Index

ability, unobserved 56
academic new ventures, international or immature market targets 83
academic spin-offs
  customer behavior changes 78
  high-level knowledge and partnerships 81
  money earning in international markets 81
  specific and high-level knowledge need 65
  “technology push” market entry 78
  world leadership 80
academic spin-offs, aims
  money earning in international markets 75
  world leadership 75
academic spin-offs, growth and profit turnover increase 76
action to deal with stressor 155
active-optimistic framing approach 116, 129, 138
active-optimistic groups 131
active-strategic framing approach 116, 129, 138
active-strategic groups 131
threat and opportunity 134
adaptation of invention, importance of inventor 26
adverse selection problems 31
advertisement 133
age 97–8
  and self-employment 106
  increase and decrease 98
  inverse U-shape 98
Alfa company study 185–90
  marketing, 187–8
  Multidiameter technology, 187
  Offshore segment in first year 189
  subsidiaries in Madrid, Latin America, Dubai 187
alliance building 82–3
  international markets, targeting 80
  ambitions of entrepreneurs 80
  analyses 101–4
  Anglo-American dominance in publishing 3
  aptitude tests 56
arousal
  and activation, coordination of 151
  and energy-mobilization 153
assets of new firm variables and correlation matrix 48
attention and support for new business concepts 121
attention-challenging tasks 156
bankruptcy 35
baseline approach to framing 116
baseline statistics framing variables 128
behavioral costs 151
behavioral economics 151
behavior range 117
bivariate life table analysis 53–4
blame for disruptive event 154
born globals 179, 180, 183, 185
  behaviour of entrepreneurs in internationalization in 190
brand equity 67
Bristow’s generalized wilcoxon test 50
business angels 22–3
business cycles 131
business financing opportunities, technology-based ventures 67
business knowledge 39
business MSc 160
business opportunity 44, 67
business plans, for funding agencies 163–4
business start-ups
  academic 65–85
Entrepreneurship and the Creation of Small Firms

- non-academic 65–85
- not uniform process 84
- capital, restriction for start-up 150
- case studies
  - importance of 72
  - on novice entrepreneurs 160–62
- case study, academic spin-offs
- cooperation opportunities through IT, 73
- criteria 158
- games on the Internet, 73
- interaction opportunities for people, 73
- causation and effectuation process 180, 182–3, 185
- causation logic 191
- challenge 154
- changes and developments in external environment 119
- cluster analysis 127, 131, 134
- cognitive appraisal theory 151, 153
- cognitive frames of top management 117
- cognitive schemata, international opportunities 185
- collective entrepreneurship, academic spin-offs 83
- commercial exploitation of science and technology 91
- commercialization mode, choice 19–21
- external financing, 23
- patents and 14–15, 17–23, 25
- commercialization process 24
- decisions, influence on renewal scheme 27
- of university knowledge, Sweden 8
- profit and 24
- commercialized and non-commercialized patents 31
- commercialized patents, comparison with renewed patents 28
- common language 4
- commonality or novelty, emphasis 117, 120, 125, 130
- communication, mixed 137
- competing technologies, threats 118
- competition
  - for publication 4
  - risk of 24
  - with other companies 135
- competitive environment, creation of 69
- competitor deterrence 27
- complementary assets from several founders 76
- constructing industry, Alfa 190
- constructive thinking 153
- consulting services 74
- control variables
  - county tenure, proxy for social network 49
  - education type 101
  - ethnic backgrounds 49
  - family net wealth measures 49
  - financial capital 100
  - gender and number of children 49
  - immigrants 100
  - industry profitability 49
  - industry size 49
  - population density 49
  - population growth 49
  - R&D intensity 49
  - receipt of taxable income 100
  - sex of individual 100
- convenience-sampling approach 122
- cooperation and networking 38
- coping 152, 154
- strategies
  - context-dependent factors 152
  - effort 152
  - emotion-focused 155
  - motivation 152
  - problem-focused 155
  - specific demands 155
- corporate entrepreneurship 115–44
- framing in 120
- corporate strategy 117
- cosmetics business idea, beauty products for men, Sweden 161
- Cox survival models 30
- credibility establishment in investors, customers, suppliers 66
- credit for disruptive event 154
- credit from suppliers 68
- criterion variables, correlation among 137
- critical incident technique for goal-disruption 157
- customer attraction 38, 68
- data access in Sweden 5
Index

- data collection for sampling 123
- date source for study (LOUISE), Statistics Sweden 45
- decision making 155
- decision-making processes in effectuation theory, interactions with others 184
- demand side and supply side 68
- dependent variables 45
  - entry into self-employment 99
- despair and fatigue, negative side effects 170
- discovery and exploitation ability 37
- discrete choice techniques, logit or probit 45
- disillusionment with project 165
- disruptive events, energy resources 155
- doctoral dissertations, independent research works 5
- dot-com bubble, Swedish IT firms equity financing 49
- economic downturns, negative effect 35
- economic logic 39
- economic theories of human capital 36
- Edison, Thomas, electric light 118
- education 39
  - and entrepreneurial performance, positive effect of higher education 40
  - exploitation of opportunities 91
  - length of 55, 96–7
  - results of, 109
- effectuation logic 171, 190
  - insights in international entrepreneurship 191
- effectuation models 180
- effectuation principles
  - affordable loss 185
  - controlling unpredictable future 185
  - exploitation of contingencies 185
- strategic alliances 185
- effectuation theory of Sarasvarthy 179–203
- Alfa’s decision to internationalize 188
- principle of affordable loss, not expected returns 188
- strategic alliances, not competitive analysis 189
- electric light, perception shaping by Thomas Edison 118
- electronic industry, Alfa 189
- emotional goals, personal well-being 152
- emotional reaction 152, 153, 155
- emotional support for failure 165
- emotion-focused strategy
  - acceptance 156
  - denial 156
  - disengagement 156
  - restraint 156
  - seeking emotional support 156
  - suppression 156
- emotion regulation under stress 169
- emotions and energy 155
- employee initiative 122
- employment and self-employment 39
- energetic resources of entrepreneurs 149–73
- depletion 150
- theoretical model 152
- energy resource episodes 159
- energy resources
  - construct 160
  - input regulation 155
  - of entrepreneurs 162
  - regulation 156
- engineering MSc 160
- engineering, university education in 92, 98
- English language 3
- entrepreneur
  - employment of inventor 26
  - in focus as effectuator 190–91
  - stress levels early in venture-creation process 158
- entrepreneurial experience 52, 57
  - importance of, in human capital 105
  - valuable to self-employment 94
- entrepreneurial human capital 35–59
  - entry, performance and continuation 36
- entrepreneurial opportunities, exploitation 36
- entrepreneurial orientation of firms 181
- entrepreneurial parts, opportunities and individuals 181
- entrepreneurial process under uncertainty 37–45
- entrepreneurship
  - career choice 35
classes in universities 108
cost of
  for highly-earning people 106
  for highly-educated people 106
prior experience 36
research in North America 1
uncertainty as career option
  uncertainty 37, 106, 107
viable option
  young people leaving university 108
entrepreneurs’ intentions and interviews 158
entrepreneurs, proactive and reactive 69
entry decision and option to defer 44
entry strategies to new ventures 65–85
entry strategy 71
environmental change 153
environmental conditions 131
environmental threat 135
  mitigation of, 120
established corporations, new business in
  115–44
established practices 117
ethnographic case studies 199
Euclidean distances 127
European outlets, fewer 4
evaluation of events 153
event history 101
experience accumulation 105
experience from prior start-up attempts 35
“experiential learning” 85
expired patents 30
exploitation of opportunities 43
exploration of contingencies, competitive advantage in products, Alfa 189
export activities of international firms 180
external financing
  high-tech companies 79
  lack of and need for 15, 76
face-to-face interviews 200
family types 101
fatigue 151, 155–6
finance obtaining 43, 68
financing from founder, profits, bank loans 188
firms and patents 17
firms, new 23
first-mover advantage 43
  need for timing 81
first mover advantages 67
“follower strategy” 69
football watching on cell phones 161
foreign markets, increased competition 179
founder of Alfa, experience in international business 187
founders of venture, benefits of team 67
framing activity, absence of, passive 129
framing approaches 121
new business concepts 127–33
support for business concept 116–21, 124
framing in terms of opportunity 136
framing, theoretical perspectives 117–22
funding, rejection by funding agency 163
GARCH model of uncertainty 47
GARCH volatility model 52
gestation as focus period 158
global firms 179
global outlook in Swedish research 6, 197
global research and international publication 3
communication improvement 4
goal-disruption 151, 154, 156, 159
coping with 154
  emotion-focused strategy 168
  problem-focused 168
energy resources 157, 162
overcoming by increased effort 170
threat or challenge 170
goal-disruptive events 150
appraisal of 153
goals and conflicting demands 169
governing financing in Sweden 14
government data 200
government financing during R&D phase 18, 22
government loans, soft 22
growth-oriented trajectory 80
hazard function 17, 18
higher education, positive effect 50
high-technology products 74
hindsight bias in new business concept 124
Index

hippocampus 151
horse brushes
business idea 161–2
licensing idea 166
host corporations, survival 136
human capital 7, 35, 36, 39
cost of switching careers 106
non-transferability in occupations 98
occupational choice 92
older people 98
relevant types 39
role in entrepreneurship 39, 40
self-employment 104
human capital and self-employment 91–110, 93–4
idea formulation, prior knowledge and experience 66
identification of cluster solutions
judgmental decisions 138
identification problem 27
incentives for entrepreneurship and potential value of business
opportunity 93–4
incentives for self-employment, poor salary 97
income 97
from wage-work versus from self-employment 99
gross earned per year 100
incentive for entering self-employment 105
optimizing by affluent people 49
reluctance to reveal 109
incorporation 46
independent distributors 189
independent variables of
education, years of 46–9
irreversibility hypothesis 47
prior experience from entrepreneurship 46
uncertainty 47
independent variables of human capital age and self-employment 99
length of education 99
personal income 99
prior experience 99
individual agents, importance of enterprising activities 42
individual managers 185
individual motivation and inner drive 67
industries excluded 45
high and low leverage investment reversibility 49
in sample 58–9
industry-specific experiences, value of 55
skills 41
uncertainty 47
industry’s pre-tax result 49
industry subfield, new entry 43
industry types
finance obtaining 101
healthcare 101
high-technology manufacturing 101
research and development 101
technology consultants 101
trade 101
influence, one-sidedness of 4
informant bias 123
information and communication technology 3
and prior experience, influence of 69
distribution in society 69
innovation 69
input regulation of energy resources, mental problem solving 155
intelligence tests 56
internal funding, non-academic ventures 84
international entrepreneurship 179–203
definition 181
internationalization increasing experiential knowledge 180
Sweden 9
international markets 70, 75
international new ventures 179
international research scene in 1990s 1
Internet business idea, venture ideas from students 161
invention and innovation, separate stages 26
inventions and patents, secret information 16
inventors 20, 21
and entrepreneur cooperation 24
as transmitter of knowledge 26
of patent, involvement of 15
Entrepreneurship and the Creation of Small Firms

investment decision, uncertainty and irreversibility 43
investment, potentially profitable exploration necessary 42
return on 41
investments from venture capitalists 82
specific, limitation of commitment 42
under uncertainty, 36–45, 55–6
‘investment under uncertainty’ perspective 36
irreversibility (duration time) 43
irreversibility focus 42, 43–4
irreversibility of investment in new venture 42
“issue entrepreneurs” 118
issue-sellers in organizations, selling to top management 118

Jansson, Torsten
New Wave group 35
Swedish ‘Entrepreneur of the Year’ award 35
job mobility and self-employment, positive association with entrepreneurship 105
job-switching, positive and negative aspects 95
Johannisson, Bengt, FSF-Nutek International Award for Entrepreneurship 2
joint-stock company 81

Kaplan-Meier survival graphs 53
on exit from entrepreneurship 54
knowledge acquisition and protection via patenting 96
knowledge-based products and services, management team, need for 79
knowledge codification 24
Knowledge gaining and funding 168
knowledge intensity 8, 74, 81, 82
knowledge, new combinations of 68
knowledge, ‘tacit’ 15

labor-market experience 39, 95–6
dercrease in probability of self-employment 96
negative for self-employment 105
labor market laws, Sweden 108
laissez-faire strategy 164–5
language and cultural differences, international experience 188
learning of new skills 156
leisure and company clothing 35
licensed patents 21–4, 30
life-situations 169
life-table analysis, survival of new business concepts 131–2
life-table method (actuarial method) 29
limitations of the findings 136–8
limited companies 79
limited liability companies 99
linear planning approach 184
linguistic labels and new information 117
liquidation of fixed assets, difficult, in adverse performance 48
logistic regression 101
model, results 50
logit models on entry into entrepreneurship 51
longitudinal data on individuals’ behaviors 201
long-term investments 79

management research 66, 185
management teams (many founders) 79
managerial discretion focus 42
manufacturing and marketing 14
manufacturing companies, case-study criteria 72
manufacturing subsidiaries of international firms 180
market channel strategy, franchising contracts 185
joint ventures 185
market characteristics 71, 75
market choices in born globals 191
market entry mode decisions, effectuation logic use 191
market entry strategy of Alfa 190
market exit 35
market imbalance 68
market needs, unfilled 69
known products, 74–5
market opportunities, creation exploitation 41, 68, 79, 132
market opportunity, new 132
Index

“market-opportunity seeking behavior” 68
market research knowledge 67–8
market testing 38
material coding for tests 159
measurement error 109
medicine, university education in 92, 98
mental effort and performance stability 155, 169
micro companies 20
monetary value expectation 38
“monopoly profits” 69
moods and fatigue 169
moral hazard problems 15, 31
motivation and drive 149
motives of entrepreneurs 80
Multidiameter technology 187
in rubber, company, 185–90
multi-faceted research on start-up and growth 197
multinational firms 16, 179
multiple goals 162–3
multiple stakeholders 159
national laws and regulations 85
negative emotions 153, 156
negative evaluation, seen as threat or challenge 153
networks and alliances 68, 183, 188
international markets, targeting 80
versus stand-alone-company opportunities 70
networks, social or work-related 66
new business concepts 9
framing of 115–44
in established corporations 119
survival 132
new market ventures 35
non-academic ventures 81
government subsidies 76
local or regional market targets 80
market demands, existing 78
“market pull” entry 79
personal savings to start 76
products known to market 77
single founders 76
turnover increase 77
non-academic ventures, aims, local or national market for living wage 75
normal science idea 201
novelty 116–18, 125, 130
and commonalty 118, 121, 134
and organizational change 118
downplaying 133
of new business concept, 135
novice entrepreneurs 150
NVIVO software for analysis 159
observation units 202
occupational choice 92
openness in research methods, Swedish 197–8
opportunities and new knowledge 91, 107, 116–18, 125
opportunity cost of entrepreneurship 37, 106–7
opportunity over threat, emphasis 127
opportunity recognition 69
opportunity seeking 182
optimal states of body 154
option of growth 44
option to defer 43
option to grow 43
organizational action 117
output measures 47
owner/inventors: commercialization of patents 13
start-up firms 13
Panel Study of Entrepreneurial Dynamics 201
partnerships 46, 99
passion as a driver 149
passion, put to the test, hardships 150
passive framing approach 116, 129, 138
passive groups 131
patent for horse brushes 164
patent holders: basic theory 14–15
Swedish 13–34
patent holdings 67
patent, licensing or selling of 26
patent renewal 26–31
patent validity and profit 28
patent value depreciation 26
patenting, protection via 96
patents 7
commercialization of 13
in new start-up firms 13–34
defensive 25
Entrepreneurship and the Creation of Small Firms

keeping for strategic reasons frequent among multinational firms 28
non-commercialized 27
related 15
selling 23
specific technological knowledge 27
perceptions of goal-disruption 167
perseverance 150
personal earnings of self-employed entrepreneurs 57
personal interviews for case study 73–4
person–environment relationship influence on emotions 152
physiological costs 151
“pioneering strategy” 69
population study 45
postgraduate training, human capital 96
postgraduate versus undergraduate education 100
predictive accuracy, low 46
primary appraisal 153
goals relating to performance 153–4
primary education 39
prior experience 99–100
prioritization, lack of, for venture failure of venture 165
private venture capital in Sweden 14, 15, 22, 23
private venture capital (PVC) 15
problem-driven research, decreased focus 4
problem solving 155
product characteristics 71
academic research 74–5
in non-academic ventures 74
product development, innovative 79
product, significantly new 122
professional board of directors 79
academic spin-off companies 83
profit from sale of patent 14
profit increase opportunity 132
profit performance of patents 13
profitability of commercialization 24
projects, prior successful 133
proportional hazard model 50
prototype for horse brush 164–5
psychic distance of markets culture differences 180
education levels 180
language difference 180
levels of industrial development 180
political systems, difference 180
psychological processing 151
psychological stress, managing 155
psychological value expectation 38
public policy and entrepreneurship research 6
R&D and preference for novelty 133
R&D phase and financial resources 14
Ramström, Dick, Umeå University 1
rate of progress 156
reality construction 117
real option heuristic 36, 42–4
company value from assets in place 43
opportunities to purchase real assets 43
reappraisal process 156–7
recruitment from international sources
international experience 188
regions of birth variables 49
relationship between framing and success of business 139
relevance of research 201
renewal fees for patents 26
renewal of patents across commercialization modes 30
renewal scheme of patents
time periods of renewal 25
research design 157–60
research, high-quality 197
research streams in entrepreneurship research 68
research training 96
researcher mobility 4
resource attraction 38
resource configuration, 70–77
resources-based theory of firm 71, 183
response biases 109
risk of increased competition 24
rubber industry as suppliers to other industries, Alfa 189–90
rural clothing company 35
sales company, collaboration with 80
sales subsidiaries 189
sample and data collection, new business concepts in established corporations 122–4
Index

sampling in Swedish industries
automotive vehicles 123
electro-technical equipment 123
IT and telecommunications 123
pharmaceuticals 123
pulp and paper 123
steel 123
sampling process, new business concepts in established corporations 122
science and technology labor force 91–110
engagement in entrepreneurship 92
human capital 91
importance to economic wellbeing 109–10
influence of education 108
science and technology labor force, Sweden 108
science, university education in 92, 98
secondary appraisal 153
options for coping 154
secondary data, avoidance of response biases 109
second-mover advantage 43
self-efficacy 153
self-employed entrepreneurs 45, 46
self-employment 97
as sideline 105
descriptive statistics 102, 103
increase in postgraduates in 96
of any length, seen as human capital, 105
probability 102–4
increase with many job changes 95
self-employment analysis in science and technology labor force, Sweden 92
self-monitoring 170
self-regulated action and energy 155
service companies, case study criteria 72
sidelines to regular employment 99
sleep loss 155
small and medium-sized firms (SMEs) 16, 20, 22, 181
small business management, Sweden 2
small firms, local or regional market targets 83
snowball sampling 122
social benefits in Sweden, few for self-employed 108
sold patents 22, 30
sole proprietorships 46, 99
stand-alone-company opportunities versus networks’ opportunities 69
standardization of language 3
start-up firms 8, 13–34, 66–8, 83
academic spin-offs 81
non-academic spin-offs 81
start-up processes of entrepreneurs 149–73
of academic and non-academic contrasting 78
of new venture, model 71
of non-academic company 65
state-based sampling 45, 46
statistical analyses 50–51
statistical methods, judgmental decisions 137–8
Statistics Sweden data registers, personal numbers (social security numbers) 99
strategic alliances for international markets 70
stress 151–4
studies of large populations 197
sunk costs 43
Sun Microsystems 75
cooperation with 80
support, lack of for venture 164
support, lack of from other people failure of venture 165–6
survey research 200
survival and hazard functions 29, 30
survival function 53, 54
for commercialization 18
survival in host corporations 131–3
survival of new business concept 125–6
survival of three years, case study 72
Sweden and international business 179
Swedish companies 122
Swedish economy, 1870s to 1970s 2, 3
Swedish entrepreneurship research, 1, 2, 5, 197–203
globalization and mainstreaming 3
Swedish firms, established, sample and data collection 138
Swedish Football Association, no testing 163
Swedish international companies 179
Swedish Patent and Registration Office (PRV) 16
Entrepreneurship and the Creation of Small Firms

Swedish patent holders, start-up firms 7
Swedish patents
commercialization of patents 16
twenty years statutory period 26
Swedish research in international mainstream 6
Swedish Soccer League, no testing 163
Swedish tradition of tolerance and variety 198

target markets, entering 79
tax sheltering effects 49
technical knowledge of invention 24
technological development 179
technological knowledge about patent 15
technology-based ventures 82
technology knowledge 66
"technology push" 78, 79
 resource needs 81–2
tenure system, none in Sweden 5
threat 116
and negative outcomes 118
and opportunity 120, 121, 129, 131
and potential loss 118
and uncontrollable situations 118
threat-emphasizing framing approaches 135
threat-rigidity hypothesis 120
threat to company 125
time pressure 156
timing for entry to market 67
timing, need for good 81
top manager control 120
track records of venture, for credibility 66
trade barriers 179
trade-offs 121

uncertainty and non-monotonic effect 44
uncertainty focus 42
uncertainty, industry-specific 52
uncertainty-reducing strategies 38
uncertainty-sharing strategies, pursuance of unprofitable opportunities 38
uncertainty (volatility) 43

university business labs, choosing entrepreneurs 158
university research for academic spin-offs 77
university studies in company-starting 108
Uppsala Model of international entrepreneurship 180
criticism of 181.
Uppsala University research 3
US Academy of Management 4

value of growth options 43
value of patent, high or low 27
variance about trends 47
variance, non-constancy of 47
venture capitalists, investment returns 188
venture capital, long-term, external for academic spin-offs 84
venture creation 65
venture creation and effectuation 170
venture creation process 71
drive and energy 149
ventures, non-academic designed products 73
kiosk products of good quality 73
software to increase computer performance 73

wage experience returns 92, 95, 108
higher in wage work than self-employment 105
Ward’s method of cluster analysis 127
wealth creation in Sweden 2, 3
web shop idea 166
Weibull distribution 101
work alternatives other than self-employment 93
work experience, exploitation of opportunities 91
work experience, knowledge gaining 96
workload and energy 154
world as market 188