



ENTREPRENEURIAL ECOSYSTEMS AND BORN GLOBALS

Greenreality Network

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INTRODUCTION



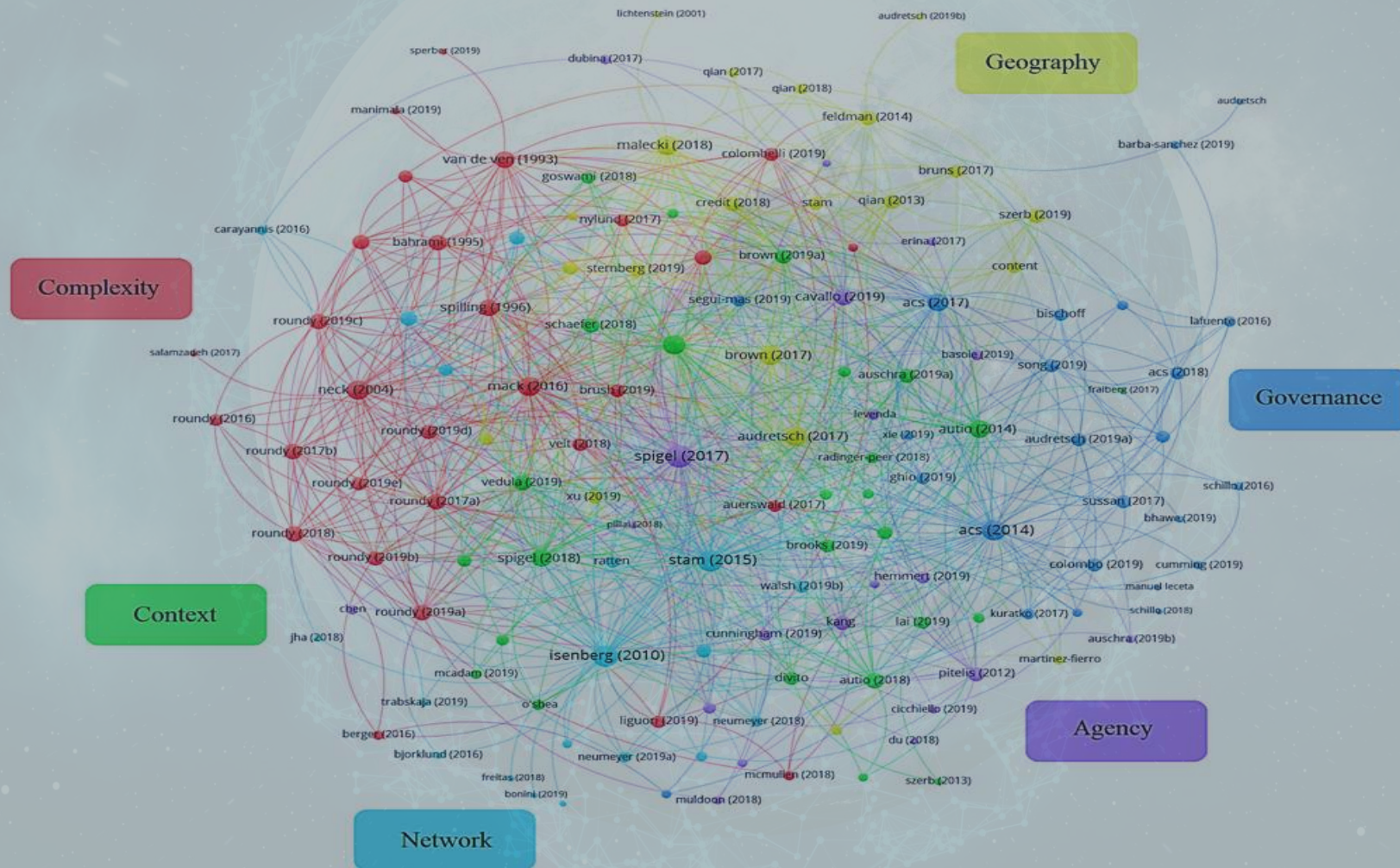
Entrepreneurship + Institutional Context = Entrepreneurial Ecosystem (EE)



Aggregate Value Creation and Economic Growth

(e.g., enhanced productivity, employment, income, innovation, well-being)

CLUSTERS IN EE RESEARCH



CLUSTERS IN EE RESEARCH (2)



Cluster	Theme	Keywords	Articles	Share #; %	Main Findings
1	Complexity Perspective	“emergence”; “formation”; “micro-foundations”	(Auerswald & Dani, 2017; Bahrami & Evans, 1995; Berger & Kuckertz, 2016; Brush et al., 2019; Colombelli et al., 2019; Hechavarría & Ingram, 2019; Liguori et al., 2019; Mack & Mayer, 2016; McMullen, 2018; Neck et al., 2004; Nylund & Cohen, 2017; Roundy, 2017, 2019; Roundy et al., 2018; Sperber & Linder, 2019; Spilling, 1996; Van De Ven, 1993)	29 / 20.9%	Need for infrastructure of entrepreneurship. The Silicon Valley model as the prime. Symbiosis of the environment and new venture creation. Complex adaptive systems. Hybrid meta- and support organizations. Ecosystem life-cycle, mechanics and measuring. Regional narrative reflecting configurations. Gender equality and support.
2	Context Perspective	“genesis”; “policy”; “dimension”; “actor”.	(Alvedalen & Boschma, 2017; Autio et al., 2014, 2018; Brown et al., 2019; Brown & Mawson, 2019; DiVito & Ingen-Housz, 2019; Donegan et al., 2019; Feldman et al., 2019; Fraiberg, 2017; Goswami et al., 2018; Lai & Vonortas, 2019; McAdam et al., 2019; O’Shea et al., 2019; Pugh et al., 2019; Qin et al., 2019; Radinger-Peer et al., 2018; Schäfer & Henn, 2018; Spigel & Harrison, 2018; Theodoraki et al., 2018; Thompson et al., 2018; Vedula & Kim, 2019)	26 / 18.7%	Emphasis on entrepreneurial innovation. Distinctions of EE in comparison to clusters, districts, innovation systems. Utilization of various policy mixes aligned with goals. Interplay between digital and spatial dimensions. Intermediary actors initiating and accelerating entrepreneurship. Human and financial actors influencing entrepreneurial activity.
3	Governance Perspective	“lineages”; “institutions”; “knowledge”; “culture”.	(Acs et al., 2014, 2016, 2017, 2018; Audretsch, 2019; Audretsch et al., 2019; Barba-Sánchez et al., 2019; Bhawe & Zahra, 2019; Bischoff, 2019; Colombo et al., 2019; Cumming et al., 2019; Ghio et al., 2019; Horváth & Rabetino, 2019; Kuratko et al., 2017; Lafuente et al., 2016; Schillo, 2018; Schillo et al., 2016; Simmons et al., 2019; Song, 2019; Xie et al., 2019; Yan & Guan, 2019)	24 / 17.3%	Ecosystem as an effective resource allocation in a confined space to exploit innovations. Multisided digital platform facilitating entrepreneurial action. Appropriate governance choices to regulate internal and external factors. Institutions have positive influence towards entrepreneurial action and rate. Knowledge spillovers as a fuel of the ecosystem. Business failures as acceptable part of an entrepreneurial culture.
4	Geographical Perspective	“location”; “elements”.	(Audretsch & Belitski, 2017; Audretsch & Link, 2019; Brown & Mason, 2017; Bruns et al., 2017; Content et al., 2019; Credit et al., 2018; Feldman, 2014; Lichtenstein & Lyons, 2001; Malecki, 2018; Martínez-Fierro et al., 2019; Qian, 2017; Qian et al., 2013; Stam & van de Ven, 2019; Szerb et al., 2019)	21 / 15.1%	Entrepreneurial ecosystems need to be studied contextually, separating between urban and rural contexts. Entrepreneurial activity can impact ecosystems regionally, and the regional development can result in differing regional performance and developments.
5	Agency Perspective	“agency”; “stakeholders”.	(Auschra et al., 2019; Basole et al., 2019; Carayannis et al., 2018; Cavallo et al., 2019; Chen et al., 2019; Cunningham et al., 2019; Du et al., 2018; Erina et al., 2017; Jung et al., 2017; Levenda & Tretter, 2019; Pitelis, 2012; Sarma & Sunny, 2017; Spigel, 2017)	20 / 14.4%	Intended and unintended agency of individual and collective actors influencing the emergence and development of entrepreneurial ecosystems.
6	Network Perspective	“networks”; “social capital”.	(Carayannis et al., 2016; Corrente et al., 2019; Espinoza et al., 2019; Isenberg, 2010; Neumeyer, Santos, & Morris, 2019; Neumeyer, Santos, Caetano, et al., 2019; Neumeyer & Santos, 2018; Nicotra et al., 2018; Stam, 2015)	19 / 13.7%	Expands and enriches the role of the network element in entrepreneurial ecosystem. Explains networks at different levels of analysis result impact the development of the entrepreneurial ecosystem.

(Source: Velt et al. 2020)

MAIN CONCEPTS



- Entrepreneurial Ecosystem** 'a set of interconnected entrepreneurial actors, entrepreneurial organisations, institutions and entrepreneurial processes which formally and informally coalesce to connect, mediate and govern the performance within the local entrepreneurial environment' (Mason and Brown, 2014, p. 4)
- Born Globals** 'from inception, [seek] to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries' (Oviatt and McDougall, 1994, p. 49), 'young, entrepreneurial start-ups that initiate international business soon after their inception' (Cavusgil and Knight, 2015, p. 3), measured by speed, scale and scope (Kuivalainen et al. 2012)
- Start-up Life Cycle** 'discovery, validation, efficiency, and scale stages' (Marmer et al., 2012, p. 7)
- Entrepreneurial Process** 'stand-up, start-up, and scale-up activities in entrepreneurial ecosystems' (Autio et al., 2018, p. 4) (+ standby?)
- Internationalisation** 'the process of increasing involvement in international operations' (Welch and Luostarinen, 1988, p. 36)

EE & ENTREPRENEURIAL ACTIVITY



Ecosystem Elements



EE & ENTREPRENEURIAL ACTIVITY



Ecosystem Elements



EE RESILIENCE AND DYNAMICS



Complex Adaptive System
EE Dynamics

Role of Governance

- » Multipolar coordination
- » Commitment engagement
- » Benefits alignment

System of entrepreneurial
stand-up, start-up & scale-up

Reciprocal Interactions

- » General business processes
- » Horizontal networking patterns
- » Unique structural elements

Reinforcement

Resource Allocation

- » Resource provision
- » Resource access
- » Resource mobilization

Diagnoses & Policy

Criticality

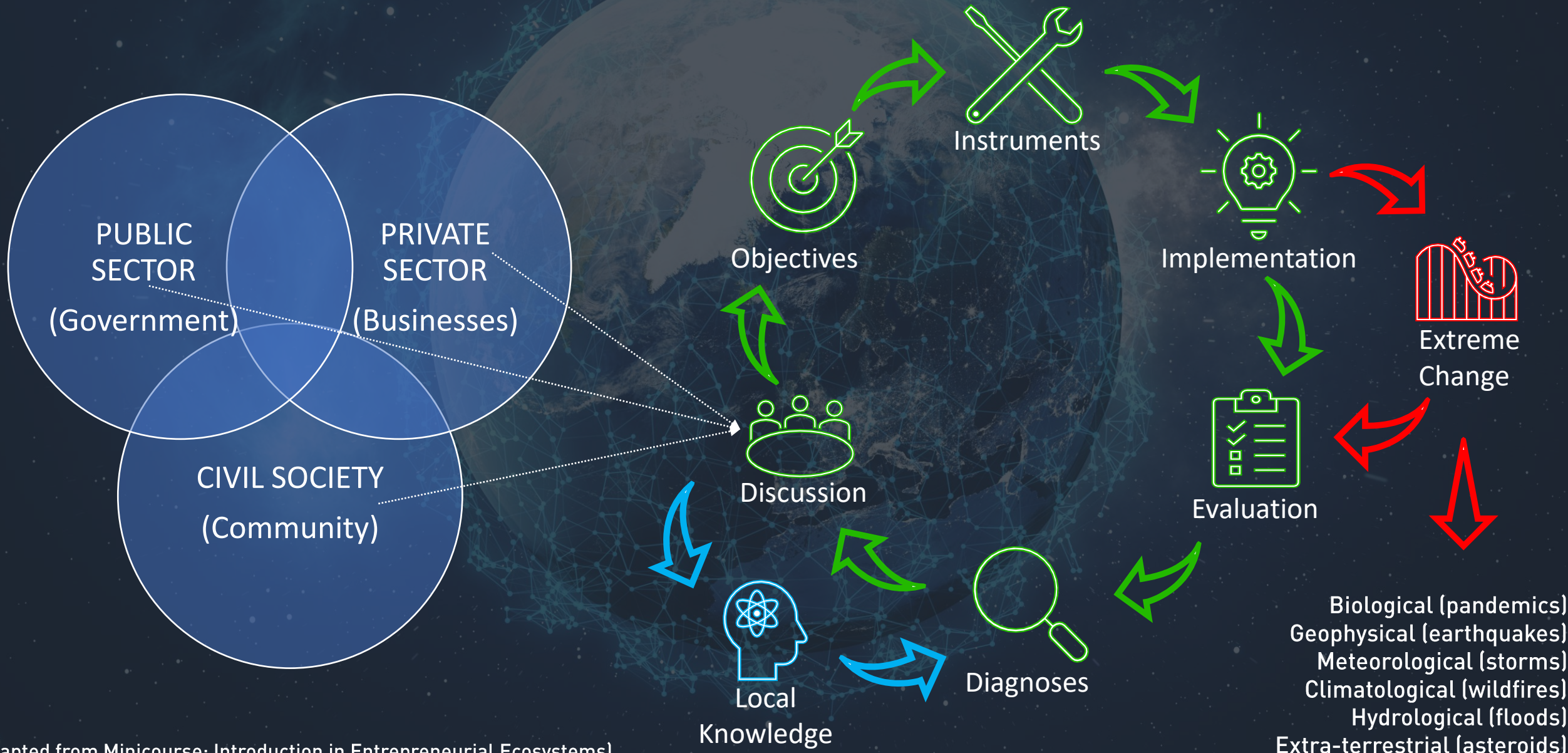
Presence

Performance

- » Strengths
- » Potential strengths
- » Weaknesses

EE Policy Process

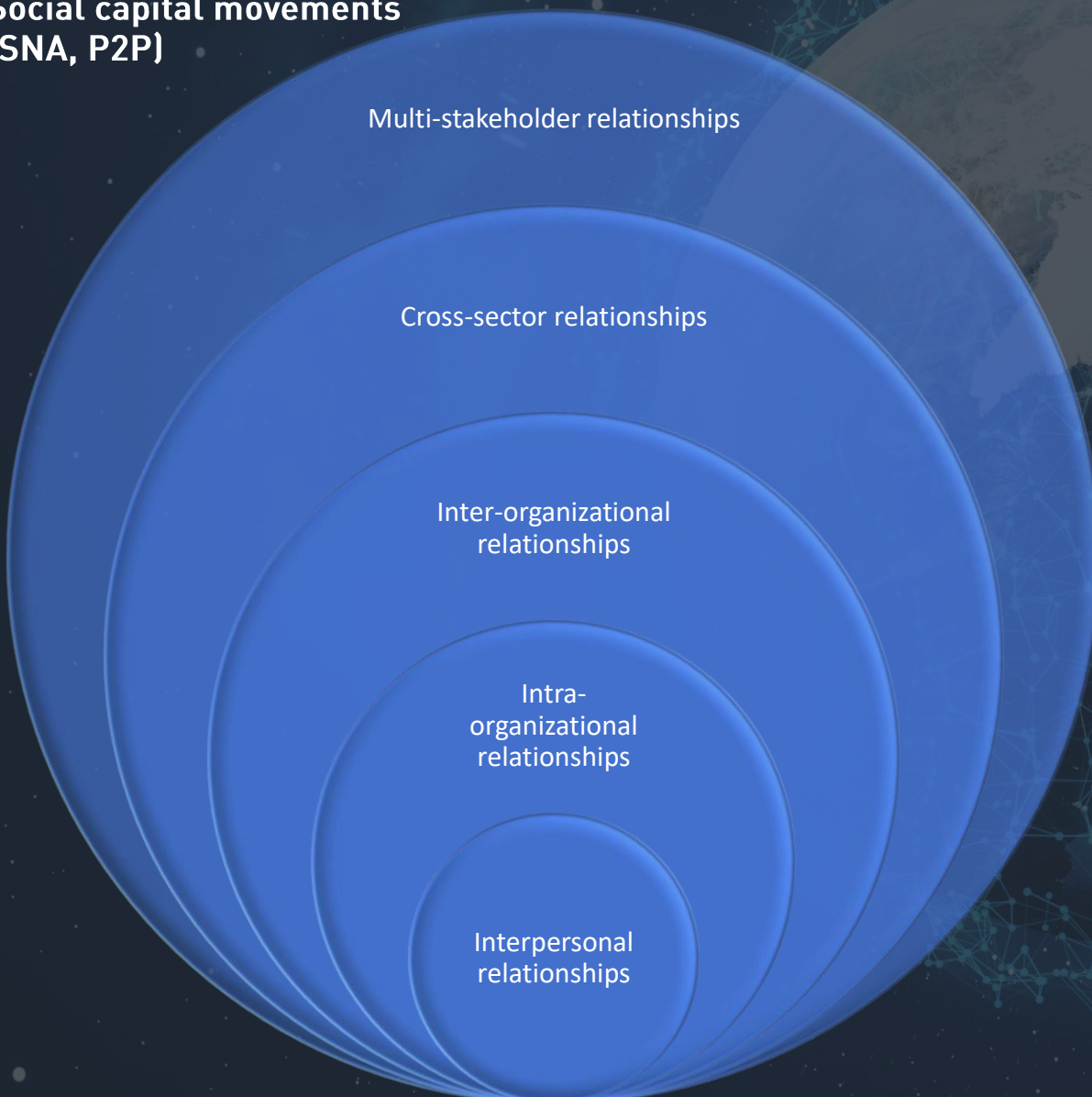
EE POLICY PROCESS



TYPES OF RELATIONSHIPS IN NETWORKS



Social capital movements (SNA, P2P)



A diverse mix of actors and organizations from different parts of society working together in networks, alliances, coalitions, partnerships, including (among others):

- Co-creation/Co-production
- Collective impact
- Ecosystems (entrepreneurial, innovation, business, knowledge)
- Multipartite Social Partnerships
- Public–Private–People Partnerships

Bi sector

- Business–Government, Business–United Nations, Business–Community, Government–NGO, NGOs–International donors, Business–NGO, University–Community

Tri sector

- Business–Government–NGO, Business–Community–NGO

- Business–Business (Strategic alliances, joint ventures, etc.)
- Government–Government (Country alliances/ agreements around particular themes, between public sector agencies)
- NGO–NGO (International–local partnerships, South–South, North–South; North–North)
- University–University

- Partners in a business; cross-functional teams; virtual teams; collaborative leadership; Industrial relations and Human Resource Management, etc.

- Lovers, spouses, families, friends, neighbours, colleagues, mentors, etc.

LOCAL CONTEXT



Locational advantages

- » Ease of doing business score 80.2p, 20th (2020)
- » EU member (not NATO) and Russia relations
- » Between Helsinki and St. Petersburg
- » Great roads, railroads (access to South-East Asia), airport, harbours (Hamina, Port of St. Petersburg)
- » International (but not cosmopolitan), ca. 70K popul.
- » Relatively cheaper to live in comparison to Helsinki
- » LUT University is the main driver of innovation and entrepreneurship, and magnet for talent
- » NGOs (GRN, LUTES, Green Campus Open, Arnora Innovation Village, South Karelia Entrepreneurs Association)
- » Strong tourism destination
- » Ease of doing business score 80.2p, 20th (2020)

NB! Business proposition for GRN members:

- » LPN is Finland's coffee capital.
- » Fertilizer-compost (mushrooms); repel bugs and fleas; neutralize odours; cleaning scour (dishes, fireplace) & scrub (sauna honey, soap); cosmetics (cellulite, under-

Emphases on sustainability in every aspect of life

- » European Green Leaf Award 2021
- » Capital of Green Energy in Finland
- » Green University
- » HINKU (member of CO2 neutral municipalities)
- » Green Harbor
- » Green Flag Schools
- » Focus on Green Energy (PV, windturbines, pulp, P2X, CO2)
- » Conservation of natural resources
- » Lakeland (4th largest natural freshwater lake in Europe)

Entrepreneurship and business context

- » Relatively startup friendly (1h online, weeks to register)
- » Local businesses support local entrepreneurship (knowledge, finance, networks, talent, support systems) (e.g., UPM, VISMA)
- » Increase in environmental commitment
- » Engineering start-ups & spin-offs
- » CSR relevant from stand-up stage
- » Clean-tech cluster
- » Paper, pulp and forest industry

(adapted from CIIBE Workshop 2021)

INTERNATIONALIZATION



Internationalization – what's entrepreneurial ecosystems got to do with it?

A: I think it has everything to do with it.

- » A healthy and vivacious local entrepreneurial ecosystem supports entrepreneurial activities and behaves as the habitat nurturing local companies towards offering value on global scale
- » Finland is a leading country in high-technology and sustainable industries/practices, and should sustain this momentum through higher levels of entrepreneurial recycling and internationalization
- » Finland is a small country and a small market, making internationalization inevitable
- » Finnish companies, and especially the ones in South-Karelia, should exploit locational advantages
- » Reflecting on local ecosystem in terms of trust, legitimacy and commitment would benefit internationalization of local companies and successful market penetration

'Companies must sometimes team up with governments, NGOs, and even rivals to capture the economic benefits of social progress' (Kramer & Pfitzer, 2016)

GUIDING PRINCIPLES



From my dissertation (2020)

- » A founder's roadmap for entrepreneurs to comprehend the system and plan their stand-up and start-up development processes and internationalisation
- » Insights to better associate and align ventures core activities, strategies and business models to fit with surrounding EEs (stay or leave dilemma)

Policy

- » Make practical decisions and enable the introduction of new policies to support entrepreneurial action
- » Primary intention of EE should be to facilitate efficiency and self-sufficiency through effective policies and governance
- » Emphasis should be placed on ecosystem's dynamics and openness to enable transmission and access to relevant endowments and facilitate co-evolution and ecosystem's renewal
- » Policies should not be restrictive, just regulative (e.g., registration of a start-up firm is made extremely easy, however, exiting from failed business is made extremely long and intense)
- » Encourage risk taking and provide safety nets to tackle inevitable failures to promote entrepreneurship

THANK YOU



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REFERENCES



‘The pursuit of knowledge is more valuable than its possession’ – A. Einstein

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