to learn and to research on small business survival in a recession.

He is actively encouraging Ian to get to grips with social media and the opportunities for networking that it opens. He has left Ian to organize the e-business area of COMPANY K designs, it is not 'of his generation' however he can acknowledge that the long term survival of the business depends upon being able to follow the trends and keep up with changes in the way business is conducted. The on line marketing capabilities have opened up even wider markets than Case K could have ever imagined and he is fully aware that they must take full advantage of every opportunity that comes their way.

In addition, if he did not embrace new developments he feels that his staff would question their own place in the business. If they cannot bring new ideas and opportunities to the table – they wouldn't stay. Case K sees his staff as part of the 'family' and does not want to lose good people.

Case K has invested himself in the development of this business. The building that COMPANY K operate from stands out for its design and contemporary nature. But what really comes from Case K is that he is a 'loner'. He has tactically interacted with

customers for business. But he has a very small circle from which to seek advice. These would be his family and a couple of close friends. He has accountants and legal people working on his behalf. Case K is very organized and has clearly identified the roles needed for the survival of the business and uses them if and when they are needed.

He undertook a ski trip to the north and south pole, this was his reward for the years of hard work he had put into COMPANY K. He admired the likes of explorers like Shackleton and feels that the preparation for both trips challenged him when perhaps he needed to be challenged. Business was going well – ‘it was easy’ in the boom times, and he sought to fill the challenge gap by undertaking mammoth extreme sports during this time.

There is no doubt that this man is driven. He abounds with energy. On being an entrepreneur his definition is simple. To be an entrepreneur you must have invested your own money into the project. He includes the IT entrepreneurs in this bracket – because they invest themselves. He feels that unless you have given everything you own to starting your business – unless you are on the line – then you are not an entrepreneur.

Case K has succeeded. By his own admission he is ‘goal orientated’. If he focuses he will achieve it. He admits that he can be unconventional in his approach and goes by his ‘gut’ a lot of the time. But his ‘gut’ hasn’t let him down yet.

Case K tells people to 'live your dreams before you get in your wheelchair' That's me he says -- why can't I'

CASE STUDY 5 – CASE J - DEVELOPER

Case J is the reluctant entrepreneur. If ever anybody had an unassuming presence it is Case J. Physically he is a large character, but a very quiet, contemplative, personable man.

Case J comes from a family background where his father was a contracting carpenter and his mother had some entrepreneurial activity running a lodging house with 15 lodgers. This in the west of Ireland in the 60's was quite the achievement, and unusual for women to be the main breadwinner in the family.

Case J was the middle child in a family of 12 children of which 9 are still living. Of the 12, 3 became self-employed, one has since died and the other 2 (including Case J) are still active.

In the 60's when Case J left school he started working straight away, and found himself working in machine sales when he was 18/19.

He worked in IDA funded organisations successfully, and had developed his skill set to a point where he was a manager in a welding equipment manufacturing company, when a

consultancy firm posed the question to Case J, if that piece of equipment failed – how many people would you kill? This set him thinking, that there was more he could do in the engineering field, it had more to offer him, so he moved to Dublin, attended Bolton Street as a mature student and became a mechanical engineer. Case J's student days were as a part time student, working in between times and he always had money saved.

After College, at 25 years of age, he worked for NEC (Nippon Engineering Company) and had approx 100 people as subordinates. After a two year period he was headhunted by Braun in Carlow, after some company re-structuring Case J found himself as Production Manager within three weeks of starting.

Case J found this position challenging, he attributes the difficulties to a 'clash of cultures', Case J was fired just before his probation period was completed.

Personally, Case J found this time traumatic. He had become unemployable. Ireland is a very small country, and within his area of expertise, everybody knew every body else. This is a classic example of how business networks can actually work against the individual.

But then his network of friends came to his rescue. Case J had always been a keen hurler and Gaelic football player. He had travelled to the US to play GAA frequently. Two friends of Case J from 'the west' were going to the US to work and Case J decided he had nothing to lose – so he went with them.

Case J has referred to this period of his life as a 'great move' The two friends set up a business with Case J working 'with' them as opposed to 'for' them There was no structure, just three friends working together, and Case J was paid very well and able to save Life was good The business was construction

They worked together for 3 years, and then Case J's 3 younger brothers decided to travel to the US for work as this was the mid 80's in Ireland There was a major recession and there was little or no work in Ireland at the time As the eldest brother, Case J felt a responsibility to provide work and a place to live for his siblings and so, he parted ways with the 2 friends and decided to establish his own sub-contracting building company

The main obstacles for Case J starting off in the US, was more psychological than anything else At that time, which was 1984/85 Case J, had already purchased 3 Georgian houses in Dublin, which cost him 20K each To set up a house in the US at that time was 20K also, he didn't want a house in the US but felt conflicted by a sense of responsibility to his younger siblings

However, it worked out fine Case J got married in 1987 to his girlfriend from Ireland and his younger siblings moved out into their own living arrangements The company was doing well and they were making money

Case J's Company did not actively have to market themselves. The 2 friends Case J had travelled to the US with had expanded and were by now taking on larger projects. This created an opportunity for Case J to work for them on smaller contracts. Also there was no active exploitation of the Irish/American network. Case J actively decided not to travel to any job more than 1 hour in the morning. In that catchment area there were 20 million people. Case J undertook advertising, but the majority of his work came from referrals.

Case J had settled well into life in the US. His first child was born. Then came Black Monday.

Case J was sitting at home watching TV as the events of that faithful Monday unfolded. History will show, that TV recorded scenes of people throwing themselves out of skyscraper windows as the US stock market crashed and burned.

Case J received calls from customers who had booked in jobs with him, cancelling or deferring work as they had their savings tied up in stocks and shares. All Case J's major contracts were mothballed. Luckily Case J had good savings at this stage, and decided to return to Ireland.

On returning to Ireland, Case J purchased a site on Glasnevin Hill, and for about 5 years he never stopped working. Case J was to return to the US 5 months after he left to collect about 35K, but could not leave due to work commitments.

Case J had gone from being a sub-contractor in the US, to being a developer in Ireland
This was on the cusp of Celtic tiger Ireland and houses that Case J had developed to sell
for 38K , he was selling for 50K Business was good

Even though Case J had been out of Ireland for a number of years, but as he was working
'alone' buying sites and developing sites, he was almost independent of needing 'help'
from any networks of people

As he was purchasing sites himself, and developing them himself, Case J does not
identify any significant obstacles, which impaired his development and the growth of his
business

When he needed advice, he paid for it from KPMG, Price Waterhouse These were the
Bertie Ahern years, and he made hay

The only significant difficulties that Case J can readily identify were foreign exchange
conversion rates between the Irish Punt and Sterling and the advent of the Gulf War

Case J places significant emphasis on the role of his accountants and legal advisors,
because Case J exploited the BES tax based construction schemes, which were a great
way of keeping money in the Company, through the development of properties in
disadvantaged areas

Case J worked hard and played hard. He played golf 3 times a week. Went to the Masters a few times, and travelled extensively.

Case J sees these events as purely social and business was not conducted at these events.

When pushed if business was discussed at these events, he concedes that it was but only at the point of how do you think things are going, can it continue? Conversations. The consensus was a positive one. The world was experiencing growth and the outlook was good.

The world that Case J lived in was one where people with little or no formal education, and big players in the construction industry, the Gannon's, Quinn's, etc were into the banks for billions, in hindsight, the figures couldn't have stacked up, but these were the 'guys' he was having pints with in Doheny and Nesbitts on a Friday night.

In the mid 90's Case J realized he had an impending problem. 98% of his wealth was tied up in property. He tried to rectify the situation by diversifying. He did this two ways.

1. Instead of taking on whole projects he took on part project and at some level worked as he had done in the US.
2. He entered the pub business, purchasing 'The Castle Inn' and 'Papa Case Js'.

The pub business ultimately did not 'agree' with Case J and he decided to go into the nursing home business

Nursing homes may seem a strange move at this stage, but as Case J explains, a lot of the work he had undertaken in the US had been with nursing homes, so this was an area he felt comfortable with. He had not run a nursing home before, but had carried out construction work with and for nursing homes – so he had some exposure to the business

At this time in Ireland, we had identified the need to provide nursing home facilities for our greying population. Tax breaks were provided for those who had the resources to provide the service. This was a lucrative area to be in, although it could be a nightmare if anybody got this service provision wrong, (case in point Leas Cross nursing home)

What Case J indicates he achieved by this maneuvering is that although the banks system for calculating personal wealth is through bricks and mortar and significantly at this time Case J's wealth had not changed significantly. However, what he did achieve was an alternative source of income through the nursing homes as opposed to from construction alone

Currently Case J has 6 nursing homes with 300 employees, and these are providing a steady source of income

Case J is fixated on his net worth, and admits that this fluctuates on a daily basis

His building contracting business has taken a major hit

He cast his net outside Ireland and developed apartments in Poland with one of the guys he went to the US with back in the 1980's. He had researched this move and looked to Brazil, South Africa, Latvia, Lithuania, and Poland, but settled on Poland due to the value available there. Case J felt Ireland stopped offering value a long time hence

In Ireland, Case J bought two sites, the Addison Lodge and the Swiss Cottage, at premium prices just before the banking crisis. He readily identifies them as his two toxic assets, but both are trading pubs, which make a contribution to the re-payments, and the nursing homes are also providing support

Case J retained a number of the developed apartments in Poland, for tax purposes. He also has some development land over there to diversify if necessary

So what are the obstacles Case J sees to recovery?

Some reckon there are green shoots and we are turning a corner, but Case J feels his head is down, as he feels that the European banking system has virtually collapsed. Case J's heart tells him that we will be like this for at least another 5 years or so.

As a business man Case J cannot make sense of the fact that if a couple want a mortgage that makes sense, and they have the income to cover the mortgage, why the banks aren't lending. Also if a business has a business plan, which makes sense, why won't the banks lend the money, that's their role in society.

It frustrates him that in his opinion, there are no business minds left working in the banks, these have been replaced with 'company men' who won't make decisions, they have become zombie banks and have 'dumbed down' their staff. A bank should be a business and have a social role to play in society. This current situation is no use to business in Ireland. Case J feels strongly that business people are needed in the banks, not just people following systems.

Case J also feels strongly that Ireland's government has no vision of what our future can be, and to create light at the end of the tunnel. We are stuck in this limbo for at least another 5-6 years at best.

Is Case J 'brow-beaten' by this?

Case J feels at this stage of his life, he is in his 60's, he is comfortable. He can live out the rest of his days with more than enough to see him to the end. His kids are almost grown up and making their own way. Case J feels he still has a lot to offer and could easily using his existing resources build a 1000 bed nursing home which would cost €50 million to develop. He's not sure if he will do it, what reception from bankers would he get, does he really need the hassle? These are all questions, which the 'reluctant' entrepreneur is asking himself.

At this stage he has buried friends, including one he went to the US with in the 80's, he feels he's been on the 'front line' of Ireland's recent demise, but he is in a place where he is content.

I asked Case J if he would encourage his kids to become entrepreneurs?

His answer was a resounding – 'ABSOLUTELY – YES!'

KEY FINDINGS FROM CASE STUDIES

A REVIEW OF EXISTING THEORY

Introduction

In this chapter I look at the evolution of business network theory and seek to outline what is meant by the term business network. The organizational theory has developed over the years, and it comprises of a number of theories, which describe the nature of the firm, that is, the firm's existence, its behavior, and its relationship with the market (Coase 1937, Richardson 1972, Penrose 1959, and Williamson 1975). These economic theories include for example the concept of contracts, formal principal agent theory, incomplete contracts (coordination, asset specificity and property rights), and the knowledge based view of the firm (Foss 2000). Most importantly, from the perspective of this dissertation, these economic theories that have evolved from the theory of the organisation, have developed to incorporate business network theory therefore it is necessary to trace the history of the theory of the firm, which highlights the development of business network theory.

Business Networking Theory

Why is it necessary for a firm to network? Organisational theory has been applied to business networks to ascertain the dynamics for such alliances. There include

Transaction Costs, (Coase 1937, Williamson 1975b, 1981, 1985, 1991),

Resource Dependency Theory (Pfeffer and Salancik 1978)

Relational Exchange (Dwyer et al 1987)

Agency Theory (Bergh 1995, Hensen and William 1976)

Political Power (Zald 1970)

Game Theory (Jackson and Wolinsky 1996)

Social Network approach (Birley 1985, 1990, Birley and Cromie 1988, Uzzi 1996, 1997, 1999)

international business and marketing (Beije and Groenewegen 1992, Hakansson 1987, Hakansson and Johanson 1992, Johanson and Mattsson 1987, Moller and Wilson 1995)

For the purpose of this study it would be of no significant advantage to discuss all of the above theories, but in the analysis of the five case studies, I have chosen to review the most appropriate theories bearing direct relevance to the cases, namely

Transaction Cost Approach (TCA)

Resource Dependence Approach (RDA)

Agency Theory (AT)

Social Network Approach (SNA)

And the Swedish Network model (SNM)

An analysis of these particular theories will provide an insight into networking from different perspectives, and based upon the evidence provided in the Case studies in this

study, provide some insight into the stimulus and rationale for SME networks

For example, transactional cost analysis looks at a firm's networking from an economic perspective, resource based theory looks at networks from a managerial perspective, agency theory looks at the vertical integration of firms or individuals from a networking perspective, social networking theory looks at networking given the rise in social media and the 'new wave' of business transaction, and the Swedish Networking Model evolved from the marketing perspective

The major objective in discussing these approaches is to draw attention to possible theories and to identify potential syntheses among them, making particular reference to the case studies outlined in this study

Transaction Cost Approach

Transaction costs are fundamentally the costs of doing business. Coase (1937) wrote a significant amount of material on the impact of transaction costs on business. It is incumbent on the business manager be they owner manager or employee of the firm to maximize utilization of scarce resources to maximize profit. Therefore if firms can reduce transaction costs through forging alliances sometimes involving vertical integration, or substitution, through networking this can provide a stimulus for networking and becoming involved in networks. The market can be viewed in terms of a hierarchy. Therefore the evidence of the case studies would suggest that smaller firms and start up

businesses are vulnerable to the practices of larger firms, therefore it is necessary for the entrepreneur in a start up business to align themselves with more significant 'players' in order for the business to survive

We see evidence of this from Case M. Company M's growth was being stunted, as in order for Mark to grow the Company to the next level, this would have involved huge transactional costs, ie the provision of call centers and purchasing of cars. Through his networking with another firm in the car rental business, he managed to ensure the sustainability of the business through vertical integration and the resultant lowering of Company M's transactional costs, however the cost to Mark, is a personal one, as he is now a minority director in a Company where he was the key player

As evidenced above there can be unintended costs involved with being part of a network, which reduces transactional costs. The nature of a transaction is that there is 'give and take' from both sides. In order to receive you must give, and for Mark, the full impact of the cost he has paid for the vertical integration of Company M is not yet known to him.

In other situations where vertical integration does not take place to any formal degree as in the Company M Case, there is evidence that strategic alliances to reduce transaction costs can be effective. This is a relationship that hinges on trust issues. For our entrepreneurs in the Case Studies, trust is an issue that arises over and over again. Although it is not specifically mentioned, what does come across is that there is evidence

in the Case K case and Case J Case where trust is underpinning their operations. They tend to keep to a small number of confidants and I will visit this aspect in more detail in the section dealing with Resources Dependency Theory and Agency Theory.

Resources Dependency Theory

Uzzi (1996) explored the theory of Resources Dependency. This is where organisations engage in voluntary exchange of resources between businesses. The benefits for small business are obvious, if you are a small start up business and have not yet access to specific resources, to have the ability to access these set of resources this can strengthen the firm's position in the market and ensure sustainability. There is an inter-dependency created through this mutually beneficial relationship, which is based on trust.

Is there evidence in the case studies to support this theory? In the case of Case K, this theory is supported when Case K managed to secure the licence to distribute Stanley products in Ireland. Case K had no funds (resources) to purchase stock in advance from Stanley. He came to an agreement with Stanley (UK) whereby he would sell their products and pay for them as he sold them. The results were to be mutually beneficial for both parties as Kevin's business grew and Stanley's products were at the core of Kevin's sales drive. The key to this relationship was the fact that Case K was under resourced financially, however from Stanley's perspective, Case K had a good relationship with the external business environment. Case K had established networks in

his previous employment, which would be of benefit to Stanley, so the relationship was two-way and mutually beneficial

'the firm looks for other small firms to associate with and to build a more permanent, mutually constructive network of joint support and resource sharing, possibly with the coordinator specialization of each firm in the network' (Sengenberger et al 1991 59)

In addition it is important to note from the Case Study of Case K Case K is a man who says he plans meticulously There is evidence to suggest that his networking with Stanley provided stability in what would have normally been a period of uncertainty as the initial establishment of any business

Pfeffer and Salancik, 1978 noted, *'Linkages help stabilize the organization's exchange with its environment and reduce uncertainty Through negotiation and the arrangement of agreements with others, uncertainty is reduced directly Part of the interaction between individuals serves the purpose of maintaining the relationships and exchanging information about each other and their activities The more of the other, such that there are overlaps in friendship networks and other business acquaintances, the more binding their relationship becomes and the more stable and predictable it is likely to be'* (Pfeffer and Salancik 1978 145-46)

Social Network Approach

No man is an island and neither is a business The nature of business is between the entrepreneur and the market, this social interaction, by its very nature creates a social network

The purpose of looking at entrepreneurship from the perspective of the social network commences where the entrepreneur has his/her first transaction. At some point the entrepreneur will access the information/idea/concept through interaction with others.

Emergent theory on the importance and impact of social networks is significant for those who wish to become entrepreneurs. According to Brown and Butler (1993) and Butler and Hansen (1991), who referred to the entrepreneur's social network as an 'opportunity set'.

However, within the remit of Social Networks, the nature of the relationships can vary from distant to an embedded relationship (Baker 1990, Uzzi 1996, 1997, 1999). Distant ties tend to be identified by small and infrequent transactions. They are characterized by little prolonged personal or social contact. This arms length means that although the network is formed, the relationship peaks for the duration of the contract, and then dissipates when the contract is concluded. The relationship may re-ignite again if both parties conduct a business transaction again.

But is there more to the social networking phenomenon than just practical business? Other theorists comment on the social networking activities of entrepreneurs not necessarily for the conducting of business, but for the activities of cross supporting entrepreneurial effort and for the good of the community. Business may be conducted in the long term, but it is the activity at the cross supporting stages which is of importance. These networks provided linkages into the social community and can be utilized for cross marketing campaigns – a cross supporting mechanism with no direct business transaction, however can lead to business transactions occurring after utilizing social networking.

contacts which may evolve

Is there any evidence to support this theory from the Case Studies? In the instance of Case M, Mark has introduced Company M Deals to his website. This is a cross marketing campaign in which Mark may or may not have had a formal business transaction with the other party, however customers of the other party are offered special discounts for Mark's products, and Mark's customers can avail of special discount rewards in areas due to the social networking activities of Mark.

Mark also espouses the supporting of other entrepreneurial activities by actions as simple as eating in a cafe being run by an entrepreneur in your community as opposed to eating in a chain. This level of localizing support and becoming known as being an 'entrepreneur' in the same way as you would be known as being an 'electrician or a 'doctor' is evidence of social networking for the enhancement of not only the business but also brings social community benefit.

This evidence suggests embedded social relations among firms forge economic activities. Therefore, social networks and social networking abilities are crucial assets for entrepreneurs. Networks can assist in the creation of opportunities to identify new business ideas, new products, new markets, etc (Baker 1990, Gulati 1995, 1999, Gulati and Gargiulo 1999)

Embedded ties, by their nature are less transient and encourage entrepreneurs to take risks and innovate, as well as enhance business success under conditions of uncertainty, and to stabilize their communities

For example, Granovetter (1985) argued that entrepreneurs use their social networks to overcome the uncertainty and distrust that exist in market exchanges. In this respect, social networks obviously help to reduce transaction costs. The 'grapevine' is a great way of accessing information on other players in the market – especially in local communities.

These ties also provide benefits such as joint problem solving, information exchanging, resources sharing, etc. to actors in the networks (Uzzi 1996). There is evidence of this in the Case Studies from Case J. Case J interacted with 'serious players' in the construction industry at social events such as the Masters and Doheny and Nesbitts, information was shared at these events – formal and informally and information and the general feeding back of information had to affect beliefs regarding the stability of the economy and the pattern of economic activity.

From the social network perspective, these benefits are products of social relations.

The evidence in the Case Study of Case M clearly demonstrates that even though small firms compete against each other, they are deeply embedded in a localised social interaction, which is reflective of cultural values and beliefs about the nature of economic exchange, and crucially can provide a credibility for the entrepreneur in the local economy.

Social Networking theory contends that there are three functions of activity

- 1 Communication or sharing information
- 2 Exchange purpose – exchanging goods and services
- 3 Normative or personal expectations over one another because of some special characteristics

Communication and exchange are pretty self explanatory and there is plenty of supporting evidence in the case studies. In the Case J Case, there is evidence to suggest links between the 'grapevine' network and the knock on effect on the economy and the general feelings of wellbeing in the economy during the boom times of Ireland's Celtic Tiger

Exchange purpose again is pretty straightforward it is a contractual trade of goods and services in reward for payment or perhaps other services

However, normative or personal expectations are maybe not so straightforward. Personal expectations are important in social networking circles as the relationships are intrinsic. What is implicit for one party may not be so clear to another. Trust issues again can raise their head. Confidence in the strength or weakness of the social relationship and network can have a knock on effect on the nature of the business taking place

When the nature of the social network involves strong ties, this can lead to a low value resource in the development of new business opportunities as everybody in the group has access to the same information and links. Whereas when the social network involves weak relationships, these can be the ones, which provide the best opportunities to develop new products and opportunities as the diversity of the group provides access to new information and opportunities where there is value and opportunities.

Evidence of this can be found in the case study of Case F, where Case F himself identified that it is in the periphery of formal networks where the best opportunities lie for business advancement. At Chamber of Commerce events, Case F has found that he has maximized business opportunities on the periphery, rather than at the core, as these links and networks have almost been exhausted over time. Therefore there are strong indicators of value in weak ties in social networks – Granovetter (1976, 1978, 1985).

Then Case F indicates further evidence in the usage of social media networks for raising capital. His media social network provided the credibility factor, and he used periphery networking ability on the LinkedIn network to raise venture capital funding. The process involved commencing with the strong networking links, which provided minimal value to Frank, but these stronger links provided the 'credibility' for Case F to access weaker networking links, which provided the value in the sense of capital funding. This was a groundbreaking method of raising capital at the time and an object of study.

This theory is discussed in the works of Birley and Cromie 1988, Ostgaard and Birley 1996) Firstly, the entrepreneurial process involves the gathering of scarce resources from the external business environment. These resources include finance, raw material resources, information, ideas, advice, customers, etc. Next, resources are usually obtained through the utilization of the entrepreneur's personal network. A social network therefore provides the entrepreneur with information, support, contact, and credibility, which is completely evident in the case of Case F.

Swedish Networking Model

The Swedish Networking Model consists of four elements. These are

Participants The participants can be entrepreneurs, organisations and government agencies. Each participant has access to its own resources, and has its own specific roles to play. Each participant also has knowledge, which is also a resource regarding its own resources and the resources of other participants in the network.

Activities Activities are interactions and exchanges, which take place between the participants which enhance the knowledge and resources which exist between participants.

Resources These are the relationships that exist between the participants in the network, as the relationships provide information, which is a resource for the group

Linkages Refer to the nature of the relationship between participants These relationships can be either formal or informal Which is regarded as a resource

(Beije and Groenewegen 1992, Hakansson 1987, Hakansson and Johanson 1984, 1988, 1992, Hakansson and Snehota 1995)

The Swedish Networking Model was originally developed to analyse marketing research networks, in the Department of Business Administration at the University of Uppsala, Sweden led by Professors Hakan Hakansson, Jan Johanson, and Lars -Gunnar Mattsson, It is now recognized as a useful tool to analyse the dynamics operating in business networks

This is a useful tool to study the dynamics of the Case F Case Study Case F has exploited online business networks especially LinkedIn The Swedish Networking Model shows that the sub networks that exist in the model are ‘actors’ – those who are members of LinkedIn There are the ‘network of activities’, which is the normal day to day social media interactions, which take place on the LinkedIn platform between those who are ‘LinkedIn’ or members of a particular networking group Moving outward there is the network of resources which each member of the networking group brings to the table In other words, members of the network can be in different countries in differing time-zones but yet are intimately related to each-other and are interlinked or linked in in the total network

According to the Swedish Networking Model, actors in the network have access to resources and knowledge of resources, or where to access these resources. Whilst at the same time, they engage in activities and have knowledge of the activities. These activities link resources to each other.

Actors are defined as those who control resources and perform activities. However, the goals of each actor are independent, the objectives of each actor are independent and strategies employed by the actors are completely independent of those others within the network, even though they are 'LinkedIn' to others within their networking group.

Actors are free to enter and leave the network at any given time. The relationships among the actors of the networks can be understood in different ways based on activities and resources of each other.

According to Hakansson and Johanson (1992), an activity occurs when one or several actors combine, develop, exchange and create resources by utilizing other resources. The activities of an actor are always dependent on the outcome of activities of other actors (Awuah 1997) because in the process of performing activities, actors create exchange relationships among them.

Case F's Case Study is a case in point. Case F raised his capital based upon the activities of other actors. If none of the actors in the network had passed on the proposal from Case F to members of their respective networks, funding would have never been achieved. The

exchange occurred when new linkages occurred and transactions took place, which re-affirmed the validity of the Swedish Networking Model in this particular case

Agency Theory

Barney and Hansen (1994) argued, trustworthiness can become a source of competitive advantage. Trust is essential for the survival of an organization, social capital is the DNA of networks of mutual acquaintances providing the foundation for trust, cooperation, and collective action (Nahapiet and Ghoshal, 1998). Thus, trust is desirable as long as it provides social value.

Within any specific relationship, there can be an over dependency on trust and it can become part of a destructive relationship which can result in one or more parties being cheated, resulting in a breakdown of trust and the social network dynamics. To be involved in any relationship either in business or personal networks the issue of trust means that one and both parties must be willing to accept risks and become vulnerable to the other party. In business terms, where there is the risk of being taken advantage of that the concept of trust becomes highly relevant.

In any human interaction, we can never be entirely sure of the potential behavior of others. Therefore, we evaluate the other person based upon whatever information we have, which includes through our networking capabilities which come on the basis of trust. Researchers have studied differing aspects of trust such as integrity, honesty, benevolence, consistency, predictability, competence, openness, dependability, respect,

and keeping commitments (Butler, 1991, Mayer, David, and Schoorman, 1995) Trust generates the willingness to become vulnerable to another individual This vulnerability carries a certain amount of risk because we know that as human beings we differ greatly in our attitudes and in our ability to be unpredictable beings

In summary, trust is important because it is a central component of social capital and can be directly related to desirable social outcomes such as societal development, individual and group performance, and managerial processes such as conflict, commitment, and cooperation Trust can be studied in a multiple of dyadic contexts characterized by limited information about attitudes, behaviors, and competencies

How does Trust combine with Agency Theory?

Agency Theory (Jensen and Meckling (1976) has emerged as one of the most important theories in Finance, Accounting, and Management The theory is based on the dyadic contractual relationship between one party, the principal, who delegates certain tasks to another party, the agent Thus, agency theory (AT) applies to one type of dyadic vertical relationship from the perspective of one of the parties the principal

The objective of the agency theory is to design a way of working that minimizes the costs to the principal of this agency relationship and reduces the incentive for the agent to infringe costs on the principal through the self-serving of the agents own interests

The principal bears the risks of the delegation to the agent of particular tasks On one

hand, the principal will carry the benefit and costs of the particular tasks, which entail risks inherent to the tasks resulting from the market. In addition, the principal also suffers the risk of the agent not behaving in the best interests of the principal. Both of these types of risk arise from the context in which the agency relationship takes place. The members of the network differ with respect to their own particular goals as well as their attitude toward risk. If any of these attitudinal differences did not exist, agency costs could be fully avoided with an appropriate contract (Bairman, 1982). In addition, the agency relationship is characterized by inaccurate information. The principal does not have complete information regarding either the underlying competence of, or the amount of effort invested by, the agent with respect to the delegated tasks.

Given the context in which the relationship exists, the principal has two options to reduce agency costs: incentives and monitoring.

The contract regulates the context of the agency relationship and may provide incentives by aligning the interests of the agent with those of the principal. It is also possible to monitor the behavior of the agent directly to reduce miscommunications.

There is evidence from the case studies, particularly in the case studies of Case B and Case F. Both Case Studies show that Case F and Brian, utilize their particular skillsets and work with start up enterprises or those enterprises that need to access a particular skillset in the case of Case B (selling). Brian, for example would provide hands-on training in company, and work onsite for an agreed time providing expertise and managerial knowhow. What has evolved from Brian's interaction with some of his

clients (important to note - not all of them!) is that Case Bhas taken directorships of these companies

Liebeskind, Oliver, Zucker and Brewer, 1996 – referred to the key element of ‘trust’ for the successful operation of social networks. It is hard for the cynic in me to imagine how at some point these network alliances are not compromised. In reality, there are probably many examples of how they are

Conclusion

Is the very medium by which these networks operate, the very constraints and ethical guardian for behavior. The speed and efficiency at which these networks operate could either make or break the individual. If somebody were to behave at odds to the ethos of the networking platform, thereby tarnishing their reputation – this knock on effect would harm their ability to access the resources of the network again. Therefore it is upon this trust that Case Band Case Fcan continue to operate

What is important to highlight is that this study is trying to give an objective view of what is happening in actual cases in real events. It would be easy to take the view point that agents (Case Band Frank) are trying to exploit the relationships and enhance their own business portfolios, which would be a negative perspective. That is a judgment call and not the purpose of this study – for the record, both parties seem genuinely focused upon their own business development and their own personal development being

intrinsically linked to this and have not at any point given the impression of any negative intent

It is therefore my contention that the combination of trust issues and agency theory has found a happy medium in the sense that the evidence from the case studies show that whilst there is a real and substantive risk of agency theory and possible exploitation of weaker principals accessing the services and talents of stronger agents, especially in the social media networks where trust issues are harder to ascertain, there appears to be professional ethics in operation where credibility and corporate responsibility issues are taken seriously

LEARNING OUTCOMES AND RECOMMENDATIONS

There are a number of interesting generalities from the findings of the case studies

- 1 Four out of the five participants have a formal third level qualification and the 5th participant has attended further education but has no formal qualification from this training
- 2 2 from the 5 participants have siblings who are self-employed
- 3 2 from the 5 participants have a history of their fathers being self-employed
- 4 2 from the 5 claim to have been influenced by the 'hidden' entrepreneurial activities of their mothers in the 60's in Ireland
- 5 All of the 5 participants place enormous value on business plans and see them as an integral part of their businesses
- 6 4 out of the 5 participants have spent time abroad, before and during their business formation, although they are all now based in Ireland
- 7 Age spans of business's covered in this study range from 3 years to 30 years+

These generalities are not included to distract from the events contained in the case studies, but rather to give the reader a little insight into the 'moulding' of the entrepreneurs themselves. These insights may help us understand a little of some of the influences that may have contributed to the attitudes of our participants, and as a general comment, they touch on some of the widely held beliefs regarding influences on shaping entrepreneurial activities in society

Learning outcomes - Summaries

To summarise what have been the learning outcomes from this study, we need to return to the initial research question, which is to establish the role of informal and formal networks in SME's in Ireland today for entrepreneurs

How did we do this?

Firstly let us again look at why business leaders network? Which we questioned in the background to this study

Why would business leaders network?

- 1 Learn dynamics within the industry
- 2 Establish your business contacts
- 3 Establish links to your community
- 4 Seek new business opportunities
- 5 Establish mutually rewarding business relationships
- 6 Become a conduit for 3rd party business opportunities which may reap long term benefits
- 7 Access information through well established communication channels
- 8 Access knowledge through established links and 3rd parties

Is there evidence provided in this study to conclude these reasons are valid? I believe this evidence is shown in all of the case studies at many stages. All of these reasons are valid reasons for networking and are not even contended at any stage of the case studies

The secondary research question was to establish the types of networks, which have relevance to SME entrepreneurs

For the majority of entrepreneurs in the case studies, the research showed that the entrepreneurs like the formal networks for 'important' information such as legal/accountancy advice, however the 'Chamber of Commerce' events are less important in the five case studies as the entrepreneurs themselves find that their relevance is limited and that the periphery participants at these networking events are often more beneficial than the core participants who regularly attend formal functions

However, it was mentioned and should be noted that these formal networking conduits, can be useful to access, seminars and training, to assist entrepreneurs cope with unforeseen events – such as the current recession and how business can best survive in a downturn

The importance of informal networks, family, acquaintances, etc (Kreiner & Schultz 1993) , which acts as a support system for the entrepreneur is clearly evident from the case studies. What is hugely important is the role of spouses/partners when the entrepreneur's family is young, often the entrepreneur is facilitated in the development of the business by the spouse taking over family responsibilities and an unequal sharing of domestic roles during this time. This role should not be underestimated, and at the same time not ignored. Again the purpose of this study is not to provide commentary on these events from a social perspective, but rather to record their occurrence.

Thirdly, the importance of Social Networking. This is perhaps the most interesting of all networking avenues as it is an emergent medium of networking. What is evident from the case studies is all of the entrepreneurs acknowledge the importance of this medium, they may not fully understand its capabilities, but they do realize the potential it has to affect their business now and into the future.

Area for further study

Given the importance of Social Networking and the effect it is having and is likely to have on the future of business, this is an area where studies could investigate the success of social business networks – ie LinkedIn, which is based upon the ethical standpoint of a '*collectivity of individuals based on shared norms of trustworthy behaviour*' (Liebeskind, Oliver, Zucker and Brewer 1996)

Case F achieved capital funding using this medium and it was the subject of scrutiny by those who sought to copy his success. Is this the way of the future, and how can this mode of networking cross cultural differences, where accepted behavioural norms differ. Are we experiencing a 'globalisation of good behavior practices' on these social business networking platforms?

CONCLUSION

This study on many levels was a combination study. It involved close interaction with five individuals who each told a story of their business. These stories were personal, and were shared freely for the purpose of this study. It is difficult therefore to present these findings in a completely scientific manner, which I believe would take from the integrity of the case studies. I submit this dissertation on the basis that it is appropriate that the cases be allowed to tell their stories of events in a given moment in time and reflect the circumstances in which the entrepreneurs found themselves.

However, given the above, I contend that it was possible to combine the research within the cases to prove that networks play an invaluable role in the survival of SME's in Ireland today.

Social networks in particular provide more information and other tangible support. Organizational networks, especially the supporting networks, provide more formalized support such as formal business gatherings, seminars (educational support). In addition, though not covered in this dissertation, formalized networks can act as a conduit for financial supports i.e. County Enterprise Boards targeted funding for SME's, but there is also growing evidence about the use of informal networking models being used to raise capital funding for start up business ventures.

The important element of this study is to assist in the understanding of how the entrepreneurs in the five case studies utilize the different networks available to them in order to achieve the support they needed in order to attain successful businesses.

This study also suggests evidence that the entrepreneurs who have maximised networking relationships seem to be achieving higher success, especially in the area of social media networking as these networks are more highly developed and cross international boundaries rather than just being limited to localized networking avenues.

It is also important to note the role in the entrepreneurs network relationships with other people such as relatives, and friends are hugely important because small firms obtain resources as well as emotional support, influence, guidance, encouragement and trust through these relationships.

All of these are very important for small start-up enterprises because of the lack of resources and experience. Strong network and support systems guarantee a steady supply of relevant information, support and resources. Thus, the findings of this study highlight the fact that the interactive outcomes of networks of actors and resources on the performances of small enterprises is largely positive. This is borne out by the findings of the Case Studies.

Another highly important feature of an entrepreneur's network is the different network supports, which are available to address particular needs at given times. These networks vary in the nature of the support, depending upon the individuals within the network at any given time, but they can be called upon to give advice on the economy, legal opinion, managerial and business advice.

The findings of this study, based upon the experience of the five entrepreneurs is clear. Policy makers should never underestimate the power of networking. The development, and the relevance of the growth in the informal networks, provide many resources and supports to entrepreneurs. However, the development of the formal networks need to be continually monitored for effectiveness and relevance to entrepreneurs in today's market, as in all of the five cases, each of the entrepreneurs, attended events, but were not huge supporters of the effectiveness of this method of doing business.

Entrepreneurs must maintain regular relationships with their external macro environment for the purpose of accessing resources and information. These relationships are highly important in order to both obtain resources and to exert influences. Networking is a necessary component of effective business practice in today's market.

There are obvious limitations to this study. The findings are based upon the recollections of five entrepreneurs who recounted their stories. The accuracy of all the elements of the stories could be questioned, however for the basis of this study, they must be taken on face value, to cover events at a specific moment in time. Therefore the results must be seen in the context as an attempt by this student to explain phenomena as it occurred for five entrepreneurs in their organisations.

Network building takes time and effort. For instance, in addition to attending workshops and trade fairs, there are formal events and seminars, exchanging information with different people, some of whom will be trying to sell their products to the entrepreneur, which was not always the intended outcome of the networking event. These 'diversions' to meaningful networking could be termed as opportunity costs (Borch and Huse), however the thinking would be within the formal networks, that the larger your network, the lower the opportunity costs, as you know how and who to access as the need arises.

Therefore, the findings of this study would seem to suggest that with the growth of the informal social media business networks, the opportunity costs are greatly reduced as there is no formality in the meeting of contacts, in many cases they are 'faceless interactions' and business matters and networking are more succinctly dealt with.

This is obviously an area for further study and one which may be researched given the growing acceptance of the legitimacy of informal business networking mechanisms.

TRANSCRIPTS

Case J Transcript of recorded interview

Q. Was there a history of entrepreneurship in your family?

Case J Not particularly no – father was a carpenter , mother was a housewife Father was a perfectionist, in that day you made windows, coffins everything He would have tried to be a contractor – his nature was that he wasn't getting paid and wasn't any good at it – he was a leader on site management

My mother had 12 kids and 15 lodgers in a house on NCR This was the 60's, and mother was the main breadwinner, and my father would have done work for her My father paid for rates, household bills and car, but the everything else was paid for by my mother

Q What is your position in the family?

There are 9 children left alive and I am the middle child

Any other siblings involved in business?

business than that, and that there was something more to being in the engineering business, and that you learn it from a book

At the age of 22 I became a mature student I went into Bolton Street and became a mechanical engineer

I did it 3 years part time, I was always working, and had money saved

After that I went straight into a company called NEC (Nippon Engineering Company) and I had about 100 people under me These were the leaders in technology, it was cutting edge at the time They were the largest telecommunications company in the world at that stage They were located in Ballivor I did 2 years at that and then I was headhunted by Braun, a German Company in Carlow and they brought in this new technology on portable hair tongs for women which were a catalyst type gas fuelled item

That was designed by two lads in Braun, and I was only 3 weeks in Braun when they left and started a Company called Oglisby and Butler which is now a company on the Irish Stock Exchange and what they did is that they transferred the technology they designed in Braun to portable soldering irons

Long story short, I was only in 3 weeks and I was running the production management of Braun

I thought I was doing a good job, but there was a complete cultural difference between work ethics, work practices between me and the Germans and they fired me just before my probation period was over – 6 months

This was a traumatic time for me. I know what the reason was – they wanted me to do certain things which I didn't believe were fair and ethical and I stood my ground and paid the ultimate price. So it wasn't a smart thing to do at the time, because as a relatively young engineer, I was unemployable in Ireland, because as soon as somebody would ask privately – what's this guy like? Or would you hire this guy? The answer would be no – he's a trouble maker and people don't employ trouble makers

It was a very unpleasant time for about 3 months and then 2 friends of mine in around 1982, had gone to America to source work – they were in the building trade and they came back and hurling was my game, I used to play hurling and football regularly in New York. I played for Na Fianna. They went to NY to a place called Pleasantville which I had stayed in before when playing hurling. So I said I'll go with you. I went off to America with these guys!

This was a great move. We worked together for about three years. They were the owners, but as there were only 3 of us, there was no structure of bosses but it was their company and they paid me very well. Life was good. At this time there was nothing in Ireland. I had 3 younger brothers and they came over

I decided I would go out on my own, and bring my 3 brothers to work for me That was approx 84/85 approx I had to make our own way I had to get a place to live and set up my own Company

Q Was it a responsibility duty for the younger brothers –

Case J I had to step up and didn't like it – it took a lot of money I was kind of happy doing it I remember at that time it was a fair amount of stress because to set up a house you could see 20,000K going and the exchange rate was 89 cents to the Irish pound it was expensive I bought 3 Georgian houses in Dublin they cost me 20K each – so that's what it cost me to set this up and they wanted to be paid every week Everybody got paid except me – It was something that evolved

Q Were you an accidental entrepreneur?

Case J Yes in America I probably was It was not my plan My plan was to use the money I was making in America to buy property in Ireland, go back, get married and I always felt that Ireland was a great place to be if you didn't have a mortgage You would always get by So anyway luckily we got work and that settled down and around 1987 I got married to a girl I met in NEC, she came over to the states

So myself and my brothers separated, we all got our own places and settled down We were making money We were doing well

Q You are in the states, making money, how did you get work? Was it through contacts, from Hurling/Football or the extended Irish community?

Case J We had kept working for the guys I originally went out with, they had moved on and were quite substantial contractors and my company subcontracted to them. The people they worked for, gave me minor jobs. I took the small jobs, and we advertised. I undertook to travel no more than 1 hour to jobs from where I lived in the morning. That was my market. In that area 20 million people lived so it was a good base to form the business. It was a big market.

Through word of mouth and recommendations the work came

We had settled down I had my first child and life was good until a day called Black Monday arrived.

The stock market crashed, I was sitting at home watching the television. I got phone calls from customers who had their wealth tied up in stocks and shares and any work I was looking at effectively got shelved. All the major contracts were mothballed. Not that everything stopped, but certainly you had to tighten up. So I was left with a nice bit of savings at this stage, we were nearly going back to London, but we decided to come back to Ireland, which took about 7/8 months to organize with the logistics of doing that.

In I came back, bought a place in Glasnevin hill and for about 5 years I never stopped I was to go back to the US about five months later to collect about 35K monies I was owed and I never got back to collect it I was that busy

Q You came home, had some money saved, bought a site and established yourself?

Case J I was building within 6 months of coming home I had upped the anti and was now building houses I was a developer I had bought 8 houses and I was very fortunate in those houses I had planned to sell those houses for about 38K, that was in 1988, and I was getting just over 50K I was flying Business was good

Q So the decision to come home was a good one?

Case J Definitely

Q You had been out of the Country for a number of years? How did you get work?

Case J When I was in the US, I had bought a number of rental properties in Dublin and they were rented and I had an income I would have had property with no loans and I had savings

I decided to develop property, it was like a tram and the train took off

You didn't know where it was going to bring you, but it was great times

I would have stretched what I had to the maximum, would have got into challenges with the banks. When the UK banks went down our banks quickly followed and construction was a dirty word, so you would have had the banking situation, gulf war, exchange rate mechanism which were following each other. They were all challenges in the early days.

Q Are you telling me that the difficulties you encountered in your business in the early days originated from outside of your control?

Case J Yes -- absolutely -- completely

Q If you had have been left to your own devices and the world was a happy place, there were no obstacles to the development of your company?

Case J You talk about entrepreneurship and how do you accumulate wealth, how do you build a team? And I suppose I would have always appreciated structures, that having a plan, purpose and end game were key to success and get the proper advice

Q So who would you go to for advice?

Case J There are different people, KPMG's , Price Waterhouse

Q Did you go to people like that?

Case J I would have yes, and my own legal people, and I would have had a my own accountants, not necessarily contracted to me, but I would have taken advice from business tax advisers, because remember we were in a time with a lot of BES stuff, taxed based schemes, which if you entered into them were a great way of keeping the money and transferring it to yourself

Q Do you mind me asking you if there were any people – say friends or people in your social networks that would have been important to you and whose advice you would have taken on and would have placed value on that advice?

Case J I had a lot of acquaintances, who were also involved in business and I was moving in that circle Socially you would discuss business, different angles, by and large you discussed things but you still made up your own mind

Q Decisions were taken by informing yourself, through paying for advice, but also through discussing things with acquaintances in your social network

Case J Yes There were always things outside out control, gulf way, European exchange rate, but still there was schemes we availed of, the Bertie Ahearn years, I have no problem with it There was a lot happening in this country, we did certainly go through a phenomenal boom and there is an awful lot to show from it

So I enjoyed every bit of it I played golf, 3 times a week I went to the Masters a few times, to South Africa, Scotland, England

Q Did you do business at those events?

Case J No, they were purely social

Q Did you discuss business with the people at those events? – you must have done?

Case J Of course I did, The ways of the world is that if I ask you now, how you think things will go over the next few years – are you confident, pessimistic? By and large it was a very optimistic view people were taking People were looking forward to the future and they still had to add up the figures at that moment in time and ask themselves – does this make sense? And that was a huge challenge, because a lot of contracts you had to walk away from – simply because the figures did not add up

In hindsight, I ask myself should I have done that a bit more? If you wanted to be a player – you had to play at some level So the challenge was that you had to get your niche and that was a never ending challenge That would have been the hard part of it, because the stakes were so high You were starting off that 10K was a big deal, then it goes to 100K, then 10 million, and you were talking to these fellas, the Sean Quinns and the Gannons and all these were taking the banks for billions

The top guys, these were guys with no education or nothing and they had borrowings in excess of 1 billion, that's 12 noughts I find that incomprehensible These would be the guys I would be having pint with in Doheny and Nesbitts

Case J The demise of the Celtic Tiger I was doing well, I had diversified, in the sense that I remember doing an asset statement and 98% of my wealth was associated in property and I didn't like that In the mid 90's I looked to diversify that

Q You saw your property exposure as being a vulnerability so the decision was taken to diversify how?

Case J Well for starters, instead of taking on whole projects, I decided to take on part of the projects to limit exposure, I entered into the pub business in 1993 and had a vision that I was going to be the new Louis Fitzgerald, I had the Castle Inn, made quite a lot of money, then I bought Papa Case Js, I had to get out of the business because I couldn't get proper managers I always say, all of the fellas I hired, I would have a pint with them, but they all had peculiarities They were gamblers, drinkers, oversexed, undersexed, everything – all were bogey, and I sold those and used that money to get into nursing homes, that's around 96

I would have researched the nursing home business and I would have done a lot of work in America as a contractor in nursing homes, I was comfortable with that When that turned up on the radar that there was a need, that suited me

Q If you were to say on a scale your exposure to construction was what at this stage?

Case J The interesting thing here is how banks work in this country Your wealth is measured by your net asset value and now that is in bricks and mortar I was still well into the late 80's in property exposure, but what I had done was to develop an alternative source of income

Case J I have 6 nursing homes with 300 employees There is a body of management skills needed to run that, and they are going well thank god

Q The building contracting?

Case J If you want to value your net worth – it can be either plus or minus And it can change day to day

Case J I moved away to Poland and developed apartments with a friend of mine (the guy I went to the states with originally) He was in hotels and we both had the money to move into Poland This was approx 2000 The worst year for migration was 1987, where the population was 2.5 million The influx of Polish people into Ireland started just as we went into Poland I employed a Latvian guy and we travelled up through Poland, Latvia and Lithuania We settled on Poland, bought a number of sites and we built apartments But at the same time we had gone to Brazil, it got so expensive in this

country and didn't see value, we had money – reserves and didn't see Ireland as offering value and I developed in London and Poland, we looked elsewhere, South Africa, Brazil, France looking for opportunities and decided against it. We had a ball and we weren't spending any great amount of money. We had stopped piling money into Ireland which was a good thing.

I found that I had enough of London and Poland. I bought the Addison Lodge Pub and the Swiss Cottage for site and then the banking crisis hit. They are our two toxic assets, but they are trading pubs and they are doing ok so we are still going.

My friend passed away last year.

The properties in Poland were for re-sale but we kept a number of them for tax planning. We have a chunk of stuff over there to diversify.

Some reckon, green shoots, turning a corner, but my head is down, we'll call it the collapse of the banking system in Europe. My heart tells me it has to change, but my heart tells me it's not going to so we will be stuck in this limbo for another 4 or 5 years. I can't see the banks getting back into the level where people can readily get a mortgage that makes sense and they have their business plan to show and the banks accept it – it just isn't happening. They are dummying down. The zombie bank syndrome. They will have to re-address this before the system will be sorted. We need business people in the banks, not just people following systems.

In addition, our political leaders have no vision,

Q Are you brow beaten by this

Case J No, for the first time of my life I am quite comfortable My family are nearly through my hands, I have more than enough to see me through to the end I would like to have the chance to share what I have to offer There is a lot of money out there, need out there, good people out there, and to put these elements together would be great

I would love to build a 1000 bed nursing home This would cost 50 million, to put it to where I'd feel I would have a good operation I have the people, the know how, facilities everything at this moment time

Q The reluctant entrepreneur – are you happy out?

Case J I am on the front line, I've buried a lot of friends, but I am content

Q Would you encourage your kids to become entrepreneurs? Absolutely yes

Transcript. Case K - Case Study

We started the interview, late as Case K had a meeting which ran over time. This meeting was regarding COMPANY K taking over a Company which had gone into liquidation.

In every recession there is an opportunity and it is to take the opportunity is what matters. The timing is not great as we are limited on resources, resources being people but my gut instinct told me that this is a very good fit for us. I can sit with the accountant and go through the figures and he will tell me that this is a basket case, but my gut instinct is telling me that this is a good thing to do and it is a right fit for us.

Has your gut instinct served you well in the past?

Oh yes, I generally don't take risks.

On paper this would be a risk, but we haven't put too much money into this. If it fails within the next 9 months, I could probably liquidate it and get out of it for approximately 10K which wouldn't make any difference.

Q So this makes sense to you, but it wouldn't to a lot of other people, ie your accountants?

Kevin apart from being a business opportunity for us, it also gives confidence to people in the Company. They have worked very hard for the past 3 or 4 years in a recession and they have done everything I have asked them to do and now they get a little spark and they see a little bit of light at the end of the tunnel and it gives them a bit of confidence and gives them something to get stuck into now. I have a young team and they are the future managers of this business, not me so they are seeing that I am appointing one person in particular to head up this project. I will be watching, because he is spending my money, but that's the way the business runs.

Anyhow, get on to your interview, what do you want to know?

Q As a general question Case Kare you from an entrepreneurial background?

Kevin My father was in the retail businesses, I was the 2nd of 6 children, all academics around me. And I wasn't academic at all. I did the leaving cert and went back to do a repeat leaving cert but wasn't interested. So my father gave me a job in a retail store, selling beds and bed linen, it was a similar business to me now. If my father sold shoes, I would probably be in the shoe business now. That's how I'm in the curtain business.

I obviously had at a very early age good natural selling skills. I believe that you cannot teach somebody how to sell. You can teach them how to do paperwork etc but selling skills cannot be taught. It just comes instinctively to you and I was always good at it. I worked in shoe shops when I was in school, and I had the customers eating out of my

hand I often look back and I tell the story to my young people and I tell them how I did it. Because at the time I didn't realize what I was doing as it just came instinctively to me. I was always always able to sell, but selling in those days is completely different to what it is today. In those days you sold, and there is a lesson there for everybody.

After I left school I got a job in a shoe shop and then I got a job in a wholesale Company who supplied the retail stores with carpets, curtain poles and other bits and pieces and stuff like that. I was 19-20 but what I wanted was to become a sales representative, because at that age I saw the sales reps coming into the business and they had company cars and I wanted a company car. I wanted a Renault 12. One rep had a TS model. He left the company and went out on his own and the job was advertised for his replacement and I wanted the job. I was terrified to ask for it. At that time the boss of the company, Paddy Power, one of the three great mentors in my life, he was my inspiration. I picked up the courage one Friday evening to go and see him. You had to make an appointment. I'll never forget this and I have told the story so many times, I went into this huge office and this small man sitting behind the desk looking at me over his glasses and he said 'what do you want', I said Mr Power I want to apply for the sales rep job, and he said 'feck you anyway Kevin, I thought I was going to get fired', 'why didn't you come to me 3 weeks ago you would have saved me 50-60 quid on advertising

I started Monday morning, and I learned a valuable lesson, if you want something – just go and ask for it. If you are lucky you will get the chance. I did very well as a sales rep on the road.

I got a brand new Renault 12 – yellow and I wrote it off within 3 months. He wasn't very pleased about that anyhow I got married a month later, came back from honeymoon and there was a new car waiting for me. All was fine.

I did very well there in sales, I did as well as I could, I got more and more responsibility and I just blitzed everything, but there wasn't enough there for me I outgrew everything the Company had to offer and I needed to move on and I said that, 'I need to move on and the Company just can't give me any more. I'm getting bored, you won't give me any more products to sell and you won't give me any more customers to go to I have been made another offer by somebody else who is in the fabric business.

That was 1976, and again I did very well there, money was flying in, we had no mortgage, I was renting. Life was good. I was there 7/8 years and I rose up to sales director in the Company, but I always had the feeling that I just wanted to run my own business. People I was working for I felt weren't really entrepreneurs, they weren't developing the business any further.

Q Could you see opportunities which you felt the Company were missing out on?

Kevin The guy who I worked for was a great entrepreneur, a tremendous visionary, he was the inspiration, but he got ousted from the company, because while he had great vision, he couldn't run the Company. The business lost money. Even all the new

investment he took in, he just ended up losing money, so they got rid of him in the end and they put in a finance man to run the company. Finance people are great at finance, but they can't run the business side of it.

I was there as sales director, and I just got tired of it. I saw an opportunity and I thought I would go out on my own. I was 8-9 years there and I was dealing with the suppliers, but my hands were a bit tied. I could write my own salary cheque, and everything was easy, but there was no challenge. I got very bored. I just wanted to go out on my own.

I saw an opportunity within the company. They had an agency supplier agreement with a company that they weren't exploiting properly and I saw potential in it and if you did this now a days you could be locked up, but I engineered a situation where the company resigned the distribution, and then 2 weeks later I announced my resignation and took up the agency. I had done a deal behind the scenes with the supplier, it was a gamble. I did plan it for about four months, I set the whole thing up before I left so you will see a recurring theme here in that I do plan very well. I am very focused on things.

Q A bit of a strategist?

Kevin Yes, so when I set my mind on something I will plan it and work out how to get there. So I set up the agency and around October and November, I went to see them when I was still in employment and they were getting frustrated, and I said, look guys it's as simple as this, it was part of the STANLEY Group, it was the brand I saw had value in

it, so I said I've decided I'm going out on my own, and I'm going to do household textiles. You have to take your chance and stay with the Company or would you like to come with me. I had nothing to offer them, and it was a complete gamble. They had to make a decision to stay with the distributor or take a chance on me. I was selling myself at that stage. I have no money, I can't buy the stock from you, you are going to have to help me out by putting in consignments into my new company, and I will pay you as I sell it, you will have to trust me.

Within an hour he said yes and – we shook hands and did the deal. It took me a couple of months to set it all up and in the end the Company resigned the distribution, and they moved all the stock out of the warehouse and into a different warehouse which the principal had set up down the docks and a couple of weeks later I announced I was leaving. I left straight away and two weeks later I told them I was approached by Stanley's to see would I be interested in taking on the distribution and I told them yes. I don't think they even suspected what I was doing or what I had done. Would you do it nowadays, would you get away with it nowadays – I don't know. But that's the way it was. I did what was right for me. The principal in the UK made the right decision for his business based on me and we had a great relationship for a great number of years until they sold off the whole division.

Q Your family works with you. My wife worked for Fingal County Council as a librarian. The week I had handed in my notice our first child was born so there was a lot of pressure. That was in 1985 when I'm told there was a recession on and that is a lesson

for your people today, if you have an idea just get out and do it. Forget about the recession, the recession today has a deeper effect on people of my generation because we have more commitments than young people have but back in 1985 what commitments did I have, ok I had a son just been born but I had taken on a mortgage, gung ho and 30 years of age and I believed that I could conquer the world

I remember saying at the time I will give it a go for 18 months and if it doesn't work out I'll pack it in – get a job and go back and work for somebody else

We made money from day one, the customers supported us – or I believe they supported me

Q What was the biggest problem you encountered at the start of this? Was it the final decision to make the move into self employment?

Kevin No because at the time I was working with somebody who would now be called a coach. He was a sales trainer but worked with us individually, but he saw my potential and worked with me on this move, you could say it was a conflict of interest, but we did it

Q So what was the biggest problem you encountered – back then?

Kevin I suppose he brought it to a point where he said you have this vision, but now sit down make the decision is it yes or no Get off your arse and either do it or don't do it, and from that moment on we planned the whole thing

I had to make the decision and it wasn't a difficult decision to make

We have had success 22 years up to 2 years ago We made a profit every year

Q Your son is he in the business with you

Kevin Yes he is because he wants to be in the business not because I want him in the business

Q Have you other children?

Kevin Yes I have another son and he is not in the business – because he doesn't want to be in the business The one who is not in the business is academic – he is brilliant and will be successful at whatever he does Ian, who is in the business is not academic, but he is in the IMI and will get through his MOB up there He is in the business because he wants to be They both worked in the business since they were children working around the place on their holidays but when it came to the crux to be in it as a career it was down to two things

- 1 Did he have the ability to take it over from me when I wanted to get out of it?
- 2 Did he want to?

If I thought he couldn't take it on and be the next leader of the business, I would not have had him in it. I am not going to spoon feed him and baby feed him until I'm 75. Simple as that.

Q So it is a family business in the true sense of the word

Kevin Yes it is. And that is a difficult arrangement to have, but you have to learn how to manage it and research it and study things and learn to have a very good open relationship. I firmly believe and Joyce does too, that he has the ability, he is good at strategy and innovation, he's probably better skilled at 27 than I was at 40 academically. He lacks a little of the things I have but he's not me, he's not a clone of me, but he has stepped out of my shadow already, within the business. The new business we are taking on, is going to be his. It will be his baby, but I will be watching because he is spending my money. For somebody to just take over an existing business is very hard, but over the last number of years we have taken on a lot of new products and we have had to re-invent the business and he has had a huge input into that.

Q You are looking at two different generations of entrepreneur in the one business, and he is an entrepreneur in his own right because he has grown up within the business, and his reality is different to yours growing up, as he has grown up with this, when the kids

were younger did you find family pressures affected your role within the business, or would you have left the family to Joyce to sort out

Kevin There is no hiding from it I worked the business 8 days per week, and that's the way it was and if I didn't get up and do it – who would? There would be some people who would say that I didn't have to do it quite so hard, and quite so much, but my view was, that ok I can live on 10 orders, but if I have 20 orders I have to service 20 orders because I may not get 20 orders or even 10 orders next week So you did what you did and yes I worked day and night and I was involved in sport as well, and Joyce was involved in the business at this stage, she came in after about 18 months, but certainly yes, I ran the business and Joyce looked after the family end of the business I wasn't always there to do the school run, but I was in the office at 7am every morning That did have an impact, but I don't believe it was negative, because the two boys were going to school and child minders

Q I think what you're saying is that this was your normality in your life, and COMPANY K was part of the family For better and worse

Kevin In fact, Joyce has probably had a greater influence and impact on the business in the last 3 years since the boys have both left home than she has ever had I would rely on her judgment and opinions more now than I would have ever done in the past I would class her as every bit the entrepreneur that I am There was a time 10-15 years ago when she thought of getting out of it and we talked about it, because she didn't have a

very active full time role, due to the family The problem is though that if you give it up, don't expect me to come home every day and tell you what when on in the office I cannot keep you up to date

Q Do you switch off when you do go home?

Kevin Yes, I have ways to make myself switch off

Q Do you notice the difference between yourself and your son as regards 'how' you do business for example utilizing new technology, networks etc? Is his world different to yours?

Kevin I'm an old school entrepreneur, I didn't network an awful lot It wasn't within my personality to do that, it didn't come naturally to me I'm not the sad loner type I have a small group of friends I don't need to be in crowds of people outside of work for company Outside of work I would have a very very very small group of people I would call friends I am a hill walker, a mountaineer, runner, so the solo things, I've no problem going off into Wicklow hill walking on a Sunday for 7 hours listening to the radio or a bit of music if I meet people I'll chat and talk, if somebody wants to come with me that's fine, but you're coming on my terms kind of thing Joyce will come with me, but don't ask me to go with the rambler group, 'cause they would drive me mad

Ian would be a little bit the same, he has got some very close friends, and would be very sociable when he gets with people and gets to know them a little bit first, but he needs to develop networking, he needs it more than I do, because it is much more important in business now

Q So its not a natural thing for him to do?

Kevin No, its not

Q Would it be fair to say then that your sales ability and your ability to connect with people, and obviously you were really good at that to achieve your sales levels that you did, is a tactical skill rather than an innate skill, in other words, you saw a job that had to be done and you knew how to do it? Is that fair?

Kevin Yes it is a little bit The whole sales role has changed and has changed more dramatically in the last number of years In boom times you could sell anything Now it is different Back 20 years ago, people did business with me because they must have liked me, they also liked the product and the service I gave You have got to have the right product, with the right pricing and then you have to give the service as well, then if they like you as well then all four fit and you will do ok If one of those items are out of kilter, then you will still get by, if two are then you are going to have a problem

Q So lets get back to networking

Kevin Oh yes it is important, I would not have been good at networking until recent times, because I never quite understood the value of it. Lets define the networking I'm not into the formal business networks, they would drive me nuts, and I suppose I would regard that I didn't network enough

Now we are members of the IMI and we go to various functions and all of that. But I tend to want to go to them and then 'can I go now' I don't want to hang around – it just doesn't come natural to me and I don't like doing it and I really don't like being put under pressure the next day by somebody asking me to give them an order for printing. That I'm not interested in. But I think I missed out on networking properly, because whenever I had a problem I never knew the 'go to' people who would have helped me out. I didn't develop that network in that sense. I can't really think of any instances where I really got into trouble, because we have had very few legal issues, and if I did I went to a solicitor, so in that sense I solved whatever needed to be solved. The formal network of advisers that you pay for was there. But most definitely networking nowadays is more important now

Q What advice do you give Ian in this regard

Kevin I have discussed with him the importance of networking and to go to these events. Not just to attend seminars but to do the whole social networking bit before and

afterward, take note of names because you just never know when you may need them
That is important

Q What I have found from talking to other people similar to yourself is that on-line networks are key to future business success because that is where the young entrepreneurs 'hang out', they don't go the BNI events

Kevin I understand the growing importance of it I don't understand how business is done on it, but I accept it So what we are doing here is building the on-line side of our business, new websites, e-commerce capabilities etc If I sat down with the accountant and did the figures for this he would tell me I'm mad but I understand it is a marketing tool I cannot grasp why people would talk about curtain lining on Facebook – but they do and I've seen it But its not my generation so I said to my guys to get on with it, but I'm watching how much money you're spending

I'm not a basket case who says, I don't understand what you're doing, I'm not doing it, I accept it works – not for me, if I don't accept and identify that this is where business is going – imp going to loose them, because they will ask me – why are we here, are you ever going to give us a chance?

Q Well then going on from that is would you also loose the business because you failed to keep up with contemporary business practice?

Kevin Oh absolutely it will be completely different I think we all got very complacent in the boom times 'cause it was just too easy and we've done things in the past 3 years and since the recession that we didn't do for the previous 10 years because we got lazy, complacent about business and we got fat on it We stopped developing new ideas and new products because it was so easy You opened your door and the money poured in All of a sudden it just shut down I acknowledge that and what we did in 2008 when we say the first sign of the downturn most people ignored it a bit, but I sensed that there was something wrong here and that it was going to be bad I didn't know that it was going to be as bad as it was But we took action very early, and apart from the stuff you do, we cut out unnecessary costs,, that stuff was easy, we went out and we learned what did we need to do to make our business survive That was driven by me We had stopped doing all that but we went to courses in IMI and every seminar we could find on how to deal with business in a recession We went to the free ones and we learned and I brought the management team and we listened and we learned over and over again we read and read and read, everything we needed to do and everything we needed to learn about making sure our business survived The one thing we did learn is that we have to re-invent the business and go back to basics and go back and do what we did 20 years ago and start doing them again and we realized and we had forgotten what we are about and we had got complacent and fat and we stopped all that We learned what we had to do and we did it If we hadn't done all that, 25% of our business now is coming from products we introduced in the last 2 years We would be in trouble We are losing money now we know that, but, we also learned that business is cyclical While we had 23 years of

continuous profit and growth every single year , we never went through anything like we are going through now I don't think anybody alive has

It was frightening for a time, I was really worried as to where this was going to go By the end of 2009 I didn't know what was going to happen But I have a lot of people here who I really care about It would have been easy to liquidate the whole thing and walk away, but I didn't want to do that and I didn't want to be beaten by recession, that was crucial, I said I will find out what we have to do and we will have the courage to do it and in 2010 after 9 months of research and new product areas for us to go into we hit the green button on 2 new projects who have since then given us 25% of our business, but we invested half a million quid into the business which was money we had on cash deposit in the bank It would have been so easy just to leave it sitting there and earn interest

Q That took some courage at that time

Kevin It sure did

Q Did you do it for the business or did you do it as an investment for your children?

Kevin Not just for my children, for the future of the business If it was for the family I would have just left the money on deposit

Q Was that a conscious decision?

Kevin Yes oh yes, I asked Joyce if we hadn't had Ian in the business would we have done it differently? So she says no, I'm not so sure, if we would just have kept the business ticking along cut everything we can, ride out the storm, come out the other side and then at some stage sell it off and move on I don't think I would

But honestly my pride would not have allowed me to do it any other way

Q That's my next question, as you drive along, this is the building that stands out

Kevin Yes we are the oasis in the desert

Q Yes you are, this building makes a statement, before you ever come in through the door and meet you

Kevin It does yes

Q You told me how old you are, so what about retirement, wouldn't it be nice to be out walking some hills or other

Kevin No no, I would get bored and I don't play golf, you can only play so much golf, how much can you play? My original plan was before this recession was to take life a little easier, work 4 days per week take 4 holidays per year, we now feel we cannot take

more than 2 weeks off at a time, as we both feel we need to be here, keep things closer than we ever did. That's not being obsessive or anything, at the moment, we both feel that if we go away for 2 weeks or longer, they miss our energy and buzz around the place.

That's very important now, when I sense they are looking at me. They are depending on me to pull them through this. We have talked about this with the staff over and over, and I said in return for your loyalty and hard work and everything I'm asking you to do, and sacrifices I have asked you to make over the past 4 years, I will get you through this. They know this, they have got families, taken out mortgages on the strength of their jobs, new babies, and by god they need their jobs here, so we do it for that. And I suppose my pride. I just will not be beaten by recession.

The man who's business we have just taken out of liquidation 33 years running his own business.

Q Is this an Irish Company?

Kevin yes only 2 minutes down the road and I've known him for 30 years. He sold out part of the business and made a big mistake 15 years ago and he admitted it was a mistake because he lost control. Anyhow, the whole thing collapsed for other reasons other than the recession and it broke his heart. Anyhow I saw an opportunity and I spoke to him and asked him if he thought the business could be resurrected and he said it could be, I asked him was he interested in doing it and he said no that he had had enough of it.

At 64 he has been beaten to a pulp by the recession and the energy and life has gone out of him. But what he said was, that if somebody else was interested in getting it going he would love to see it going again and the name continue on. I said I was interested in getting it going again and would he join me? He said he would, so he is coming back to join us next week with 5 of his staff and that is a huge plus to us.

We see a great opportunity in this, now it is going to be a long hard battle.

Q Plus it is a great morale booster for the staff to see that.

Kevin Yes it is, and I'm trying to see this in his shoes, he was beaten after 33 years, now he sees an opportunity for it to continue long after he's gone. So I think it is important for him and the 5 people who we have taken on, because they were out of work.

Although we are moving off topic, it is important to take stock of what entrepreneurship is, in an industry which is ravaged, and our business is ravaged it is down 55%-60% from its peak.

Q Yes the textile industry has taken a battering over the recession.

Kevin We don't hide behind the fact, our bankers everybody knows, our turnover has gone from 12 million to 5 million. We have a business in the UK as well and that has been holding us up and doing very well it helps us.

There is another story there because I had an opportunity to sell that business last year and I didn't take it. Most people would say, well why didn't you sell it, look at the money you would have got for it, but if we closed that business in the UK and taken the couple of million I would have got, I would have closed our gateway to the UK for the future. And it would have been gone forever. We have a factory in the UK with 30 people employed. I would have had to let the whole thing go. There is no growth in the Irish market for the next 4 years, growth has to come from the UK, so I would have given up the gateway to the UK market so I said NO.

Q You made a strategic decision?

Kevin I made a long term strategic decision for the business.

Q Not for Kevin?

Kevin Jesus no, I would have taken the money.

Q Again, that took courage.

Kevin It did, and I'm hoping that long term I will get more out of it and still hold that business for the future.

Q What you could have done with the 2 million

Kevin I could have cleared every single liability I have, I could have cleared it

Q 2 million now would be worth a lot to any business in todays market It is all relative

Kevin It is relative, but you see this busness we have taken over now has export potential in the UK market I didn't know that at the time last year when I turned down the offer, so that is export potential and if we can get that going properly in Ireland over the next 9 months I have 1000 customers in the UK already from a base and I have the field sales staff, who are starved of product Now I have the product to give them if I can work out the logistics of getting the Dublin operation to supply the UK market, because there is the cost of transport to the UK etc, if I can get that sorted we will be on a winner

To me an entrepreneur is someone who invests their own money, assets or whatever in the business Now I'm not gong to exclude people in the high tech business, who need venture capital for the high tech business, because in general they will have put everything they have on the line as well, so to me an entrepreneur is somebody who puts everything they have on the line along with perhaps outside equity as well

If its not your own money, I don't think you are an entrepreneur, its too easy

You take the guy with a coffee machine who makes 50K a year He is an entrepreneur, so long as he puts everything he has into it Taking the risk!

Q Having spent a time now talking to you, I think the family involvement is the key to this business

Kevin Genuinely, my extended family has played such a role in this

Q It helps that the family have given you the 'freedom' if you like, to do what you do, because in a lot of cases maybe pressures from home, if people aren't involved in the business, can get in the way of the business development You have managed to bring all these elements together successfully

Kevin Yes it is, and if you go back to the early days 10 years after we started and it was going very well, we actually realized we were making money and were not under pressure and not ever in trouble with the bank

Even today with the bank, all I ever say is I want my overdraft reviewed every year The bank never came near me, even through recession I had to go to the bank and say this to them I called them in last year because I wanted to tell them what I was doing, I had to call them, because they weren't bothered with me I have the same bank manager for the past 15 years I say what I need in terms of facilities, I want to know if you are going to

give them to me, if you are then go away and leave me alone for another year I don't want this hassle of every month how am I with the bank

I have no problem with the bank because I believe we run a good business, we are organized and our ego wall (Wall with various awards for being best in the industry etc)

These things are important, we are the best managed Company in Ireland for the past 4 years, and very few other companies in Ireland have that Some people would say that that is a bit of vanity I would say it absolutely is not – that is one of the most important things we did in the last 4 years, because in a small business like this, when you are doing very well it is very easy not to bother doing cash flow projections, business plans and all of that, and then the down turn comes and all of a sudden it is very important to do them

So with that Deloitte are for us our external examiner They come in every year and we have to have our business plan and everything done and we have to get through the whole process and I feel that if that wasn't there would we do it?, we may not and then standards would slip a little bit

So we use this as an external examiner coming in and saying that we are actually doing the right things

Q You are the leader

Kevin Yes, I am When I started out I was on my own and very quickly I had some staff So I went from sole trader to dictator very quickly You did it my way and that was it

I think it is very easy to start a business up and employ up to 5 people, and if you look at the SME structures in Ireland the bulk of them are in that structure now when you go beyond 5-8 you now need management skills because you now have to manage those people wherever they are So when you get to 12-15 people you need 2 managers and you are still trying to manage everything yourself and you cant but you're still trying to dictate and have your finger on the pulse of everything on the business, but its very hard You have to start trusting and delegating So now you are gone from dictator to the manager and then eventually you have to move into leadership in a trusting role where you have the right people

I took on the leadership diploma 2 years ago and Joyce said she admired me more than when I took on the challenge to ski to the north pole and south pole

Q Do you find that doing stuff that is a 'bit extreme' satisfies your need for challenge?

Kevin Oh yes,

Q The business is running smoothly so this provides the challenge that perhaps the business didn't give you especially in the boom?

Kevin I'm so goal orientated – these challenges do provide me with what I need

If I focus I will achieve it Not being academic I don't do things conventionally, I wouldn't pick up the Harvard business review and read it, so I do things my own way, I get intense and focused on things and I just do it

The business was going well and I did something for myself, this was my time

I tell people to live their dreams before you get in your wheelchair That's me

Why can't I

Case M – Transcript

Q Mark I want you to talk about your business – what it is you do and how you came by the idea to do what you do

Mark Well I lived in San Francisco and Amsterdam for many years and it is a concept that is quite big there I also have a degree in business management from Trinity College and went to San Francisco subsequently saw this idea I have always been an entrepreneur and had my own ideas so I came back to Ireland and thought it could work here Did some research and discovered that there was an Irish Company with a little bit of funding from Cork City Council that had started the concept to see if it would work in Cork, so rather than re-invent the wheel I partnered with them and I basically invested a small amount of money to get to know the business with them and helped them with a few things and then we decided to grow so I invested a larger sum of money and became the managing director of it

Then we launched in Dublin as really a commercial business as opposed to a pilot programme that they were running in Cork So that is how it came about

Q When you say you've always been an entrepreneur, was there a family history of entrepreneurship?

Mark No there wasn't but

Q So what was it then that made you an entrepreneur? What was it that made you YOU?

Mark Generally you just start working in places and then you just find yourself leaving them after a year and then onto the next place, bla, bla, bla – so then you decide that you just like to do things your own way I'm just one of those people

Q What is your place in the family?

Mark I am the eldest and I'm 39

Q Are any of your siblings self employed?

Mark No they are not they are the exact opposite They are good solid workers So you are always going to be the black sheep of the family when you do something like this

Q What were the obstacles you encountered when you were starting off in business?

Mark The main obstacle at the time was money To grow a business Banks would have supported steady business with mature growth plans I went to the bank with a start up business plan for €275K and after many months of back and forth I got €35K

Q What year was this?

Mark It was late 2009

Q So right in the midst of the financial meltdown?

Mark To be honest, the timing couldn't have been worse So to even get 30K off the bank, I bugged the guy into submission and he liked me and he liked the idea But really he even put his neck on the line for 30K

Q So you used a business plan for accessing funding?

Mark Yes – I wouldn't ever go into a business without a business plan – that would be a disaster

Q A fan of the business plan so?

Mark For yourself and you are never going to get anybody interested in your business if you cannot show cash flow projections etc With this, I thought it was such a good idea I winged it with a 2 pager It is good for you to have a business plan, because you discover things when you are writing it All the things you put on a business plan you learn in the

college and I poo poo them, but seriously, cash flows are most important Do not start any business, even a corner shop without having a business plan

Q, What about other obstacles apart from finance – as that is probably everybody's obstacle at the moment?

Mark In general or for this?

Q For you – Mark The biggest obstacle for us is car park spaces on the street In other cities where this has been successful, the city councils have given up spaces on the street which makes the concept very visible Dublin City Council can't do that for us because the Road Traffic hasn't been passed yet and that says what car sharing is I won't give you too much information, but that did impact on our success The Act is going through now, but it will be another year – so realistically had I have known that it would take so long at the start I would have been less gung ho to start the business Make sure that any obstacle at the start of a business, look I knew it was an obstacle but I thought it could be overcome in a few months, its now looking like its going to take over 2 years to happen If there is an obstacle – you better have a plan B that can keep you going in case that obstacle becomes I guess more permanent than you thought

Q What about marketing from a start up position?

Mark I don't think that's a problem these days, there is potential to do clever marketing cheaply now, with online stuff like social media so I don't think your business will ultimately work or not through marketing like we are about to launch really clever marketing but we haven't up to now

Q Is that marketing going to cost lots of money?

Mark It will cost us money but we will never be doing TV ads or newspaper advertisement no So this is a word of mouth campaign

Q Guerilla?

Mark Yes all that, but your marketing will succeed or not make or break the company, but it is good to have someone with you who is good at marketing

Q What is happening in the next 12 months?

Mark, I have sold the business now to someone who has real money and unfortunately I was not able to take the business to where I wanted it as I did it with my own money so if I got to the next stage I would be talking about selling the business for megabucks but realistically in this particular case the people knew we couldn't bring it forward so I remain a minority director

When you are looking for an investor, if you can get your business to a level where you can just sell it that's fine. Otherwise you are looking for an investor who can bring economies of scale to it. So this particular investor I have not only has the money to put into it, but he also has, my biggest cost are cars, this guy is in the car business, can't say who it is yet, he reduces my costs by about 2/3. Anything that would have cost me €1000 costs him €250 and also he already has the staff doing it. So basically he just changes my whole business plan reduces all the costs. So there are 2 types of investor, the guy who just has €1000000 and thinks it's a good idea, or the guy who has money but also all the things you need, he has cars, call centre – just to answer a few more calls for you, there's no cost to me, but for you to set up a call centre is €100,000. That's another thing to say, if you are looking for an investor look within your industry. Like if I was in the chocolate industry and wanted to expand to be like Butlers chocolates, then who would I go to, maybe I should go to somebody who is in the food business already as opposed to just some guy who has 200K. What you want is somebody with money but also with access to all the things you need – distribution channels.

Q Without identifying who the investor is – how did you get to that person, through, networks, through knocking on his door, through cold calling, how did you do it?

Mark I got my business to a level where I felt I could go looking for investment and updated the business plan and I hunted him down. What car sharing does is it reduces the need for private cars so it affects people who sell cars, who rent cars, so those people are looking at their business going down, so what's the new thing coming on – car sharing,

so I went to about lots of companies and one of them finally bit Basically I went to them all and identified 3 or 4 Irish owned car rental companies, 4 Irish owned car people and researched emailed called up, found out who these people were and I'll meet you anywhere, these people are busy and I had a new idea, so I persisted – oh you live in Malahide, can I meet you for a coffee on Sunday, that's what you got to do People in business are interested in new ideas, but it is time that's the issue So if you go and say you will meet them anywhere you generally will get a hearing

I met this guy in his house and his kids were out playing, he took half an hour and was interested then we met in the office

Q You are going to be a minority director – so you will still have a say in the business, and it is still your baby- do you see any personal obstacles in handing over majority control of the business?

Mark Yes all of those You start off with ideals in mind, but successful businesses are run by accountants, so things will change which is good If they can make the business successful that's a good thing, as a minority director you won't have so much say, and basically I've learned quite a lot about that now

What I would say now is business plan and cash flows 100% Accountant 200% Even if you are starting a business and an accountant costs €400 per month – Jesus just do it, just do it From the start just accept that you have just got to do that Somebody who can

also advise you, because accountants tend to know other professionals, lawyers, and they can give lawery advice as well 'cause they have been through a few things so don't go into a business without an accountant, because you will be dealing with accountants on the flip side

Q What about other people in business, have you established networks between other entrepreneurs like yourself?

Mark Yes, exactly so I am and I'm going to , well once you are an entrepreneur that's what you do – you have nothing but contacts Business Card is a great one, people have an idea, and they need an entrepreneur to help me with that then their friends say ' John is an entrepreneur' that's what you are, some people are carpenters some people are electricians so yes I would have a list there, when you join organisations you would be known I've joined a couple of chambers – reluctantly but not my scene, a lot of entrepreneurs would and they would use them, but the new breed of entrepreneur is more probably going to be – a business like this is city based so you have to be known around the city We have supported a lot of things even when we were struggling, but entrepreneurs hang out with other entrepreneurs what can I say

If you see a new gallery, or restaurant opening, you go in there, you know that guys X Company etc If I can eat in a place that's owned by a local entrepreneur, or a place that's owned by Marks and Spencer's then I'm going to eat in the local entrepreneurs place so that's what you do

So its more the informal networks because entrepreneurs are always going to support other entrepreneurs

I have established a thing on the X COMPANY website which is nothing to do with X COMPANY, its called X Company deals. When ever I go to a business I try to do cross marketing. Plant life is a cool plant shop in the city its real urban style, so I go in and say listen man why don't you tell everybody who comes in about X COMPANY, I give them a discount. Any of my X COMPANY customers go to plant life and show their card, they get 10% off. It costs neither of us anything to market but he's telling his customers about X COMPANY. So entrepreneurs are associating their businesses together

That's informal. Once you are an entrepreneur its always in your mind. You go out to buy a plant and you go – it's a bit of a head wrecker sometimes, but its in your mind - how is this good for X Company and my girlfriend is going – can we not just buy a plant?

Unfortunately and fortunately that's always in your mind

Framework for Interviews with Small Business Owners.

Siobhan Killion

General introductions and ice breakers to relax the mood and establish comfort zone for open discussions

Invite owners to outline the story of their business evolution

- Family involvement
- Family demands
- Hurdles and challenges faced over the business evolution
- Problem solving techniques – how problems were dealt with, lessons learnt, did solutions work or could they have had different outcomes if handled differently?
- How do they market their products/services
- Do they have – see the value in a business plan?
- Where do they see the business going in the next 12 months?
- What are the perceived obstacles to their plans?
- What plans/contingencies have they in place to address possible issues/problems?

Each of the interviews are 1 hour in duration I will ask their permission to record the conversations I will see how recording is perceived by the entrepreneurs, and may or may not use this option

The framework should give enough of a backdrop for a full and Case Fdiscussion

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