

Master Degree Project in Knowledge-based Entrepreneurship

# How Do Entrepreneurs Utilize and Develop their Network?

A gender perspective in the textile region of Borås

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# **Abstract**

**English title:** How do entrepreneurs utilize and develop their network?

- A gender perspective on the textile region of Borås.

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**Purpose:** The purpose of this research is to contribute with knowledge for understanding how entrepreneurs develop and utilize professional networks including an analysis of how they exploit experiences obtained during the pre-history of their ventures in textiles in Borås. This research will not only gather knowledge and understanding about how a network in general are developed and utilized but also about differences between male and female entrepreneurs in a textile cluster. Hopefully this research will enhance the understanding of how to support small ventures in expanding their network building on the strengths emanating from the prehistory of entrepreneurs.

**Method**: A qualitative study with 12 semi structured interviews with textile entrepreneurs in Borås.

Results: The result from this report showed that the entrepreneurs utilize their pre-history resources and capabilities in order to develop their venture and network. The reliance on family, friends and the ability of having a mentor are crucial for acquiring a rewarding and beneficial network. The level of trust between the actors is vital in order to establish long term relationships in a professional network as well as for developing a personal brand. Being a part of the embedded structure through networking in the region of Borås facilitates the access to a broad set of resources, including social capital. The results show few differences between male and female entrepreneurs, when it comes to their utilization of professional networks. The main difference lies in the way that entrepreneurs seek new resources. Females tend to have a more careful, prudent and thoughtful approach while male entrepreneurs tend to have a more trial and error approach.

Conclusion: The companies within the textile region of Borås are characterized by the so called "Knalleanda" which can be described as a tradition of having a particularly independent mindset as an entrepreneur from this region. This tradition may affect the characteristics of the networks between textile companies due to competition and lack of integration. However, the conclusion of the research in this thesis are that the entrepreneurs

represented in this study shows no hesitation in participating or joining organizations, such as Marketplace, nor interacting with likeminded actors, for example other textile entrepreneurs. This research has contributed with knowledge to Tillväxtverkets call for studies that investigates growth in textile ventures as well as studies for understanding female entrepreneurship.

Keywords: Network, Gender, Resources, Entrepreneurship

# Preamble

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# 1. Introduction

This chapter will introduce the textile history of the region of Borås. This introduction will create an understanding how textiles have formed the region and encouraged entrepreneurship within the industry. The outline for this introduction chapter is firstly the historical story of the textile industry in Borås. Basically how it all began and how the industry has developed from business to education and lastly to innovation. The following section will present how the industry is today, the step from large manufacturers to design, management and innovation within textile and fashion. The concept cluster is interrelated into this section in order to increase the understanding of how it is related to Borås. Cluster in this report is connected to the spirit of textiles that lies within the area of Borås and that has encouraged many to start an entrepreneurial venture in this area. The outline will end with and announce the purpose and research question for this thesis.

Borås is a fascinating region to explore. The city and the area around Borås have a long history within the textile industry. A long time ago, Borås was one of the largest textile manufacturers in the country. Today, the textile industry is gathered with the University, the trade and the industry. This is a region where design, innovation, research, education as well as business development take place (Textile Fashion Center, 2014). Moreover, nowadays the region of Borås is working towards a cluster where knowledge spillover will facilitate and promote entrepreneurship and new innovations within the textile industry.

In order to understand the development of the textile industry and its actors in Borås, the story has to be told from the beginning. Below, the development of the textile industry in Borås will be presented and explained how it has formed the region and contributed with knowledge, business and entrepreneurship for more than 200 years.

### 1.1 The History of Textiles in Borås

It all began in the year of 1695 when Langlet established his dyer production in Borås (Dahlin-Ros, 2002). During the early 18th century many dyers were founded in the area of Borås where they dyed wool, silk and linen. 1741, in purpose to teach weaving and spinning in the area, the Board of Commerce granted a privilege for the textile manufacturers. The very first cotton production unit was built in Great Britain in 1742 and this made way for a very rapid growth for the textile industry, especially internationally (Dahlin-Ros, 2002). In Great

Britain they invented the Spinning Jenny 1764 as well as the mechanical weaving chair in 1774. In the United States they managed to separate the cotton fiber from the seeds in the year 1792. This facilitated the cotton production enormously as the very first mechanical production unit of cotton could be established in Rydboholm outside Borås 1834 (Dahlin-Ros, 2002).

The University of Textiles in Borås is today a place where the industry, trade and education are connected (Dahlin-Ros, 2002). The university has its root in Väfskolan, which was founded by Simon Friedrich Krebs in 1866 (Dahlin-Ros 2002). However, the wish for an education within textile had been of primary concern ever since the beginning of the 19th century (Andreasson, 2013). In 1856, ten years before the real Väfskolan was founded, Borås received an annex, a sort of a technical elementary school. The politicians in Borås were consensus convinced of that the textile was the future and they agreed to, together with the industry leaders, that they had to receive more benefit of their young workers (Andreasson, 2013).

New technological solutions and new machinery were the driving force for a positive development of the textile industry in Borås. Several operations and companies started to take form and those who had the knowledge to transform and enhance the development were well educated workforces from France, Great Britain and Germany. This awareness made it clearer that the demand for a qualified education arose in Sweden (Andreasson, 2013). Moreover, Andreasson (2013) explained that it was not only the demand for a qualified workforce that was high. In addition, with this local education; an antecedent custom fee could be removed from imported cotton fabrics (Andreasson, 2013). This fee had led to more competition from foreign cheaper fabrics and this competition could outdo the Swedish market in the textile industry. A local education could not only increase the competition but also enhance the competence in Borås textile industry (Andreasson, 2013).

With a closer look in Andreasson's book "Kunskapens trådar" (2013), it appears that the school that developed was a one of a kind. Nowhere else in Sweden a school of this kind could be similar to Väfskolan in Borås. The growth phase went very quickly and soon after the opening people from the working class could with help from a scholarship take the education at Väfskolan. From the start, this education had a close collaboration with the industry. The textile industry as well as the large manufacturer of textiles had faith in the principals of the textile education (Andreasson, 2013). Andreasson (2013) continued to

discuss that leaders and representatives for the different organizations had been networking and supplemented through the history.

Another interesting part of the history is the "United tricot factories" (Segerblom, 1989). This collaboration was an outcome of a heavy competition between seventeen tricot manufacturers in Borås. The competition was devastating due to the commodity supply both from the domestic market and from the foreign market that created a buyers' market. The low price threatened the companies' possibilities to develop and their future existence (Segerblom, 1989). The solution was either to collaborate or to go under. 1913 the United Tricot factories were established which turned out to be a dominating organization in Swedish TEKO industry (Segerblom, 1989). TEKO is a concept for the textile and clothing industry and a usually common expression in Sweden and the rest of the Scandinavian area (Nationalencyklopedin, 2014).

During this time the industrialization in Borås was characterized by large manufacturers of clothing, weaving and dyeing productions (Olsson, 2005a). This made Borås to a dominating actor in the textile industry. Mergers and a large capacity development formed the industry and new production areas gained its "national trust" in the town of Borås (Olsson, 2005a). The most existing part of the history is yet to come. Väfskolan and the technical education transformed to a textile institute 1936 (Andreasson, 2013). From this education engineers of textile, specialists of weaving, techniques of spinning as well as leaders of weaving could be educated. After a few years the very first designers could graduate from this institute.

During the period from 1920-1950 the textile industry was characterized by a positive development. Many large manufacturers were working towards a more integrated production to reach and increase more contact with the market. The production of different textiles products increased together with large investments through a broad renewal of the fabrication. Throughout this period Borås became a national center for textile production as many companies choose to locate their textile business within this area (Olsson, 2005b).

This flourishing development continued during the 1950s and 1960s and led to a modern technique as everything was produced on a conveyor belt (Andreasson, 2013). However, when the 70s entered, the textile industry suffered of crisis. The textile industry in Borås was for a long time strong enough to survive during the crisis. Though increasing welfare standards together with an increased demand for international brands led to small opportunities for the existing companies to expand. A consequence from this was the fading

interest for textiles. The production was gradually moved abroad, the machines and the traditional production of textiles disappeared (Gråbacke & Jörnmark, 2008) and many companies suffered from the crisis and went bankrupt (Berglund, 2005). The result from this was that the industry took a different form with more specialized production and a change of organization. A debate about the need of a textile education was questioned as the interest for textile faded (Andreasson, 2013). 1982 was the year when the decisions that the textile institute would be acquired by the University of Borås. The textile institute ceased and a new TEKO Centre established where an advanced machinery park for knitted fabrics, prints and weaving as well as laboratory equipment and studios for students.

Many fast-growing Swedish distribution companies were established on the market during the textile crisis. The Swedish fashion industry became a reflection of the rising buying demand and globalization (Gråbacke & Jörnmark, 2008). The market for fashion clothes was positively affected by the increased internationalization of economics and cultural activities. 1996 the name of the education transformed to the University of Textile and the access to good technique and advanced workshops are something that has characterized the textile educations in Borås (Andreasson, 2013). During the 21th century the interest for the textile education in Borås increased and today it is not only educations within design but also a place where research takes place.

The next section will inform the reader what characterizes the textile industry of Borås today. After that, the research question together with the problem and the purpose of this study will be introduced.

### 1.2 The textile industry of Borås today

From the historical introduction of the textile industry in Borås this following section will give an overview of textile and fashion industry today. This section will introduce and discuss the problem that will form and determine the research question further on.

The work for a good collaboration and exchange of knowledge has always been a priority during the time when the modern textile education has existed. Education and research has been built around three areas - design, technique and management (Andreasson, 2013). The University of Textiles in Borås is the only education in Sweden that provides a textile-industrial environment with workshops and laboratories within design and manufacturing (Gråbacke & Jörnmark, 2008). According to Gråbacke and Jörnmark (2008) Borås, the city of textiles, has had and still has a very strong connection to the business in the region.

At this time many small companies have been established in the textile market in Borås. The industry has moved from large manufacturers to more focus on specialized productions such as design, management and technology (Textile Fashion Center, 2014). After the Second World War many large companies within the textile industry were forced to shut down due to economic crisis (Segerblom, 1989). However, there are many left today, for example, Almedalhs, Fristad AB and Konstsilke are just a few examples of leading textile companies in Sweden in our time (Segerblom, 1989). From the historical background it can be understood that textile industry of Borås has been influenced by international knowledge. The international introduction by machines and technological improvement (Dahlin-Ros, 2002) that developed and facilitated the production of textiles gave the region possibilities to develop even further towards a cluster.

The concept "cluster" most traditional explanation is constructed by Porter (2000) who says that "clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions (e.g., universities, standards agencies, trade associations) in a particular field that compete but also cooperate" (Porter, 2000. p.16). Clusters may have a positive impact on a firm's performance, especially in startups. It enhances the communication and exchange of knowledge within the cluster as well as creating opportunities to collaborate with other regions (Delgado, Porter & Stern, 2010). Lastly, clusters may have a positive impact on a company's performance and also enhance the firms' chances to survive. Moreover, the knowledge within a cluster is something that is able to be transferred between firms, organizations and other actors (Gilbert, McDougall & Audretsch, 2008).

Henning (2014) utilizes a "skill-relatedness" (Henning 2014. p.2) method in his analysis of business structure on a regional level. This method aims to measure how embedded an industry is within the regional business structure. With a strong level of embeddedness the probability of knowledge exchange is more likely to occur. Furthermore, Henning (2014) argues that the clothing industry in Borås has developed a very strong "regional resources-based competences structure" (p.32), also known as a high level of embeddedness. In addition, Henning (2014) discusses Borås as a historical cluster that reminds of the Italian industry districts that was characterized by success and competition. This cluster was built on the integration of the economical and the social life for many individuals in the region. However, Henning (2014) discusses the possibilities that these resources and competences that were created during the Second World War have influenced business and strong resource

bases within the industry and the region today. Additionally, Edström (2010) refers to Sölvell (2008) and argues that Borås roughly can be compared to an "industrial district". Furthermore Edström (2010) refers to Piore & Sable (1984) who explain that within an industrial district business and organizations with related or similar operations are gathered (Edström, 2010).

Although, Borås lacks the organized collaboration that characterized a cluster other researchers (Brorström, Glemfeldt & Appelqvist, 2012) claim that "The University of Borås has developed an intense collaboration with leading actors in the textile and fashion industry; this cooperation has now taken an unique form of a cluster "(Brorström, Glemfeldt & Appelqvist, 2012.p. 3). Clusters can also be related to the concept "social networks" (McCann 2006 p. 662, John & Pouder, 2006). McCann (2006) argues that there are new models of industrial cluster. One of them is called "social networks "and this category of cluster is driven and build on trust. This kind of trust is characterized by "shared history and experiences" (McCann, 2006.p. 664). Within a "social network", a local business environment can emerge together with collaboration, risk-taking and confidence between firms and actors. Saxenian (1994) argues that "a regional network-based industrial system" (p.29) is a social network that is promoting entrepreneurship within an open labor market. Together with an open dialogue and communication the companies are competing. Furthermore Saxenian (1994) mentions that "network systems flourish in regional agglomerations where repeated interaction builds share identities and mutual trust while at the same time intensifying competitive rivalries"(p.4).

A report about the textile cluster of Borås argues that the reason why the business is flourishing is due to the so-called "knalleanda" (Brorström, Edström & Oudhuis, 2008. p. 9; 11). "Knalleanda" is a way to express the tradition of business within the region of Borås. This is a tradition that is built on implementation of business ideas, responsibility and independency (Brorström et al, 2008). The textile industry in Borås is characterized historically by independency and competition (Ljungkvist, 2010). This means that the companies' didn't shared information about potential customers. This mindset is still today traceable within the industry. The leaders of the larger companies show no eagerness to participate in different project or organizations. The reason may be that there is an uncertainty what they will get in return (Ljungkvist & Brorström, 2010). There is an entrepreneurial spirit in the region of Borås today and the high level of independency hamper the ambition to join organizations and projects (Brorström et al, 2008). In addition Edström (2010) refers to Danborg, Henning & Larsson (2002) who claim that there are many entrepreneurial activities

within the textile region of Borås but companies do not cooperate with each other due to skepticism to collaborations. The focus is on their own operations, not on networking or integration with other companies. This hampers the collaboration between companies due to an undeveloped communication (Edström, 2010 see Danborg, Henning & Larsson, 2002). Nevertheless it is argued that this mindset is related to a difference of generations. Younger companies may interact more (Ljungkvist et al, 2010). Though, the image of network and collaboration is different when comparing the region with other areas (Brorström et al, 2008).

These days, with the help from the University in Borås, incubators and a greater awareness of entrepreneurship, we are heading for a more diversified co-operation between small textile firms in Borås (Business region Borås, 2014). Marketplace is an economical organization that works towards a more integrated collaboration between industry, university and research. The goal for this organization is to promote entrepreneurship and the members will be able to network and exchange useful knowledge, information and advice (Marketplace, 2013).

With this knowledge, about the extensive history that has formed the textile region in Borås, together with the ambition to create an even more strong cluster of design, management and innovations, it is a bit odd that even if the region radiate a cluster spirit there are indicators that the companies have the attitude of "own hearth is gold worth" (Brorström et al, 2008. p. 9).

So, why is the region Borås worth to be evaluated? The history speaks for itself. Additionally, there are many successful textile ventures that have begun their journey in Borås and from there expanded further both nationally and internationally. A few examples of successful fashion brands in Borås are 8848 Altitude, Eton, Oscar Jacobsson, SVEA and Hope (Af Kleen, 2014, Mars; Västsverige, 2014). In fact, Borås is known to be a city of trade due to the combination of shop-keepers and producers of textiles (Västsverige, 2014). Today, Borås is the Scandinavian center for mail order companies. Many millions of postal parcels are send from Borås every year from well known companies such as Cellbes, Red Cats-Ellos and H&M Rowells. Many companies within the textile industry have chosen to locate their head office in this region and that is a crucial fact that Borås possesses a more intensive foreign trade than Hong Kong (Västsverige, 2014). Today there are 64 textile companies within manufacturing of textiles in Borås (SCB, 2014).

In general the industry structure today is predominately characterized by female workers (Nielsen & Sternö, 2014). Even historically the textile industry has been dominated by women

workforce as tailors and as sewers in the factories (Dahlin-Ros, 2002; Du Rietz, 2013). In the past and today the industry has been characterized by male entrepreneurship (Dahlin-Ros, 2002; Nielsen & Sternö, 2014). Today the distribution of female labor force within the textile industry in Sweden is 73 % whereas male labor force represents 27 %. In addition, the overall allocation of gender at top positions within the textile industry is primary represented by male (Nielsen & Sternö, 2014).

This section has introduced the famous "knalleanda" that has characterized and still today characterizes the textile industry in Borås. This "knalleanda" promotes independency and may hamper the collaboration and integration between companies, organizations and actors. Additionally, it may be concluded from the literature that Borås possibly may be viewed as an industrial agglomeration and an industrial district. However, research and work towards a more integrated cluster is an ongoing project. Additionally the reader has been introduced to the overall business structure of male and female labor force. Obviously the top positions at textile companies today are still dominated by men. Below a short introduction of the problem will be introduced in order to clarify this report research questions.

#### 1.3 Problem

Historically the textile industry in Borås has been characterized by networking, collaboration and integration between textile companies, however, "Knalleanda", independency and a limited collaboration between companies are what distinguish the textile industry today. On the other hand organizations, such as Marketplace (2013), are working towards creating a textile cluster in Borås. From that knowledge it is definitely interesting to investigate how entrepreneurs are networking from their previous experiences. Tillväxtverket, the Swedish Agency for Economic and Regional Growth (Tillväxtverket, 2014a), calls for research that investigates growth within the textile industry. Tillväxtverket is a Swedish national authority that belongs to the Department of Commerce. Their mission is to offer network, collaboration and tools for financial support in order to create better conditions for entrepreneurship in Sweden (Tillväxtverket, 2014b).

Knowledge about what ventures need to be able to grow is vital for the development of the business (Nielsen & Sternö, 2014). Borås can be viewed as an industrial agglomeration and an industrial district as well as a national center for textiles. From that it is interesting how that affects the entrepreneurs and their network. In addition it is thought-provoking what differences there are between female and male entrepreneurs in the textile industry.

Nationally the Swedish textile industry has been characterized by a predominantly female workforce. However, even today there are few women at the top positions in Swedish textile and fashion ventures (Portnoff, Nielsén, Padoan & Sternö, 2013). Tillväxtverket (2013) has an ongoing project for promoting female entrepreneurship within the area of Borås. The project aims to promote female entrepreneurship in order to create growth, regionally and nationally. Furthermore the goal is to gain knowledge about "entrepreneurship and the conditions for entrepreneurship and mentoring among female entrepreneurs" (Tillväxtverket, 2013. p.3). Consequently, this report will not only focus on networking but also on investigating how male and female textile entrepreneurs utilize and develop their networks. In a region as Borås, with such a long history behind, there is still limited research what drives networking from a gender perspective.

These aspects mentioned above will be the fundamental starting point for the formulations of the purpose and research questions in this thesis.

#### 1.4 Purpose

The purpose of this research is to contribute with knowledge for understanding how entrepreneurs develop and utilize professional networks including an analysis of how they exploit experiences obtained during the pre-history of their ventures in textiles in Borås. This research will not only gather knowledge and understanding about how a network in general are developed and utilized but also about differences between male and female entrepreneurs in a textile cluster. Hopefully this research will enhance the understanding of how to support small ventures in expanding their network building on the strengths of emanating from the pre-history of entrepreneurs.

#### 1.5 Research Questions

From the review above of the textile and fashion industry of today in Borås I concluded that a potential problem may lie in the region's tradition of "knalleanda" which may foster entrepreneurs in an "independency mindset". This might be a highly relevant factor when investigating the dynamics of an entrepreneur's network. The main research question that will examine the approach of networking is:

1. How do entrepreneurs within the textile and fashion industry in Borås develop and utilize their network?

Since the region of Borås has a very long and solid history in textiles it is of course decidedly important to find out how the entrepreneurs have been affected and how they are influenced by the traditional entrepreneurial practices of the textile and fashion industry in Borås.

2. How have the characteristics of the region of Borås contributed to the development and utilization of networks of entrepreneurs in the textile industry?

Since the textile industry is predominately having a female workforce but a large proportion of male entrepreneurs a third research question has been formulated:

3. Are there differences between male and female entrepreneurs, when it comes to the development and utilization of professional networks?

From this first chapter about the historical and today's textile and fashion industry in Borås the following section will present the disposition of the report.

#### 1.6 Disposition

The introduction chapter has introduced an overview of the historical events that has formed the textile region in Borås. Furthermore, the chapter introduced the structure of the industry today as well as the work towards a cluster. Likewise the research problem as well as the question was presented in order to create a starting point for this report.

The next section, chapter 2, will present an outline of the methodological approach. The reader of this chapter will receive an overview of the research design and how the empirical material has been processed and analyzed. Furthermore the trustworthiness of the research, ethics as well as research tools for the analyzing chapter will be presented. To conclude the chapter, different statements and implications from a theoretical point of view will be discussed.

The following chapter, namely chapter 3, will introduce the theoretical framework for this research. This framework will enhance the viewer's understanding how earlier research has developed and concluded different aspects of entrepreneurship and network. This section has been divided into different parts: networks, the pre-history of the entrepreneur, four types of functions of the entrepreneur's network, governance and structure. Finally, the chapter will present past research about gender and network.

The empirical collection is presented in chapter 4. This part will present the 12 companies that participated in this report as well as present a review of the 12 interviews. From this empirical data collection the reader will then continue to the analytical part in chapter 5 where the empirical data is processed together with the theoretical framework from chapter 4. Within this chapter theoretical areas such as the pre-history of the entrepreneur, four types of functions of the entrepreneurs' network, governance, structure and networks through a gender perspective will systematically be analyzed together with the empirical data collection in order to reach the final chapter namely conclusion and future research suggestions.

Chapter 6, the conclusions and discussions will summarize the report and link research problems and questions to the final result and different aspects of the theoretical framework. The discussion will also include final thoughts and reflections, practical implications as well as recommendations for upcoming research.

# 2. Method

This chapter will explain how the research is constructed and what kind of estimations and decisions that have been taken into consideration when designing this report. Below the reader will take part of the methodology such as the empirical collection, actions and how the analysis and results have been constructed in order to reach understanding and answers the research questions.

#### 2.1 Research Strategy

This report is based on a qualitative research strategy. The reason why a qualitative approach was the most suitable for this research was the ability to create a deeper understanding about network and entrepreneurship through a gender perspective within the Swedish textile industry in Borås (Bryman & Bell 2011 p. 386). In addition Olsson and Sörenson (2011) argue that "a qualitative study aims to create a deeper understanding within specific environments, circumstances and specific contexts" (p 18). The report is constructed through a hermeneutics standpoint, which means that the researcher created, as Bryman and Bell (2011) argue, a chance to understand the "social actors perspective" (p. 715) about their actions and reflections in their networking. A hermeneutic approach usually refers to qualitative studies that aim to answer research questions of "how, why and what" (Bryman & Bell, 2011 p.162) and the meanings of the language and actions which for this report relates to the main research question in this thesis "How do entrepreneurs utilize and develop their network?"

Furthermore, a gender perspective has been taken into consideration. What characterize the concept "gender" is the "social and cultural aspects of differences between men and women's behavior and roles" (Olsson & Sörensen, 2011. p. 102). It is not connected to the biological differences. Additionally, a gender perspective describes men's and women's world of experiences and possibilities (Olsson & Sörensen, 2011). A deductive research seems to be the most preferable way for this study as the collection of the data has been compared to past theory (Olsson & Sörensen, 2011). In addition Bryman and Bell (2011) argue that within a deductive approach the researcher assumes a hypothesis about a phenomena and that has to be "translated into researchable entities" (p. 11). The report is of a linguistic form where the interviewee's choice of words and expressions is fundamental for the interpretation of the empirical collection and analyze (Olsson & Sörensen, 2011).

The concept above may be quite complex to understand and difficult to put in a context An explanation of this research strategy presented above is necessary in order to put different research concepts into actuality. I, as a researcher, have decided that these actions were the most suitable for this kind of research in order to reach the established goal for this study. Since the research about network and gender is limited within the region of Borås, a qualitative research strategy is preferable before a quantitative study can be established. A qualitative study may on occasion require that the researcher simplifies complex phenomena's before a study even can be implemented (Christensen, Engdahl, Grääs, & Haglund, 2010). The qualitative study will therefore provide, with *words* and not with numbers (Bryman & Bell, 2011. p. 27), a broader understanding about networking in the region of Borås. Therefore it is important to state and present valuable concepts within a qualitative study that explain the intentions in this research strategy.

#### 2.2 Empirical data collection

The strategy and the design for the report are both a cross sectional and a descriptive study (Bryman & Bell, 2011, Olsson & Sörensen, 2001 p 45) with qualitative semi structured interviews. A cross sectional study is at a single point of time and is preferable approach due to the networks dynamic form. Networks change all the time and people with it (Siegel & Licht, 2006). A descriptive study aims to describe different traits of a certain group of people (Olsson & Sörensen, 2011).

The ambition was to gather information about the interviewees "normal social world" (Bryman & Bell, 2011. p. 621) or, to be more precise, their unique network creation and how they had utilized and developed their network from their pre-history experiences. The pre-history refers to the entrepreneurs previous experiences and educations (McKelvey & Lassen 2013a, 2013b.), as well as earlier resources and capabilities (Helfat & Liebermann, 2002). The most preferable way to collect primary data for this report was through semi structured interviews. Through these questions (see Appendix A) the purpose was to understand the world according to the interviewee (Olsson & Sörensen, 2011). A semi structured interview intended to guide the interviewee and keep focus but also encourage the interviewee to an open dialogue plus open up for further questioning (Bryman & Bell, 2011. p 205). Every interview was recorded and transcribed in order to receive correct references and quoting in the analysis (Christensen et al, 2010). However, the process of being interviewed may have created feelings or behaviors that have affected reactions and answers of the interviewes, the

questions were not sent to the interviewees in advance. Their spontaneous answers were prioritized in order to reach the real and true experiences and thoughts of each interviewee.

The result of the interviews were assembled and summarized in chapter 4 in order to create a fundamental base for the analysis. The result together with the theoretical background were the starting point for creating an understanding in order to reach the final conclusion of this thesis.

In this report twelve entrepreneurs within the textile industry in Borås were interviewed. Eleven of them were "face to face meetings"; only one was a telephone interview. The sample included seven female entrepreneurs and six male entrepreneurs in different ages. The age didn't matter as the aim was to reach an understanding about the utilization and development of their network not the different traits of each entrepreneur. The intention was to get a closer look inside the phenomena and create an open interaction between the researcher and the interviewee (Olsson & Sörensen, 2011). This created opportunities to interpret and analyze the interviewee's answers and also ask further questions about each unique network.

The empirics were collected through a strategic sample (Olsson & Sörensen, 2011) of interviewees which means the sample has been collected from different criteria's. The reason why this strategic sample was chosen was the aim to gather information and reflect how entrepreneurs today, together with their pre – history, utilize and develop contacts within their network at a specific point of time. Therefore, the research aimed to have a representative of small ventures in order to reflect upon networks at this specific point of time. As Burt (2000) argues that a theory that is made today may be outdated for the market behavior tomorrow. The report includes ventures that have the following attributes:

- Operating and/or located within the textile industry in Borås.
- "Manufacturers and/or designers" (Portnoff, Nielsén, Padoan & Sternö, 2013 p.16).
- Established between 2003-2013 (max 10 years old).
- De novo entrants (Helfat & Liebermann, 2002).
- 1-10 employees.

After the criterias were established interviews were booked. The Statistics of Sweden (SCB 2014a) acknowledged the information that there were 64 companies within the textile industry in Borås today. Twelve of these companies had less than ten employees. These twelve companies was the sample which the research would focus on. Since twelve interviews were established the whole population had been represented. These companies had a SNI code 14 which implied that:

"This division includes manufacturing of clothes (clothing or tailored) of every materials (leather, fabrics, tricot etc.) of every kind of garment (ex. outdoor, underwear for men, women and children, working-, everyday -, leisure clothes) and accessories. No difference between modern and traditional clothes is considerate. The division also contains fur (fur skin and clothes made of fur)" (SCB 2014 b).

A de novo entrant refers to the type of entrant on a market (Helfat et al, 2002). It is important to evaluate potential entrants by considering their skills and information about resources. Helfat et al (2002) have constructed a classification of entrants in their research. In this classification they separate between "diversifying, parent company and de novo entrants" (Helfat et al, 2002 pp. 729-731). A focus was on the latter, namely de novo entrants. In this category Helfat et al (2002) talk about start-ups which is explained as "classic entrepreneurial companies whose founders have no previous employment ties to other firm in the industry" (p 730). The second type which Helfat et al (2002) mention in their report is "entrepreneurial spin off" that refers to Klepper's (2001) argument of "stand alone companies founded by employees of incumbent firms in the same industry" (Helfat et al, 2002 p. 730).

Secondary data was collected from books, scientific articles, web sites and reports. Information for the introduction chapter was made through keywords such as cluster, "knalleanda" and history of the textile industry of Borås. When searching for secondary data to the theoretical framework keywords such as network, entrepreneurship, resources and gender was used. It was important to gather information from a long period to see how the view of entrepreneurship and network had changed over time. Another reason was to see which authors that were the most cited to in order to collect the right data. Researcher build their report on both old a new data in order to create understanding how the view of networks has changed over time. The data was constructed and systematic presented according to APA reference system.

#### 2.3 Ethics

It is important with ethics and moral during a research. Every interviewee had to approve that the interview was recorded and if they wanted their names and the names of the companies in the research. In the analysis the identity of the entrepreneur was anonymous so that the interviewee wouldn't feel uncomfortable or injured in their professional role (Bryman & Bell, 2011). Therefore statements, thoughts and reflections from the interviewees remained unspecified. According to Bryman and Bell (2011) it is very important that the interviewees' integrity and reputation is carefully protected. For the analysis, it is the answer and the context that matter, not who said what and why. The results and conclusions were not affected by that decision. This is connected to Olsson and Sörensens (2011) description of different ethical principles. Since this study is a qualitative study and aims to investigate the "normal social world" of the interviewees (Bryman & Bell, 2011. p. 621), the "principle of not harming" and "the principle of justice" (Olsson & Sörensen, 2011. p. 83) have been carefully been taken into consideration during this research. The first mentioned, "The principle of not harming" aims to respect the interviewees' integrity and values. "The principle of justice" has also been of primary concern as it refers to that every interviewee shall be treated equal. Since this study contains a gender perspective this principle is crucial for the outcome of the empirical collection in order to deliver a fair and reality based result.

#### 2.4 Data analysis

The data was analyzed through a model, inspired by Christensen, Engdahl, Grääs, and Haglund (2011. p. 307). Christensen et al. (2011) discuss the purpose of a qualitative study and the aim of putting forward underlying patterns. The patterns that occur can be categorized as variables that summarize, describe and explain the data that has been collected (Christensen et al, 2011. p. 299). This process contains coding and creation of patterns. These patterns have to be visualized in order to be understood. Therefore the theoretical framework in chapter 5 has been arranged in a model which summarizes the connections between different concepts in a network model.

From this model the theoretical background, mainly inspired by McKelvey & Lassen (2013a; 2013b) and Helfat et al (2002) together with important additional past research about network was constructed and used as a tool for the analysis in chapter 5. The theoretical background aimed to introduce to the reader that the pre-history of the entrepreneur is a crucial aspect of how they have been networking. The pre-history was therefore interrelated with the different parts of the theory, not as an individual section. The reason was to have a more flexible, descriptive and dynamic model. The model was created from the theoretical background where the four types of functions of the entrepreneurs' network, governance and structure were analyzed and discussed. Furthermore the model and the framework are analyzed through a gender perspective. In the part where the concept "structure" in chapter 5 is presented the region of Borås was included. The interviewees had to reflect upon why and how the region of Borås had affected the access of resources to start and run a venture within the textile and fashion industry.

Lastly from the model the aim was to answer the questions of this research. The research questions aimed to answer how entrepreneurs within the textile industry in Borås utilize and develop their network as well as determine differences between male and female entrepreneurs. The model was designed in order to create an instrument to reach a more dynamic and descriptive answer to the research question. From the model, the research question was answered from the "utilization" and "development" in an own section in order to build structure that would be easy for the reader to follow.

#### 2.5 Discussion

Siegel & Licht (2006) refer to Hoang & Antoncic (2003) who argue that research about network should be constructed in a longitudinal study in order to build an understanding how networks, governance and structure have emerged over time (Siegel & Licht, 2006. p 529). Nonetheless the authors claim that, even with a research design that investigates change over time, it is hard to determine factors that affect networks (Siegel & Licht, 2006).

So, the implications of this study is the "theoretical saturation" (Bryman & Bell 2011. p. 443), since the focus has been at a specific point of time, limited to one region and the ability to interview every venture in the region was not possible, the concept is not fulfilled. Olsson and Sörensen (2011) have an interpretation of this concept, namely, when the data is collected several times and shows the same pattern – then the theoretical saturation is reached (Olsson & Sörensen, 2011. p. 181). So if another research can reach the same result and conclusion, then the theoretical saturation is satisfied. Furthermore, Morse (2004) argues that theoretical saturation refers to a well-built theory in a qualitative study. This phenomenon emerges when no new data appear in the sampling, for instance "Concepts and linkages between the concepts that form the theory have been verified, and no additional data are needed "(Morse, 2004.p.1123).

The reliability in this study refers to what "degree the study can be replicated to" (Bryman & Bell, 2011, p 395). In this study the decision is to look at a specific sample of textile entrepreneurs within the region of Borås. The decision to look at "manufacturers and/or designers" (Portnoff, Nielsén,, Padoan, Sternö & Padoan, 2013. p.16) entrepreneurs at a specific point of time within a region, the external reliability may be hard to replicate as researchers need to do the research at this point of time, with the same interviewees. Additionally, the research is constructed in a semi structured interview makes the replication even harder as the interviews varied with every interviewee depending on context. As

Christensen et al (2010) argue, a qualitative study is characterized by an interaction between people at a single point of time and place. They argue that the reality is continuous changing and it is impossible to fully replicate a qualitative study. The replication level is also hampered by the fact that another researcher's interpretation and choice of interviewees. The world is then seen from a different perspective (Christensen et al, 2010).

The validity, namely the external validity (Bryman & Bell, 2011) refers to if the findings can be generalized "across social settings" (p.395). As Christensen et al (2010) say that within a qualitative study, the aim is to focus on hidden factors, structures and processes that lead to the final result. The trustworthiness is absolutely a crucial part in this report. The external validity, the reproducibility and generalization ability, is limited since the focus has been on a strategic sample. Another similar research is constructed and interpreted by a different researcher's world. On the other hand, the findings in this research have a high internal validity as the research has measured the reality of a textile and fashion entrepreneurs in the region of Borås due to the degree of census (Bryman &Bell, 2011).

This chapter has been introducing the methodological approach for this research. This research design has been guidance in order to reach an answer for the research questions. The research has been constructed as a qualitative study with semi structured interviews of twelve entrepreneurs within the textile industry in Borås. These twelve interviewees within this report represent the fundamental base for the analytical chapter where the secondary data, the so called theoretical background, is systemic processed with the purpose of reaching conclusion for the research questions. The next chapter is the theoretical framework where past research of network is presented in following part: networks, the pre-history of the entrepreneur, the four types of functions of the entrepreneurs' network, governance, structure and finally gender and networks.

# 3. Theoretical Framework

The theoretical background will clarify the theories behind the prehistory of the entrepreneur and different important aspects of a network. Not only will the reader be given an overview of capabilities and experiences, social capital, governance and structure of a network but also take part of past research of differences between male and female networking. The outline of this chapter is characterized by important concepts that relate to networks and gender. This theoretical background is the fundamental building block for the model in the analysis of the empirical data collection.

Gartner (1988) eliminates the question, "who is an entrepreneur" (p.12). Gartner (1988) says that he would rather use the expression "who is the dancer of the dance?" (Gartner, 1988. p. 28). Additionally this question could be reformulated yet again to "How can the dancer dance like that?" This question relates to what kind of preferences and experiences the dancer has. People, that he or she has met, have taught, inspired, supported and challenged the dancer in order to dance in a specific way. This mindset can be related to how an entrepreneur is networking and utilizing resources. Furthermore, the development of contacts may be connected to past experiences, skills and educations. Below the reader will be able to take part of earlier research of the pre-history of the entrepreneur, the construction of network, importance of resources, trust, strong and weak ties, structure and lastly, previous research of networks from a gender perspective.

#### 3.1 Network

Networks can positively affect entrepreneurship. Nonetheless, it is indeed quite hard to determine a simple explanation to the concept network (Hasselberg & Petersson, 2006). Hasselberg and Petersson (2006) discuss that of all research that has been done so far among the concept network, a common denominator is that a network is built of relationships between actors – organizations, groups and individuals – and also universally viewed as continuously changing and dynamic (Halinen & Törnroos, 1998). McKelvey and Lassen (2013) explain that networks have a central role for the entrepreneur to reach and managing influential connections with the intention to access external resources and ideas.

Jenssen (2001) indicates that the social network through direct and indirect resources affects the success of startup. Jenssen (2001) implies that the social network is important for the access to resources and above all a social network that is developed before an entrepreneurial

journey may positively affect the process. This because the entrepreneur may be in a situation where valuable resources easily can be accessed (Jenssen, 2001).

#### 3.2 The pre-history of the entrepreneur

The ability to create a business requires that the entrepreneur possesses resources. In an article made by Aldrich & Martinez (2001) they claim that there are three crucial fundamental resources in the process of a venture creation, namely "human capital, financial capital and social capital" (p.5). These three resources are related to the prehistory of the entrepreneur as stated of Aldrich et al. (2001) "The creation of a new firm requires a certain amount of knowledge that can be obtained by formal education, previous experience, or informal training." (p. 5). Therefore this section is called the pre-history of the entrepreneur and refers to the entrepreneur's previous experiences such as education, employments, knowledge and so forth. In addition the entrepreneur also has to find ways to increase access to important inputs to their ventures specifically information, knowledge or other resources he or she does not have (Aldrich et al, 2001. p 5). This is also claimed by Greve (1995) who argues that the entrepreneur aims to seek persons with different kinds of resources to cover needs and capabilities that the entrepreneur desires.

Helfat et al. (2002) say that "before ways of doing can persist, they must be born" (p. 725). Behind every entrepreneur, male or female, there is a history. Historical experiences have a great impact on the relationship between market entry, capabilities and organizational resources (Helfat et al, 2002). Furthermore the pre-history is connected to many different kinds of resources and capabilities of the firm and may affect the success of the entry (Helfat et al, 2002; McKelvey & Lassen, 2013b). Education and experiences are key-dimensions of the entrepreneur's ability to explore opportunities and to use knowledge into new ventures (McKelvey & Lassen, 2013b). McKelvey and Lassen (2013b) declare that status, experiences and networks affect knowledge and opportunities. The entrepreneur may have gained these traits from past experiences but an entrepreneur with no past skills can interact with other qualified actors and find successive attributes in that way. Howard et al. (2001) argue that in order to understand the success of an entrepreneurial adventure there is a need to understand the social framework and background of the person itself. Nevertheless, this report does not aim to measure success the purpose is to reach a better understanding how entrepreneurs develop and utilize their network.

An education can be beneficial for an individual to start a venture; however, this knowledge can be collected through experiences, degrees and short courses (McKelvey & Lassen, 2013b). Besides having educations and experiences another aspect that can encourage someone to start a business is to be acquainted with an entrepreneur in the social network (McKelvey & Lassen, 2013b).

Helfat et al. (2002) discuss the importance of the entrepreneur's resources and capabilities when starting a business. Dodgson, Gann and Salter (2008), Helfat & Raubitschek (2000) and Teece (1986) argue that tacit knowledge, the so-called "know how" is related to the understanding about the market as well as the knowledge about what the customer wants and needs. According to Helfat et al. (2000) tacit knowledge is related to the core resources and capabilities and it is a kind of knowledge that develops over time (p. 732). Tacit knowledge is "learnable only by observations and imitation" (Dodgson, Gann &Salter, 2008. p. 46). Dodgson, Gann and Salter (2008) refer to Polanyi (1967) who says that codified knowledge can easily be communicated (Dodgson, Gann & Salter, 2008. p. 46). Furthermore Helfat et al. (2000) argue that it is a kind of knowledge that runs between different steps in the chain of supplies (p.733).

All of these aspects above are assets that can enhance and form an entrepreneur to be. With past experiences and external knowledge the entrepreneur can create possibilities to form and make way for a valuable network. Next section will describe the entrepreneur and different functions and parts of an entrepreneur's network.

### 3.3 Four types of functions of the Entrepreneurs Network

McKelvey and Lassen (2013a. p. 93) bring up a framework for a network. First there is the social capital, which refers to the profits of a network. However, when deliberating a social capital, there is a need to clarify that social capital speaks of the consideration of relationships that the entrepreneur establishes with other actors with the intention to access resources that are important when starting a firm (Greve & Salaff, 2003). Greve et al. (2003) also deliver information about the entrepreneur's ability to produce ideas and competences to run a business. Yet the entrepreneur also needs additional help to produce and to deliver their products and services by external actors (Greve et al. 2003). The social capital is not only a way for the entrepreneur to get support, knowledge or to find suitable distribution channels. It is also a linkage with the purpose of interact with other people and organizations that can help the entrepreneur (Greve et al. 2003. p. 2). Furthermore, Greve et al. (2003) refer to Burt (1992)

who argues that these relationships are not only external but can also include family, friends as well as co-workers from earlier work experiences (Greve et al, 2003). Additionally, Greve et al (2003) discuss the entrepreneur's use of contacts and connections. Mitton (1989) argues that entrepreneurs use contacts to "open doors and pave the way to events to unfold their advantage" (p.16).

McKelvey and Lassen (2013a) bring up an interesting aspect of the entrepreneur's way to develop a business and to divide this concept into different parts. This theory, which is based on Groen, Wakkee & Weerd-Nederhof (2008), proposes that the entrepreneur uses four types of functions in order to develop his or her business. The first part is "strategic capital" (McKelvey& Lassen, 2013a. p.93), which basically encourages an actor's ability and capacity to mobilize resources and actors with the aim to reach and accomplish goals (Groen et al, 2008. p. 62). The second function is the "cultural capital" (McKelvey & Lassen, 2013a. p. 93) that refers to the structure and integration of a social system (Groen et al, 2008. p. 62). The social system is built on symbolic structure which refers to change and learning and contains values, norms, beliefs, assumptions, symbols, rules and items (Groen et al, 2008. p. 62). This is also described by other researchers, for example Siegel and Licht (2006) who refer to the theory of Greif (1993) that "Entrepreneurs often seek outside resource providers who share common cultural bonds. These cultural bonds are major steps towards building shared system of fealty and honest business conduct" (Greif, 1993 see Siegel & Licht, 2006.p. 525-526).

The third function that Groen et al. (2008) mention is the "economic capital" (p.63) also called "economic optimization" (McKelvey & Lassen, 2013a. p. 93). This function is connected to resources that the entrepreneur can use as a possible exchange with other actors in situations that process disposal, acquisitions and selling (Groen et al, 2008. p. 63). Many entrepreneurial adventures start small and from there begin to establish resources, capabilities and profits in order to grow (Aldrich et al, 2001). In order to be able to grow the need of capital is an important factor. Aldrich et al. (2001) argue that research surveys state that it is hard for entrepreneurs to find capital and also that the ways to find financials incubators are limited. With an established diversified network the access of economic capital can be facilitated.

Finally, the fourth function of the social capital utility is the social networking (McKelvey & Lassen, 2013a. p.93). This role describes the connections in a network which gives access to other actors, directly or indirectly (Groen et al, 2008. p. 63). Basically, this can be related to

"relational and positional patterns of networks" (Groen et al, 2008. p. 63-64). Groen et al, (2008) explain that this last function involves every four types of the different capitals (strategic, cultural, economic and social capital). The authors (Groen et al, 2008) illustrate an example of an economic transaction (Groen et al, 2008. p. 64) which is administered by the use of power and authority, strategic capital, that leads to social capital and enhance mutual trust. With trust comes also knowledge and frames of references which also can be called cultural capital.

Continuously, McKelvey and Lassen (2013a) discuss the importance of positive perceptions of a network. Entrepreneurs will likely reduce risk by relate to highly believed and trusted individuals and organizations. Mitton (1989) argues that entrepreneurs use the right people and the right places to arrange for an entry and to become accepted and receive credibility. In addition also to reach resources and shorten research processes as well as to find support. These decisions may possible lead to more successive and beneficial exchanges for every actor involved (McKelvey & Lassen, 2013a). Podolny & Page (1998) argue and refer to past research when it comes to knowing the right people. If a partner to an entrepreneur possesses enough validity and prestige, the entrepreneur can automatically gain these traits from this relationship (Podolny et al, 1998). Neergaard & Madsen (2004) also refer to Mitton (1989) who points out the dependency on knowing the "right" people. However, those entrepreneurs that do not possess creditable past ties within the industry must start with a so called "clear state" (Milanov & Fernhaber, 2009. p. 47).

This last section was an introduction to the next part of the theoretical framework. Next part will describe the importance of trust and reputational bonding which is related to strong and weak ties within a network.

### 3.4 Entrepreneurship and Governance

Another important aspect of networks is connected to how things are decided and dispersed between actors and organizations, specifically governance (McKelvey & Lassen, 2013a). Governance is "a social mechanism" (Hoang et al, 2003 p. 166) which includes realizations of goals for the whole system and the effects of the developed linkages (McKelvey & Lassen, 2013). One example of a crucial part in the concept governance is the level of trust (Casson & Della Guista, 2007). McKelvey and Lassen (2013a) argue that for a small firm it is extremely important with trust and network due to lack of little reputation or branding. This is also concluded by Podolny et al. (1998) that the trust in a network of a small venture is a crucial

aspect for the creation of a company. Above all, trust may be a vital factor in order to establish collaborations with other organizations (McKelvey & Lassen, 2013a). It is certainly a challenge for the entrepreneur to build linkages of trust in a network. With trust comes an ability to simplify processes and the access to information, finance and resources inside and outside a network (Siegel & Licht, 2006). The concept called "reputational bonding" (Siegel & Licht, 2006. p. 525), is related to trust and refer to a strategy where the entrepreneur align to a social network where he or she determines the "future access to suppliers and customers is determined by an ongoing record of trustworthy business dealings" (Siegel & Licht, 2006. p. 525)". If an entrepreneur manages to do that, he or she will receive larger advantages by the members of a social network (Siegel & Licht, 2006)

The building of trust in a relationship within a network is a possible way to find opportunities to develop new ventures and ideas. An extension of the concept network relates to the expression "embedded in social structures" (Aldrich & Dubini, 1991.p. 306). Aldrich et al. (2001) deliberate that the social capital in a network can be related to strong and weak ties. A strong tie is the direct contact with people who the entrepreneur can rely on, for example family and friends. Weak ties are relationships with "little emotions invested" (Aldrich et al, 1991). Further on, these concepts can be related to the pre-history of the entrepreneur. Grossman, Yli-Renko & Janakiraman (2012) argue that "past ties form future ties (p. 1761). These past ties can facilitate, shape and pave the way for new relationships for the entrepreneurs business (Grossman et al, 2012). Additionally, Neergaard et al. (2004) discuss the importance of "shared identity and interpersonal dynamics" (p.120) that appeared to have a crucial part in the development of networks and teams.

These two concepts can also be related into the concepts formal and informal networks (McKelvey & Lassen, 2013a; Birley, 1985). Formal networks, which also can be connected to weak ties, refer to accountants, banks and lawyers, moreover, contacts that tend to be more informational (Birley 1985. p. 109; Jenssen & Greve, 2002). In addition, informal networks and strong ties are connected to relationship with high intensity (Siegel &Licht, 2006) such as friends, family and business contacts (Birley, 1985. p.109). McKelvey and Lassen (2013a) say that informal ties rely on trust and belief in the relationship between actors, which are based on mutual reliability that the parts will fulfill their commitments to one another. Formal ties are connected to contract relationships (McKelvey & Lassen, 2013a). Even in a network with high level of trust a contractual agreement may be important to be sure that the other part in the relationship will act as agreed (Podolny et al, 1998). Aldrich et al. (2001) also conclude

that a mix of strong and weak ties is important for a useful and flourishing network in order to reach useful and diversified amount of resources and knowledge.

Hoang et al. (2003) argue that governance in a network can create advantages in the matter of costs as well as improve quality of resource flow. Furthermore, Aldrich et al. (1991) claim that the purpose of networking is to widen the linkages in order to "expand the circle of trust" (Aldrich et al, 1991. p.308). Trust is to Aldrich et al. (1991) connected to strong ties whereas weak ties are more connected to associates. In addition Jenssen (2001) states that weak ties are the key in which the entrepreneur can reach a more diversified kind of resources. Moreover, weak ties within a diversified network tend to be more fruitful when seeking information about the industry (Granovetter, 1995; Siegel &Licht, 2006). Nevertheless, it is possible that is easier to reach some specific resources through strong ties (Jenssen, 2001).

Conclusively, Aldrich et al. (1991) argue that it is an essential to have a balance between strong and weak ties in order to reach a broad variety of resources within a network. This is also concluded by Jenssen (2010) and Siegel &Licht (2006). They argue that it is an advantage for an entrepreneur to develop a network with strong plus weak ties. The reason is that strong ties may affect the flow of resources that has been established within those relations (Jenssen, 2001) whereas weak ties can be useful when reaching a varied type of information, evaluating and a chance to negotiate for better contracts with customers and suppliers as well as accessing another point of view on problems within the organization and how to solve difficulties (Siegel &Licht, 2006). Neergaard et al. (2004) argue that strong ties are an advantage as long lasting relationships are valuable as the actors "tend to stick together" (p.120). Moreover, strong ties may hamper the ability to reach a wider network as close contacts for example a co-worker network may possess a "similar network" that may overlay on each other (Neergaard et al, 2004. p.120).

Trust is a very important aspect in the entrepreneurial network according to past research. Hanson & Blake (2009) refer to other researchers e.g. Murphy (2006) who claims trust enhances and facilitates the exchange and access to resources. Murphy (2006) argues that trust positively affects the "openness to new participants and ideas" (p .440) however, Hanson et al. (2009) refer to Grabher (2002) who argues "if one cannot gain trust of others, he/she cannot gain access to one of the benefits of networks membership, namely that of shared meanings" (Hanson et al, 2009 . p. 139).

In addition, Greve (1995) argues that it is important for entrepreneurs to have relationships that contain trust but also very important to have access to weak ties. However, trust is extremely important in every business relation in order to" build bridges" (Greve, 1995. p.18). The ability to "build bridges" will enhance connections to other resources and enable the building of new business relations. However, when building bridges between actors the probability is that an actor ties to those who are similar to themselves (Grossman et al, 2012).

This section has discussed the importance of trust as well as strong and weak ties that theoretically are considered to be important in the development of the entrepreneurs' network. The next section will present the concept structure and how past research relates that to network and entrepreneurship.

#### 3.5 Entrepreneurship and network structure

This part will introduce the third function of an entrepreneur's network, namely the structure of the network (Hoang et al, 2003; McKelvey & Lassen, 2013a).

The entrepreneur is embedded in a social network which has a crucial impact on the entrepreneurial journey and affects the entrepreneur as well as the firm's performance (McKelvey & Lassen, 2013a). The concept "embeddedness" is according to Halinen et al. (1998) a useful academic viewpoint in order to describe and explain the dynamics of a network. For example the concept can refer ,according to Halinen et al. (1998), to the dependence and the relation between companies and different kinds of networks. Uzzi (1999) says that an embedded approach facilitates the commercial transactions between firms and banks. Principally, Uzzi (1999) argues that firms and banks that are embedded in their relationship increase the firm's ability to the access of capital. Jack & Anderson (2002) argue that an "embedded social structure" (p. 467) allows the entrepreneur to use information and resources of the environment. As Sorensen (2003) claims entrepreneurial adventures located within a cluster is an advantage as the access to information and resources may be difficult to reach when they are too far from a specific cluster region.

Jack et al. (2002) conclude that "embeddedness is a process of becoming a part of the structure" (p. 483). Furthermore the authors argue that in order to receive trustworthiness, experiences or knowledge the entrepreneur must become embedded within a social network. In addition the entrepreneur may have an easier access to exchanges of contacts, knowledge and resources when the entrepreneur becomes better known by the other actors (Jack et al, 2002).

McKelvey and Lassen (2013a) argue that networks include actors and linkages. Structure is reached by a social and an inter-organizational relationship where the varieties of external resources are reached by an actor through other actors (McKelvey & Lassen, 2013a). Particularly in opportunity recognition a network is used by the entrepreneur in order to create useful resources, information and advices (Casson, 2010, McKelvey & Lassen, 2013a). When a unique opportunity comes ahead a network can help the entrepreneur to reach opportunities e.g. a potential financial investor who can make way for the entrepreneur to develop his or hers business. (Casson, 2010).

The structure has a great impact on the outcomes of the entrepreneurial activities as well as the flow of the resources (McKelvey & Lassen, 2013a; Hoang et al, 2003). An important matter in this outcome is an entrepreneur's capability to use his or hers network (McKelvey & Lassen, 2013). Another aspect is the size and centrality of the network. According to McKelvey and Lassen (2013a) the size is referred to the "number of direct links between a main actor and other actors" (McKelvey & Lassen, 2013a. p.97). Moreover, the size of a network is connected to the variety of resources (McKelvey & Lassen 2013a) whereas the other concept, centrality, is connected to the actor's ability to reach other actors in their networks (McKelvey & Lassen, 2013a). Basically, centrality means "how accessible the resources within the network are" (McKelvey & Lassen, 2013a, p. 99).

### 3.6 Network and gender

Ahl (2006) argues that authors often refer to the concept "gender", such as "men and women, and not to socially constructed sex. They also assume that men and women differ in important respects. Otherwise, there would be no reason for comparison" (p. 596).

Brush (2006) argues that "female entrepreneurs are vastly understudied" (p. 612). Brush (2006) claims that the reason behind this may depend on several factors such as that the female entrepreneurship may be a new occurrence. There might be no difference between male and female entrepreneurs and finally another motive could be that female entrepreneurship may not have enough acceptances (Brush, 2006). Brush (2006) reviews earlier researches and claims that there are similarities between men and women as entrepreneurs such as motivations in their choice of business as well as their background history. However, there are researches that indicate that there occur differences when it comes to gender (Brush, 2006). Brush (2006) says that differences appear in the choice of business sector, the entrepreneurial process and finally, the contact and ability to reach resources. The

last mentioned, the ability to reach resources is connected to the concept network so further on past research will be tightly related to the concept network through a gender perspective.

Several studies have shown that there are differences between how men and women utilize their network. To begin with Dawson, Fuller-Love, Sinnott & O'Gorman (2011) argue that women are more focused on family and friends and incline to have a network that is more restricted than men, who tend to have a broader network in general. The theory of Dawson et al. (2011) points to that women in general have a more optimistic view to network than men due to the possibility to the access to useful resources. Moreover, female entrepreneurs may have a disadvantage in their ability to gather information as they tend to tie to women, both socially and in business which may hamper the diversity of human resources (Dawson et al, 2011. Renzulli, Aldrich & Moody, 2000). The study of Renzulli et al. (2000) also shows that women have a tendency to have a more homogenous network than men. Homogenous means in this context that the network is "identical" or "unvaried" (Waite, 2012a). Burt (1998) says that women tend to rely on mentors, such as strong ties, and the contacts that these mentors can provide whereas men is more likely to be "accepted" in networks and therefore receive information from weak ties. However, Bogren, Friedrichs, Rennemo & Widding, (2013) argue that women with a heterogeneity network tend to be more eager to establish new contacts Heterogeneity means that the network is "mixed" or "diverse" (Waite, 2012b). Renzulli et al. (2000) argue that an entrepreneur, irrespective gender, with a heterogeneity network may be more positive towards starting their own business. Ridgeway & Smithloving (1999) argue that women have a larger amount of "strong-ties" relationships within their network compared to men who tend to have more weak ties. A network with many weak ties may be an advantageous as it may lead to a more diversified network with possibilities to access different kind of resources and capabilities (Granowetter 1983). Garcia & Carter (2009) refers to Ibarra (1997) who claims that:

"Men and women adjust to the expectations with respect to the proper styles of interaction related to their gender: men are expected to adopt a transactional approach which emphasizes the importance of establishing the ties needed for the requirements of the tasks, and women are expected to be worried by the quality of interpersonal relationships and, therefore, look for "strong ties" "(Ibarra, 1997 see Garcia et al. 2009: p 231).

The exchange of information is dependent on the level of trust. It may be difficult to access resources if the level of trust is low (Dawson et al, 2011). Furthermore, Dawson et al. (2011) argue that women tend to have problems in business groups to gain trust. Trust is a crucial aspect for female entrepreneurs according to some researchers. Women only share

information to people they know that they can trust well (Farr-Wharton & Brunetto, 2007). Nevertheless, Aldrich et al. (1997) concluded that "neither men nor women entrepreneurs showed a reluctance to seek assistance from strangers "but "pre-existing ties were the main channel for resource acquisitions" (Aldrich et al, 1997. p.21).

Aldrich, Brickman & Ray Reece (1997) constructed an interesting report about gender differences in networking. The research showed that women were as active as men in their networking towards financial resources and to seek advices from family, friends and business acquaintances. However Brush, Carter, Greene, Hert and Gatewood, 2002 argue that it is more difficult for female entrepreneurs to find external capital for their businesses. To clarify, it may be easier for men to access financial support (Brush et al, 2002).

Foss (2010) argues that past research about network and entrepreneurship of women tends to compare their results to "networks with men as standard" (Foss, 2010 p.84). Foss constructed a research that challenges many hypothesis and theories about gender and networks. Many researchers is hypothesizing that women tend to be less capable in both networking and entrepreneurship and that the key to success is the access of many weak ties. However, their result shows that there are no differences between male and female entrepreneurship (Foss, 2010). Overall, the research about female is not as widely spread according to some researchers. Past research suggests that there are differences between male and female entrepreneurship e.g. in a research made by Brush (1992) it has been concluded that there occur dissimilarities between male and female entrepreneurs when it comes to background experiences and competences. However, it may be discussed if the result of these researches is outdated or not. Today the discussions about gender related differences in network continue (Brush, 1992).

#### 3.7 A Critical Review of the Theoretical Framework

This chapter has introduced important concepts that are connected to network and entrepreneurship that will be used in the analysis in chapter 5. This section will introduce a critical review of the theoretical framework in order to point out important concepts that will be included in the analysis. Motivations and reflections why these concepts have been chosen will be specified in order to clarify the analytical model that is presented in chapter 5. The different concepts presented in this chapter are related to each others. Therefore repeating is inevitable in the analysis due to the pre-history aspects are included in the different parts.

The prehistory of the entrepreneur will be integrated into the four types of functions of the entrepreneurs' network, entrepreneurship and governance and entrepreneurship and structure as well as the gender perspective of networks. As Helfat et al. (2002) point out the historical experience, the so-called pre-history of the entrepreneur, affects the capabilities and resources of the entrepreneur. Therefore, theories that relate to the entrepreneur's past will be highly relevant in the analysis in order to investigate the dynamics of an entrepreneur's network. The concept network is indeed a locution that relates to relationships between actors (Hasselberg & Petersson, 2006). How past and existing relationships affect the entrepreneur's network are also something that will be taken into consideration in the analysis. The past network may be utilized of the entrepreneur in order to reach valuable external resources and ideas (McKelvey & Lassen, 2013). In order to establish a venture the entrepreneur needs resources, such as, human capital, financial capital and social capital (Aldrich et al, 2001 p. 5). How an entrepreneur with no past experiences creates these valuable contacts is an interesting aspect that will be contrasted in the analysis further on. For example, there are different ways to collect capabilities and resources, either from past experiences or to interact with other qualified actors in order to find successive attributes (McKelvey & Lassen (2013b). On the other hand that kind of knowledge is argued to be available from a collection of education, experiences, degrees and short courses (McKelvey & Lassen 2013b).

Core knowledge such as the "know how" about the market, namely the tacit knowledge, is that kind of knowledge that develops over time (Teece 1986; Helfat et al, 2000). Whereas, codified knowledge is that kind of knowledge that can be communicated and runs between different steps in the chain of supplies (Dodgson, Gann &Salter, 2008; Helfat et al, 2000; Polanyi, 1967). These concepts and theories are also significant in order to understand the differences of having previous experiences or not within the textile industry. The use of these theories will enhance the understanding how tacit knowledge affects the utility and development of an entrepreneur's network.

The social capital is a concept that includes an important theory about the entrepreneur's ability to locate resources. The utilization of the social capital is the so called social network (McKelvey & Lassen, 2013). This function relates to the four functions of different capital that will be a part of the analysis, namely, strategic, cultural, economic and social capital (Groen, et al, 2008).

The social capital function relates to the social networking (Mckelvey & Lassen, 2013). This role narrates the connections in a network which gives access to other actors, directly or indirectly (Groen et al, 2008). Basically, this can be related to "relations and positional patterns of networks" (Groen et al, 2008. p. 63-64). Groen et al. (2008) explain that the function of social capital involves all four types of the different capitals; strategic, cultural, economic and social capital. These different concepts will be utilized in the analysis in order to understand how the entrepreneur evaluates and establish different relationships as well as economic aspects of a venture and a network. These four concepts will be useful when mapping different features of a network.

In order to develop the network the access of strong and weak ties is crucial (Casson et al, 2007; McKelvey & Lassen, 2013a). Informal and formal contracts, mutual trust and branding within the reputational bonding theory (Siegel & Licht, 2006. p. 525) are very important for a small firm in order to develop and expand a network. The trust can make way for "building bridges" (Greve, 1995 p.18) that may facilitate connections to other resources and make way for the building of new business relations. These concepts are connected to the entrepreneurship and governance section and are of course significant aspects when analyzing the entrepreneurs' utilization and development of new relationships as well as how they are evaluating different relationships.

Furthermore the structure and the centrality (McKelvey & Lassen, 2013a) as well as the level of embeddedness (Halinen et al, 1998; Jack et al, 2002) of a network may facilitate the access of different kinds of resources. These concepts will be related to the textile industry of the region of Borås in order to understand how the entrepreneurs' have been influenced by the traditional entrepreneurial practices of the textile and fashion industry. Jack et al. (2002, p. 467) argue that the concept "embedded social structure" allows an entrepreneur to use information and resources within a region. In the analysis the region of Borås will be connected to the centrality, the level of embeddedness in order to investigate "how accessible the resources within the network are" (McKelvey & Lassen, 2013a p. 99). These concepts will be utilized and evaluated in order to create a deeper understanding how the environment and location of Borås affect the level of networking and ability to reach different kinds of resources and actors.

Lastly, the difference between male and female entrepreneurs network varies according to earlier research. Some researchers argue that female entrepreneurs are understudied (Brush,

2006) or outdated (Brush, 1992) and current research compare female to a more standardized entrepreneur, namely a male (Foss 2010 p.84). However, other researchers argue that there are some differences, for example that women rely more on strong ties and mentors (Burt, 1998), whereas men tend to have a larger network of weak ties (Dawson et al, 2011; Garcia et al, ,2009; Ibarra, 1997). In addition past research argues that females tend to have a more homogenous network than men (Renzulli et al, 2000). Men tend to have more heterogeneity network and a more diverse network overall. There are different theories about gender and network. Some claim that there are differences and some argue the opposite. Earlier research argues that studies of network and gender are designed as quantitative research approaches. Those researches tend to show dissimilarities whereas those who claim the opposite, that there are few differences between male and females entrepreneurs, relies their research on literature reviews and qualitative studies.

Since the textile industry posses a large proportion of male entrepreneurs in Sweden even though the workforce is dominated by a females the theories that will be examined in the analysis are the networking approaches, reliance of trust, heterogeneity and homogeneity as well as strong and weak ties. If there exist differences between males and females in the textile industry in Borås or not will be analyzed and evaluated. Those theories mentioned above are decidedly important in order to see if there exist dissimilarities in this qualitative study.

With this short critical review of the theoretical framework with a repeating of important concepts, four types of functions of the entrepreneur's network, governance, structure and network from a gender perspective that will be included in the analysis, the reader will now move forward to a review of the empirical data collection.

# 4. Empirics

This chapter will introduce the twelve companies that participated within this research. Within this section the interviewees will be introduced in a short text where the entrepreneur and the company is presented in order to introduce the reader the strategic sample of interviewee's.

From the interviews with semi structured questions the empirics that have been collected will be presented below. The results are constructed from the questions in appendix A. Since the interviews were semi structured it is more preferable to present the results from different concepts, such as; background where the previous experiences together with knowledge and capabilities are included. The network utility will present the interviewees utilization of the network, namely, how the interviewees are developing their network in order to reach valuable resources. Resources within this section include human, capital and capabilities. The structure will present the access of different resources and how the region of Borås has affected the network and venture. Finally the differences between the male and female interviewees will be taken into consideration from the different sections mentioned above – pre-history, network utility and structure.

## 4.1 Presentation of the interviewees

The companies that have been interviewed are presented below as a short introduction that contains some of the pre-history experiences, the name of the company and the entrepreneur as well as what kind of clothes and products they are producing. This presentation aims to introduce the strategic sample of companies and entrepreneurs that participated in this report. Below the reader will take part of the strategic sample of companies within the region of Borås that participated in this study.

**4.1.1 Local FashionMob**. The Local Fashion Mob was founded in October 2012. The founder and entrepreneur is Maria Wahlgren, a woman with a wide experience of the textile and fashion industry. Her parents moved from Stockholm to the textile center Borås in the 60s to work with textiles. She began her journey for 23 years ago and has since then worked with both retail and e-tail at both MQ and Ellos. She was nominated to "The Emerging designer" at the Global Fashion Awards in New York for her success and transformation of Ellos' young woman collection. After that she decided to go for an entrepreneurial adventure with her own business, the Local fashion Mob, a brand with focus on sustainability, quality and timeless

fashion. It's a growing brand that aim to produce and design female clothes for special occasions.

- **4.1.2** *Mindmoves.* The brothers Anders and Hans Bourghardt founded Mindmoves in Mars 2011. Mindmoves is a brand that produces clothes that want to tell the world who you are and what you stand for. The clothes have a message and are inspired by rhetoric symbols. Anders Bourghardt has a long diverse history within entrepreneurial adventures. He has had his own restaurant and also a consultant bureau. He has been studying art, journalism and architecture, just to mention a few of his diverse portfolio. Together with his brother Hans, who is a teacher within rhetoric theory, they decided to do something that they felt passion for and something that could spread a message and then Mindmoves was born.
- **4.1.3** A Cat Named Joe. Niclas Carlsson and Daniel Lifv are two young entrepreneurs that founded the brand A Cat Named Joe (ACNJ) 2011. ACNJ is a clothing brand that is focusing on producing and selling fashionable and cool clothes for men. The brand and venture are both creative and innovative due to printed and arty printed t-shirts together with their advertisement. Niclas has worked as a salesperson and his friend Daniel has worked as a graphic designer. Together they decided to establish ACNJ. Daniel is the one that stands for the creative part of the company whereas Niclas is more focused on the economical parts.
- **4.1.4** *Billy & I*. Adrian and Klara Zethraeus are the founders of the clothing brand Billy and I. In 2009 they established Billy and I as a brand that stands for fine materials and inspiration. The aim is to produce and design sustainable fashion for men and women that combine romance and roughness (Spaltr, 2013). Klara has a background as a dancer, a purchaser in the textile business and has an education at Tillskärarakademin in Stockholm. Adrian has also worked as purchaser in the textile industry and have grown up within a family where textiles where in focus. Klara is in charge for the creative production whereas Adrian is more focused on establishes contacts and developing the network (Billy & I, 2013).
- **4.1.5 MoD**. Mod is a clothing brand that is founded by a mother and a daughter. Together they work with design and manufacturing of clothes in Borås. Both Gudrun Eriksson and Kajsa Blom have experiences within the textile industry. Kajsa has worked as a dressmaker at several large textile companies and Gudrun has entrepreneurial experiences as a decorator. Eventually they started their own ventures and further on they decided to merged and then

MOD was established 2011. Mod is working with design and production and the aim is to produce clothes with high quality. Everything is produced at their shop in Borås (Mod, 2014).

**4.1.6 Fresh Energy – in Your Garden**. Sylvia Danielsson has a long history in the creative world. She began her journey as a student at the University of Textiles in Borås during the 70s. The following years she has worked at different textiles companies but decided after a while to work with her husband with their own advertisement firm and photo studio. She has experiences as an entrepreneur both in textiles and as an author of books of healthy food. Sylvia has always had a passion for the garden and with her experiences in working with textiles, healthy food and her garden; the concept Fresh energy was born. Fresh energy is a clothing brand that was founded 2012. The aim and the value are to design functional and good clothes for garden activities and to make them in Sweden (Fresh Energy, 2014).

**4.1.7 Nikolaj d' Étolies.** Nikolaj d'Étoiles, the Swedish high end men's fashion label, was established in 2005. The decision to start a fashion brand was made by the two cousins Anders and Tobias Björkstedt at a table in the Hôtel de Paris in Monaco on the Côte d'Azur. The locations state of mind, its blend of elegance and indolence, the idea of perfection was achieved, the good life and everything that goes with it was the original source of inspiration. A distinct philosophy that results in clothes made for a man that demands quality and holds strong the value of his desires. Since 2011 the company is owned by Anders and his wife Anna Björkstedt. Anders has a background in business and economics and has worked in different parts in the textile industry and at H&M. Anna, with a degree in marketing and economics, also has a history of working several years at H&M's at the global marketing department at the H&M's headquarters. The inspiration and driving force of the brand and of the two ambitious owners are to "capture the feeling of extraordinary moments and remarkable styles" (Nikolaj d'Étoiles 2014).

**4.1.8 Svantex.** Hans Svantesson founded Svantex AB in 2006. Nonetheless the journey started long before that. In 1987 he decided to work with food manufacturing industry and started his very own sales and restaurant company. From that he began to work with textile. The journey continued with employments as a purchaser and seller at New wave and Gekås. Hans is a well-experienced entrepreneur and today he works with international producers in

Bangladesh, Turkey and China. Svantex arranges "factory visits, trend trips and are continually available at the factories for fast and professional support" (Svantex, 2014). Svantex is a successful agency that works with domestic as well as international customers from their head office in Borås.

**4.1.9** *Björnram Millinery*. Björnram Millinery is established by Louise Björnram 2013. A 23 years old milliner that always had had the passion for creating hats. Ever since she was fourteen years old she has known that hats are what she wants to work with. She has studied entrepreneurship at high school and after that she applied to study at Tillskärarakademin in Gothenburg where she graduated in May 2013. Louise has had internship at Philip Treacy in London and Ellen Christine Millinery in New York, two very successful and well known millinery manufacturer. 2012 Louise received a scholarship from Borås municipality for her work and knowledge within the profession as a milliner. Today she is designing and producing her own collections of hats in her studio in Borås (Björnram Millinery, 2014)

**4.1.10 Spirit of Maya**. Suzanne Johansson founded Spirit of Maya. She mainly works with organic cotton and the production is located in Ulricehamn outside Borås. The brand Spirit of Maya is inspired by yoga and the name means Illusion on Sanskrit. She has a background as a designer. When she decided to design and produce clothes that were more environmentally friendly, the brand Spirit of Maya was born (Cristvall, 2014).

4.1.11 Leluma. Lene Madsen who is the founder of Leluma has a very long background in the textile and fashion industry. Lene was born in Denmark but moved to Sweden during the 70s to study at the University of Textiles in Borås. She has worked as a garment technologist at large textile companies in Borås and she has worked as a teacher in experimental knitting and cloth sewing and as a photo and stylist assistant at Ellos. Lene has a passion for sustainable fashion and in her studio she creates ecological products. Every product is unique due to different knitting techniques and choice of garments and texture. She works with several projects, for example fair-trade products from Peru. The venture Leluma was established 2009 and has since then been a producer of clothes, decoration and accessories (Leluma Design, 2014).

**4.1.12** Billy Nord Creative. Billy Nord Creative is founded by Billy Nord, a young entrepreneur from Jämtland in Sweden. Billy grew up with his mother who was a shoe maker and a father who was a farmer. This combination has inspired him to work with organic and a sustainable mindset. Craftsmanship has been a tradition in Billy's family; his grandfather started his own business creating shoes and is today a worldwide company. Billy Nord Creative is a brand that produces high quality and carefully manufactured bow-ties for gentlemen of all ages since 2013. The passion and the value of Billy Nord Creative are to produce high quality and sustainable fashion accessories. (Billy Nord Creative, 2014)

The next section will present the empirical collection of the twelve semi structured interviews. The section aims to introduce and present a summarized overview of the conducted interviews.

### 4.2 The pre-history of the entrepreneur

The empirical collection shows that many entrepreneurs were affected by their previous experiences. Many of the interviewees have had a tight connection to textiles and fashion which has led to a strong development of a network within the textile industry. Among the different background stories many have worked as, for example, designers, dressmakers, stylists and in marketing. However, to have a long and broad background in textiles was not the only a reason to start a company within this industry. Some of the interviewees have worked in other industries, for example sales, as consultants, as an author, with PR and advertisements, marketing, in logistics, at a law firm, as a decorator, and as teachers. Some have had entrepreneurial experiences as well. The younger interviewees in this research didn't have that much work experiences within the textile industry. The result showed that these younger interviewees came directly from their education within design and within textiles. Furthermore, some of the interviewees still had side projects or other employment beside their ventures.

Many of the interviewees had experiences of entrepreneurship, both theoretical such as educations and short courses. Some of the interviewees had practical experiences of entrepreneurship or had contacts with friends who were self employed.

The family background differs but there was of course obvious that if the interviewee grew up within a family or had relatives that worked within textiles this has influenced them. The result shows that their parents' employment has a direct link to their choice of education and

employment. Some of the entrepreneurs have used their parents in order to create contacts, indirect and direct, until the extent that the contacts were useful. After that they tend to rely on contacts established from previous work or education experiences.

The choice of education is evident to affect the entrepreneur's pathways. Many of the entrepreneurs have been educated within textiles and design but also other tutoring of economics, graphic design, law, sales and marketing are examples of knowledge that have been collected by the interviewees that have been utilized in the establishment of the venture.

Many of the interviewees had family and friends that had entrepreneurial experiences, such as partners, friends and parents. Those interviewees who had those relations were more eager to rely on those people to share ideas and reach and find resources.

### 4.3 Four types of functions of the Entrepreneurs Network

The process of establishing new contacts within the existing network varied. The entrepreneurs who already had contacts within the business and market of textiles and fashion utilized these. Other useful channels to reach new resources and actors were to participate on fairs and membership within different organizations or knowing many people within the textile industry seem to be a valuable input for starting a venture of your own. The organizations paved the way for reaching other resources but also to gain enough trust and reputation to access more valuable resources and support outside and inside their own network. It was extremely important for the entrepreneurs to reach people and organizations that are "like-minded". The collection of empirical data showed that the entrepreneurs relied on family, friends and old colleagues in order to establish their venture and also to receive valuable inputs. Some of the interviewees mentioned the importance of mentors. It was important for many interviewees to have the ability to find people who had the right contacts or had knowledge about the market and also the ability to become mentors for others such as young entrepreneurs, students and within organizations. Another important input was the ability to create a advisory board in order to reach and cover important knowledge and get access to support.

When reflecting upon the access to valuable resources both human, capital and capabilities the interviewees gave the impression that when you seek new resources (contacts, advice, capital) the intentions was either to have the trial and error approach or let the process take some time in order to make research and knowledge about different actors in the market. The importance of a reliable "gut feeling" was extremely important and the intention was for all of

the interviewees to establish long term relationships with different actors. Once again the empirical results showed that the importance of having a mentor. A person that knows the business and the market and could pave the way for other contacts and relationships or having helpful friends and family. The strategy tends to be to find people and resources to cover different needs of knowledge, advice and information. The respond of expanding or not expanding varies among the interviews. The access of different kinds of resources within the interviewee's network depends on if the end customer is a male or a female. If the company produces and designs clothes for females, the networks tend to consist of more females and vice versa. However those contacts and relationships near the entrepreneur were more mixed and diversified.

When it comes to capital many of the interviewees have funded their own venture. Some of the interviewees relied on their partners during the establishing phase. Those who had applied for bank loans, funds or credits had had difficulties as they didn't have an idea that was trustworthy or creditable enough or the venture was too small. The process of searching for capital has been through friends, family and different organizations. Those channels are the easiest way of reaching people within different sectors. The intention for most of the interviewees is to keep venture capitalists, business angels and investors outside their company even though some had had a knock on the shoulder from people who had the intention to invest in their companies. The reason behind this was that the decision process is shorter and the entrepreneur is freer to take those decisions that suit him or her. On the other hand, wishes to have someone or some people within the company to get valuable inputs or divide up tasks were desirable. The reason of this was that many saw themselves as more creative and wanted someone who was had other complementary skills. For the entire interviewee group it was important to have someone to discuss ideas, strategies and economics with. Some of the interviewees had each other but those who were just one wished to have a partner. Though, the issue was that among the older interviewees that when you seek a partner among your friends, it is hard for those friends to give up an employment for something unsecure as an entrepreneurial newly started small company.

The ability to reach new actors inside and outside the network is both hard and easy. It depends on what the entrepreneur seeks. Many interviewees say that the contacts with the market had been a valuable resource during the establishing phase. However, those who hadn't this advantage said that finding retailers on the market makes it difficult to sale and reach customers. The advantage of knowing people and that the people knows you are an

advantage when searching for the right actors. The entrepreneurs within this study argue that the entire textile industry is built on mutual trust. Branding was a vital aspect when searching for new contacts. Most of the interviewees were retelling different scenarios during their establishment that was facilitated by being known by earlier contacts. Important contacts are those who can give you information about the market and competitors. Interviewees who had the experiences of working at larger companies argued that it is hard for a small company to receive these valuable inputs (information, advices, support) that a larger company can give you. Some interviewees used social network as Instagram, Facebook and Twitter to reach people and organizations within the same genre.

On the other hand finding suppliers, producers and other actors that the entrepreneur needed to produce and design fashion didn't seemed to be a problem. The problem that occurred among the interviewees was that their size of the company and sales didn't not fit the order of materials for their production. Often the different actors on the market demand higher volumes and that was an issue for many of those who participated in this report. Moreover, many of the interviewees said that it was easier to communicate and negotiate with the actors within the region of Borås to reach volumes that were more suitable for their size and production volume. Those who had international contacts talked about cultural boundaries and the importance of establishing a relationship. One of the interviewees had contacts in South America and this entrepreneur argued that without a trustworthy relation you will be unable to do business there. The same is with language and the importance of a smooth communication. Contractual relationships are not a priority due to the dynamics of the textile industry. However some interviewees argue that contracts and professional attitude towards invoices and payments would not harm the company, it could only be an advantage from a long-term perspective.

# 4.4 Entrepreneurship and Governance

When connecting to other actors within the industry the interviewees talked about the personal branding. Some interviews argued that it was easier for the entrepreneur to establish contacts if other actors had knowledge about the entrepreneur from an earlier business contact. It was also important that the entrepreneur could trust the actor, for example, the interviewee's talks about the importance of mutual trust as in delivery times. Helping each other and likeminded people was also important in order to build long term relationships, both with other small companies but also with other kind of actors in the market. To have solidarity approach in every relationship seems to be recurrent attitude. That is extremely important as a

small company. Searching for other actors abroad is done through organizations, fairs and other actors in the market. Even there, according to some of the interviewees it was important with culture, norms and mutual trust – especially in your personal branding. The approach to reach new actors, domestic and abroad, was through mail.

# 4.5 Entrepreneurship and Structure

All of the interviewees agreed that the textile culture in Borås has been an important and valuable input for their network and venture. Among the reflections it has been said that everything is gathered and it is easy to establish relationships within the region. This allows the access to inspiration and the possibilities to establish businesses. The different organizations seem to be an inspiration and motivation to exchange resources and capabilities. Especially the region of Borås has an advantage of being as a small region as all the organizations and events are more gathered and less spread, which were argued by some interviewees to create a better cohesion. In addition it seemed to be easier to find suitable organizations to find likeminded people when the region is smaller. Anyhow, some interviewees argued that it was easy to find resources, especially human resources, but it was hard to find the right persons to work with.

Borås is on the map and also the ability to be a part of the region with this feature is an advantage. Many of the interviewees saw possibilities in the future to cooperate with studentsin order to develop high quality fabrics. Also the interaction with other companies seemed to be attractive for the interviewees to stay in the region in order to be able to expand further on.

Many of the interviewees aimed to have all of the production in Borås. Since the region has many companies within the textile industry it facilitated the communication and the ability to reach new actors. The interviewees argued that different organizations around the region work towards a more collaborative and communicative flow. This was viewed as an advantage when the venture is small. However, some of the interviewees mentioned the importance of being unique and the ability to create a niche position in order to create competitiveness.

#### 4.6 Network and Gender

The female entrepreneurs tend to have a background within textiles as well as educations in textile and design. Moreover, many of the female entrepreneurs had had entrepreneurial experiences before, either from real venture or from education. The male interviewees seemed to have a more diverse background. Many of them had had entrepreneurial experiences before

but within other industries. In addition, every one of them had always had a passion for clothes and fashion.

From the different interviews female tend to dedicate more research and time about different actors before deciding which way to go. Male entrepreneurs tend to have a trial and error approach when searching for resources and actors. Both male and female entrepreneurs agreed that in order to expand the network the best way to go is through organizations, compounds and utilize friends and family.

The end customer seemed to be an indicator if there are more male or female within the network. For example, if the entrepreneur were producing clothes for females then the network was dominated by females and vice versa. Furthermore people that were closer to the entrepreneur, either if the entrepreneur were female or male, the empirical collection tend to show that the network was more mixed. However, that varied among the interviewees.

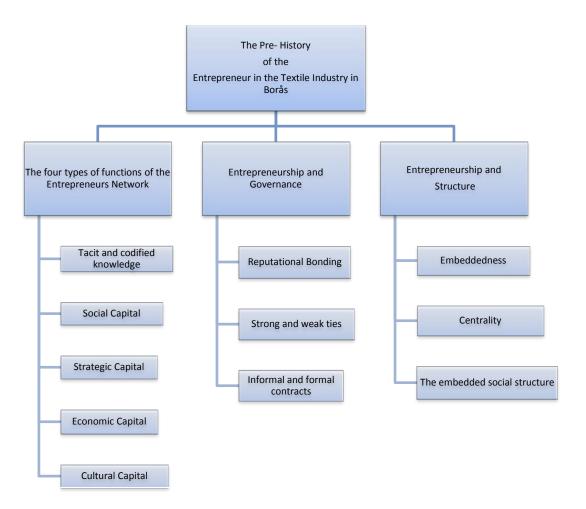
Both male and female entrepreneurs talk with their family, friends and business contacts when it came to advice or development of ideas. Many of them valued the access of discussing ideas with their partners as very important. The interviewees, male and female, searched for resources among acquaintances in order to expand the network. Moreover, the entire interviewee group agreed that they searched for likeminded people to include in their network. Another aspect that was agreed among the interviewees was the importance of a good "gut feeling" when searching for actors, that the entrepreneur could trust and had the possibility to build a long term relationship. In addition neither female nor male did hesitate to search for new contacts on different events, organizations, fairs and compounds.

Many of the interviewees had financed their venture with own capital. One interviewee mentioned that she had her husband with her when she applied for a bank loan. Another female entrepreneur said that it was hard to apply for funding due to the size of the company and the level of revenues. The reason was that the venture was too small. In addition a male interviewee argued that the difficulties of finding capital at banks were the lack of a concrete idea. All of the interviewees' didn't have any strategies for inviting business angels and venture capitalist, they wanted independency and fast decision making.

This chapter has presented the empirical collection of this research semi structured interviews. This chapter aimed to create a fundamental ground for the analysis. From these three parts, network utility, structure and gender the empirics will be systematic used in the next chapter in order to reach an answer for the research question.

# 5. Analysis

In this section the data collection will be analyzed through the theoretical framework in order to reach understanding how small entrepreneurial ventures are utilizing and developing their network. The analysis will be divided, likewise to theoretical framework, from the pre-history of the entrepreneur, the outcome of the four types of functions of the entrepreneur's network, governance and finally the structure. These areas will be presented from a theoretical point of view. In the model below the analytical model is illustrated. The pre-history of the entrepreneur is included in the different parts in order to reach a more dynamic model. The aim is to answer the research questions from the "utilization" and the "development" of the network. Therefore the "utilization" and the "development" are weaved into the different parts to point out important aspects in order to reach understanding of this report. Thereafter the model will be compared and used in order to see what differences there are between male and female entrepreneurs networking approaches in the textile and fashion industry in Borås. The following sections; Four types of functions of the Entrepreneurs network, Entrepreneurship and goverance and Entrepreneurship and structure will analyze each section and concept of the model illustrated below.



### 5.1 Four types of functions of the Entrepreneurs Network

The results that this report illustrates can be related to the theory from McKelvey and Lassen (2013b) that education and previous experiences is an advantage. From the theoretical background it is alleged that a social network is built on trust and history as well as a concept that link social, strategic, cultural and economic capital together (Groen et al, 2008). Entrepreneurs utilize organizations with the intention of access knowledge, information and of course develop opportunities to find and interact with likeminded actors in order to enhance the creativity in their work, for example one entrepreneur argued that " It is important to be a part in the right context". This quote can state that it is a part of the entrepreneur's action to be involved in the environment when developing their network. Those kinds of actions are linked to the cultural capital (McKelvey & Lassen 2013) and Greif (1993. p. 62) that declares that entrepreneurs seek people and actors who share the same cultural bonds (Greif, 1993 see Siegel & Licht, 2006.p. 525-526). The theory argues that the entrepreneur seeks outside the resource providers in order to build a system of honest business manner. Those activities seem to be a crucial act for the entrepreneurs within the textile industry in Borås. The entrepreneurs discussed the importance to align themselves with an organization to be able to utilize the capacity to interact with likeminded people, as stated of one entrepreneur - "We tried to find a place where we could meet people who shared the same interest as we do". The ability to interact with those who shared interest was highly valued among all of the interviewees. Sharing ambitions and values is interrelated with the ability and the motivation to establish and develop a relation of trust in a network.

The use of tacit knowledge, the so called "know how" about the market, is a respected resource. The interviewees brought up the difference between being educated in design and actually possess the experiences about the textile industry market, for example working as a purchaser or with sales. The empirics presented that the "know how" about the industry can be communicated though it requires the right contacts, like Mitten (1989) argues, use the right people and the right places in order to find the right resources and actors quicker. Additionally Mitton (1989) argues that the importance is to know the right people. Dodgson, Gann &Salter (2008) claim that tacit knowledge is "learnable only by observations" (p.46), however, it is also related to knowledge that develops over time as well as information about the customers (Dodgson, Gann & Salter, 2008. p. 46; Helfat et al, 2000; Teece, 1986). The quote below can determine that the "know how" about the market can be communicated, it is possible to

codify the "know how" about the market, (Polanyi, 1967) but the entrepreneur needs to who to contact.

"A network that you create as a sales person is definitely an advantage. If you don't have previous experiences of the market, then you don't have anyone to call and you may not have a "know how", with the collection, you have to have an idea, working in stores is good, otherwise it may be difficult, meet different kinds of stores....there are so many variables....for example the region, the customer and the stores....if you don't have contacts with retailers...then it may be complicated"

"Since I have a background within the fashion industry and since I have worked within the business with brands I know where to look. I can call. I called a colleague and asked how do you do, there is a fabric fair, go to that one....that's how I did. Meet people on fairs, exchange experiences, exchange contacts, old relationships, take advice from them, then it went well"

Furthermore, as McKelvey and Lassen (2013b) argue, those entrepreneurs that didn't have previous experiences within the industry can interact with people and organizations to reach valuable resources of all kinds. On the other hand, just as McKelvey and Lassen (2013b) state, an education may be beneficial but the entrepreneur can collect these resources from experiences and short courses. Some of the interviewees utilized codified knowledge to collect information from different kinds of directions (Helfat et al, 2000) about entrepreneurship and management which was collected through shorter education and courses as stated below.

"I participated in a course in entrepreneurship, it was a flexible course, a good course, I learned things that was good to have in mind when starting a company"

"I studied entrepreneurship; I received a good base of knowledge of what it means to run a business"

The empirical data collection is strongly related to the social capital, which both Aldrich et al. (2001) and Greve et al. (2003) relates to, the relationship that the entrepreneur develops in order to interact with external actors to receive complementary support and resources. For example interviewees argued that:

"We wanted to create a team of people in the beginning that had knowledge within different areas that could be there and support us and help us with the decisions to make, almost like an advisory board...those were people that we knew and that is how we work today. We did that in order to get support in that kind of decisions"

"This was mainly to gain advice and information about strategically questions within economic and law, not due to design related guidance"

The quotes above can be linked to Greve (1995) who argues that the entrepreneurs utilize their network in order to seek persons with different kinds of resources in order to cover needs and capabilities that the entrepreneur desires. Furthermore, these contacts that the entrepreneurs utilize in order to "get things done" (Greve et al. 2003. p. 2) are often, viewed

from the empirical collection persons that are related to family, friends and coworkers. The interviewees that didn't have this kind of resources aimed to develop and create that kind of support further on as a valuable input in the company. Moreover, when developing the network several interviewees argued that "You have to have a very solidarity approach when you are establishing contacts", in order to receive help the entrepreneur had to help others.

Another aspect that emerged from the data collection was the action of finding one self a mentor (Burt, 1998). Just as the theory states, an entrepreneur with no earlier experiences can interact with other qualified actors and can through this way reach valuable support and traits (McKelvey & Lassen, 2013). One entrepreneur stated that "I have mentors" and there were several others interviewees that specified the same action.

"She is my mentor. We get along very well. She likes me and I like her. It is easy to do business with her.... Only mention that I co- worked with her facilitated and made way for a contacts with X"

"To find the right people may be hard but then I have talked to my husband, who is an entrepreneur together with some other people. Then I have asked him if he knows someone that could help me. I also have a friend who is self-employed. You have to find yourself those mentors"

These decisions and actions can correspondingly be connected to the concept "strategic capital", a concept that is related to the entrepreneurs aim to reach and accomplish goals (Groen et al, 2008. p. 62). The interviewees utilize and rely on the mentors in order to develop and expand the network with the purpose of interacting with influential actors. As stated earlier the empirics showed that the interviewees aim to align themselves with likeminded actors in order to wider their network. This can straightforwardly be connected to the "cultural capital "(McKelvey & Lassen 2013a. p. 62). The network is developed when the entrepreneur join through participation in events, markets, fairs, organizations and compounds. Through these actions new contacts may be created. Additional, strategic actions are corresponding to engage the venture in social media such as Instagram, Facebook, blogs and twitter. The empirics tends to show that entrepreneurs have a tendency to utilize social media, blogs and sponsorships in order to mobilize resources and develop the amount of valuable human capital.

"I work a lot with Instagram, for the company, Facebook, not Twitter....I didn't find that enough effective, mostly Instagram in order to create contacts abroad. You can experiment and get in touch with many interesting people through social media. It may seem strange but it is easy to leave a comment and through that, hopefully, create new contacts"

Making an allowance for decision making and "economic capital" (Groen et al, 2008. p. 63) the empirics showed trends to keep business angles, investors and other financial actions

outside the venture. This was in fact a crucial aspect as it enhanced and shortened the decision making process, maintained the independency as well as facilitated the communication according to some of the interviewees.

"I have chosen to start my business with only a bank loan. Because then I know that I have control over my own business, you can make fast decisions, and you know in what direction you should go for....it was important to start small and genuine"

"There are advantages with business angels, you can get capital but you have to let go of a lot for less money....you will have to let go of the control of the company"

"That's the complexity of bringing in capital contra not to, how you can run your company. Today it is more tempting to have your own ownership"

For a small company the economical capital is a part where the entrepreneur has to utilize different channels of a network. Generally, most of the interviewees had invested their own capital in their company, as stated above. Other approaches were bank loans, overdraft facilities and funding. Bank loans or subventions seemed to be the most comfortable solution for those entrepreneurs that searched external capital. Undeniably, it was tempting for some of the interviewees to have a partner with the intention exchange ideas with, though, the independency was highly prioritized.

"New eyes are always an advantage however, I am free to do what I want, no one else can decide what I am going to do next and of course there are advantages and disadvantages"

# 5.2 Entrepreneurship and Governance

There is a tendency to utilize and rely on contacts, especially family members, friends and business contacts in the establishment phase. Some interviewees claimed that previous experiences and contacts in the textile business are an advantage. Moreover, many of the interviewees had faith in their parents or other family members when there was a question of knowledge, advice or information.

The reputational bonding theory (Siegel & Licht, 2006. p. 525), where the determination of trustworthy relationship is crucial, is tightly connected to the empirical data. The empirics showed that many entrepreneurs establish, develop and utilize contacts where a long term relationship is possible. The quotes below may be related to the theory by Siegel and Licht (2006).

"Branding, it is important with relationships. I brought contacts from my previous employment, friends ...for example you can get a better price for a photo shoot and other things, and it's valuable to have fast and good contacts that make way for you to get into the business. Satisfied customers and important relationships. Every part of the company is important when you build relationships"

"We build long term relationships because it is important for us, and then it is important to take care of those relationships, because it is good for us and for them"

"The aim is to build long lasting relationships, it is important to take care of the relationships. It is beneficial for both of the parties."

The action is to build long term relationships with likeminded people and also pave the way for future collaborations. For those interviewees who had earlier experiences within the textile industry before argued the importance of utilizing and the development of past ties.

"Do you care for your business relations, then they become long lasting....if you have appeared nicely as a purchaser and a seller, then they remember that, both customers and factories"

The business relations that the entrepreneur are developing are an advantage viewed from a long term perspective. In addition" These people would never have worked with me if they didn't knew who I were". Just as the theory, Grossman et al. (2012) argue that "past ties form future ties" (p. 1761). The interviewees utilize primary old contacts in order to develop their network and also to reach new resources as stated of one entrepreneur - "What I do now, affect the business in the future". These past ties can facilitate, shape and make way for new relationships for the entrepreneurs business (Grossman, et al, 2012) which was argued as a favorable step in utilizing the existing network as another entrepreneur stated - "I have tried to make it simple, tried not to search too much. Utilize my old contacts".

The theory above can also be related to the advantage of having a mentor within the industry. A reliable and creditable person or persons that already have contacts within the industry and the region. An actor who knows the industry and has a large network is a fruitful way to connect and interact with other actors. One interviewee said -" I surround myself with strong male and female entrepreneurs". For a small entrepreneurial venture within the industry this is actually very important for developing new contacts. For example some interviewees utilize close contacts that they rely on, both in decision making and when it comes to the responsibility of their brand. The amount of weak ties increases when the entrepreneur participates and aligns oneself within different organizations, fairs and markets. One interviewee explained the advantage of utilizing and participating within organizations with likeminded.

"Everything is gathered. That creates an atmosphere that stimulate, often you don't have the opportunity to start something within a context like this. Here is always people you can ask, tailors, you don't have that elsewhere"

"This organization is about charity, contacts ....it's all about supporting and helping each other with business"

"Even if it was too early to participate at that kind we choose to participate. Because you could receive a lot of useful help from this organization. For us, as a small and unknown brand you'd never have had the ability to get in touch with those kind contacts otherwise"

These organizations open up opportunities to interact with people with different backgrounds, employment and contacts. By interacting with different organizations, compounds and other arrangements it may generate possibilities to develop a balance between strong and weak ties (Aldrich et al, 1991; Aldrich et al, 2001). Therefore it seems to be important for the entrepreneur to engage oneself in different activities, meet a lot of people with different knowledgebase in order to expand the network, in order "expand the circle of trust" as Aldrich et al. (1991. p. 308) states. The importance of trust is very important when the company is small as declared below:

"We want to encourage people we work with to take responsibility, rather a wrong a decision than no decision at all, and since we are small it is impossible to take responsibility for every area in the company, but we don't have any other option"

The quote states that entrepreneurs' within this report relied on people that they trust in when it comes to venture related questions. Each interviewee was dependent on family and friends, partners or siblings. The strong ties are therefore very important for the interviewees. "When there are rough times many will disappear" as one interviewee said during one interview.

When establishing and developing new contacts the gut feeling is extremely important and also the chemistry such as "She is my mentor, we get along very well. It is easy doing business with her". However, the amount of weak ties is also a vital ingredient in the network. The weak ties, such as suppliers and business acquaintances are something that is significant when the company is small. The aim of creating many local contacts is highly valued in order to receive important information of other actors in the market - "As a small company you don't have access to that kind of information". Therefore, indications among the interviewees are to engage themselves and the companies in those kinds of activities. It is important to get access to valuable inputs for the venture. As Jenssen (2001) says weak ties can be useful when the aim is to reach different kinds of resources or when the entrepreneur seeks another point of view of the problem. These contacts enable the ability to build bridges that facilitate the connections to other actors or companies (Greve 1995) As Aldrich et al. (2001) and Aldrich et al. (1991) argue a mix of strong and weak ties is the key to an advantageous network.

The informal contacts are highly valued among the interviewees. When creating a new contact it is important for the entrepreneur to know that the actor will fulfill their

commitments (McKelvey & Lassen, 2013b). "The chain is not stronger then the weakest link" as one interviewee said. The use of formal ties is not that wide spread yet even if it is seen as a positive act in order to determine the commitments to one another (McKelvey & Lassen, 2013b) However, the importance of having contractual formal relationships is extremely vital in the establishment of professionalism and the reliability of revenues.

"The entire business is built on that; you are supposed to trust people. Everything is just a handshake and then an invoice doesn't get paid. You could probably rely on the gut feeling but if you should secure the relationship with a contract"

The ability to access and utilize informal relationships with other actors in the industry is beneficial due to access to information about other competitors. The understanding of this is that, since all of the interviewees are working with small volumes, it is an advantage to have informal relationship with distributors, suppliers and producers in order to be able to agree about different and more suitable arrangements.

"Through agencies in the region of Borås you can buy as much fabric as you want...as a small company you don't afford to buy too much"

This strengthens Hoang et al. (2003) theory that the level of governance creates positive outcomes in the matter of costs and resource flows as well as information about the labor market (Granowetter, 1974; Siegel &Licht, 2006). One interviewee argues that:

"With local contacts...you can get help. From those people you can talk to and receive advice and information. In addition I also have many associates within the business that you can talk with. I have always worked within the fashion industry. And you can miss that when you are little. But as I have worked within the business before and that I know these people, I have access to a lot of information"

Another interviewee argued the importance of utilizing informal contracts with producers due to the conditions and structure of the industry.

"No contracts, we don't lock our self in because in this business things are going very fast. Clothes are perishable; the industry is changing all the time"

# 5.3 Entrepreneurship and Structure

The most important factor within this section is the ability to interact, to utilize and being part of a textile center as Borås. The interviewees agreed that the utilization of the region facilitated the ability to find actors and resources within the area; however, it depended on what kind of resource that the entrepreneurs were looking for. McKelvey and Lassen (2013a) concept "centrality" (p.99) refers to the accessibility of different resources within an area. Centrality can therefore be connected to e.g. when searching for human resources. Two

interviewees argued that" It is easy to recruit but finding the right person is not easy" and also "It is easy to network, but I depends what you are looking for".

When it came to utilizing the region one interviewee argued that the communication and decision making were facilitated by having most of the contacts locally. Several of the interviewees argued that the network expands as circles on the water and often one thing led to another. The interpretation of this is also that a network expands and develops when the entrepreneur processes and cares for the relationships that are valuable.

Another aspect that was important for the establishment of the venture was the level of branding. The level of embeddedness influenced the ability to reach actors and resources. As Jack et al. (2002) discuss if the entrepreneur becomes known by other actors the entrepreneur will receive an easier access to exchange knowledge and resources with other contacts. Knowing the right people is not enough according to some of the interviewees. In order to develop a strong brand, the ability of being unique and the capability to niche the company is important. The ambition to share ideas and collaborate with other actors may be hampered by that mindset.

"It is important with reputation since you have to introduce yourself; you have to build your very own little brand against suppliers to get them with you"

".....probably a question of competition. You rarely speak about your customers. It's all about position, being different, a little bit better, finding new ways"

The very last section in this part of the analysis is how the region of Borås has influenced the interviewees. It was very clear that the entire sample of the interviewees had been influenced to start their business in Borås or located their operation within the region due to the historical textile spirit.

"It is a textile Centre, it's true, I have worked at factories, they were in Borås. Many companies have their head office, Rudholm and Hak; otherwise our company would have taken another orientation"

Some of the interviewee's declared that being a part of the region was like having a window against the world. Also when it came to selling:

"If I call a retailer in Norrköping and they ask where the brand is from and I say Borås, then it is something positive. Borås is on the map. Borås is a cool textile center."

"The region of Borås? I believe that is has had a positive impact. Less cool more profitable. In Stockholm it is more focused on blogs and to be visual in the right context......In Borås things are more focused on the right things. Tradition and culture, culture things, there is a culture, you get caught up in it. I believe that everyone needs to take a turn to Borås"

The access to different kinds of resources and suppliers was facilitated by locating a business within a so-called textile center. Jack et al. (2002) argue that an "embedded social structure" (p.467) allows the entrepreneur to use the information and the resources of the environment. Just as Sorensen (2003) claims, the entrepreneurial adventures choose to locate their company within a cluster as the access to information and resources become difficult when they are too far from a specific cluster region.

"It is both easy and hard to find resources...it is easy but you have to be alert...dare to contact groups of people. There are many organized events in Borås, meetings, lectures and things like that. Borås is good in that way. Business lunches mingle every month. Borås is a strong region. Those kinds of activities works very well due to the size of the city"

Some of the interviewees see possibilities to interact with the university, not only to find potential coworkers but also being able to take part of the machine lab and different project. Many events are organized in Borås which enhances the entrepreneur's ability to interact and meet other business people. In addition the ability to gain knowledge about many actors and that they get to know the entrepreneur is also an advantage when reaching other actors. This facilitates the communication by interacting locally.

"To meet other creative people, to create exchanges....that is conservations that you don't get at home...I had that when I worked at a larger company. As a small company that is important...the ability to share and exchange ideas with people"

#### 5.4 Network and Gender

Foss (2010) arguments that research about women network and entrepreneurship tend to compare their results to "networks with men as standard (Foss, 2010 p.84). Further on, the research that Foss (2010) constructed showed no differences between male and female entrepreneurs after all. From the empirical collection the interpretation is that there are very little dissimilarities and if there is something that can be generalized among male and female it will carefully be taken in consideration. Among female entrepreneurs there was a tendency to proceed the establishment along with the networking slowly and also to search for the right contacts before they took a decision.

"I do research among friends"

"I rather, develop the business slowly instead of pushing things too hard and to be forced to shut down next year"

This may strengthen the theory that women worries more about the "quality of interpersonal relationships" (Ibarra 1997, see Garcia et al, 2009: p 231). This can furthermore be connected to that the level of trust is a crucial aspect for female entrepreneurs according to some

researchers (Dawson et al, 2011). One female interviewee mentioned that she primary relied on old contacts - "There is access to bank contacts as well as producers...but I have better contacts myself" compared to a male interviewee who argued that:

"I talk to people who are here. I often sit and talk, I am not afraid of talking about what do. I am working on building a brand, the whole concept. If someone steals my idea and does something else, I would still be the first"

If that leads to a less diverse network among female entrepreneurs it's hard to say and if that is affecting them negatively or positively cannot be determined. On the contrary, the male interviewees tend to have a more trial and error approach when they develop their network. However, it was still important that the relationships and actors were trustworthy and likeminded.

"I'm pretty optimistic, I can say no, you learn, I have met people who talk a lot of crap but also good stuff – you have to have a little faith as well"

The interpretation of the empirics is that both male and female interviewees search for new contacts with same purpose, with the aim to establish long term relationships, but the approach differs between the genders.

When analyzing the diversity of contacts within male and female entrepreneurs' network it is indeed difficult. The overall clarification of the interviewees' network related to the concept homogenous or heterogeneity is that both male and female tend to relied primary on family, friends and business contacts. "I talk with my wife, my accountant, my sons within the company, with my employees, but primary my wife, if it is about larger things" and "My husband is my advisor". This means that the network may be homogenous. On the other hand, every interviewee searched for new contacts by joining different kinds of activates which led to a more heterogeneity network. However, Dawson et al. (2011) and Renzulli (2000) both argue that women tie to women both socially and in business, which some of the empirics can prove. Nonetheless, the industry is dominated by a female workforce so that may be an influencing factor (Portnoff, Nielsén, Padoan, & Sternö, 2013). Renzulli et al. (2000) study also shows that women have a tendency to have a more homogenous network than men. Since men tend to have a more trial and error approach when developing their network it may strengthen the theory of Renzulli et al. (2000). Both male and female entrepreneurs within this report argued the importance of trust in all relationships. Ridgeway et al. (1999) argue the importance of trust to be more women related.

The empirical collection showed after all that both male and female relied primary on strong ties when searching for resources, advice or information. In addition both male and female entrepreneurs were active in order to reach and find complementary likeminded weak ties in order to develop their network. A female entrepreneur claimed to be "A hell of a networker". The governance and the ability to trust people in order to establish long term relationships were equal for both male and females. The empiric supports Aldrich et al. (2001) theory that men and women use preexisting ties in firsthand but shows no hesitation to share ideas with new people. This can be interpreted as Grossman et al. (2012) argument that "past ties form future ties" (p.1761). Furthermore the interviewees, both male and females, indicated that it was important that those new ties had to be trustworthy and likeminded. In addition, just as Aldrich et al. (1997) claim, there were no differences among male and female activeness in the networking development.

The access to external capital is problematic to determine since many of the interviewees had capital of their own to finance their business. Nonetheless, the empirical data is not sufficient to support the theory made by Brush et al. (2002) who argue that women have difficulties finding external capital. The major difference lies within the backgrounds experiences. As Brush theory (1992) concludes, there occur differences between male and female entrepreneurs when it comes to background experiences and capabilities. From the results there could be indicated that female had a tendency to have longer experiences within the industry while male was operating within the industry with other experiences. However, the similarities within this section were that many of the interviewees had developed their network with experiences of entrepreneurial education as well as ventures. In addition both males and females had utilized their passion for fashion and clothes in order to establish and develop their ventures.

#### 5.5 Towards the final answers

**5.5.1 Four types of functions of the Entrepreneurs Network**. In order to answer the research questions the empirical collection has systematic been proceeded from a model based on the theoretical framework. The main research question aimed to investigate the dynamics of an entrepreneur's network. Therefore the empirics have been progressed from the pre – history, the four types of functions of the entrepreneurs' network, governance and structure, to answer "How do entrepreneurs utilize and develop their network?" From the analysis it can be understood that the entrepreneurs utilize their tacit knowledge and preexisting network in

order to develop their network. The use of tacit knowledge, the so called "know how" (Dodgson, Gann &Salter, 2008; Helfat et al, 2000.; Teece, 1986) about the market is crucial as it enhances the ability to reach valuable inputs from already existing ties. However, the "know how" about the market can be communicated but the entrepreneur needs to know who to contact and where to find those actors or that information (Mitton, 1989).

In order to answer the main research question the analysis where divided into three parts. The first section was the four types of functions of the entrepreneurs' network. The first function, the social capital, is utilized in order to cover different needs. The entrepreneur utilizes and searches for actors that could help the entrepreneur to "get things done" (Greve et al, 2003. p. 2) or find actors that possess the capabilities that the entrepreneur desires (Greve, 1995). For example this could be to find oneself a mentor or rely on family and friends. One crucial aspect of the strategic capital was the utilization and developing by collecting knowledge, information and advices of different kinds of actors, organizations, short courses, education and experiences. These factors were utilized as useful inputs in the entrepreneur's network.

The entrepreneurs in this study align themselves with likeminded people in order to develop their network (Greve et al, 2003; Siegel &Licht 2006). By interacting with likeminded people, known as the cultural capital, the ability to develop long term trustworthy relationship cultivates. This is utilized by joining organizations, clubs and compounds. Lastly, the entrepreneurs utilize in general their own capital to finance their business. This is interrelated with the strategic and economical capital by not using investors, bank loans or business angles. The entrepreneurs want to develop their business independent and utilize the ability to speed up decision making and communication within the venture.

5.5.2 Entrepreneurship and Governance. The second area, namely entrepreneurship and governance, is also a part of the main research question since this is affecting the dynamics of relationships within a network. This section of the analysis evaluated the importance of strong and weak ties, the reputational bonding (Siegel & Licht, 2006. p. 525) as well as formal and informal contracts (McKelvey & Lassen, 2013a). The use of strong and weak ties (Aldrich et al, 1991) is strongly related to trust. The strong ties, family, friends and business contacts are generally utilized in order to develop the venture and expand the network. The strong ties are overall viewed as very central key. The empirics display that long term relationships are very important. As Grossman et al (2012) claim, "past ties shape future ties" (p.1761) and expand the "circle of trust" (Aldrich et al, 1991 p. 308). The entrepreneur

can utilize past ties as a vital ingredient in the reputational bonding (Siegel &Licht, 2006). The entrepreneur that does not possess a reputation utilizes a mentor in order to reach resources and actors and to develop their network.

As a small venture the development of the network of strong and weak ties is dependent on the participation and alignment of organizations, fairs and events. These actions develop a balance between strong and weak ties, which could be an advantage according to past research (Aldrich et al, 2001; Aldrich et al, 1991).

The informal contracts are as largely viewed as important. The industry changes all the time and the ability to quick decisions demands a flexible relationship. Informal contracts are correspondingly used in order to access information about competitors and opportunities in the market. Additionally, informal contracts are based on trust and mutual reliability (McKelvey & Lassen, 2013a). Furthermore, the use of formal contracts is not viewed as a burden but some relationships could be developed and improved by that kind of agreements in order to secure revenues and capital.

5.5.3 Entrepreneurship and Structure. The third section, entrepreneurship and structure aimed to answer the second question "How have the characteristics of the region of Borås contributed to the development and utilization of networks of entrepreneurs in the textile industry?" In order to examine how entrepreneurs have been affected by the traditional entrepreneurial practices of the textile and fashion industry in Borås this research question includes the level of embeddedness, the centrality within the region of Borås and additionally the embedded social structure. The level of embeddedness (Jack et al, 2002; Halinen et al, 1998) affects the entrepreneur's ability to reach other actors and resources within the network. From the analysis the entrepreneur utilizes her or his personal brand in order to reach actors and resources. By developing the network locally the entrepreneurs argue that it facilitates the communication and decision making. The region of Borås has influenced the development of venture and network due to the regions reputation and that it has been developed to a textile cluster. The entrepreneur utilizes the ability to be a part of the embedded social structure (Siegel &Licht, 2006) as reaching new actors and organizations within the region.

In the model below the embeddedness is illustrated. The majority of the interviewees had experiences within textiles in Borås. This can be interpreted as they who have experiences

within the industry and the region are affected by the environment and previous experiences. The interviewees without previous experiences may be affected by the embedded social structure, the centrality as well as the region of Borås is a textile area. Resources and information may be easier to access within a cluster (Sorensen, 2003).

Interviewees	From Borås	Not from Borås
No experiences within textiles	2	2
<b>Experiences within textiles</b>	6	3

**5.5.4 Network and gender.** Since the textile industry has a large proportion of male entrepreneurs, even though the workforce is predominately females, the last research question was formulated "Are there differences between male and female entrepreneurs, when it comes to the development and utilization of professional networks?" From the theory there is a disagreement if there are differences between male and female. The theory from chapter 4 showed tendencies to indicate dissimilarities in quantitative research whereas qualitative research which argued the opposite.

The empirical finding in this research and analysis showed few difference between male and female entrepreneurs within the textile region of Borås. Female entrepreneurs develop their network gradually by searching for the right contacts before making a decision. Male entrepreneurs develop their network by trial and error in order to find the resources and right actors to collaborate with. In addition, the importance of strong ties is equal among male and female interviewees. The strong and preexisting ties were primary utilized in the development of ideas, advices and knowledge bases. Nevertheless, there occur no differences between male and female eagerness to develop their network through weak and unfamiliar ties. Additionally, the level of trust and like-mindedness is indeed very important in the utilization and development of the network. Finally, the major differences are interpreted to be the previous experience and background of each entrepreneur as illustrated in the model below. Female entrepreneurs tend to have a more related background to textiles whereas male entrepreneurs have a more mixed experienced background from other industries. Conclusively, both genders utilize and develop their network with passion for textiles and fashions.

Interviewees	<b>Experiences within textiles</b>	No experiences within textiles
Female	7	-

Male	2	4

The following and final chapter will discuss and interrelate with the introduction with the final result together with future research considerations. The discussions will contribute and link problems, the purpose and discuss the result of the research questions and the practical implications as well as future research suggestions of the final outcome.

# 6. Conclusion

This chapter will finish this report with conclusion, discussion, practical implications and suggestions for future research. This section will reconnect the result with the purpose of the research as well as different dilemmas that occurred in the introduction chapter. Additionally a discussion and a summary of the results, namely the answers of the research questions, will be evaluated in order to reflect upon the final conclusion of the research questions in this thesis. How this report has been contributing with new knowledge as well as practical implications will be included in section 6.2. Lastly, suggestion of preferable continued research will be evaluated in the finishing section 6.3.

#### **6.1 Conclusion and Discussion**

Borås is undeniably a region with a solid history of textiles. From the introduction chapter several events and aspects have emerged through the history that has formed how the textile region is today. Borås can be defined as a cluster but from the introduction chapter, there are aspects that hamper the development towards the "perfect" textile cluster. The introduction chapter introduced two problems. The first problem that arose from the literature was that Borås could be viewed as an industrial agglomeration and an industrial district but the integration is not that wide spread yet due to the independency mindset. Today, there are organizations in Borås, for example Marketplace (2013), that are working towards a framework for developing Borås to become a textile cluster with more interaction, collaboration and exchanges of ideas between actors and businesses.

Ventures and companies want to be independent and they want to be competitive, unique and create a niche. On the other hand, the empirical data collection from this report shows the interviewees longed for interacting and meeting likeminded people for exchanging of creative ideas and helping each other with developing each other's network. The "knalleanda" (Ljungkvist & Brorström, 2010) still characterizes the textile industry in Borås today however; the entrepreneurs within this report showed no reluctance to share ideas and interact with likeminded people or companies. Nevertheless, within the cluster there is a competition (Saxenian, 1994) which may affect the level of collaboration, the sharing and communication between ventures. The entrepreneurs in this study wanted to maintain the independency but according to Ljungkvist & Brorström (2010) a more interactive and collaborative spirit may come with younger companies. This report shows tendencies to strengthen the argument of

Ljungkvist & Brorström (2010) since the entrepreneurs in this report align themselves within organizations, compounds and events in order reach other actors that had the same way of thinking. Moreover, today the ambition to collaborate with the University of Textiles in Borås is still attractive for the ventures that participated in this study which can be related to the historical traditions (Andreasson, 2013).

The purpose of this research was to contribute with knowledge for understanding how entrepreneurs develop and utilize professional networks as well as analyze how entrepreneurs exploit experiences obtained during the pre-history of their ventures in textiles in Borås. In addition, the research aimed to gain knowledge and understanding how the region Borås has influenced and affected the entrepreneurs' network but also what differences there were between male and female entrepreneurs in a textile cluster.

So what are the conclusions in this report? When investigating the dynamics of an entrepreneur's network the main conclusion appeared to be that the entrepreneurs utilize strong ties that can contribute with advice and also facilitate establishment of new contacts. To know people and to build a personal brand is very important in order to have a blossoming network. The utility of mentors that can give the entrepreneur advices and pave the wave for new contacts is of course an advantage. The aim for many of the companies is to utilize and collaborate locally with other actors in the industry in order to speed up decision making, communication and collaborations. The background and experience is of course factors that affect the development of the network and also the access to resources and actors. The importance to have contacts within the business is vital for facilitating the process of finding trustworthy actors to facilitate the ability to build long lasting relationships. Many of the entrepreneurs within this report aligned themselves with organizations in order to receive new contacts and help with the establishment of the venture. The assumption is that, as a small venture, it is crucial to embed their company in a social structure in order to secure the access of important resources and actors (Jack et al, 2002; Halinen et al, 1998; McKelvey & Lassen, 2013a; Uzzi, 1998). In addition the exchange of knowledge and creativity is something that seems very important for those who work as a single owner. By aligning oneself to organizations the amount and diversity of weak ties increase. However, the strong ties are the ones that the entrepreneur can rely on when the wind is carrying.

Due to Borås' long and unique history in textiles it was of course particularly important to learn about how the entrepreneurs have been influenced by the traditional entrepreneurial

practices of the textile and fashion industry in Borås. The level of embeddedness and the environment of textiles affect the entrepreneurs in this study. The environment and the embeddedness may encourage the establishment of ventures as well as the development of the network due to the facilitated accessibility of resources within a cluster. The region of Borås has indeed influenced the entrepreneurs' choice of businesses as well how they are planning their professional networking approaches.

From the introduction chapter it appeared that the textile industry has been and still today is dominated by women workforce (Dahlin-Ros, 2002; Du Rietz, 2013; Portnoff, Nielsén,, Padoan & Sternö, 2013). Nevertheless, today there are more men at the top position within companies (Portnoff, Nielsén,, Padoan & Sternö, 2013). In order to reach one explanation this report has delivered information about the differences between male and female utilization and development of their network. The results showed little differences between the searches for new contacts. Females tend to be more prudent in their networking before taking decisions whereas male interviewees tend to have a more trial and error approach. However, the purpose of the relations remained the same as well, the aim for long term relations and importance of trust. Since women dominate the industry it may affect the homogenous structure of each network. A simplified and careful statement, as an explanation, why there are more men at the top position, even though females dominate the textile industry, is the trial and error approach. A trial and error approach may speed up the expansion, the development and the utilization of the network as it may increase the opportunities to find the right resources and actors to integrate with.

Through the journey when working with this report many new insights was gained, inspiration as well as new knowledge about entrepreneurship and network within the textile region of Borås. The culture and the long history are of course a trigger and a driving force of the entrepreneurship of textiles. The assumption from the empirical data collection is that Borås have a positive effect on textile businesses, mainly because of the culture but also that Borås is "on the map". The structure and the social network is promoting entrepreneurship, on the other hand, the ability to find a niche, the independency and being unique in order to reach competitiveness may hamper the work towards a cluster.

### **6.2 Practical implications**

During the time when collecting information for the analysis it became obvious that the concept "network" is like circles on water. One contact leads to another and so forth. Anyway the aim for this research was not to measure success, it was more about finding out how entrepreneurs are utilizing and developing their professional networks. Even though success is relevant the background and the fundamental building block in entrepreneurial success are equal important in order to understand what creates success in future research.

So how has this research contributed with knowledge and how can this be useful for further research. This research has facilitated the understanding how to enhance the collaboration, communication and integration between textile companies in Borås. Since Borås is trying to develop a textile cluster it is important to understand how small ventures are reflecting upon networking approach and how they have utilized different aspects from a theoretical point of view. This contributes to the Tillväxtverkets (Nielsen & Sternö, 2014) call for research that investigates growth within the textile industry; a flourishing network contributes to growth. Above and beyond that there are no major differences between male and female entrepreneurs and how they are networking has also contributed with knowledge. It is the pre-history that forms the entrepreneur, not the gender.

There are several aspects that can be useful for entrepreneur to be. Especially for these entrepreneurs with little experiences in the textile industry this research has showed that the access of having a mentor or joining compounds as well as joining organizations is important in order to expand the network or to get access to valuable information. This information that has been given in this report may also be useful for organizations and compounds in Borås and in other regions, in order to help entrepreneurs within the textile industry to develop and to utilize their network in the best possible way. Additionally, the results and conclusion indicate that small entrepreneurial textile companies are eager and optimistic towards participating in organizations, moreover also positive towards meeting and finding likeminded people. Those indications are important aspect as there are organizations in Borås that are working towards a textile cluster.

#### 6.3 Future research

Suggested future research would be preferred to investigate the interdependencies and networks between businesses and universities in Borås. This kind of knowledge could be beneficial in order to receive an insight in the collaboration and communication between those two intuitions and how the network and interaction could be more developed and utilized. Furthermore, more qualitative research about "knalleandan" and how that affects small companies when they are searching for suitable and profitable collaborations with larger and creditable companies. The reason behind this suggestion is that some of the interviewees indicated a wish for collaborations and partnership as well as other valuable resources in order to create positive outcomes.

Another research that could be beneficial for the region of Borås is to investigate how the interaction between larger and smaller companies can be facilitated. In addition, create more understanding how "knalleandan" affects and/or hamper the exchange of knowledge between organizations, actors and businesses. Since this research has excluded to measure success, future research would be interesting to focus on what create success for textile companies in Borås. This kind of research would be interesting to conduct with companies that have started small and grown into international business. This would be particularly interesting in order to create understanding how to generate a successful textile business.

Finally, since networks are dynamic it would be interesting to follow up this research in order to receive an insight how these networks have been developed over time (Siegel &Licht, 2006). Connect this to success and revenues in order to see what kind of resources and motive power that is crucial for a successful network and business.

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## Appendix A

## Semi structured interview

Background and profile (education, experiences, family)

The company (from idea to the first product on the market)

The network during before and during the establishment

Actors (actors that has been important, people, organizations etc.)

Resources (suppliers, producers, designers, marketing, capital. organizations, compounds, events, projects, human capital)

Relations

Structure and the access to resources

The network today