The New Venture Creation Process in Cooperation with Science Park Jönköping

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_________________________  ____________________________  ___________________________
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Abstract

Title: The new venture creation process in cooperation with Science Park Jönköping

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Keywords: New Venture Creation, Business Creation, Start-up Process, Gesta-
tion Process, Business Incubators, Science Park Jönköping

Purpose: The purpose of this thesis is to explore how students at Jönköping University can establish a new business and to what extent Science Park Jönköping is involved throughout the business creation process.

Background: Numerous researches have been done on new venture creation and business incubation. However, these two areas of research are rarely combined. When it comes to venture creation, most theories focus either solely on the start-up process or on the entrepreneur and the environment. The novelty of this thesis lies in combining those two different fields of research and at the same time focusing on the entrepreneur, the environment and the start-up process. The authors aim at investigating the start-up process in connection with the business incubator Science Park Jönköping. This paper is opposing new venture creation process theory with empirical findings and further examining the influence of the business incubator Science Park Jönköping.

Method: The authors of this paper followed a qualitative approach which was implemented in the form of personal interviews. The participants of this study are entrepreneurs who created their venture in cooperation with Science Park Jönköping as well as one representative from Science Park Jönköping.

Conclusion: Contrary to previous research, the participants of this study do not perceive the business creation process and its stages as linear. Moreover, influential factors like the attributes of the entrepreneur and the environment have to be taken into account when speaking about the start-up of a company. Science Park Jönköping offers services at all stages of the process whereas the most intense contact between the business incubator and the entrepreneur takes place in the very beginning.
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1 Introduction

1.1 Background

It is a known fact that the prosperity of new ventures stimulates local markets and benefits the economy as a whole positively (McMullan & Vesper, 1987). Entrepreneurship has become an important issue in the modern business world where the landscape consists of many small and medium sized firms. These firms have all been started by an entrepreneur who has identified an innovative business idea and developed that idea into a new venture. Moreover, one way out of unemployment is to venture into self-employment (Rissman, 2003). Over 90% of the businesses in Sweden are micro-businesses and have less than 10 employees (European Commission, 2008). New ventures enhance “the degree of innovativeness and the exploitation of new knowledge and technology” (Atherton & Hannon, 2006, p 49). This affirms the relevance and importance of encouraging and enhancing new business developments. On that account the economy should strive to create more new ventures.

Jönköping International Business School (JIBS) has its focus on Entrepreneurship and the Jönköping region in general enjoys the good reputation of having a strong entrepreneurial spirit (Jönköping University, 2010b). However, some people fear to take the decision of venturing into self-employment. Especially for young people it seems challenging to start up an own business as they face obstacles and problems (Henderson & Robertson, 1999). The fact that Jönköping University has a high number of international students bears high potential in terms of new and innovative business ideas. There are several positive examples of alumni who succeeded to turn their creative ideas into real businesses (Science Park Jönköping, 2010). It can be argued that most graduates do not possess the necessary knowledge to set up a business plan although they have promising and innovative business ideas. Setting goals and objectives and how to achieve those goals is critical. Business incubators can be of assistance during the stages of start-up.

Local organisations that support new venture development in Jönköping are amongst others Science Park Jönköping, Almi and NyFöretag. Even so, many students do not know what these organisations provide. In particular Science Parks are said to promote and enhance regional development in terms of growth and technological innovation (Hommen et al, 2005).

In the following section Science Park Jönköping is further introduced and referred to as SPJ throughout the thesis. The information is based on the website of SPJ (Science Park Jönköping, 2010). The Science Park in Jönköping is a business incubator that supports students on behalf of Jönköping University. The so-called Business Lab is a part of SPJ and is used mostly by students from Jönköping University. Last year over 300 business ideas came from students and SPJ seeks to turn those ideas into real ventures (Science Park Jönköping, 2010). The Business Lab offers advice in different fields totally free of charge. The coaching and counselling is given by experts with economical and academic backgrounds. In terms of business development, SPJ helps students in evaluating the potential of their ideas as well as looking at competitors and possible market strategies. SPJ offers network services which imply contacts to insurances, lawyers, patent firms, banks and other financial organisations. Furthermore, it is possible to meet other young entrepreneurs, to establish contacts as well as to get new ideas, input and feedback from other creative peo-
ple. SPJ even provides bookkeeping software in a later stage of new venture development. Interested parties have the possibility to participate in a seminar about how to start up a business, which takes place every two weeks. To trigger eventually the implementation of the business idea there is often office space needed. SPJ provides office facilities including conference rooms without cost for a limited time period. In addition, it is possible to rent offices in a later stage of the business.

1.2 Problem Discussion

According to the UK Department of Trade and Industry (2001) and European Commission (2003), it is argued that business start-ups create new business opportunities and activities and therefore they promote innovation and generate wealth (cited in Atherton, 2007). Additionally, the European Commission’s Green Paper on entrepreneurship (European Commission, 2003) stresses how important it is to encourage young people to engage in entrepreneurial activities and experiences and to interact with entrepreneurs (cited in Atherton, 2007). Since entrepreneurship among young people is so highly promoted and welcomed, it is of great significance to study how young people can start a company and what type of assistance is necessary in the start-up process.

One way of encouraging young people to become entrepreneurs is to create entrepreneurship-friendly environments at universities. This type of environments would be designed to inspire students to create their own businesses and to apply their school knowledge in practice. In the case of students who want to start their own businesses, it can be argued that the students would be expected to be more closely attached to the “academic world” than to the “business world” as they might have only academic background with little or no prior entrepreneurial experience and business contacts before starting their own business. According to Roininen and Ylinenpää (2010), the lack of networks and track records that younger entrepreneurs face would make it harder for them to start a new venture. This fact raises a question on how young entrepreneurs could be helped out in order to overcome the liabilities that the lack of networks and track records pose on them. Therefore it is necessary to bridge the academic and the business environments in order to encourage students to start up their own businesses.

Science Parks and Business Incubators are seen as a panacea in linking the academic and the business worlds. According to Link and Scott (2003) some universities see these institutions as a way to foster new start-ups based on the university-owned technologies (cited in Phan, Siegel & Wright, 2005). Science parks and business incubators are also seen as an instrument for promoting regional development (Phan, Siegel & Wright, 2005; Hansson, Husted & Vestergaard, 2005). According to the UK Science Park association, science park is defined as a “property-based activity configured around the following:

- formal operational links with a university or other higher educational or research institution,
- the formation and growth of knowledge-based business and other organisations normally resident on site,
- a management function which is actively engaged in the transfer of technology and business skills to the organisations on site” (cited in Hansson, Husted & Vestergaard, 2005, p.1040).
Based on this definition, it seems that science parks are the answer to the problems of students starting their own companies as science parks link with a university, assist in the formation and growth of a business and transfer technology and business skills to the organisations on site. However, how is it actually done in practice? Are the science park’s services sufficient when starting a company or are there other services needed? This study explores the new venture creation process on the example of entrepreneurs at Jönköping University starting up a venture with the assistance of SPJ.

1.3 Purpose

The purpose of this thesis is to explore how students at Jönköping University can establish a new business and to what extent Science Park Jönköping is involved throughout the business creation process.

1.4 Delimitations

The focus of this study is on the Jönköping area with respect to the importance of the University in that area. For this reason the authors concentrate on students from Jönköping University. Furthermore, rather than comparing business incubators in terms of Science Parks in Sweden, only SPJ should be highlighted. The authors are convinced that providing in-detail information of only one business incubator better serves the purpose of this thesis. However, it can be argued that this study can be applied to other regions with existing Science Parks as well. This is due to the fact, that the Science Parks across the country work closely together, are interrelated and provide similar services (Innovationsbron, 2010). Furthermore, the authors of this thesis are only examining one department of this business incubator- the ‘Business Lab’. Two other departments called the ‘Business Incubator’ and the ‘Business Growth’ are not covered in this study since the focus lies on the business creation process which takes place in the ‘Business Lab’ only.

Moreover, the participants in this study operate businesses only in the service sector, which might limit the applicability of the findings of this thesis to product companies.
2 Frame of reference

To fulfil the purpose of the thesis, two different areas of theory are covered and eventually combined in the analysis part.

As a first step, the authors investigate the role of business incubators such as SPJ in the process of starting up a new business. Thereafter, theoretical frameworks are provided to elucidate the phases and crucial factors of business creation to give the reader the necessary background for the analytical part when the cooperation between Science Park and entrepreneurs in Jönköping who once used it as a business incubator is examined.

2.1 Business Incubators

According to Scillitoe and Chakrabarti, “business incubators are newer and popular organisational forms that are created, often with the help of economic development agencies, to support and accelerate the development and success of affiliated ventures to achieve economic development goals” (Scillitoe & Chakrabarti, 2010, p.1). “Business Incubators are used as vitamin injections for tired regions and as contraction stimulators or painkillers in the university spin-offs.” (Bergek & Norrman, 2008, p 20). The important role of business incubators becomes evident in a study undertaken in Finland, where only in 2001, 1949 new businesses have been founded creating 20,000 direct and indirect jobs, and achieving 160% average sales growth annually (Scillitoe & Chakrabarti, 2010). It is a known fact that Finland and Sweden are both Scandinavian countries and closely related in terms of economy and societal attitudes. Therefore, the incubation centre as a facilitator of business creation is a very important institution to create new jobs and thus new wealth and tax revenues (Merrifield, 1987) but also innovations (Sherman & Chappell, 1998). Further, the contribution of the Science Parks to the regional development in Sweden has been proven by Park (2002). Ideon Science Park in Lund has created 450 companies since 1983 and this number accounts for 4.9% of the total number of companies in that region, the number of jobs created accounts for 3.7% at the end of 2000 (Park, 2002). Furthermore, in another Swedish study by Feldman (2007) Berzelius Science Park in Linköping was promoted as a tool for regional development in terms of fiscal revenues and jobs in the long run. The study by Löfsten and Lindehöf (2003) revealed that firms within a Science Park location showed better performance in terms of growth (sales and employment) than firms off Science Parks. Hommen, Doloreux and Larsson (2005) patronise with Löfsten & Lindehöf (2003) by stating that “Mjärdevi [Science Park Linköping] can be described as a success story in the Swedish context, if science park success is defined, as it is here, in terms of contributing significantly to regional economic growth through the creation (or incubation) of new technology-based firms (NTBFs) – especially university-based start-ups, which represent an important channel for the commercialization of academic research.” (Homen et al., 2005, p. 1332). Hommen et al. further argue that Science Parks in Sweden are a relatively new phenomenon and additional research needs to be done within that field.

Furthermore, theory differentiates between several kinds of business incubators the future entrepreneur can turn to. One attempt to categorise business incubators has been undertaken by Grimaldi and Grandi (2003), who assign an incubator organisation to one of four categories: Business Innovation Centres (BICs), University Business Incubators (UBIs), Independent Private Incubators (IPIs), and Corporate Private Incubators (CPIs) (Grimaldi & Grandi, 2003). A UBI accordingly is a non-profit institution which promotes regional development. It depends on incubatees’ fees as well as on public subsidies to secure the financial base to perform. Hence, it has three key-service offerings for its clients: access to
technological knowledge, academic infrastructures and the encouragement of academic networking.

That meets the demands of some entrepreneurs for not only business advice but also technical assistance to get to run a successful company. According to Mian (1996) and Bakouros et al. (2002), technical assistance is seen as “access to university research activity and technologies, laboratory and workshop space and facilities [...] and technological know-how skills” (cited in Scillitoe & Chakrabarti, 2010, p.3). Especially for young and inexperienced entrepreneurs who often do not have these important resources available is this feature very important in the process of creating a new company. It depicts an advantage in comparison to other incubation models which do not dispose of such additional resources. However, the time it takes to realise a business idea is longer in comparison and an UBI does not provide itself the capital needed for the start-up (Grimaldi & Grandi, 2003). Rothaermel and Thursby (2005) argue in their study that the closer the link to the university the lower the probability for a new venture failure. However, at the same time this close university link prolongs the graduation of the future entrepreneur (Rothaermel & Thursby, 2005).

Another important topic to look at is the social aspect of business incubation. Social capital “rests on the premise that in addition to purely economics-driven contractual relationships, important socially driven dimensions also need to be taken into account” (Bøllingtoft & Ulhøi, 2005, p.8). A widely ramified, extensive network is a very valuable asset for a young entrepreneur since every business is living on a constant and loyal clientele, as well as on reliable Business-to-Business relationships. As a result, the assistance in the creation of an interactive community of entrepreneurs is a vital task for an incubation centre to also alleviate the incubation process (Merrifield, 1987). Research has identified two types of business networks: direct collaboration, which is mainly identified by the signing of a contract between two parties and informal networking (Bøllingtoft & Ulhøi, 2005). The formal network comprises all kinds of agencies such as banks and lawyers which are crucial counselors in the business creation process. Consequently, the informal network differs from person to person, it consists of family, friends, business contacts, colleagues and others in this vein (Birley, 1985). However, it has been assessed that informal networks are more important when it comes to the initial feedback for a business idea. As seen in the graphic below (see Fig. 2.1), the implementation of an idea can stand and fall with the answers to it.

![Diagram](https://via.placeholder.com/150)

Figure 2.1 Idea still-born (Source: Birley, 1985, p.3).
The decision whether or not to exploit a business idea highly depends on the advice and assistance the entrepreneur receives from his/her environment, primarily the informal network.

The better contacts the entrepreneur has, the easier it is to get information about what resources are needed, advice on best practices and reassurance from friends and business contacts that the idea is feasible and worth to be exploited (Birley, 1985).

If these social feedbacks are missing in the initial stage of the business creation process, chances are that the idea is going to be still-born and not persecuted any longer. For that reason, the furtherance of networking is an essential part of business incubation to ensure the realisation of capable business ideas.

Not only the task of facilitating networking, but also counselling interactions are a very important part of business incubation. Counselling service (also called mentoring) implies a number of business development assistance services (Abduh, D'Souza, Quazi & Burley, 2007). Business incubators assist during the creation of a business plan, give advice on accounting and financial management as well as product development and employment assistance. Moreover, a business incubation centre also offers educational services such as seminars and workshops to further educate the interested entrepreneurs. Although the incubator cannot lend the start-up capital, the organisation is often able to build a bridge between its clients and a potential investor (Abduh, D'Souza, Quazi & Burley, 2007). The support services offered can cover not only legal, accounting and other competencies to acquaint the entrepreneurs with the challenges of the business world, but also a physical working space available to the entrepreneurs (Marrifield, 1987). The transfer and learning of new information implies a strong relationship between the incubator organisation and its clients. Since the incubator is going to spend a lot of effort and resources on a new business idea, it has to make sure that the idea is feasible. A simplified scheme of how a feasible business idea is identified has been provided by Marrifield (see Fig. 2.2).

Figure 2.2 Decision-tree analysis (Source: Marrifield, 1987, p.6).

The first question whether or not a business in question should be exploited is answered by the analysis of six crucial factors, such as sales profit potential, growth opportunities and possible risk. If the incubation centre should be part of the business creation process is further evaluated by looking at manufacturing competencies and technical support needed, among others, to make sure that the business incubator model fits the requirements of the
eligible business idea. If the answer to both questions in the decision tree is yes, the optimal method for the business set up is identified. At this stage, the idea could also be sold to an experienced company for further exploration (Marrifield, 1987).

In their study, Löfsten & Lindehöf (2003) describe certain characteristics for firms located on Science Parks. In such a way that on Science Parks firms typically have a closer relation with the local university as this link is vital to the concept of Science Parks. Further, they discovered that on Science Parks firms have a better market presence throughout Sweden and even in global markets than is specific for small enterprises. Yet, all firms in the study by Löfsten and Lindehöf (2003) had problems in obtaining financial resources from external institutions. Thus, the start-up has to be financed by the founders themselves.

2.2 Business Creation Process – Research Summary

Business creation process in different literature is known as a new venture creation process (Bhave, 1994), a start-up process (Roininen & Ylinenpää, 2010), or a gestation process (Liao & Welsch, 2008). Rotefoss and Kolvereid (2005) identify three focus areas of research within business creation process: (1) entrepreneur; (2) environment; (3) start-up activities. However, they note that very little research has been done on all three areas together, as most researchers focus only on one particular area out of the three areas. The notion of three research fields is supported in the literature as well; for example, “Handbook of entrepreneurial dynamics” (Gartner, Shaver, Carter, & Reynolds (Eds.), 2004) is divided in different sections based on these three areas.

In the following section the authors present the results of previous research done on these three fields: the Entrepreneur, the Environment and the Process.

2.2.1 The Entrepreneur

Entrepreneurs have long been the subject for studies due to their significance in generating wealth (Baron, 1998). However, according to Baron (1998) the attempts to outline the personality traits of the entrepreneurs and the differences with the rest of the population did not succeed very well.

According to study results by Collins, Locke and Hanges (2000), need for achievement is an effective tool when differentiating between firm founders and general population; however, not when comparing firm founders and managers (cited in Shane, Locke & Collins, 2003). Risk taking is another highly discussed trait of entrepreneurs; however, there is a significant controversy between researchers. While it is argued by some researchers (Brockhaus, 1980; Cooper & Dunkelberg, 1988; cited in Lee & Venkataraman, 2006) that it is an entrepreneurial trait, Low and McMillan (1998) did not find any differences between entrepreneurs and general population in that matter (cited in Shane, Locke & Collins, 2003). Dubini (1989) did not discover any universal traits pertaining to entrepreneurs. However, she identified three entrepreneurial types: self actualisers, people driven by negative circumstances, and followers of family tradition. Davidsson and Honig (2003) conducted a study in Sweden on nascent entrepreneurs, i.e. entrepreneurs that are in the process of starting a company. Their study showed that Swedish nascent entrepreneurs are better educated compared to the general population.
2.2.2 The Environment

In the study by Davidsson and Honig (2003) the probability of starting a company had a strong and positive relation with entrepreneurs having parents, friends or neighbours in business as well as with encouragement from friends and family. According to Dubini (1989), there is a concentration of self actualisers in encouraging environments, and discontented entrepreneurs in difficult environments. The results of an Austrian study by Schwarz, Wdowiak, Almer-Jarz and Breitenecker (2009) showed that university environment strongly affects the entrepreneurial intent of the students and business students in their study had the highest interest in starting a business compared to others.

2.2.3 The Process

Liao, Welsch and Tan (2005) in their study found that the venture creation process is a complex and fluid procedure which is nonlinear and rather random. Their findings contradict the established norms, which identify the venture creation process as a linear, step-by-step process with an ordered sequence of events. Liao et al. (2005) suggest that organisations emerge through series of non-linear events.

In the following section two models of business creation are introduced.

2.2.3.1 Business Creation Process According to Bhave

Bhave (1994) has developed a model of new venture creation (see Fig. 2.3 and Fig. 2.4). Opportunity recognition is the key early stage that leads to the formation of the business concept (see Fig. 2.3). According to Bhave (1994) the opportunity can be recognised either externally, following the decision to start a business, or internally, with the need recognised and followed by the start-up (see Fig. 2.3). Personal characteristics of the entrepreneur or the environment are said to influence the opportunity recognition.

A. Externally Stimulated Opportunity Recognition

B. Internally Stimulated Opportunity Recognition

Figure 2.3 Opportunity recognition sequence in the start-up process (Source: Bhave, 1994, p. 229).
In the venture creation model developed by Bhave (1994) the venture creation process is divided in three stages (see Fig. 2.4). These stages are thoroughly explained below.

Opportunity Stage - the opportunity is recognised, a business concept is identified and the commitment to venture creation is made.

Opportunity recognition leads to the business concept development. The latter refers to refining and defining a business concept so that it fits customers' needs. Novelty products are said to require more time and other resources during the business concept development, and it could include feedback from customers, for example. After the business concept is clarified, the entrepreneur needs to evaluate if the concept is good enough to start a company. Since resources, e.g. time and money, have to be invested in the start-up process, it requires commitment from the entrepreneur to pursue the creation of the company. Bhave (1994) identifies commitment to physical creation of a company as a significant transition point in the new venture creation process.

Technology Set-up and Organisation Creation Stage - resources are mobilised for the creation of the new venture, technology set-up, marketing and the product is created for the first time.

After the commitment to the company creation is made, it is time for the product technology setup and the organisation creation. In the study by Bhave (1994), technology setup and organisation setup occurred parallel. Service companies in the study did not require substantial resources apart from basic facilities and equipment and the knowledge and expertise of the entrepreneur whereas some product companies required potential investments for the technology set-up. Product development was present for products with high novelty and for products with low novelty that required customisation. The developed
product was a subject to changing customers' needs. Surprisingly, the entrepreneurs in Bhave's study (1994) barely mentioned the organisation creation, to them it was something rather accessory and not of strategic character.

Exchange Stage - after the product is introduced to the market, customers evaluate the product and provide operational and strategic feedback; customer feedback, marketing efforts and corrective action are grouped in this stage.

The supply and demand boundary separates the supply side, i.e. entrepreneurs, and the demand side, i.e. customers. The entrepreneurs market their products to customers across the boundary line. The entrepreneurs in the study by Bhave (1994) did not experience substantial problems in introducing their products to customers unless customer education was involved due to the novelty of the introduced products. After the product is introduced, the entrepreneurs receive feedback from the customers, strategic or operational. The strategic feedback is a feedback that concerns the business concept (Ansoff, 1988; cited in Bhave (1994)). If entrepreneur's perception of customers' needs is far from the actual customers' needs, the whole concept of a company needs to be revised. The operating feedback concerns the operational and tactical changes of the product (Ansoff, 1988; cited in Bhave (1994)). Unlike the strategic feedback, it does not require revision of the business concept. Examples of operational feedback are suggestions regarding the quality of a product (operational issues) or additional features (tactical issues). After receiving the feedback, the entrepreneurs need to take some corrective measures towards the issues that customers provided feedback on.

### 2.2.3.2 Business Creation Process According to Roininen and Ylinenpää

Roininen and Ylinenpää (2010) have developed their own model of business creation on the basis of Deakins (1999) and Lindholm Dahlstrand (2004) (cited in Roininen & Ylinenpää, 2010). The idea behind the model (see Fig. 2.5) is that the new venture creation process is affected by the factors such as the mode of resource configuration, the entry strategy and the product and market characteristics; and at the same time these factors can be affected by the new venture creation process as such. The two-way arrows demonstrate this correlation.

The steps of the gestation process can be explained as followed based on the classification by Deakins and Freel (2009) that was updated after it was introduced by Deakins in 1999.

**Idea Formulation** - the human capital of the entrepreneur, creativity and influence from family and friends have their impact on the formulation of the idea, where creativity refers to the ability to connect things or ideas that were not related before (Clegg, 1999; cited in Deakins & Freel, 2009). The formulation of an idea can be very time-consuming and often it requires refinement. Discussing an idea with others (e.g. family, friends, experts), doing research on it and collecting feedback on it can significantly help in refining the idea.

Role models, cultural attitudes to risk and failure, changing socio-economic and technical environments are the major factors affecting Opportunity Recognition. This is the key stage in the new venture process. An opportunity can be recognised due to a change in the environment, e.g. a political decision. However, the culture that surrounds the entrepreneur should be appropriate for taking the risks associated with new venturing, i.e. the environment should be facilitative in terms of its attitudes towards entrepreneurship. Yet, the challenging task is to develop ideas that would fit the opportunity that arose. Deakins and Freel
(2009) suggest that the existence of role models would affect this process as well. After evaluation of the opportunity, the entrepreneur makes the decision on whether to proceed further in the gestation process.

Figure 2.5 A model of new venture's start-up process (Source: Roininen & Ylinenpää (2010), p.71).

Pre-start Planning and Development – in this stage market research, access to finance, finding partners and social capital are playing the major role. Market research and acquisition of information are critical for the new venture creation, yet, the amount of research needed depends on the opportunities and venture setup. Among other preparation measures raising money, legal matters, finding a management team, matching skills, planning the entry strategy and composition of a business plan can be mentioned.

Establishment and Launch – this stage can be characterised by intellectual property rights (IPR) process, timing and role of serendipity. The choice of the entry point on time is vital for the venture’s success especially if IPR issues are involved. Serendipity plays a significant role here according to Deakins and Freel (2009). In this stage the following activities can be outlined: learning how to deal with customers, suppliers and bank representatives, marketing efforts, patenting procedures and gaining experience in general.

Post-Entry Development – in this stage the entrepreneur develops networks further and the venture continues achieving credibility. The most important issue that the entrepreneur faces in this stage is the credibility of the established venture, i.e. how credible the venture is perceived by customers, suppliers, etc. Novice entrepreneurs may make mistakes when it comes to administrative and operational decisions. An experienced partner entrepreneur in
this stage would help the novice entrepreneur to overcome these problems associated with the liability of newness as well as in extending the founder’s network. Marketing efforts in this stage should not be overlooked as it is critical to gain new customers and to keep the existing ones.

2.3 Hult Model – Synthesis of Academic Research

The authors have presented past research on the Business Creation Process. The following model combines past research prior to 1991 and presents it in one model (Larsson, 2003). The authors of this study decided to focus on this model as it is one of the few models that take into account the three factors: the Entrepreneur, the Environment and the Process.

In 1991, three academics at the university of Växjö, Sweden; M. Hult, A. Jerreling and G. Lindblom, created a model based on past academic research and theories which summarises the process and the most important factors involved in business creation (see Fig. 2.6).

![Hult Model Diagram](image)

Figure 2.6 Hult model (Source: Larsson, 2003, p. 1).

2.3.1 The Entrepreneur

The entrepreneur as a driving force of the realisation of a business idea plays a vital role in the business creation process. The Hult model (see Fig. 2.6) provides certain sub-variables that define the personality of the entrepreneur and as such entrepreneur’s quality and level of knowledge as a basic prerequisite of enterprise formation. These sub-variables comprise the age of start, the level of education in general, as well as on a technical and financial level. Furthermore, the knowledge about starting a new business, previous industrial experience in the industry chosen and the entrepreneur’s leadership abilities influence the creation process. Plus, the need for achievement as well as the level of autonomy are two important factors to look at. The need for achievement concerns again the personality of the entrepreneur; his/her vitality, contact ability and intellectual capacity. The autonomy-factor covers not only time but also financial autonomy as well as relations to family and
business partners. Risk deals with the effects of the new venture on family, former career and psyche of the entrepreneur while motive for establishment stands for the actual reasons of setting up a new business. The triggering factors are highly individual depending on the decisive factors that made the entrepreneur start.

2.3.2 The Environment

The environment compasses five factors: role models, financial resources, other resources, market and society's attitudes. Relatives, friends as well as other business owners can function as a role model for the entrepreneur. Financial resources can derive from the entrepreneur, individual financiers such as friends and family or from financial institutions like banks. Among other resources are services, machinery and labour. The market shall be understood as local market and export market, depending on the share of production that can be allocated to each segment. Society's attitude finally comprehends the present policy regarding support of new ventures including the entrepreneur's perception and experience with politicians on the local and national level.

2.3.3 The Process

Especially important for the study at hand is the establishment process of a new enterprise. The Hult Model divides the iterative process in five phases which are explained here in greater detail. Despite the sequential approach, it is possible to go back in the process (Larsson, 2003).

The Idea phase designates the start of the new venture creation. The business idea is not well developed yet, however, it lays the foundation stone for the inclination of the entrepreneur to start a business. In the test and persuasion phase, the potential entrepreneur wants to test his/her idea on family, good friends and colleagues. Empirical findings prove that a positive feedback from the entrepreneur's surroundings promotes the realisation of the business idea. Furthermore, the second phase can be seen as a learning phase, in which the entrepreneur takes up elementary knowledge in law and bookkeeping. The preparation phase concerns calculation, budgets, analysis of the market situation as well as the production process. In this phase, often outside consultants like Science Park are drawn on to ease the working process.

The Start-up phase usually has a starting point, a triggering event which causes the entrepreneur to finally implement his/her business idea. It can be a critical event and negative or positive in nature, for example renting an office for the future company. In the Ongoing business phase, the entrepreneur needs access to resources like capital, labour and raw material to continue the implementation of his/her idea. The business gets stabilised, however, the entrepreneur still has to spend the majority of his/her time and effort in the business. Future courses of action, such as the exploration of new markets, are often discussed with a consultant.

The Hult model shall be used to examine the measures undertaken by SPJ in each phase of the business planning process and assist in the exhaustive inspection of the circumstances in a business creation, the entrepreneur and the environment.
2.4 Conclusions from the Business Creation Frameworks

2.4.1 The Entrepreneur

The previous research demonstrates very controversial findings. As one group of researchers attributes certain traits to the entrepreneurs (e.g., Collins, Locke and Hanges, 2000; cited in Shane, Locke & Collins, 2003), others did not find any traits that differentiate the entrepreneurs from the general population (Baron, 1998; Dubini, 1989).

Bhave (1994) mentions the importance of the personal characteristics of the entrepreneurs during the opportunity stage. In the model by Roininen and Ylinenpää (2010) these factors are underlined in the idea formulation phase (Deakins & Freel, 2009). It can be concluded that both studies underline this factor in the beginning of the new venture creation process. According to Hult et al. (1991), the entrepreneur is the driving force in the realisation of a business idea, they have outlined several components that belong to the entrepreneur.

2.4.2 The Environment

The researchers seem to agree on the influential role of the environment on the entrepreneur (Davidsson & Honig, 2003; Schwarz, Wdowiak, Almer-Jarz and Breitenecker, 2009). Bhave (1994) states the importance of the environment during the opportunity recognition in the Opportunity Stage. Similarly, Roininen’s and Ylinenpää’s model (2010) includes the environment in the Idea Formulation and Opportunity Recognition (Deakins and Freel, 2009). Hult et al. (1991) even distinguish several factors that compose the environment.

2.4.3 The Process

Despite the differences in the names of the different phases and in the illustrations, similarities could be found between the three venture creation models discussed. Idea Formulation and Opportunity Recognition stages in the model by Roininen and Ylinenpää (2010) correspond to the Opportunity Stage in Bhave’s model (1994) and Idea Phase and Test and Persuasion Phase in the Hult Model (1991). Preparation Phase by Hult et al. (1991) refers to Pre-start Planning and Preparation in the model by Roininen and Ylinenpää (2010) and Technology Set-up and Organisation Creation Stage in the model by Bhave (1994). Establishment and Launch and Post-Entry Development in the Roininen’s and Ylinenpää’s model (2010) are similar to the Start Up Phase and the Ongoing Business Phase in the Hult Model respectively (1991). However, in the Bhave’s model (1994) these stages in those two models correspond to the Exchange Stage. While Roininen and Ylinenpää (2010) choose a cyclical approach for their model, Bhave (1994) and Hult et al. (1991) have a rather sequential approach, even if it is possible to go back in the Hult Model and Bhave integrated the effect of the constant feedback on the stages. Despite the fact that Bhave (1994) and Roininen and Ylinenpää (2010) mention the importance of the entrepreneur and the environment on the new venture creation process, none of them illustrates it in their models.

The Process section of Bhave’s model (1994) and Roininen’s and Ylinenpää’s model (2010) partially reflect the Hult Model in terms of steps and their sequence. This led the authors to the conclusion that Hult Model was a sufficient and appropriate tool to focus on in the qualitative study. Still, all models are taken into account in this thesis. Furthermore, the Hult Model is the harmonic synthesis of past research until 1991, which strengthens the choice of the authors.
Liao, Welsch and Tan (2005) claimed that business creation process is a complex, non-linear and fluid procedure. Yet, other researchers (Hult et al., 1991; Bhave, 1994; Roininen & Ylinenpää, 2010) developed models with a sequential approach. Whether business creation process is sequential or not is one of the investigative questions of this thesis.
3 Research Questions

In order to assure a full understanding for the following research questions, the authors of this thesis decided to present the frame of reference before the research questions. The following research questions are posed and later explored in this study.

I. What are the different stages and their sequences during the business creation process?

II. What factors influence the business creation process?

III. What kind of support does SPJ provide at different business stages?

IV. Are SPJ’s services perceived as effective from the point of view of entrepreneur who makes use of them?

V. What is missing in terms of services provided by SPJ from the point of view of the entrepreneurs interviewed within this study?
4 Method

In the following section the method chosen by the authors of this thesis is explained.

4.1 Motivation for the Qualitative Approach

For the empirical part the authors conducted their investigation by using a qualitative method. Qualitative methods are techniques of data collection which enhance the understanding of complex phenomena from people involved in it (Miles & Hubermann, 1994). Those data collection techniques include interviews with participants, video and audio recordings as well as observations.

According to Lee (1999) qualitative methods are useful when it comes to get a better insight into sophisticated processes and the perspectives of individuals dealing with those processes. On this account, those methods give the possibility to describe extensive and complex relationships and allows to pose open questions instead of simply using fixed questions as in quantitative approach (Barr, 2004). How to start up a new venture with the help of a business incubator is hard, if not impossible, to express in numbers or facts. As stated earlier, the business creation process involves different steps and is influenced by different factors. The authors want to explore more about the role of SPJ in the new venture process and what specific services are offered to their clients and when. In order to fully grasp this complexity and examine the importance of SPJ within this procedure, the authors decided to follow the qualitative approach. This way the authors are able to get an in-depth understanding of background and perception of the participants. A quantitative method would fail to deliver that input. Furthermore, quantitative methods are very useful in terms of standardisation, however, experiences and perspectives cannot be expressed in numbers or facts. Another advantage of the qualitative method is that the authors are able to pose questions and bring up issues which might not have been mentioned in a survey. Lee (1999, p. 44) suggests qualitative methods to be most useful for research questions of “description, interpretation and explanation and most often from the perspective of the organization members under study.” In this study the organization members are represented by the entrepreneurs. On this account, the authors think the qualitative method is most appropriate as it also assures that the information is internal and first-hand.

In case the findings disaccord with theoretical frame of reference chosen, “one can go beyond simply speculating as to what may have led to unexpected results such as non-significance and reversed signs, often attributed to misspecification errors or deficiencies in the sample in quantitative studies, to look at antecedent actions or contextual effect that might explain the findings” (Barr, 2004, p 167). The important issue here is that the authors are not only able to explore that the results are different from those expected but also present the reason for those variations. Hence, it is possible to put theory to a test by using the qualitative approach. In terms of this study, the authors can point out differences in business creation steps which might not coincide with the theory. Furthermore, it can be analysed to what extent Science Park Jönköping as a business incubator fits in the theoretical definition.

However, there are of course also drawbacks related to the qualitative approach. These drawbacks are revealed particularly when analysing the data. As qualitative data is neither standardised nor rational facts nor number, the interpretation is left to the authors (Barr, 2004). There is no statistical test of significance to determine whether results can be accounted for and “[j]udgments about usefulness and credibility are left to the researcher and
the reader.” (Hoepfl, 1997, p.52). Thus, it can be argued that the outcomes are not that reliable and valid as data obtained from a quantitative survey. However, the conductors of this study have recorded all interviews, structured the presentation of the data and prepared the analysis throughout to avoid invalidity and incredibility. In order to overcome biased and subjective results, it is of utmost importance to link the data to the outcome and to clearly state the arguments in a logical way (Golden-Biddle & Locke, 1997). In a later section of this paper, this is substantiated by the authors.

4.2 Participants

In this section the choice of participants is explained, further, all participants are introduced.

4.2.1 Choice of Participants

In order to fulfil the purpose of this paper, the authors needed a detailed understanding of the business creation process. On this account, the authors strived for interviews with the founders who managed to start a new venture with the aid of SPJ so as to be able to examine the different factors involved in the business creation process and how and when Science Park Jönköping was involved. This way, it is possible to obtain profound information and data, which is important in order to grasp the business creation process and the role of Science Park Jönköping in it.

In addition, the authors conducted research with a representative from SPJ to get an insight of the new venture creation process on the part of the business incubator and in order to complement the secondary data available of SPJ.

The SPJ Representative, Lisa Jonsson, was chosen due to her experience at Science Park and especially the Business Lab. She is working within that department of SPJ since several years, has come across hundreds of business ideas and advised many future entrepreneurs. For this reason, the authors are convinced that she best typifies the role of SPJ.

Furthermore, seven founders of new ventures were interviewed. The authors feel positive about the amount of participants and are persuaded that this number is justifiable. Seven Participants represent a reliable and appropriate sample without going beyond the scope of this study. Above all, after conducting seven interviews, the authors were able to gather enough information to fulfil the purpose of this paper and to answer the research questions. The constraint was that all ventures are registered and had been established in cooperation with SPJ. Three contacts were established by the authors themselves. Four entrepreneurs were approached via an E-mail which was sent to all new ventures in the Business Lab by the SPJ representative. When selecting the entrepreneurs the researchers assured to have a variety of entrepreneurs in terms of gender, age, nationality and company existence and industry sector.

Since the data collection comprises the handling of personal and internal information, the authors decided to anonymise all Participants. This does not restrain to fulfil the purpose of this thesis since only their venture and their experience are important and not their identities. Consequently, all entrepreneurs in the following section are given numbers. The Participants have not been prepared by the authors since they talked about their individual venturing journey and were suppose to do in the most natural and unswayed way. All par-
Participants were asked for their agreement to record the interviews in order to assure credibility and to give quotes in a later section of this paper. All Participants agreed upon this.

4.2.2 Information on the Participants

Participant # 1 is one of the two founders of an IT consultant/Web development and design company. He is 30 years old and started the company 3 years ago. He is originally from Mexico and came to Jönköping to study. He graduated with a Master from both, School of Engineering and JIBS (Jönköping International Business School).

Participant # 2 is 22 years old and is of Swedish nationality. His venture belongs to the marketing sector as he is offering “Guerrilla” advertisement. The registration of the company took place 3 years ago although he is not actively running his business at the moment as he has to finish his studies and is occupied with an employment.

Participant # 3 launched his venture together with the 3 other owners more than one year ago. He is 26 years old and his nationality is Swedish. The company offers services within the field of industrial design.

Participant # 4 is a PhD candidate at JIBS and has French and Swedish ancestors. She is 39 years old and the solely owner of the company, which she started in February 2010. She offers strategy and marketing consultant services for her clients.

Participant # 5 is the owner of a marketing company. She is Latvian and 22 years old. She created the company in 2008 together with her business partner. As she is currently studying abroad in order to finish her studies, she cannot devote all of her time to the venture.

Participant # 6 is Swedish and aged 27. He and 2 other owners, from which one is simply an investor, established the venture 2.5 two and a half years ago. They offer care services for elderly people with an immigrant background. The care takers match this background in terms of nationality and religion. He is a former JIBS student.

Participant # 7 is doing business in the coffee industry. Among other countries, he exports coffee to Sweden, Norway and Canada. He is one of three owners, who started the company in spring 2009. He has got a Master degree from JIBS, is 28 years old and Indonesian.

Lisa Jonsson is working as a Business Developer at Science Park in Jönköping.

4.3 The Interview Design

As stated above, seven interviews were held with one of the founders of the examined companies. The interviews were held with the founding entrepreneur, due to the fact that the founder can give the most reliable information about the business creation process. Three of the interviews took place at a conference room in the Science Park building whereas another two were held at Jönköping University. As two participants of this study are not staying in Sweden at the moment, these interviews were held via a Skype conference. All participants were interviewed once, however, contact details were exchanged in case of further questions.

The goal was to examine which steps were followed to turn the initial business idea into a new venture. Further, the authors wanted to find out how and at which steps SPJ was involved and what means of help were provided. Thus, after conducting the entire inter-
views, the authors got a clear picture of their new venture creation process and are therefore able to oppose this knowledge with the theory in this study. Moreover, the authors examined how SPJ supported this business creation process and can specify whether the support was helpful or not and this way comment on necessary support issues that are not covered by the business incubator.

The entire interview schedule as well as the interview guidelines can be found in the appendices in the end of this paper.

### 4.3.1 The Semi-Structured Interview

The authors conducted semi-structured interviews. This method delivers a common base when it comes to analysing the answers while at the same time offers the necessary flexibility in case of significant differences to the theory. The intention was to ask the same questions, in the broadest sense when it comes to demographics and company description, to all participants as this allows for a better comparison. However, specific questions were asked to the business owners depending on their individual business creation processes and the stage of the cycle they were in. Those adjusted questions helped to shape a more sophisticated picture and a better understanding of the specific venture creation process. The specific questions did not necessarily have to be prepared in advance and could be created during the interview. Yet the authors had a collection of questions at hand. Among the interview questions, a multitude of open-ended questions, rather than closed-ended, can be found. The reason being the need for showing the individual business creation processes how it was perceived by the entrepreneurs. All questions were put into subcategories as it is a common tool when it comes to semi-structured interviews. Further, those subcategories were used to facilitate the data presentation and the later analysis. The researchers derived the subcategories from the theory presented in this study.

Moreover, there was room for the participant to freely tell what he or she thought was appropriate. This approach allowed the participants to freely share their beliefs and directed the conversation into areas which were important to them (Barriball & While, 1994).

The major benefit of the semi-structured approach is that the authors not only receive the answer to certain questions but also the cause for the answer. In this study, this signifies that it cannot alone be learned which measures Science Park Jönköping provided but also why they were supportive or not helpful respectively. This is essential in order to fulfil the purpose of this paper. Moreover, the semi-structured interview allows for communication in both directions in such way that the participants are also able to pose questions.

In order to ensure good preparations, the authors performed a test run to become familiar with the questions.

### 4.3.2 Interviews with Science Park Jönköping

Beyond that, two interviews with the representative from SPJ were held at different stages of this study. Both interviews took place in a conference room in the Science Park building. The purpose of the first interview was to get more general information about the Business Lab within SPJ and what services were provided. Furthermore, the authors wanted to be able to better evaluate the potential of this study. In the second interview, more detailed information about SPJ and its structure was acquired. Besides, the researchers got a better
picture of how SPJ deals with a business idea and accompanies the future entrepreneur along the way towards the start-up of the company.

4.4 Analytical Techniques

Qualitative data analysis consists of the steps and processes to transform the qualitative data into coherent interpretation so as to explain and better understand the meanings of the investigations (Grbich, 2006). In order to best transform the raw data into a coherent analysis and interpretation the illustration developed by Holliday (2002) was made use of (see Fig. 4.1). First of all, all the interviews were put down in writing before presenting them according to the subcategories deduced from the theoretical background and used in the interview guideline. “The formation of themes thus represents the necessary dialogue between data and researcher; [...].” (Holliday, 2007, p. 94). For this reason, at the later analytical stage, the data was further grouped to establish a coherent and structured interpretation. Or as Auerbach and Silverstein put it, when analysing the data, it is important “that you must be able to support your interpretation with data, so that other researchers can understand your way of analyzing it” (Auerbach & Silverstein, 2003, p. 32).

![Figure 4.1. From Data to Text. (Source: Holliday, 2002, p.100).](image)

The procedure of analysis used by the authors of the study on hand is explained in the following section.

There are different techniques of how to analyse qualitative data. One approach, which should be used for this study, is that of Seidel (1998) who divides the basic process of analysis in 3 parts: Noticing, Collecting and Thinking about things. The model (see Fig. 4.2) shows that the parts are interrelated, cyclical as well holographic which implies that each step contains the entire process.
Noticing means making observations with the help of interviews or gathering documents and basically involves recording the things one has noticed. At the same time, the data has to be collected and sorted by identifying similarities and put the findings into groups, pieces or units. The Thinking about Things implies detailed examination of the data material collected. This involves comparing in order to set up patterns and typologies. An important step within this analysis method is to “code” the findings, which means to put them into categories in order to be able to interpret and analyse them.

Auerbach & Silverstein (2003) argue that coding is composed of 3 phases:

- Making the text manageable: filter what is important to the study
- Hearing what was said: recording similar ideas and grouping them together and put them into categories
- Developing theory: put the grouping themes into a theoretical construct and background

The analysis for this study therefore involves the search for similar themes and patterns as well as the usage of codes to bring structure, order and meaning to the entire data set. All interviews were recorded in order to be better able to analyse them in terms of finding common patterns and codes.

This approach is based on the “Grounded Theory” method which was developed by Glaser & Strauss in 1967. The grounded theory, as well as the approach by Seidel (1998), imply to code the data obtained to be able to put it into categories. The codes should be compared so as to find consistency and differences. Similar meanings among the codes reveal a certain category which can serve as a basis for the creation of a hypothesis. This method is also used to build theory and as the authors are striving for accomplishing the aim, it is considered best suitable. In the end of this paper, the authors develop a theoretical model including the theoretical background of new venture creation combined with the empirical findings. This shall be done by including the parts of the business creation models which proved to hold true according to this research. Further, the cooperation with the business incubator Science Park is respectively included in the model in accordance with the results of this study.

4.5 Trustworthiness and Credibility

Validity and reliability in qualitative research must be rated and valued in accordance with different criteria from those of quantitative research (Bryman & Bell, 2003). Lincoln and
Guba (1985) state that trustworthiness is important to assure reliability and validity of the research study. Trustworthiness involves the following issues:

- **Credibility:** confidence towards the truth of the findings
- **Transferability:** findings are applicable in other contexts
- **Dependability:** findings are repetitive and consistent
- **Confirmability:** degree of neutrality (findings should not be shaped by the researcher but by the respondent)

The entrepreneurs in this study were not influenced by the authors and are, on this account, not biased and it is assumed that they were all telling the truth when talking about their personal venture creation process. In addition, the authors believed that the results are also applicable to other regions in Sweden where a business incubator is existent since Science Park Jönköping resembles other Science Parks in Sweden (Innovationsbron, 2010).

According to Corbin (2008) using the terms “validity” and “reliability” are inappropriate within the context of qualitative research. She rather suggests using the term “credibility”, which “indicates that findings are trustworthy and believable in that they reflect participants’, researchers’, and readers’ experiences with a phenomenon but at the same time explanation is only one of many possible plausible interpretations possible from data.” (Corbin, 2008, p. 302). This is also the case within this study and the database consists of personal experiences and perceptions of the Participants and the authors analyse the data in a logical, comprehensible and traceable way. Corbin further suggests following several conditions in order to guarantee quality and credibility. First of all, there should be a consistency within the method approach. Instead of combing different methods, the researcher should follow one method and its procedures. In the study on hand, the authors stick to the qualitative approach by conducting semi-structured interviews. Secondly, the purpose must be clarified without leaving any questions unanswered. In order to fulfil this criterion, the whole paper is in line with its purpose which is further clarified with the help of the delimitations. Another requirement can be seen in the self-awareness of the interpreters, which means that the authors should be aware of their possible bias. To overcome or at least minimise this, criticism and objective valuation is required. The authors of this paper continuously strived to display a neutral perspective towards the participants as well when analysing the data. Further the authors should develop sensitivity for the topic itself, empathising with the Participants as well as to be able to capture their opinions and beliefs. Commitment and diligence are additional preconditions. Due to several weeks of preparing and working through material related to the topic of this thesis, the authors are convinced to have the necessary knowledge so as to grasp the participant’s viewpoint and thinking as well as being thoroughly committed to the study.

Above all, every single interview was recorded and put down in writing after the interview. In this way the data collection could be presented and analysed most effectively. Further, this reinforces the credibility of this study as the data can be drawn upon anytime.
5 Empirical Findings

The authors have interviewed seven entrepreneurs and a representative of SPJ. The following section presents the results of the interviews. The first section provides further information on SPJ and the department in focus which is the Business Lab. The second section presents the empirical findings from the interviews with the entrepreneurs.

5.1 Science Park Jönköping

The following part is based on the information obtained from Lisa Jonsson during two interviews. In this study the particular focus is given to the Business Lab since the authors explicitly focus on the venture creation process which takes place at SPJ Business Lab.

SPJ was founded in 1998 on the initiative of two students at JIBS who wanted to apply their theoretical entrepreneurial knowledge on practice. Originally it was only facilities which students could use. From the start SPJ had strong connections with Jönköping University and a significant part of financing comes from the university. SPJ has three different operating departments consisting of Business Lab, Business Incubator, and Business Growth (see Fig. 5.1).

![Science Park Jönköping](image)

Business Lab was established in the beginning of 2001 when the first consultation took place. In the Business Lab people can discuss their business ideas with representatives from SPJ, further develop their ideas and get support up to the registration of the company and beyond. The office space, including office equipment, and consultancy services are for free. Offices can also be rented at a later stage, if the companies do not move elsewhere.

In 2009, SPJ received 350 business ideas of which 100 were turned into businesses. Out of all people who turn to SPJ, 85% are students.

In the Business Incubator the companies are thoroughly selected. From this stage the companies are being charged for the office space. The entrepreneurs have to be dedicated to their businesses, have a product-related business concept and plan an international expansion. Among the offered services are business development, financing, networking and match-making, education and professional consultancy.
Companies in the Business Growth are well established and rather mature. This is an environment where companies continue to grow both domestically and internationally. There are networking activities and educational seminars provided depending on the needs of the entrepreneurs.

5.1.1 Science Park Services in the Business Lab

SPJ provides a variety of services to the entrepreneurs. As mentioned above, the common office space is available free of charge. There are workshops offered on accounting, marketing, finance and tax declaration. The most popular workshops are those that have practical application, e.g. bookkeeping and declaration and guest lectures. Entrepreneurs can use SPJ’s consultancy services free of charge; these services enjoy a great popularity. Networking activities are organised in form of Open Coffee, Afterwork and open lectures. Open Coffee is an open mingle to which students from Jönköping University are invited in order to exchange their ideas and knowledge and to find potential partners. Afterwork is an internal event in terms of informal get-together for SPJ’s entrepreneurs. SPJ organizes competitions and projects marketed to students that promote entrepreneurship, for example, Venture Cup, Smart Camp, Playing for Change and Summer Entrepreneurs. There is no formal feedback system on services provided by SPJ and entrepreneurs’ experiences.

5.1.2 Incubation Process in Business Lab

The incubation differs between service ideas and product ideas. The main advice of SPJ in the early stage is to discuss the business idea with potential customers, suppliers and customers, unless patent issues are involved. Entrepreneurs are advised to conceptualise their ideas, and to prepare a business plan (mostly for product ideas and if investors are involved). To people with service ideas SPJ advises to define the service and the target market. The set up of a service company takes much less time as compared to a product company which requires product development and means greater financial burden. SPJ does not give industry- or product-related consultancy, but they have partners, such as ALMI, Combitech, and Rotary, that provide those services with discounts.

SPJ does not reject any idea in the Business Lab and leaves the decision whether to register the company or not to the entrepreneur.

“It is up to the entrepreneur to use us.”

(Lisa Jonsson, personal communication, 2010-04-26)

“It’s not depending on the idea it’s so much more about the person [...] If I see that this person has a business idea and they are putting in a lot of work and I try to do the same.”

(Lisa Jonsson, personal communication, 2010-04-26)

Nonetheless, SPJ does have an internally developed approach to bring the business idea to the market. SPJ does not make use of a process model when dealing with business ideas but rather advises the future entrepreneur to focus on the following factors: Money, Business Model, Sales/Distribution, Strategic Cooperation, Administration, Rules and Regulation and the Team.
5.2 Empirical Findings Presented According to the Hult Model

In the following section the results of the interviews are presented as outlined within the Methodology part. The illustration by Holliday (2002) implies a thematic ordering of the data. In order to stay consistent throughout the thesis the authors decided to present the empirical findings according to the main components of the Hult Model, the entrepreneur, the environment and the process. Additional to that, a section on collaboration with SPJ is included since the purpose of the study is to present how SPJ is involved in the venture creation. Further, it was chosen to structure the section with respect to the participants so as to distinguish and show the complexity of their individual stories. The information was obtained during the interviews with the seven participants mentioned above.

5.2.1 The Entrepreneurs

5.2.1.1 Participant # 1
Participant # 1 wanted to be his own boss as he did not want to be an employee at somebody’s company.

“We didn’t want to be employees.”

(Participant # 1, personal communication, 2010-04-14)

Participant # 1 had previous working experience within the Information Technology (IT) industry and therefore had the knowledge necessary for running his own business in the industry. Participant # 1 had the commitment for starting the company but lacked the expertise in business administration. This is why participant # 1 completed a master program within business administration. When asked for the reasons why the company was started, it was said:

“We wanted to do something that belonged to us, something that was challenging and took us out of our comfort zone.”

(Participant #1, personal communication, 2010-04-14)

5.2.1.2 Participant # 2
Participant #2 was studying Business Administration at the time of the start-up, which is why some knowledge when it comes to marketing and business creation was existent; however, participant # 2 has never worked within marketing industry. During the study program the interest in marketing arose along with the curiosity to apply it practically. The initial idea to start a company was to make a living, but studies did not leave much free time for the company. At present, participant # 2 has a job and completes his studies, which is why the business operations are pausing. The triggering factor was the assignment received from the Science Park, and after that the participant and his partner thought that it was good enough to continue.

“It was Science Park who made us starting!”

(Participant #2, personal communication, 2010-04-16)
5.2.1.3 Participant # 3
Participant # 3 is one of the four founders and has a master degree from the Jönköping School of Engineering. The company consists of four self-employed people and engages in product development and design. The entrepreneurs decided, keen on experiments, to take part in Science Park’s “Summer entrepreneur”-program and its success motivated them to continue with their business. None of them had previous experience in the sector chosen.

5.2.1.4 Participant # 4
Participant’s # 4 intention to start an own business was to get a better wage than one would get when being employed. According to the participant, that way one is more powerful when it comes to negotiating the wage with customers. The venture can be described as a consultancy firm for strategic and marketing affairs. As participant # 4 is currently writing her thesis within the field of strategy and value proposition she was well-experienced before setting up her own venture.

5.2.1.5 Participant # 5
The entrepreneur was an international student at JIBS studying Business Administration at the time of the start-up. Participant # 5 wanted to have an extra job next to the studies, but could not find any due to the lacking of Swedish language skills.

"When I came to Sweden I really wanted to look for a job. Since I didn’t know any Swedish and I didn’t actually know any other way to make money."

(Participant # 5, personal communication, 2010-04-22)

Participant #5 wanted to try something new and for this reason started a company. The marketing field was chosen as it was the focus of interest and did not require huge investments. The participant was the founder of the company. At present, participant # 5 is studying abroad in order to complete her studies.

5.2.1.6 Participant # 6
Participant # 6 is one of two founders whereby there is a third owner who acts as a business angel. The business belongs to elderly care and has currently 12 full-time employees. The competitive advantage of the business is that most of the senior clients have an immigration background and so have the employees who take care for the senior citizens. Participant #6 had experience within that industry to some extent due to his working experience with criminal teenagers before. The company has passed through the start-up phase and is now operating in the 2nd year. Participant # 6 considers the present business stage as growing. The intention to get self-employed rather than employed was curiosity and the conviction of great potential of the idea.

"It seemed like a great idea [...] and then we saw the potential."

(Participant # 6, personal communication, 2010-04-23)

5.2.1.7 Participant # 7
Participant # 7 is an Indonesian student who did a Master-degree at JIBS. The entrepreneur is engaging in the coffee-business and founded the company with two other people. At the moment, the firm employs five people. The initial motivation was to be able to make a living in the long run. Participant # 7 did not have any previous experience in the
coffee business, however, considerable knowledge about accounting, finance and new venture creation was existing due to some practical experience in Indonesia. However, participant # 7 underlined that learning is a never-ending process.

"Life is learning and learning is life."

(Participant # 7, personal communication, 2010-04-26)

5.2.2 The Environment

5.2.2.1 Participant # 1

Participant # 1 saw his elder brother as a role model, as his brother had an own IT company. The reaction from the family was controversial, as they were happy for him starting a company but at the same time they were sad that he would stay in Sweden. This participant did not need substantial investments in his company, and all necessary expenses were financed by himself. As his major customers are located in Mexico, participant # 1 has his business focus on this country.

5.2.2.2 Participant # 2

The participant saw two Swedish advertising agencies as role models - Forsman & Bodenfors and Ny reklam. The business did not require huge investments and all the necessary expenses were financed by his own money. The biggest resource was the time, as the participant needed to have a balance between studies and the company. His friends and family were very positive about the start-up, as he was studying Business Administration and marketing was in his education field.

5.2.2.3 Participant # 3

Participant’s # 3 father and brother acted as role-models for the foundation of the business since both are self-employed, the father as a lawyer and the brother as a carpenter.

"My father and my brother have both their own companies"

(Participant # 3, personal communication, 2010-04-17)

The business was financed by the entrepreneurs themselves, as well as with salary from the first customers. Business is done within Sweden only and the foundation of a company was perceived as easy and quick. The biggest obstacle was to define the business of the company when registering it. Participant # 3 had some technological, as well as financial knowledge and basic knowledge about new venture creation.

5.2.2.4 Participant # 4

The participant # 4 has an entrepreneurial familial background. Her husband is also running his own business. When asked how her environment reacted to her business idea, participant # 4 replied:

"I have never met anyone who said that it was not a good idea"

(Participant # 4, personal communication, 2010-04-22)

An external source of financing was not necessary and all expenses were financed by the founder herself and partly by family and friends. The focus within participant’s #4 business
is Sweden only. The business creation process in Sweden was easy for her especially with the help of the business incubator Science Park. The biggest obstacle was within legal issues, like setting up the contract for the first customer.

5.2.2.5 Participant # 5

In case of participant # 5, friends were extremely glad for her starting a company. A close friend acted as the role model, in that the acquaintance had a relation to entrepreneurship. The business was financed by entrepreneur’s own money. Teachers at JIBS were very helpful and provided their advice and even networking support. When asked about administrative procedures of starting a company, participant # 5 answered that it was not difficult to start up a company in Sweden.

“No! It was much easier than I expected!”

(Participant # 5, personal communication, 2010-04-22)

5.2.2.6 Participant # 6

During the interview participant #6 mentioned his father as his role-model because he is self-employed as well. Answering the question how his environment in general reacted towards his business idea, the participant said:

“Very positive. I am from an entrepreneurial family from the beginning. All my friends think of me as an entrepreneur.”

(Participant # 6, personal communication, 2010-05-23)

He financed his undertaking with the help of family and friends and did not make use of any external financial resources. The launch of the business was linked to a political decision. The business is up to date solely operating in Sweden but there is an opportunity to expand to London which is currently be looked at in more detail. Setting up a business in Sweden was perceived as not difficult at all and no particular obstacle was stated.

5.2.2.7 Participant # 7

Participant # 7 said during the interview that his grandfather, a plantation manager, was a very important role-model for him. To finance his business, he used his own money and took an additional loan from the bank. The participant’s business is registered in Norway due to better business conditions. Business is done in Sweden as well as the rest of Northern Europe and Canada. According to participant # 7, the registration of a business was not too difficult since there are not many formal requirements to fulfil. However, the biggest obstacle was the visa which was a necessity.

5.2.3 The Process

All the participants were asked to describe their business creation processes and after that confronted with the Hult Model (1991). None of the participants completely agreed on the sequence and steps of the Hult Model (1991).
5.2.3.1 Participant # 1
Participant # 1 had the start-up idea before he came to Sweden, as he was working in the respective industry. The participant announced he did not need a test and persuasion phase since he was very convinced of the idea. The company was started two years ago, after that it was accelerating for six months, it was growing and developing for further seven months and currently he sees his company in the growth stage. According to the participant, the business idea turned into a business when he rented his first office. From the time when he got his business idea until the company’s registration went 7-8 months. At present the participant is looking for new opportunities and further development of his company.

“We are still looking for ventures and opportunities.”

(Participant # 1, personal communication, 2010-04-14)

As a tip for the future entrepreneurs participant # 1 advises to prepare a business plan as he did himself.

“Do a business plan!”

(Participant #1, personal communication, 2010-04-14)

5.2.3.2 Participant # 2
Participant’s # 2 initial business idea was changed as it was unrealisable. Instead the decision to start a venture within guerrilla marketing was born. Preparations were undertaken in terms of determination of the target customers as well as first marketing activities.

The business creation was started triggered by an event from SPJ and this was also the moment when the participant felt that his idea had turned into a real business. The assignment was to advertise Venture Cup which is a business plan competition. After the business establishment, the participant and his partner registered the company’s domain, put up a website and contacts to potential customers were established.

Evaluating the ease of setting up a business, the participant says that conquering the ‘tax jungle’ was the most difficult part. Nonetheless, as a final advice to future entrepreneurs, participant # 2 says:

“… Some people say you have to have a perfect business plan, but don’t stare yourself blind on that.”

(Participant #2, personal communication, 2010-04-16)

5.2.3.3 Participant # 3
The business is currently in the Start-up phase and will definitely be operated in the future. It took two months from the initial business idea to its realisation and during this process several stages occurred simultaneously. When the feasibility of the idea was tested on friends and family, the overall reaction was positive. To prepare the start-up, the entrepreneurs wrote a business plan and calculated a budget. Both activities are still in process.

“The budget and all that we’ve been developing since the beginning but it is not finished.”

(Participant # 3, personal communication, 2010-04-17)
The idea was implemented from the entrepreneur’s point of view when the first orders came and they moved into their own office. After the establishment of the business, the structure is further refined and adapted according to its growth, for instance the enlargement of office space. Finally, they advised future entrepreneurs not to be afraid, pursue their business idea and to make use of SPJ services.

5.2.3.4  Participant # 4

The current business stage is considered by the participant to be the ongoing business phase. Further, good future prospects can be seen ahead as the participant was able to gain a substantial mandate.

“I didn’t really need some time for persuasion […] I feel like I am on the ongoing phase because I’m working with the customer.”

(Participant # 4, personal communication, 2010-04-22)

Between the feasibility of the idea and the registration of the company lay only 1 week. As she already had her first client, she did not feel the need to prepare a business plan. The reaction towards her business idea from her family, especially her husband, was throughout positive. The triggering factor was the opportunity to get a contract with a client. According to the entrepreneur, the initial business idea had turned into an operating business when the name, the website and the specific service were selected. At the time of the interview the first order has not been accomplished. Therefore the focus at the moment is to fulfil the first customer order. When confronted with the Hult Model, participant # 4 said that her business creation process differed a lot from the model and she was jumping between the steps and many steps took place simultaneously.

“If I look at this Hult Model, it is very linear. And it is as far from reality as possible.”

(Participant # 4, personal communication, 2010-04-22)

5.2.3.5  Participant # 5

Participant # 5 met two other persons who shared her views and vision, and it was the combination of different skills which led to the creation of the company.

“I met other people who were thinking like me. And we had many ideas, we shared the ideas and we had different skills. […] We had these visions and business ideas.”

(Participant # 5, personal communication, 2010-0422)

Yet, they did not prepare a business plan. The first order marked the beginning of the business operations. At present the participant is studying abroad, but is still working on different projects with her friends who are still in Sweden. Participant # 5 would classify her company as being in the start-up stage and further marketing efforts are undertaken to acquire new customers. To be creative and go for the business idea is her advice for future entrepreneurs.

5.2.3.6  Participant # 6

Six months went by between participant #6 and his partners first came up with their business idea and the registration of the company. Family and friends had a positive attitude towards the business idea. To prepare the start-up of the venture a business analysis and a
budget was compiled. Despite this fact, he left out the test and persuasion phase since the potential of the idea was striking. The triggering factor for participant #6 was the emergence of the opportunity in terms of the market niche the founders saw. The final implementation was personally perceived as the creation of the financial statements.

"To see the numbers from 2009."

(Participant # 6, personal communication, 2010-04-23)

The service was first provided to a client in March 2009. After the operation of the business the owners are seeking for new opportunities.

5.2.3.7 Participant # 7

The business is now in the growing stage. The realisation of his business idea took around four months. The reactions from participant's # 7 environment were mixed. His mother had concerns about the risks involved, his friends on the other hand reacted in a positive way. To prepare the start-up of its business idea, he wrote a business plan and calculated a budget. The triggering factor for starting his business was the recognition of a good opportunity in a market with little competition.

"There were not many businesses in place."

(Participant # 7, personal communication, 2010-04-26)

When the first orders were received, he felt that his business had been started. After this point, he mainly focused on the establishment of long-term clients. To calculate the risks and to determine clearly the goals is his tip.

5.2.4 Collaboration with Science Park Jönköping

5.2.4.1 Participant # 1

Participant # 1 is still in contact with SPJ and his office is still located in the SPJ building.

"Since then we have been completely in contact with them. We still have a good connection, a running connection with them."

(Participant # 1, personal communication, 2010-04-14)

The first advice he received was to develop a business plan. During the time of collaboration, he used mainly translation services and received consultancy concerning law and tax. He stated that he used SPJ's services mainly in the beginning of the business creation process and that the associated empowerment and encouragement was of utmost importance to him.

It took between six and seven months from the first encounter with SPJ until the company was registered. Talking about networking, participant # 1 only used SPJ as a business incubation organisation and the networking activities organised by SPJ helped him to establish valuable business contacts. When asked to evaluate SPJ's assistance, Participant # 1's feedback was very positive, stating that the support provided was very helpful and he would recommend it to other young entrepreneurs.
5.2.4.2 Participant #2

As the participant says himself, without SPJ the venture would not exist.

“...we wouldn’t have managed to do it as we did if we wouldn’t have their help. We would have been lost and we wouldn’t have been as safe as we were.”

(Participant #2, personal communication, 2010-04-16)

He underlines that security is very important in the start of the new venture process and that SPJ provided this security.

In the beginning, participant #2 met SPJ on a daily basis, which decreased over time. When they met Science Park for the first time, they were advised to specify their core activity and identify potential customers. Afterwards, they changed their business idea to guerrilla marketing. The biggest obstacle was to acquire the first customer but SPJ assisted in overcoming this problem. The first meeting with SPJ took place in August 2007, and the participant is in contact with SPJ since then.

The services of utmost important were the free office space including office equipment and the availability of Science Park’s representatives for advice. Further, participant #2 made use of the legal counselling which implied a first meeting with a lawyer free of charge. There were few networking activities; one of the positive externalities was the possibility to network with other companies on the floor. In general, the participant wished to have more support from Science Park in matchmaking with potential customers and projects.

5.2.4.3 Participant #3

The participant is in contact with SPJ until today. In the beginning of the business creation process, SPJ was met about two times a week. SPJ gave advice on the steps needed to start a new venture.

“They gave us advice on the steps but not how to do it.”

(Participant #3, personal communication, 2010-04-17)

It also provided office and meeting space and gave counselling in legal and financial questions as well as accounting. It took around one month from the first meeting with SPJ until the eventual implementation of the idea. Talking about networking, SPJ held events where young entrepreneurs could meet, such as Afterwork and helped to establish valuable contacts. SPJ’s support was perceived as very helpful and the organisation would be highly recommended to other students who want to start their own business.

“...you stop by and ask something [...] They are always there if you have questions.”

(Participant #3, personal communication, 2010-04-17)

Participant #3 stated that since the collaboration with SPJ, his knowledge about Accounting, Finance and new venture creation has increased.

5.2.4.4 Participant #4

The collaboration with SPJ began in February this year. During the first meeting the entrepreneur was advised to get insight market knowledge about the region and this was the service which she appreciated the most. The fee which should be charged to customers was
also discussed. Apart from that very first meeting no further meeting took place but participant #4 has been in contact with SPJ via e-mail frequently during the start-up and according to needs today. No technical assistance was needed, instead the entrepreneur took advantage of the networking services and got in contact with a lawyer and an accounting company. Those contacts are important and valuable to the participant. All in all the support provided by SPJ was perceived as very helpful and she would recommend SPJ to other future entrepreneurs. The only thing which could be improved is a quicker response time when it comes to e-mail contact. However, the entrepreneur stated that without the help of SPJ the whole business creation process would have been more painful and taken considerably more time.

Participant #4 would advise people who want to start up a venture to put as much commitment and interest into the business idea as possible.

"You have to have the interest and the commitment."

(Participant # 4, personal communication, 2010-04-22)

5.2.4.5 Participant # 5

Participant # 5 met Science Park in November 2008 and her company was registered the same month. At the first meeting, SPJ advised to decide on the strategic direction as well as the target market for the venture. In the beginning several meetings between the participant and SPJ took place. Most of the support provided by SPJ concerned legal and tax matters, which was perceived as very helpful. Even so, participant # 5 stated that she would have been able to start the company without the help of SPJ since the start-up process is highly transparent in Sweden. Overall, the participant’s impression regarding the aid from SPJ was positive; however, more practical advice would have been desired.

"They didn’t really help in practical ways"

(Participant # 5, personal communication, 2010-04-22)

5.2.4.6 Participant # 6

The entrepreneurs have been in contact with SPJ from 2006 until approximately August last year. After the first meeting with SPJ it took 3 months to eventually register the company. The first advice SPJ gave participant #6 and his partners was to clarify the business idea and to prepare the first meeting with the county which was necessary in their case. The entrepreneurs have been in contact with SPJ every 2nd month. During the starting time they used the office facilities provided by SPJ free of charge. Today, the company is renting an office in the SPJ building. Networking activities were not used by the founders and the most valuable service to them was the feedback from SPJ they got concerning their business idea. Therefore, the Participant pointed out that the service provided by SPJ to them was very helpful and he would recommend it to other people with an innovative business idea. According to him, the implementation of the venture would have cost more without SPJ’s assistance.

The tip for future entrepreneurs is:

"Just do it"

(Participant # 6, personal communication, 2010-04-23)
5.2.4.7 Participant # 7

The participant has never stopped being in contact with SPJ until today. It took between two to three months to turn the idea into a business after he met Science Park. When he first brought up his business idea, he got advice on legal issues, the licenses needed and information about customer behaviour and Swedish culture. Furthermore, he used the office space in the SPJ’s building and the counselling services in the beginning, information about the Swedish market was of utmost importance to him. Talking about networking, he especially used the “Open coffee” arranged by SPJ, where he was able to establish valuable contacts. His overall evaluation of SPJ’s services was very positive, in his opinion, SPJ’s support was very helpful, he would recommend it to others and there was no service he could have had needed but was not provided. Plus, his knowledge about Finance and Accounting has been increased since he was working with SP.
6 Analysis

In this section the empirical findings are analysed according to the structure of the Hult Model. Based on the empirical findings, the analysis sheds light on the strengths and weaknesses of the Hult Model and finally results in a newly developed model. The Entrepreneurs

6.1 The Entrepreneur

6.1.1 Personality Profile and Need for Achievement

Among all participants in the study, there is no common denominator to be found. All seven participants were different in age, gender, country of origin, previous experience before start-up, Jönköping University schools, degrees and industries. This finding is in line with the study by Dubini (1989) where no universal entrepreneurial traits were discovered. Only two participants #1 and #4 had previous experience in the industry they are operating in now. According to study results by Collins, Locke and Hanges (2000), entrepreneurs are categorized by a high need for achievement (cited in Shane, Locke & Collins, 2003). The academic findings are reflected by the following statement:

"We wanted to do something that belonged to us, something that was challenging and took us out of our comfort zone."

(Participant #1, personal communication, 2010-04-14)

The study at hand confirms this to a large extent, since five of the seven participants were highly committed and performance oriented. Also, it fits the classification established by Dubini (1989) who identified three entrepreneurial types: self actualisers, people driven by negative circumstances, and followers of family tradition. The abovementioned participants can be counted as self actualisers.

The more committed the entrepreneur is to his business idea, the higher the chances for success. This assumption was developed from the study at hand, as the entrepreneurs who decided to commit themselves most own also the most successful companies. Five out of the seven companies are run on a full time basis and operating on a long term perspective.

"You have to have the interest and the commitment."

(Participant #4, personal communication, 2010-04-22)

6.1.2 Autonomy

According to Hult et al. (1991), Autonomy is, among other factors, composed of financial independence, availability of time and employment conditions. All but one participant can be characterized as financially independent, since there was no need for huge investment by the time of the start-up. Furthermore, all participants had low availability of time as they had to complete their studies or make a living next to their venture. As a result, their time autonomy can be stated as low. In line with that are the employment conditions. To give an example, participant #2 is having a full time job at the moment as a main source of capital. Therefore, his working conditions allow only little flexibility in time and money for his company. From this results, that autonomy, especially concerning time, influences the new venture creation process heavily, as the venture is less likely to grow and prosper if the en-
entrepreneur cannot spend a major amount of his/ her time. The integration of this factor by Hult et al. (1991) is appropriate.

### 6.1.3 Risk


Since the financial independence for the participants in this study was so high, the need for investment was rather low. Consequently, setting up a new business was generally not associated with high risk in terms of finances. However, talking about the risk of failure, there is one important factor to be taken into account, the level of education. The researchers found that participants who already finished one or more degrees and had background experience in the chosen business field are more likely to establish an ongoing business with a decreased amount of risk. Two of the participants are still completing their first degree and occupied with their studies. Participant # 2 pauses his operations at the moment and Participant # 5 is studying abroad. Looking at a study in Sweden conducted by Davidsson and Honig (2003), results showed that Swedish entrepreneurs were on average better educated than less-entrepreneurial members of the Swedish society. Consequently, risk must be counted in when talking about new venture creation.

### 6.1.4 Motive of Establishment

The motivation for the start-up varied among the participants. It ranges from making a living for Participants #5 and # 7 to experimentation and curiosity (Participants # 2 and # 3). Furthermore, self-employment was the intrinsic motive for participants # 1 and # 4; and a high potential idea made participant # 6 to follow his business idea. As a result, no common patterns can be seen in this section. Referring to Dubini (1989), the present study confirms Dubini by stating a big variation in motive of establishment.

> “We didn’t want to be employees.”

(Participant # 1, personal communication, 2010-04-14)

> “It seemed like a great idea [... ] and then we saw the potential.”

(Participant # 6, personal communication, 2010-04-23)

Still, the more the entrepreneurs identified themselves with their business and the stronger their motives were, the more consequently they worked actively on the realization of their idea. That is why motive of establishment is an important factor to look at as well.

### 6.1.5 Triggering Factors

For the triggering factor, the authors rely on Bhave’s model (1994), which differentiates between internal and external stimulation. In all the cases except one, the opportunity recognition was stimulated internally, i.e. the opportunity recognition preceded the decision to start a company. Among the triggering factors were the first client and the potential of the
idea. In two cases Science Park events like “Venture Cup” and “Summer Entrepreneurs” acted as a trigger to implement the business idea.

Participant # 2 said:

“It was Science Park who made us starting..”

(Participant #2, personal communication, 2010-04-16)

The triggering factor can also be negative in nature, as the two examples of participants # 4 and # 5 show. In case of # 5, the need for making a living led to the decision to start. Participant # 4 decided to start her own business since the wage she was offered as an employee was inadequate in her opinion. This finding is in line with Hult et al. (1991) who stated that the triggering factor can be either positive or negative. Further, those participants can be identified with the category developed by Dubini in 1989 as people driven by negative circumstances.

The factors themselves might have been different, however, all participants stated that there was a triggering factor present in their new venture creation process.

6.2 The Environment

6.2.1 Role Models

All participants stated that they had a role model of some sort. Five out of the seven participants found their role model within their families, usually immediate kin like parents and siblings. They also fit in the grouping of followers of family tradition (Dubini, 1989).

Participant # 5 announced that a close friend served as inspiration. For participant # 2, it was an existing company that encouraged him to pursue his business idea. In the study by Davidsson and Honig (2003) the probability of starting a company had a strong and positive relation with entrepreneurs having parents, friends or neighbours in business. This assumption can be agreed upon by the study at hand.

6.2.2 Financial and Other Resources

Except for three persons, the business was financed by the participants’ own money. This is also due to the fact that no major investment was needed to start the company. Referring to Bhave (1994), this is typical for service companies which represented the entire data collection in this study. Participant # 4 got financial support from a family member whereas #6 had a business angel and #7 had to make use of a bank loan to finance his business.

Besides being in contact with Science Park and its partners on site none of the Participants established contacts with other business incubating organizations like ALMI and NyföretagCentrum. To conclude it can be said that the entrepreneurs did not feel the need to make use of other resources from other organizations. Nevertheless, all entrepreneurs needed resources of some sort, financial and technological in nature, where to get these resources from is a vital challenge for the entrepreneur and must be taken into consideration when talking about new venture creation.
6.2.3 Market
All companies, except # 1 and # 7, are doing business in Sweden only while all but one business are located and registered in Sweden. The company of participant #7 is registered in Norway and additional markets in Northern Europe and Canada are targeted. Participant # 1 has his business focus on Mexico as he and his partner are from Mexico as well as their major customers. This influences other factors, as for example the resources needed depend on the dimension of exporting.

For participant # 6, a political decision played a significant role as it opened a new market for him and therefore made it possible to implement his business idea. Further he was able to enjoy first mover advantage and his company is still the only one within that market niche.

In this matter the model of Hult et al (1991) is very useable as the market is included as an important factor in the environment.

6.2.4 Society’s Attitudes
As stated in the study from Schwarz et al (2009) the presence of a university increases the intention of the future entrepreneur to start a business. Jönköping University with its focus on entrepreneurship and close ties with Science Park contributes to a pro-entrepreneurial environment as Jönköping University has a “... genuine appreciation for entrepreneurship. This transcends into a special model for interface with surrounding networks of small businesses as well as with global enterprises, high student activity in the Business Lab operated in close collaboration with the neighbouring SPJ, and openness to new methods within health and education” (Jönköping University, 2010a). It can be concluded that there is a positive correlation between the entrepreneurial focus of the university including the close cooperation with Science Park and the high rate of students in Jönköping starting a business.

Everyone interviewed in the study on hand declared that they faced only few administration obstacles. Rules and regulations in Sweden were perceived as rather transparent. When confronted with the question if it was difficult to start a business in Sweden, all participants negated. Participant #5 answered:

"No! It was much easier than I expected!"

(Participant # 5, personal communication, 2010-04-22)

As a result, the society in which the potential entrepreneur wants to do business in can either ease or complicate the venture creation and has therefore a major influence.

6.3 The Process
Throughout the interviews, all participants had problems in defining a sequence of clear steps to pursue when setting up their venture. This contradicts with Hult et al. (1991) who claim that there is a clear sequence of events. Nevertheless, to be consistent the authors of the study decided to keep the structure Hult et al. (1991) present.
6.3.1 Idea Phase

All models presented in the frame of reference, Bhave (1994), Roininen and Ylinenpää (2010) and Hult et al. (1991) hold true when talking about the idea phase being the initial phase. All participants agreed on the business idea or the venturing intention being the start of the venturing journey. As stated above, the idea was stimulated differently among the participants. Participant #5 had externally stimulated opportunity recognition, as the need for making money was the driving force leading to venturing intention.

“When I came to Sweden I really wanted to look for a job. Since I didn’t know any Swedish and I didn’t actually know any other way to make money.”

(Participant # 5, personal communication, 2010-04-22)

All other participants were internally stimulated, by motivation and need for achievement, when recognising their business opportunities (Bhave, 1994). The idea phase is the only step in the new venture process that coincides with the practice when talking about the sequence.

6.3.2 Test and Persuasion Phase

All participants got overall positive feedback on their business idea from family and friends. Hence, the support from the informal network, mainly family and friends contributes heavily to the eventual realisation of the idea since the support from the environment and the decision to start the business are positively correlated with each other. This finding is supported by Birley (1985) who states that the better the informal network is, the lower is the probability that the idea is still-born.

Participants #1, 4 and 6 did not have the test and persuasion phase as they were convinced of the feasibility of the idea from the very beginning. Participant #2 has changed his idea during this phase as the initial idea turned out not to have the desired potential. This phase does not have to exist necessarily in the start up process as these results demonstrate. In the model developed by Roininen & Ylinenpää (2010) this phase is included in the initial idea formulation phase, i.e. idea phase and test and persuasion phase are combined in one (Deakins & Freel, 2009). The importance of the environment is also underlined in that model (Deakins & Freel, 2009). In Bhave’s model (1994) this stage is not explicitly shown either; instead it is included in the development of a business concept.

Moreover, Hult et al. argue that this phase also contains the acquisition of knowledge like law and bookkeeping. Anyhow, the researchers of this study claim that those two activities do not implicitly go together. The example of participant #1 implies that the feasibility of his idea was evident long before he acquired the necessary expertise to start his own business. Another evidence that the knowledge acquisition does not only take place in this phase is provided by participant #3. He revealed that he and his partner made use of legal and financial advice throughout the creation process whenever needed.

The following statement represents that the knowledge acquisition is an ongoing process:

“Life is learning and learning is life.”

(Participant # 7, personal communication, 2010-04-26)
6.3.3 Preparation Phase

Only three out of seven enterprisers, participants #1, 6 and 7 had a fully developed business plan. Participant #3 is still further refining his business plan as well as the budget, although his business is already in ongoing operations. Also, participants #2, 4 and 5 did not have any formally prepared business plan. As participant #2 said:

“... Some people say you have to have a perfect business plan, but don’t stare yourself blind on that.”

(Participant #2, personal communication, 2010-04-16)

The preparation phase mainly comprises administrative and legal issues; in the case of non-Swedish entrepreneurs, this also involves translation of documents and contracts. As outlined by Hult et al. (1991), this point in time is typical for outside consultants like Science Park to be involved in the process. Though, all participants stated that Science Park comes into the picture much earlier, already when the business idea is born.

This picture is very much in line with Pre-start Planning and Development phase in the Roininen’s and Ylinenpää’s model (2010), therefore it can be said that these two phases are identical to each other. According to the findings that Bhave made (1994) the technology setup and organization setup occur simultaneously. This can be confirmed by this study as well, as, for example, companies #2 and #3 were working on both at the same time.

6.3.4 Start-up Phase

All Participants could identify a certain point in time when they felt that their idea turned into a business. Three of the Participants, #2, #3 and #7, stated that their idea has turned into a real business when the first order from a customer was received. In Bhave’s model (1994) this event of receiving the first order can be identified with Supply and Demand Boundary, the border between the entrepreneur and the customers. All others had different perceptions on when the business was established. Participant #1 stated that the renting of his first office marked the beginning of his business, for #5 it was the first invoice and #6 realised he had a business when he saw the first financial statements. Thus, the beginning of the start-up phase depends on the individual perception of the entrepreneur, therefore it is hard to clearly classify it. According to Hult et al. (1991) there is no guarantee that the entrepreneurs automatically go to this stage, instead there has to be a proactive move. Misleadingly, Hult et al. (1991) call this stage in the business process a phase. However, the authors of this study claim that it is a unique occasion at some point in time, since this is implied by the results. In Roininen and Ylinenpää, the start-up can be partially marked by the Entry and Launch phase, as a product is introduced to the market at some point.

6.3.5 Ongoing Business Phase

The ongoing Business Phase is similar for most participants in this study. It is the last stage of the business creation process before the transition to growth and profit stage (Roininen and Ylinenpää, 2010). The ongoing business stage corresponds to two stages in Roininen and Ylinenpää (2010) – Entry and Launch and Post-entry Development, due to the fact that this is where the entrepreneur continues to learn and stabilise the company. In Bhave’s model (1994) it is reflected in the Exchange stage in terms of feedback from customers and corrective actions. The stabilisation and expansion of the business is in the major focus.
Five participants continued expanding their companies and increasing their marketing efforts. As stated above, five of the seven enterprisers are actively pursuing their businesses.

“We are still looking for ventures and opportunities.”

(Participant # 1, personal communication, 2010-04-14)

These results are in compliance with the theory which state that in the last phase the marketing efforts are increased (Bhave, 1994) and the company is seeking for long-term stability (Hult, 1991).

6.3.6 Major Findings of the Process Analysis

According to the participants, the time needed from the initial business idea to the registration of the company varied from one week to seven months. Since the participants are very different in their professional profiles, commitment and preconditions before the start-up, the time needed varied significantly.

When confronted with the Hult Model (Hult et al., 1991), none of the participants fully agreed either with the steps provided by the model or their sequence.

“If I look at this Hult Model, it is very linear. And it is as far from reality as possible.”

(Participant # 4, personal communication, 2010-04-22)

Additionally to that, some steps took place simultaneously and the whole business creation process was dynamic. For example, participant #3 stated that he had his preparation phase, start-up phase and ongoing business phase parallel to each other. Participant #2 went back in the process and changed the initial business idea. Participant #4 was going back and forth in the process, jumping between the stages. The authors can conclude that the beginning of one phase does not necessarily mean the end of the previous phase. These findings are in line with Liao, Welsch and Tan (2005), who discovered in their study that the business creation process is nonlinear and complex in its nature. These results indicate that the Hult Model is hard to be applied to reality. However, the model developed by Roininen and Ylinenpää (2010) can be more agreed upon in terms of the creation process by the present study. The model reflects better the vitality and flexibility of the process. Plus, the cyclical approach takes into account that the process is no one-way street but rather dynamic which involves changes in direction and a more flexible correlation between its parts. The authors think that Bhave’s model (1994) of the venture creation is rather compact and focuses more on the fit between the product and customers and the feedback. Yet, due to more dynamic and flexible approach, it reflects better the results of the study as compared to the Hult Model.

However, one of the author's initial arguments in favour of the Hult Model was the fact that Hult et al. (1991) managed to realise that the entrepreneur and the environment were two very important factors in the business creation process. Unlike Roininen and Ylinenpää (2010) and Bhave (1994), Hult et al. (1991) included the interrelation between the Entrepreneur, the Environment and the Process in his illustration which proved to be applicable by the present study. The analysis of the Entrepreneur and the Environment section supports the importance Hult et al. (1991) grant to these two factors and their impact on the venture creation process. However, the authors are convinced that these two factors associate with each other. As this study verifies, the Entrepreneur is embedded in the Envi-
ronment. Bhave (1994) and Roininen and Ylinenpää (2010) mention the importance of these two factors yet they fail to illustrate it in their models.

6.4 Collaboration with Science Park Jönköping

SPJ can be classified as a University Business Incubator (UBI). As outlined in theory by Grimaldi and Grandi (2003), UBI is a non-profit institution which promotes regional development and this holds true for SPJ. To secure the financial base SPJ relies on subsidies by the university and the community. It is a non-profit organization and all incubatees’ fees like office rent are transferred to the investors. Grimaldi and Grandi (2003) state that the UBI basically offers three key services: access to technological knowledge, academic infrastructure and the encouragement of academic networking. In the case of SPJ, the incubation centre is also linked to a university, which can grant access to additional computing and test facilities in several disciplines (Merrifield, 1987). As found by Scillitoe and Chakrabarti (2010), the access to university research activity and technology is crucial for young and inexperienced entrepreneurs who do not have these resources available. SPJ meets these needs due to its close collaboration with the university. Further, SPJ mainly receives subsidies from the public sector. Besides, SPJ offers more services which are further explained in the upcoming section.

Six of the Participants are still connected to SPJ today, in terms of office space, informal meetings and business counselling. This ongoing contact even after the registration of the company indicates the important role of Science Park as a counsellor and supporter for the young entrepreneurs. Furthermore, there is a pattern to be seen when it comes to frequency of counselling. Especially in the beginning Science Park was approached much more often than in later stages of the business process. The frequency of counselling varied with the personal needs of the entrepreneurs, as well as the communication channel (personal contact, e-mail). However, Science Park is very flexible and uncomplicated when it comes to communication with the entrepreneurs.

This is supported by a statement from participant # 3:

"... you stop by and ask something [... ] They are always there if you have questions."

(Participant #3, personal communication, 2010-04-17)

Talking about the initial counselling provided by SPJ, it can be said that SPJ is meeting individual needs and requirements. There is no consistent program the entrepreneurs have to follow. This is reflected by participant # 3:

"They gave us advice on the steps but not how to do it."

(Participant #3, personal communication, 2010-04-17)

In 1987, Marrifield developed a decision tree as a help for incubation centres to evaluate and choose feasible business ideas (see Fig. 2.2). Unlike Marrifield’s theory, SPJ does not reject any business idea in the Business Lab. Whether or not to further exploit the business idea lies within the hands of the entrepreneur. SPJ provides its services in any case.

The initiative lies on the entrepreneurs’ side, as business developer Lisa Jonsson from SPJ said:
Abduh, D’Souza, Quazi & Burley (2007) list important counselling services provided by a business incubation centre. These services comprise the creation of a business plan, accounting and financial management as well as educational services like seminars and workshops. In the case of SPJ all these services are provided.

The prior services used by the participants ranged from support related to legal and formal issues like taxing and administration to the facilities in terms of office space and equipment. Participants #4 and #7 considered the help concerning market information as most significant whereas the support with administration work was most valuable for #3 and #5. When asked which service was of utmost importance for them, participants #1, #2 and #6 stated that the encouragement and the motivation to pursue their idea given by SPJ had the most value to them. As outlined by different fond here. Bøllingtoft and Ulhøi (2005), the informal network plays a more important role than the formal network. Yet, the formal network consisting of banks, lawyers and business incubators like Science Park are crucial in the business creation process. This theory is to a great extend supported by the study at hand.

Talking about networking, participants #1, #2, #3 and #7 stated that networking took place in a rather informal way during coffee breaks or mingles organised by SPJ. Participants #5 and #6 did not make use of the networking service offered by SPJ. Further, participant #1 and #4 valued the contacts to formal institutions and business partners established trough SPJ. Merrifield (1987) identifies the assistance in the creation of a vital network as an important task for an incubation centre. However, a striking amount of 100 % of all participants in this study wished to have more intensive networking activities. Some would have appreciated to participate in more networking in order to find potential customers whereas others wanted to establish more valuable business contacts.

When asked to evaluate the individual help provided by SPJ, the overall feedback was very positive. All participants perceived the services as extremely supportive and would recommend SPJ to other young future entrepreneurs. Participant #2 even mentioned:

“We wouldn’t have managed to do it as we did if we wouldn’t have their help. We would have been lost and we wouldn’t have been as safe as we were.”

(Participant #2, personal communication, 2010-04-16)

Everyone else also stated that the venture creation process would not have been as smooth as it has been with the collaboration of SPJ and it would have consumed much more time and money otherwise.
7 Conclusion from the Analysis

Based on the analysis of the study at hand the authors have developed a new model illustrating the new venture creation process in combination with SPJ’s involvement (see Fig. 7.1). The model developed by the authors eliminates the shortcomings of the Hult Model and incorporates strengths of other models explained in the frame of reference part of the thesis. At the same time, it reflects the empirical findings and includes the collaboration with SPJ.

The authors of this thesis acknowledge the existence of the phases presented by the Hult Model (1991) since the results show that they are most likely to occur. Nevertheless, the sequential approach gives reason to criticism. None of the Participants attested the new venture creation process to be linear, but very flexible and dynamic. This dynamic and flexibility is taken up in a developed model (see Fig. 7.1) and integrated with the influential factors; the Entrepreneur, the Environment and the Process, identified by Hult et al. (1991).

The findings in the present study clearly show that the business idea or the venturing intention are central and essential to the business creation process. All participants agreed on the idea stage or the venturing intention being the first step in the new venture journey. That is the reason why the authors of this thesis decided to have the business idea/venturing intention as a centre of the newly developed model. Venturing intention implies the intention of getting self-employed but without any specific business idea. It is not yet a decision to start a business as there is no business idea to implement. The decision to start a business is linked to a well thought-through business idea. The venturing intention can precede the business idea or the business idea can lead to the venturing intention. Already at this very early stage, many entrepreneurs in this study presented their ideas to SPJ. Consequently, the green arrow indicating SPJ’s involvement is most spacious in the very beginning, if the entrepreneur decides to consult a business incubator for the business creation process. From the business idea, the entrepreneur can individually proceed in the way he/she wants. It might be in some cases, that the business idea is tested on family and friends and/or evaluated by an outside consultant like SPJ. It might as well be, that the triggering event cited by Hult et al. (1991) takes place right after the idea stage or the entrepreneur sees such a high potential in his idea that he/she skips the stage of testing/evaluation and preparation. The entrepreneur then arrives directly at the decision to start the company and continues with the launching.

In all cases presented in the study on hand, the participants announced to have a triggering factor that made them start their business. This is reflected as well in Bhave’s model (1994) by containing a step named Commitment to Venture Creation and in the Start-up phase by Hult et al. (1991). Similar to Hult et al. (1991), the developed model allows the entrepreneur at any point in time to go back to whichever of the stages that possibly comes before. Nonetheless, every entrepreneur needs a triggering factor that makes him start, that is why the decision to start is a major stage and cannot be skipped in the researcher’s model. On this account, it is not possible to go directly from the business idea to the establishment and launch of the company. This is expressed by a one-sided red arrow (see Fig. 7.1). However, the way back is always open as well as the stages can take place synchronously. This dynamic is expressed by two-sided arrows between the stages, which is not to be found in the model by Hult et al. (1991). When there is no need for further refinement of the business idea after the establishment of the company, the new venture is moving on to the Ongoing business stage. The authors are consistent with Hult et al. (1991), when talking about this stage since the present study finds as well stabilisation efforts and seeking
new opportunities regarding new customers and markets by the entrepreneurs. After exiting the ongoing business stage, the venture enters the growth- and expansion stage. The business is fully established and ready to grow and explore. The new venture creation process is completed at this point. As outlined in the model, the Business Lab of SPJ is not available anymore at this stage. Yet, the entrepreneur can still be connected to SPJ, e.g. renting an office, and may apply for being a part of the Business Incubator department within SPJ.

One feature of Bhave’s Model (1994), the permanent feedback over the whole business creation process, was taken up in the present qualitative study. This continuous feedback is to be found in the newly developed model, where SPJ’s constant contribution is demonstrated by the green trail. Contrary to Hult et al. (1991) who see the first encounter with a business incubator in the preparation phase, the author’s model illustrates the most extensive contact in the beginning. The majority of the participants are still in contact with SPJ until today. All participants stated that the collaboration in the beginning of the business creation process was more intense and frequent; and gradually decreased over time. This is why the collaboration with SPJ is illustrated as an ongoing and smooth trail.

As an additional finding from the present study, the authors of this thesis concur with Hult et al. (1991) on the Entrepreneur and the Environment as vital factors of the new venture creation process.

The Entrepreneur has been examined by asking various questions to the participants. The personality profiles as well as the need for achievement were very different with all the participants. However, as SPJ’s representative Lisa Jonsson outlined, the personality and level of commitment are often even more important than the idea itself.

“It’s not depending on the idea it’s so much more about the person […] If I see that this person has a business idea and they are putting in a lot of work and I try to do the same.”

(Lisa Jonsson, personal communication, 2010-04-26)

In this regard, the level of time and money autonomy as well as risk and the motive of establishment highly influence the success or failure of a venture. As it was observed in this study the Entrepreneur and the Environment cannot be separated. In the developed model, the Entrepreneur is embedded in the Environment in order to demonstrate the close interrelation between them. All participants had role models within their environments and announced that setting up a business was easier than thought due to low barriers and few rules and regulations in Sweden. Resources of different kind and amount were always needed, dependent on the market(s) the entrepreneur is doing business in.
Figure 7.1 New Venture Creation Model and Involvement of SPJ
8 Conclusions

The authors of this thesis strived to combine two areas of research, business creation and business incubation. To be able to fully grasp and explain the necessary steps and their sequence in the business creation process, as well as the factors which influence this process, different past research and the resulting models were taken to shed light on the complex process of the new venture creation. Additionally, the activities and the role of business incubators were thoroughly studied in existent research findings, in order to understand SPJ as an incubation organisation and to integrate it as a vital part of the study at hand.

The authors have developed a model that demonstrates the new venture creation process and the role of SPJ throughout it. To arrive at this model, seven company founders who used SPJ as a business incubator and one representative of SPJ were asked to participate in this study. The main findings of the present study concern the stages and frequency of the new venture creation process and significant, influential factors as well as the combination of these steps and factors with the services provided by an incubation centre.

The research questions posed earlier in this study can be answered as follows.

1. What are the different stages and their sequences during the business creation process?

The only stages that could be confirmed in all cases of the study are the starting point and the ending point of the new venture creation process. As for the rest, no clear sequence of stages in the business creation process could be affirmed by the study at hand. The business idea/venturing intention always formed the start of the venture creation journey. The ongoing business stage always marked the end of the new venture creation process. Other stages include test and evaluation, preparation, decision to start and establishment and launch. In some cases, stages were skipped, passed through several times or took place simultaneously. Subsequently, the authors discovered that the boundaries between the stages cannot be clearly distinguished, unlike Hult et al (1991). The model developed by the authors grants flexibility and individuality to the entrepreneur when solving the challenges of setting up a new company.

2. What factors influence the business creation process?

The Entrepreneur and the Environment as outlined in the Hult model (Hult et al., 1991) are considered to be very important factors in the new venture creation process, which was asserted by the study conducted by the authors of this thesis. These factors are illustrated in the developed model. The newly developed model adopts the classification of the Entrepreneur and the Environment developed by Hult et al. (1991).

3. What kind of support does SPJ provide at different business stages?

Counselling services of the SPJ were used throughout the process. Apart from the counselling, legal and tax support, and office space were the most frequently used services. In this regard, the collaboration with SPJ is integrated with a smooth, dynamic trail, which communicates the individual flexibility to use SPJ’s services (see Fig. 7.1). It reflects the intensified contact in the beginning of the process as well as the gradual decrease over time.

4. Are SPJ’s services perceived as effective from the point of view of entrepreneur who makes use of them?
All the entrepreneurs in the study at hand found SPJ’s services assistant and effective as the provided support has substantially eased the new venture creation process.

5. What is missing in terms of services provided by SPJ from the point of view of the entrepreneurs interviewed within this study?

Despite the overall positive feedback, SPJ was found to miss out on networking activities. Strikingly, all of the participants in the study at hand agreed on that.
9 Discussion

Dubini (1989) has distinguished three entrepreneurial types: self-actualisers, followers of family traditions and people driven by negative circumstances. As seen in the analysis, five entrepreneurs in this study could be classified as self-actualisers and followers of a family tradition according to Dubini’s criteria (1989). Additionally, one of them even fits the classification of people driven by negative circumstances. This raises the question if these categories are exclusive. Dubini (1989) argued that public policies could be adjusted to different areas depending on the concentration of a certain entrepreneurial type. Yet, as this study explores, it is difficult to separate one entrepreneurial type from another since the entrepreneurs share various traits. This classification in a way contradicts another finding by Dubini (1989) according to which there were no universal entrepreneurial traits shared in her study.

After conducting this study, the authors argue that there are some areas within SPJ which leave room for improvement. First of all, networking activities can be further improved. All participants stated that networking takes place in a rather informal way which indicates that especially formal networking activities could be advanced. However, also the informal min-gles like Afterwork and open coffee could be improved by raising the awareness about these events. Moreover, SPJ does not have a feedback system which enables them to get vital information about the effectiveness of their services from the entrepreneurs.
10 Suggestions for the Future Research

As a suggestion for the future research, the authors think that a similar study conducted with several Science Parks in Sweden would provide interesting results. This would allow for comparison between different Science Parks and their routines.

Furthermore, the authors advocate that the influence of SPJ on the regional development within the region could be the centre of a future study. Research studies on other Science Parks within Sweden indicate that those business incubating organisations have a positive effect on the regional development.

Since SPJ consists not only of the Business Lab, it might be interesting to investigate the processes within the other two departments, the Business Incubator and the Business Growth.

Additionally, a follow up study of the studied companies in several years from now, might help to distinguish additional influential factors with their effects on the long-term operations.

The authors are convinced that the three research factors, the Entrepreneur, the Environment and the Process, should also be further investigated in conjunction and not only separately. The same is true for the two fields of New Venture Creation and Business Incubation Theory.
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Appendices

Appendix 1 Interview Questions for the Entrepreneurs

Anonymous/ Non-anonymous?

Company’s description
1. Company name
2. Which industry is your business in? What do you do?
3. How many employees do you have?
4. In which stage do you see your company or business idea at the moment?

The Entrepreneur
5. Name
6. Age
7. Gender
8. What is your country of origin? Are you a Swedish or an international student?
9. In which of the 4 schools are you studying/ have been studying?
10. What was your initial motivation for starting a business (making living, experiment, etc.)?
11. What was the triggering factor which eventually made you realize your business idea?
12. Did you start your company on your own or together with someone else?
13. Did you have previous experience in the industry you have chosen to set up your business?
14. How would you classify your level of knowledge before you worked with SPJ? 
   a. Concerning technological knowledge needed to start your business?
   b. Concerning financial knowledge (Accounting & how to finance your business)
15. How would you classify your knowledge about new venture creation before SPJ?

The Environment
16. Did you have a role-model in your environment that inspired you to set up your business?
17. How did you finance your business:
a. own money  
b. individual financiers (e.g. family or friends)  
c. financial institution (e.g. bank)  

18. Did you use other resources than your own?  

19. Do you export or do you do business in Sweden only?  

20. Was it difficult to set up a business in Sweden? (e.g. many administrative requirements, permissions, documents etc. needed?)  

21. What was the biggest obstacle in starting up a company?  

22. Was SPJ supportive when it comes to overcome those problems?  

The Process  

23. Could you divide the start-up of your company into different phases?  

Idea Phase  

24. When and how did you realise your business idea for the first time and how much time went from this point in time to the realisation?  

Test- and Persuasion Phase  

25. How did your environment (friends, family, colleagues etc.) react on the fact that you have started a company?  

Preparation Phase  

26. How did you prepare before the business eventually started? (e.g. calculation of budgets, analysis of the market, consultancy with SPJ)  

Start-up Phase  

27. At what point in time, from your perception, has your business idea turned into a business? (e.g. when the first order came, when the office was rented...)  

28. When did you sell your product for the first time?  

Ongoing Business Phase  

29. What did you do after your business was running/ operating?  

Science Park  

Meeting Science Park  

30. When was the first time you approached SPJ? For how long have you been in contact with them in total?  

31. What did they advise you when you brought up your business idea?  

32. How often did you meet a representative of SPJ for counselling?  

Cooperation with Science Park
33. What kind of technical assistance (e.g. technologies, research material, workshop space and facilities) has SPJ offered to you?

34. What kind of counselling services have you engaged in at different stages?

35. How much time was it from when you met SPJ till when you had your company registered?

36. Which services were of the most importance for you?

Networking

37. Did you cooperate with other organizations other than SPJ?

38. How did SPJ support networking activities?

39. Did you get any valuable contacts?

Evaluating SPJ’s assistance

40. Would you consider the support provided by SPJ was helpful?

41. What was missing in your opinion?

42. Would you recommend SPJ to other people with innovative business ideas?

43. Do you think you would have been able to establish your venture without the help of SPJ? Why? Why not?

44. Are you still connected to SPJ today? (e.g. office in the Science Park building)

Tips

45. Tips for people who want to start a company.

Hult Model

The entrepreneur

- Personality profile
- Need for achievement
- Autonomy
- Risk
- Motive of establishment
- Triggering factors

The environment

- Role models
- Financial resources
- Other resources
- Market
- Society’s attitudes

Idea phase Test- and persuasion phase Preparation phase Start up phase Ongoing business phase

The process

Hult et al. 1993
Appendix 2 Interview Questions for the SPJ Representative
Lisa Jonsson

1. Since when does SPJ exist?
2. When was the Business Lab established?
3. Was SPJ closely connected to the University right from the beginning?
4. When was the first consultation for somebody with a business idea?
5. How many people approach SPJ approximately per year?
6. How many people achieve to turn their business idea into a real business (also per year)?
7. How well-attended are the workshops SPJ offers? What is the main clientele in those workshops?
8. Are the office facilities offered for free always occupied? How many people use that opportunity?
10. What is the main advice you propose when people come for the first time to introduce their business idea?
11. What network activities do you offer? And how do you advertise them?
12. How often does SPJ accomplish special projects and contests (e.g. Summer Entrepreneur)? And how successful are those?
13. Do you get feedback from the entrepreneurs in terms of your services? If so how and do you take account of them?
14. Are there any future plans? For example, major changes or improvements SPJ is planning to implement?
15. Which services are used the most?
16. Does the incubation process differ for different types of companies? (service, high tech, etc.)
17. Do you have a special decision process when choosing which ideas to develop and which to reject?
18. How do you decide that the incubatee is ready to exit SPJ?
19. Do incubatees get help in their industrial/service fields as well? For example, product development, technology development. In that case do you have employees with different types of expertise?
### Appendix 3 Interview Schedule

#### Entrepreneurs

<table>
<thead>
<tr>
<th>Participant</th>
<th>Date</th>
<th>Time</th>
<th>Place</th>
<th>Duration</th>
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<tr>
<td># 1</td>
<td>14th April</td>
<td>1pm</td>
<td>Conference Room, SPJ</td>
<td>45 min</td>
</tr>
<tr>
<td># 2</td>
<td>16th April</td>
<td>6.30 pm</td>
<td>Library, Jönköping University</td>
<td>34 min</td>
</tr>
<tr>
<td># 3</td>
<td>17th April</td>
<td>4pm</td>
<td>Conference Room, SPJ</td>
<td>53 min</td>
</tr>
<tr>
<td># 4</td>
<td>22th April</td>
<td>2pm</td>
<td>Conference Room, Jönköping University</td>
<td>1 hr</td>
</tr>
<tr>
<td># 5</td>
<td>22th April</td>
<td>6pm</td>
<td>Skype Conference</td>
<td>50 min</td>
</tr>
<tr>
<td># 6</td>
<td>23th April</td>
<td>10am</td>
<td>Conference Room, SPJ</td>
<td>28 min</td>
</tr>
<tr>
<td># 7</td>
<td>26th April</td>
<td>11am</td>
<td>Skype Conference</td>
<td>50 min</td>
</tr>
</tbody>
</table>

#### Science Park

<table>
<thead>
<tr>
<th>First interview</th>
<th>Date</th>
<th>Time</th>
<th>Place</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second interview</td>
<td>26th April</td>
<td>3.15 pm</td>
<td>Conference Room, SPJ</td>
<td>1 hr</td>
</tr>
</tbody>
</table>