Voices of entrepreneurship and small business –
immigrant enterprises in Kista, Stockholm

Tobias Dalhammar

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Department of Microelectronics and Information Technology
Telecommunication Systems Laboratory
Royal Institute of Technology
Stockholm, Sweden
Abstract

Immigrant and ethnic entrepreneurship is a subject that has received increased attention in recent years. Many immigrants or people with ethnic backgrounds different from the majority population run their own businesses, in Sweden as well as in most countries and contexts in the world. However, ambitious research shows that there are great differences in business activity, behaviour and performance between different ethnic groups. Besides, it is easy to argue that differences also occur at the individual level. Thus, a person is not predetermined just because he/she belongs to a definable ethnic group. Another important question is the fact that the industrial setting and the context of the individual firm also affect the activity of the firm and the entrepreneur. E.g. in high tech environments, innovative competences may be of greater importance compared to business activity in the restaurant or retail sectors, where one could imitate already successful concepts.

In this dissertation immigrant as well as ethnic enterprises (where ethnic entrepreneurs are those who have clear ethnic involvement in terms of accessing and utilising different forms of ethnic resources) in different industries are studied. The work hypothesis, or rather assumption, is that the industry of the individual business plays an important role for the access to and utilisation of different forms of resources (organisational, financial, cultural, social, human, ethnic). Further, the industry of a business is also assumed to have an effect on the access to and utilisation of ethnic resources and the own ethnicity as a resource. The purpose of this study is to through a number of case studies explore the influence of ethnic background for immigrant businesses in different industries. The focus is on how ethnic involvement, thus ethnic resources, and identity as immigrant and/or ethnic business influence firms in their resource bases and resource acquisition efforts. That is, if the objective ethnic background is important for the firms in their resource acquisition efforts.

Since I want to study individual firms in an open and complex way I use a qualitative methodology with a multi-method approach, including ethnographic elements, direct observations, participant observations and interviews. This way, the possibility exists to grasp individual personal and firm characteristics that pay attention to the complexity and variation of immigrant and ethnic entrepreneurship, an issue that tends to be forgotten in broad descriptions of the subject. The Kista district hereby provides an interesting example with its high technology context, mixed with a considerable amount of immigrants living in the area.

The exploratory study of seven businesses shows that there are important differences between firms in different industries. However, apart from type of firm and kind of venture opportunity exploited, the action mode of the individual(s) involved and the degree of confirmation and legitimacy the businesses have experienced influence and affect the importance of ethnic background for these firms.
Acknowledgements

I began to work with this licentiate dissertation about three years ago. At that time I joined Esbri – Entrepreneurship and Small Business Research Institute – and School of Business (Feken), Stockholm University as a newly accepted PhD student. During my time at Esbri, I met many people who have assisted me in the process that has led to where I am today. My former supervisor Björn Bjerke, my doctoral colleagues Malin Gawell, Ingela Sölvell and Kerstin Mickelson and senior researchers Chris Steyaert and Frédéric Delmar all have provided invaluable opinions and support throughout this period. A special thanks also to Magnus Aronsson, Esbri’s managing director, who still offers administrative assistance and office space whenever needed!

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1 Introduction
This first chapter presents an introduction to this licentiate thesis. I bring up why I conducted this study and what I found problematic in terms of previous studies in the field. After that I present the focus of this thesis. Finally, I round up with contributions and outline of this study.

1.1 Why immigrant/ethnic entrepreneurship?
About three years ago, I met a man on the commuter train between Stockholm and Uppsala. I call him Solomon (I could actually call him Lars, but that would sound strange to me). He was involved in illegal socialistic political activity in his home country and was sent to prison at the age of 18. After four years in jail he was stigmatised. He could not join the military or get a decent life in his home country. He fled to Turkey and from there he came to Sweden. He studied pharmacy for five years and got a degree for an occupation where there at that moment existed a demand for labour. Despite many job applications, it was difficult for him to get a job. Finally, he got an employment as a pharmaceutical chemist in Stockholm. There he was, commuting from his home (a student room in Uppsala) to Stockholm every day.

Originally Solomon wanted to study sociology, but his knowledge in Swedish was not sufficient at that time. Still he said he read a great deal of sociology and during the ride we discussed Bourdieu’s work, since his theories about different forms of capital (cultural, symbolic, social and economic) are relevant for the discussion we had and the topic of this licentiate thesis.\(^1\) Although Solomon spoke with an accent (easily understandable, though) his Swedish was very good in terms of grammar and vocabulary. He told me it is hard for people with foreign backgrounds to find jobs and thus integrate into the Swedish society. Solomon said that Sweden by no means is the worst country for immigrants. He pointed out that it is even harder for many minorities in other countries, for example in his home country. He showed absolutely no bitterness but merely stated he had to try harder than native Swedes. For a man already gone through many challenges in life, now 38 years old, this was not the end of the world. “The best thing for me would probably be to start my own firm, but then I most certainly wouldn’t use the qualifications of my education”, he concluded. That last statement caught my interest. What about the conditions for immigrant businesses in Sweden today?

I found out that Solomon’s experiences are by no means unique. Research in the subject of immigrant and ethnic entrepreneurship provided me with further insights. Pripp (2001) lets us meet people with Assyrian and Syrian backgrounds in his doctoral dissertation Minority Entrepreneurs – On Ethnicity, Strategies and Resources among Assyrians and Syrians in Södertälje. His rich empirical parts with word-by-word reproduced narratives make the reader take part in these peoples’ situations. One character is Fehmi. He had a university degree in business administration but still there was hard to find a job. His applications were rejected everywhere. He himself gives the explanation that he has “wrong name and so forth” (Pripp, 2001:66). When he finally got employed it was through contacts with a very dear friend of his who

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\(^1\) Bourdieu focuses on the French society, which he himself is a part of. For a general discussion about his work, see chapter 11 in Månsson, Per (ed.) (1995), Moderna Samhällsteorier – Traditioner, Riktningar, Teoretiker. Rabén Prisma.
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also had immigrant background. Now he is a co-owner and member of the board in a company with sales of around 100 Million SEK. And other examples, in Sweden as well as internationally, confirm that enterprise among immigrants is a conscious strategy of gaining legitimacy in the host society (Waldinger et al, 1990; 2000; SOU, 1999; NUTEK, 2001a). Thus, Solomon’s story and other immigrants’ stories made me interested in these issues. I wanted to learn more about immigrant enterprises and understand how people involved perceive their roles as business owners in the Swedish society. This study is a result of these efforts.

1.2 Background

During the past twenty years the amount of immigrants and thus ethnic minority groups have increased in many industrial societies, including Sweden. An important number of these immigrants with ethnic backgrounds different from the majority population run their own businesses. The number of companies run by immigrants and ethnic minority entrepreneurs in Sweden is almost three times the size 10-15 years ago (SOU 1999). In 1998, there were about 65 000 immigrant enterprises in Sweden. This implies that the number of immigrant and ethnic businesses is still below their representation among the total population. However, the number of ethnic enterprises is rising, since around 20 per cent of all new firms in Sweden 2001 were founded by people ‘descending from other countries’, which is the official definition for an immigrant entrepreneur. These companies are slightly over-represented in the service sector compared to the manufacturing sector, 21 and 17 per cent, respectively. Furthermore, there are important regional differences. The highest figures are found in the four counties (“län”) of Stockholm, Södermanland, Västmanland and Skåne, where the number of immigrant start-ups was about 25 per cent in 2001. Reasons for starting businesses are similar to those of mainstream (i.e. majority) entrepreneurs, e.g. independency and fulfilling ones ambitions, with the exception that a higher amount of immigrant/ethnic entrepreneurs say that starting a business is a means of avoiding or escaping unemployment (ITPS, 2002).

However, ambitious research shows that there are great differences in business activity, behaviour and performance between ethnic groups, in Sweden as well as internationally (Waldinger et al, 1990; 2000; Najib, 1999; NUTEK 2001a; 2001b; Abbasian, 2003; Mitchell, 2003). Obviously, differences also occur at the individual level (Carter and Jones-Evans, 2000; Abbasian, 2003). Thus, a person is not predetermined just because he/she belongs to a definable ethnic group. Therefore, voices have been raised stating that immigrant entrepreneurship is no homogeneous phenomenon (Najib, 1999; Carter and Jones-Evans, 2000; Chaganti and Greene, 2002), despite previous policy documents that have been presented in a rather conform way (SOU, 1999; NUTEK, 2001a; NUTEK, 2001b). For example, Najib (1999) states that immigrants run businesses in all kinds of industries and settings, including high technology environments. This also implies that there are contextual aspects to immigrant and ethnic entrepreneurship (Waldinger et al, 1990; 2000; Abbasian, 2003). This presents a view different from the established one, where

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2 In immigrant and ethnic entrepreneurship literature (SOU, 1999; Najib, 1999; NUTEK, 2001a) it is concluded that if a person has at least one parent that is born abroad, he/she should be defined as an immigrant too. If that person founds a business, he/she per definition becomes an immigrant entrepreneur and the business an immigrant business.
restaurants and other service-related businesses, such as corner shops, are common references (Najib, 1999).

1.3 Discussion

In the literature and debate about immigrant and ethnic entrepreneurship there often is lack of clarity concerning what these conceptions mean and include. Waldinger et al (1990:3) define ethnic entrepreneurship as “…a set of connections and regular patterns of interaction among people sharing common national background or migration experiences”. In general, “ethnic entrepreneurship” means entrepreneurship referring to certain ethnic groups, whereas “immigrant entrepreneurship” refers to entrepreneurship performed by all groups of immigrants in a country (Waldinger et al, 1990; 2000). This means that in the past and at present, entrepreneurs’ self-reported ethnic origin is the most commonly used definition of ethnicity (Light, 1973; Waldinger et al, 1990; 2000; Najib, 1999). However, the concept of ethnicity and ethnic identity is not always used in a clear way. Ethnicity can be referred to an ethnic group with a definable country of origin, such as Iran, but also to a wider group of people with similar backgrounds, like Hispanics and Blacks (see Light and Gold, 2000). As a concrete example, this means that Syrians often are described as an ethnic group, but sometimes are included in wider definitions of ethnic groups, such as Arabs or people originating from the Middle East.

Pripp (2001) regards ethnicity as a social identity in line with sex, age and nationality. It is created in relation to and expressed in situations of interactions between individuals belonging to the same or different categories and groups. Apart from the objective identity – the identity that others put upon a person – everyone has a subjective identity as well. A subjective identity deals with the self-perceptions and self-presentation people express. Further, ethnicity can be regarded as an ideology about differences between groups (Anthias, 1998). Within an ethnic group there are ideas about a common origin, which often is a pragmatic argument for creating boundaries as well as coherence. Other criteria are connected to the common origin, such as ideas of cultural similarity, religion and/or language. This discussion implies that the relevance of ethnicity varies depending on the context. Still, all people have an objective ethnic identity, usually as they belong to a group of people (Arabs, Jews, etc.) or have a definable a country of origin (such as Syria, Iran or Sweden). All immigrant enterprises involve people with (objective) ethnic backgrounds. However, objective ethnic identity or ethnic background – as referred to by others – does not necessarily correspond to the subjective identity as expressed in business activities of immigrant entrepreneurs (Pripp, 2001).

Thus, how ethnicity is perceived in the empirical context (instead of merely being predefined) becomes an important aspect in order to understand the meaning and value of objective ethnic identity – ethnic background – for immigrant/ethnic businesses. This is a performative view that directs practice rather than theory. In short, in a performative approach it is up to the actors and the context to decide how to understand and give meaning to the subject at hand (Hosking, 1999). The way to get insight about this matter is through language (Burr, 1995) since it is through the act of communication that meaning is constructed (Fletcher, 2003). It is about social interaction, not individual preferences. This refers to relating – what goes on in a certain context – and the actors’ decisions are not the sole cursor. Rather, what is actually performed is as important as what actors perceive that they do. The actors can
be more or less conscious about the influence and importance of ethnic involvement –
drawing on ethnic resources – and ethnic identification in the empirical context.

Therefore – instead of ethnic origin – Chaganti and Greene (2002) argue that the
owner-manager’s degree of personal involvement in the ethnic community is a more
accurate measure of the “ethnicity” of a business. Thus, what decides how to
categorise an entrepreneur is the level of involvement among co-ethnics, i.e.
utilisation of ethnicity as a resource and ethnic resources. The level of ethnic
community involvement is a useful indicator, since it points at the dependence of a
business on the ethnic community. And dependence is likely to determine whether
resources available in the ethnic community determine boundaries to growth of ethnic
businesses, or if owners will seek and can access and exploit opportunities available
in the larger mainstream economy. Using these definitions, an entrepreneur with
foreign background can be an immigrant, ethnic and minority entrepreneur at the
same time (an immigrant business owner with important ethnic community
involvement). On the other hand he/she can be an immigrant entrepreneur without
being an ethnic entrepreneur (an immigrant business owner serving the mainstream
market without particular ethnic involvement) or the opposite (an ethnic business
owner belonging to a family which has lived in a country for several generations with
high levels of ethnic involvement). Furthermore, he/she can be a minority
entrepreneur without being any of the other two (a native minority business owner,
e.g. a Laplander or an American-Indian, serving the mainstream market without
particular ethnic involvement).

As indicated above, what ethnic entrepreneurs access by ethnic involvement is
commonly referred to as ‘ethnic resources’ (Waldinger, 1990; 2000; Light and Gold,
2000; Carter and Jones-Evans, 2000). Ethnic resources are socio-cultural features that
co-ethnic business owners utilize in business or from which their businesses passively
benefit. Ethnic resources characterise a whole ethnic group, not just its isolated
members. Ethnic resources include both predisposing factors – cultural endowments –
and modes of resource mobilisation – ethnic social networks (Waldinger et al, 1990;
2000). Conceptually, ethnic resources are distinguished from class resources – those
cultural and material assets, outlooks and skills possessed by all people of a common
class position, regardless of their ethnic background. Resources in this sense are not
just financial resources, but also resources of skill, acumen etc (Light and Gold,
2000). A common language is an example of a resource that could be regarded as
‘ethnic’, in the sense that it is referable to all members of an ethnic group, regardless
of class position. If used strategically, ethnic resources could become a competitive
advantage (see Carter and Jones-Evans, 2000). Thus, in this sense ethnicity in itself
becomes a resource (Pripp, 2001). As an example, when an enterprise acquires the
resources it needs for venture creation and development, the individual(s) involved in
the firm may utilise language in order to get business contacts, financing etc. In that
sense, language both could be part of the resource base of a firm and an important
asset in resource acquisition efforts of the firm. Despite many benefits of ethnic
resources and connections (financial capital, advice, labour etc.), ethnic resources may
operate within a context that may limit freedom and impose restrictions that constrain
gainful activities (Light and Gold, 2000).

Since previous research have shown differences in business activity between ethnic
groups (Waldinger et al, 1990; 2000; Najib, 1999; Carter and Jones Evans, 2000;
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Light and Gold, 2000; Abbasian, 2003) the kind of assistance offered to and needed by ethnic businesses is likely to vary depending on the ethnicity of the business owner (Chaganti and Greene, 2002). Another important issue is the fact that the industrial setting, the kind of venture opportunity exploited, and the context in which the entrepreneur works also affect the activity of the firm and the entrepreneur (Chaganti and Greene, ibid.). E.g. in high tech environments, innovative competences may be of greater importance compared to business activity in the restaurant or retail sectors, where one can imitate already successful concepts (Samuelsson, 2001). Hughes’ (1998, in Longhi and Keeble, 2000) research in the UK in the late 1990’s shows that firms with high intensity of research and development differ significantly from more conventional small firms by having much higher rates of technological innovation, intensities of networking and collaborations with other firms and organisations. These firms are also more oriented towards niche markets, have higher levels of globalisation and use more external – and often local – information and business advice.

Chaganti and Greene (2002:141) argue that “A high tech business run by a highly educated ethnic entrepreneur is likely to seek rapid growth and need the same types of resources as those needed by a “mainstream” owner’s high tech business.” And although there may be greater hindrances for immigrant/ethnic entrepreneurs, the authors claim the chances are big that they would obtain the resources necessary. Thus, high tech immigrant/ethnic entrepreneurs have similar rationales and face similar conditions as their mainstream counterparts. At the same time, Chaganti and Greene (ibid.) propose that e.g. small service firms anchored in ethnic communities may not have the same needs as their high tech counterparts facing other conditions, not to mention different rationales for engaging in business activities. This suggests that the type of industry of a firm has an impact on the value and thus the degree of ethnic involvement, which in turn influences the utilisation of ethnic resources. In fact, the industry of a business may be an important decisive factor for the level of community involvement and thereby decide whether an enterprise should be regarded as ‘ethnic’ (in the sense that it draws on ethnic resources) or be referred to as ‘immigrant’ (in that the owner-manager has immigrant background).

In opposition to Chaganti and Greene’s (ibid.) suggestions above, Saxenian (2001:82) concludes: “It appears that the most successful high tech immigrant entrepreneurs in Silicon Valley today are those who have drawn on ethnic resources while simultaneously integrating into mainstream technology and business networks.” However, the problem is that Saxenian’s (ibid.) findings are based on research in a certain context, namely Silicon Valley in the USA. In Silicon Valley today, there exists large ethnic communities of Chinese and Asian Indian high tech enterprises, and these are the two groups Saxenian has researched. There is a great possibility that results would be different when researching high tech immigrant entrepreneurs with other ethnic backgrounds in other business contexts in the world. Thus, the value of Saxenian’s (ibid.) study is to a great extent context-specific and cannot merely be transferred to conditions in Sweden. However, her findings imply that focus should be put on ethnic resources as well as other resources and capital needed in relation to the industry and context within which immigrant/ethnic entrepreneurs are embedded.

Throughout this discussion, there have been references ethnic resources and resources in general. Firms interact with the surroundings because they need resources (Gartner,
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A new firm emerges when the individual(s) involved identifies/identify, assemble(s) and configure(s) resources, thus resources are one of the defining properties of new ventures, contributing to the character of the emerging organisation (Katz and Gartner, 1988; Barney, 1991; Alvarez and Busenitz, 2001). The acquisition of resources then becomes a key activity for new ventures, since these normally start up with a scarce resource base (Aldrich, 1999; Johannisson, 2000). And as discussed earlier, immigrant/ethnic businesses in traditional industries are expected to draw on ethnic resources to a higher degree than immigrant/ethnic businesses in high tech industries that instead are expected to draw more on ‘mainstream’ resources (Chaganti and Greene, 2002).

1.4 Focus

When it comes to high technology immigrant and ethnic entrepreneurship, researchers suggest that the importance of ethnic involvement and thus ethnic resources may be less important than in traditional sectors (Chaganti and Greene, 2002). This is in line with research stating that there are more similarities between two entrepreneurs than between two people who share the same gender (e.g. Moore and Buttner, 2000). And since high tech immigrant/ethnic businesses are likely to seek rapid growth in similar ways to ‘mainstream’ entrepreneurs, thus having the same rationales for business activity, it is suggested that they ought to have greater chances of getting access to diverse resources and sources of knowledge and information in their resource acquisition efforts, thus facing similar conditions as high tech entrepreneurs from the ethnic majority population (Chaganti and Greene, 2002). It is assumed that immigrants running businesses in high tech industrial settings to a lesser degree draw on ethnic resources or define themselves as ethnic in comparison to so-called traditional firms. Thus, these firms are expected to represent different business logics, a matter that further contributes to the complexity of immigrant and ethnic entrepreneurship.

Despite the potential value of taking an industry perspective into account when studying immigrant and ethnic entrepreneurship, previous research very seldom has touched upon these issues. In this study, I derive from the assumption that the industry of the individual business plays an important role for the resource base and resource acquisition of the firm, as so-called traditional firms are expected to draw on and utilise ethnic resources to a greater extent than high tech firms. Thereby, the industry of a business is assumed to have an effect on the influence and thus importance of ethnic background. The guiding question is if one can find differences between high tech and so-called traditional immigrant businesses in terms of how they use ethnic resources and perceive ethnic identity.

The purpose of this study is to through a number of case studies explore the influence of ethnic background for immigrant businesses in different industries. The focus is on how ethnic involvement, thus ethnic resources, and identity as immigrant and/or ethnic business influence firms in their resource bases and resource acquisition efforts. Guiding questions are: what resources do they draw on in their resource acquisition? How do immigrant or ethnic backgrounds of the individual(s) involved affect the identities of firms, thus how influential and important are ‘objective’ ethnic backgrounds in relation to the business identities of these firms?
Since I focus on type of industry or firm, I compare high tech/service- and technology-based firms and traditional/service-based firms to find out if there are differences between these in terms of ethnic identification and ethnic involvement, thus drawing on ethnic resources. The cases all represent voices of small businesses or intended small businesses related to Kista, Stockholm’s most northern district. This district provides an interesting example with its high technology setting, mixed with a considerable amount of immigrants living in the area. These firms all involve people who have immigrant background, as defined in footnote 2 above, and thus they can all be defined from objective ethnic minority backgrounds, either in terms of country of origin or as belonging to a definable ethnic group.

The focus is on the resources and competences the firms possess (their resource bases), and the resource acquisition these firms conduct in order to acquire further competences and resources. Since I want to study individuals and firms in an open way, I use Gartner’s (1985) broad and inclusive framework for describing the emergence and development of these firms. This framework includes the characteristics of the individual(s) involved, the organisation under creation, the environment surrounding the new venture and its influence, and the very process by which the new venture is started. Since Gartner (ibid.) regards resources as one of the key properties of new ventures, his framework fits well with a resource acquisition perspective. The open studies and the in-depth descriptions of each business are accomplished through the use of different qualitatively inspired techniques. The study contains ethnographic and narrative elements, mainly in the form of conversations, discussions and interviews.

1.5 Contributions

My research provides in-depth descriptions and analyses of the situation for immigrant and ethnic entrepreneurs in a geographical context – the Kista district in northern Stockholm, Sweden. This approach is quite rare, since most studies in Sweden have had the character of broad descriptions and are often policy-oriented and publicly financed. Generally, these studies have been conducted at a macro-level using quantitative methods and have used other theoretical bases. Therefore, the very description of resource acquisition activities of individual immigrant and ethnic businesses in different industries is in itself a valuable contribution to the research area.

Further, by conducting this kind of research I shed light on the individual ventures and the individual(s) involved. These are two units of analysis that tend to be forgotten in broad descriptions of immigrant and ethnic entrepreneurship. In many cases I make them visible by including names, photographs and pictures from websites etc. This approach makes it possible to grasp individual and firm characteristics that pay attention to the variation and complexity of immigrant and ethnic entrepreneurship. Apart from variation in terms of type of firm and industry, complexity is expected to be apparent in each individual case, between entrepreneurs from different ethnic groups, as well as between entrepreneurs belonging to the same ethnic group. This complexity is another matter that often tends to be forgotten in the discussion about immigrant and ethnic entrepreneurship.

3 For examples of such broad descriptions, see SOU (1999); Light and Gold (2000); Waldinger et al (1990; 2000); NUTEK (2001a).
To sum up, instead of focusing on generalisation of immigrant and ethnic entrepreneurship, I focus on individual cases that represent the complexity and variation connected to the subject. The voices I present represent many other businesses as well. This implies that patterns can be observed, patterns that are helpful when exemplifying variation and complexity in the field of immigrant and ethnic entrepreneurship. Therefore, this study has a big potential for deeper understanding about the situation for immigrant and ethnic businesses, first of all in Kista context, but also in the overall Swedish society.

1.6 Limitations
This is not an ethnic community study. Further, this is not a study of culture. It has no ambition to cover all aspects of immigrant/ethnic entrepreneurship or to produce statistically solid results. This is a down to earth exploratory study, where I look at immigrant firms with regards to their resource-base and resource acquisition efforts. This way I research the role ethnic minority background has for business activities of immigrant/ethnic enterprises.

1.7 Outline
This licentiate thesis is organised the following way. In chapter 2 I give an overview of the field of immigrant and ethnic entrepreneurship and discuss ethnicity and ethnic identity. Thereafter, the conceptual framework for the empirical study is presented. Chapter 3 discusses methodological concerns in relation to this conceptual framework. Chapter 4 presents Kista and some important actors in this geographical context as well as the seven businesses included in my empirical study. In chapter 5 I interpret and analyse the findings using the conceptual framework. In the last chapter – chapter 6 – I present a tentative framework based on this exploratory study.
2 Conceptual framework

In chapter 1 I discussed meanings and definitions of immigrant and ethnic entrepreneurship. Further I discussed the potential value of relating the concepts of ethnic resources, ethnicity/ethnic identity and ethnic background to type of firm or industry and the kind of venture opportunity exploited. In this chapter I present a conceptual framework for the study. Immigrant and ethnic entrepreneurship theories, including ethnic resources, ethnicity and ethnic identity, are discussed in relation to theories on type of industry or firm. And Gartner’s (1985) four perspectives on venture creation (individual(s), organisation, environment and process) – in integration with a resource acquisition perspective – form a tentative conceptual framework for my study.

2.1 Different approaches to immigrant and ethnic entrepreneurship

Today, researchers argue that immigrant and ethnic entrepreneurship is to be seen as an own theoretical specialty within the broader field of entrepreneurship research. The argument for this is the specific conditions that these entrepreneurs face such as migration experiences and the adaption to new countries and contexts. (Waldinger et al, 1990; 2000). Immigrants and ethnic groups have historically played important roles when it comes to entrepreneurship activity in various contexts, e.g. in building up the American economy or as labour for the Swedish industry (Waldinger et al, 1990, 2000; Najib, 1999; SOU, 1999; NUTEK, 2001a). While research in Anglo-Saxon countries, especially in the U.S., has been carried out for decades⁴, it is still a very immature field in many European countries, including Sweden (see e.g. Stevenson, 2001). This implies that much research still is undone in this area in a Swedish context.⁵

Researchers conclude that similar adaptations have occurred among ethnic minority entrepreneurs across different immigration contexts and countries (Waldinger et al, 1990; 2000). Despite these findings, research in different regions and countries provides distinct differences in the degree of business activity between ethnic minority groups⁶. That raises the question “…why some visibly identifiable and stigmatised groups make it through business and others do not.” (Carter and Jones-Evans 2000:185). Further, there are examples of in-group variance where people belonging to the same ethnic group show different patterns of business activity in different contexts (Waldinger et al, 1990; 2000, Light and Gold, 2000; Chaganti and Greene, 2002). This implies that research about this topic must be placed contextually in time and space.

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⁴ One of the pioneers in conducting research in the field of ethnic entrepreneurship is Ivan Light, and his study of Ethnic enterprise in America (1973) is an important early contribution.
⁵ This was emphasised in a seminar in Norrköping on the subject of small business, ethnicity and integration ("Småföretagande, etnicitet och integration") that I participated in November 26th 2003. During the seminar it was concluded several times that we have relatively little knowledge about these issues in Sweden.
⁶ Some examples of ethnic groups with high degrees of business activity are Syrians and Assyrians in Södertälje, Sweden (Pripp, 2001), and Koreans in New York, USA (Carter and Jones-Evans, 2001). Ethnic minority groups descendent from Africa show low rates of business ownership in more or less every immigration country (Waldinger et al, 1990; Najib, 1999).
Immigrant and ethnic entrepreneurship have been researched from a variety of angles. In principle, two basic variables are commonly employed in order to explain differences in entrepreneurial activity between ethnic minority groups (Waldinger et al, 1990; 2000; Najib, 1999). The first one concerns cultural (pull) factors, which derive from ethnicity, above all collective ethnic properties. This view emphasises the meaning of entrepreneurship in different cultures, such as the propensity to enterprise in the homelands. Cultural factors in this sense equal the concept of ethnic group characteristics. The structural (push) perspective, on the other hand, studies the differences in business activities in structural factors on the labour market. One example is that immigrants in general are discriminated on the labour market. This implies that structural factors equal the meaning of contextual opportunity structures.

When it comes to cultural explanations, ethnic resource mobilisation is presented as a means of emphasising differences between ethnic groups in terms of business activity. However, it has been concluded that despite many benefits of ethnic resources and connections (money, advice, labour etc.), ethnic resources may operate within a context that may limit freedom and impose restrictions that constrain gainful activities (Light and Gold, 2000). Too homogeneous and constrained networks are likely to reduce the opportunities for full-potential growth of an ethnic business (Waldinger et al 1990; 2000; Najib, 1999; Aldrich, 1999; Light and Gold, 2000; Chaganti and Greene, 2002). In this sense, there are no differences between immigrant and ethnic entrepreneurs and mainstream entrepreneurs: diversity in network relations, and thus diversity in information and knowledge sources, enhances the potential for business success (Waldinger et al, 1990; Najib, 1999; Johannisson, 2000; Saxenian, 2001). Aldrich (1999) claims that when too many people of the same kin are involved in start-up activities, this has a negative effect on the start-up rate. Further, Najib (1999) asserts that the lack of access to mainstream inter-firm networks is a major disadvantage for immigrant entrepreneurs in Sweden today.

Still, both cultural and structural theories have difficulties to explain why groups show such great differences despite the fact that discrimination generally means that ethnic minorities are treated in similar manners (Waldinger et al, 1990; 2000; Light and Gold, 2000). Therefore, a third view deals with a combination of cultural and structural factors. Some researchers (e.g. Waldinger et al, 1990; 2000) argue that cultural and structural factors overlap each other and thus are difficult to divide.7 By this view, either culture or structure is dominant and the other complementary (Najib, 1999). This situational approach – also known as the interactive theory – deals with the relationship between cultural or social characteristics and the circumstances of their arrival and settlement (Mitchell, 2003). The decisive factor could be different for different ethnic minority groups, which diminishes the possibility to use a general theoretical approach as a means of understanding immigrant and ethnic entrepreneurship.

Mitchell (2003) adds another approach, namely the ethnic enclave theory. This theory argues that the initial economic niches held by immigrants determine economic opportunities and positions for succeeding immigrants in the host society. In this

7 Waldinger et al, (1990; 2000) present an interactive model of ethnic entrepreneurship that incorporates both opportunity structures (market conditions, access to ownership) and group characteristics (predisposing factors, resource mobilisation). Ethnic strategies are assumed to arise as a response to these exogenous (structural) and endogenous (cultural) factors.
sense, the present situations for immigrant firms decide where the next generation will go. This implies that ethnic enclaves heavily influence certain industries, an issue confirmed by several studies. However, Najib (1999) as well as other research (SOU, 1999; NUTEK, 2001a) state that immigrant entrepreneurship is something more than pizzerias and corner shops. Najib (ibid.) further concludes that the group of immigrants is heterogeneous, that immigrants constitute an important number of enterprises in Sweden and that they run businesses in every industry, including high tech ventures (see also Carter and Jones-Evans, 2000 and Abbasian, 2003). Thus, apart from cultural, structural and mixed explanations, the type of industry or firm also affects the applicability of different theories about immigrant and ethnic entrepreneurship.

As discussed in the previous chapter, conditions for immigrant/ethnic businesses in high-technology settings are likely to be different from those of immigrant/ethnic businesses in more traditional sectors. However, the term ‘high-technology’ has been used with little care over the years. According to Bozkaya et al (2003) Technology-based small firms (TBSFs) are innovative enterprises also widely known as ‘high-technology’ start-ups. A definition proposed by Allen (1992, in Bozkaya et al, 2003:6)8 TSBFs are “businesses whose products or services depend largely on the application of scientific and technological knowledge, or as businesses whose activities embrace a significant technology component as a major source of competitive advantage.” These start-ups are normally based on unique characteristics (as in terms of professional knowledge) of the individual venture, and these businesses are generally located in industries such as aviation, communications, information technology, biotechnology, electronics and medical life sciences (Bozkaya et al, 2003).

In a similar manner to Allen, Keeble and Wilkinson (2000:3-4) refer ‘high-technology’ (as opposed to other firms and industries) to “…firms and industries whose products or services embody new, innovative and advanced technologies developed by the application of scientific and technological expertise. Such firms almost invariably regard such expertise and resultant technological leadership as the firm’s leading competitive advantage, and are usually identified in practice by high R&D-intensity (high levels of research and development expenditure and/or employment relative to turnover or total workforce.” Notice that by this definition, service firms could also be high tech businesses, albeit they need to involve innovative and advanced technologies to meet the requirements. However, when including the aspect of advanced technology, I find this definition useful as a means of making a distinction between technology-based and more traditionally oriented service firms. From now on I equal the terms of high tech and science-and technology-based firms, in the same manner as I equal traditional and service-based firms.

2.2 Ethnicity and ethnic identity

An objective identity is defined by characteristics others define as important, and that refers to an individual, group or category. Objective identity can be divided in two aspects: social identity, which refers to broad social categories and attributes, such as sex, age, profession, ethnic origin and nationality; and personal identity, which has to

8 www.iir.hit-u.ac.jp/file/WP03-23bruno.pdf
do with the partly unique combination of characteristics and attributes that others connect to an individual, and that differs an individual from others with the same social attributes (Pripp, 2001). As an example, a person from Iran may not have dark hair and perhaps he/she belongs to the Bahai religion instead of being a Christian or a Muslim. Other people decide whether to emphasise group (social) or individual (personal) characteristics of a person with ethnic minority background.

Apart from the objective identity, each individual has a subjective identity as well. The subjective identity has to do with how a person defines and identifies herself/himself. The most interesting aspects concerning this aspect on identity are self-perceptions and self-presentations of an individual. A big point with the difference between objective and subjective identity is that these do not have to correspond to each other. However, the self-perceptions and self-presentations of individuals reflect how they view their ethnic identity and therefore affect the perceptions of others (Pripp, 2001).

From the discussion above it can be concluded that identity could take many forms, e.g. sex, gender, ethnicity, as well as a certain identity as an entrepreneur or a business owner. When it comes to ethnicity and entrepreneurship, research indicates that when a company grows and becomes more specialised, the importance of ethnicity vanishes (Pripp, 2001). There are differences, but they do not necessarily depend on the fact that the entrepreneurs have different ethnic backgrounds. Instead, the differences may also reflect the way people in the surroundings view ethnic entrepreneurs. Identity is constructed through body signs and other discursive means and should not be viewed as an ‘inner core’ (Pettersson, 2002). The implication is that ethnicity as a social identity lies as much in the eyes of the beholder as in those people who are referred to as ‘carrying’ ethnicity. Thus, it is the relation that is important – ethnicity is constructed in the relation. Ethnicity cannot be separated from one’s own capabilities as an individual – they are tied together. Ethnicity is nothing that is created and remains unchanged, but changes over time and in different contexts. Thus, the formation of ethnicity can be viewed as a process. Studies on the formation of ethnicity (Jessel, 1978; Roosens, 1989) show that this process is an evolutionary progress of languages and peoples. The theoretical discussion around the formation of ethnicity could be very extensive, including aspects of minority, race and culture, and will not be further discussed here.

Hymes (1996) talk about the concept of voice as a means of describing how identity is constructed. He connects this to the importance of language. Language and its use represent differences in social meaning for its users and this reflects a possibility to grasp identity as expressed by users. Ethnic identity as well as other social aspects of human life can be understood in terms of elementary linguistics. Elementary linguistics connects language and narratives to actual life experiences and in this sense, it is possible to approach and understand for example ethnic identity in realistic terms (Hymes, 1996:220-221).

This turns the attention to a performative view9 on identity where language is given a central role. Language is performative in the sense that it constructs our experience of

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9 In this thesis, a performative definition is used in contrast to an ostensive definition. An ostensive definition “…points out or exhibits instances of the term defined” (The Free Dictionary, [http://www.thefreedictionary.com/ostensive%20definition](http://www.thefreedictionary.com/ostensive%20definition)). An example in practice could be
ourselves and provides the means through which individuals construct their identities and realise opportunities for self-expression (Burr, 1995). Hosking (1999) explains this the following way: in the case of language, this often is thought of as standing in for, or representing, how things (entities) ‘really’ are. In another view, she claims, language is regarded as performative, i.e. its use brings people and things into being and at the same time defines and constructs them. Thus, in the context of my study a performative view on ethnicity and ethnic identity lets the research process decide whether businesses run by minority entrepreneurs ought to be regarded and defined as immigrant, ethnic, minority or something else.

In practice, this means that if language does not reveal aspects of ethnicity, i.e. the individual(s) involved do not ‘act’ or ‘perform’ ethnic and relate to the importance of ethnic involvement and thus ethnic resources, ethnicity would not be an important business issue. The definition of the business would be an ‘immigrant’ (instead of an ‘ethnic’) enterprise, due to the fact that the individual(s) involved has immigration background. If the individual(s) involved refer to ethnicity as important or utilise ethnic resources or ethnicity as a resource, it can be regarded as important. However, ethnic resources may play an important role although not perceived or expressed that way by the individual(s) involved. Therefore, it is important to note that there are different layers to this. Some businesspeople are expected to differ between work and leisure (see Light and Gold, 2000; Pripp, 2001). As such, they are involved in ethnic societies during evenings and weekends, but if they do not draw on ethnic involvement and thus ethnic resources in their business activities, ethnic background is not an important business issue for their firms. Others make weak distinctions between work and free time and being an immigrant and/or ethnic business owner becomes the major identity. Further, even if a business owner has immigrant and/or ethnic minority background, this may not be apparent merely by physical appearance, and thus this background could be hidden.

The previous discussion in this chapter concerning immigrant and ethnic entrepreneurship shows the difficulty in finding a general approach that is helpful in explaining the importance of ethnic involvement (ethnic resources) and ethnic identity for studying firms in different industrial settings and with different business logics. There seems to be room for an approach focusing on individual characteristics of a venture, where resources are at the centre of attention. Such an approach does not neglect the importance of structural and cultural arguments, but focuses more on the way the firm works – how the people driving the firm acquire resources necessary for the creation and development of their businesses.

### 2.3 Framework for the study

Gartner (1985) presents a framework including four perspectives in order to understand early firm development: the characteristics of the individual(s) involved, the organisation under creation, the environment surrounding the new venture and its influence, and the very process by which the new venture is started. New organisations emerge when an entrepreneur identifies, assembles and configures
resources, thus resources are one of the defining properties of new ventures, contributing to the character of the emerging organisation (Katz and Gartner, 1988; Barney, 1991; Alvarez and Busenitz, 2001). The author suggests that an integration of these perspectives is needed to describe the multidimensional phenomenon of new venture creation. The variation and complexity between firms is big and this variation and complexity needs to be studied.

![Diagram of new venture creation](source: Gartner (1985:698).

2.3.1 Organisation

Gartner (1985) concludes that many research samples in entrepreneurship are selected without accounting for type of firm or industry. And of those studies that have taken an industrial perspective, few attempts have been made to compare firms in different industries to find out what difference type of firm might make in the process of venture creation and development. Entrepreneurs form very different kinds of organisations and it is about time we stop talking about entrepreneurial organisations as a certain type. Differences in industrial settings and other issues mean that the kind of organisation emerging has an important impact on the development of firms.

Samuelsson’s (2001) study shows there are significant differences between firms exploiting innovative and those exploiting equilibrium (imitative) venture opportunities. The former activity involves the creation of new transactions and the latter involves existing market transactions. Thus, the first type of venture opportunity is more oriented towards risk and new markets, where first mover advantage is a potential opportunity and ‘liability of newness’ (Stinchcombe, 1965) a potential threat. In the latter, a market is in place and the potential pits and downfalls are less. Besides, a ready concept can often be used when setting the course for the business. This implies that exploiting equilibrium venture opportunities should be a shorter and more straightforward process. The big con is the existence of heavy competition.

Samuelsson’s (ibid.) empirical findings show that innovative venture opportunities are characterised by a “specialist” strategy, tacit knowledge and are more likely to acquire specific resources needed to exploit the opportunity (utilitarian reinforcement). On the other hand, equilibrium opportunities tend to imitate existing ventures. Therefore, exploiting an innovative venture opportunity is systematically different from exploiting an equilibrium venture opportunity. In relation to type of industry or firm,
it seems as although the division between exploiting innovative and equilibrium (imitative) venture opportunities are applicable also for the division between science- and technology-based and service-firms, they do not correspond in all ways. As an example, a firm that exploits an ethnic niche could be innovative in the sense that it creates a new market and explores previously unexplored terrain. Still, theoretically the division between innovative and equilibrium venture opportunities is applicable to type of industry as long as innovative is connected to high tech/science and technology firms, and equilibrium connected to traditional/service firms.

2.3.2 Individual(s)
Although there have been little outcome from studying psychological profiles of the entrepreneur, research focusing on background, experiences and behaviour of individual(s) in business ventures have shown more promising results (Gartner, 1985; Van de Ven, 1993). Sarasvathy (2001:258) may be the one that best describes the problem with the fixation on personality traits as well as superior characteristics of the firm or organisation. She asserts that we need to “…start researching markets as groups of individuals and communities developing a variety of gardens and parks based on their particular tastes in landscaping and architecture. Only then we begin to explain why people of all types seem to build successful companies and other economic artefacts.”

As I pointed out above, exploiting an innovative venture opportunity is systematically different from exploiting an equilibrium (imitative) venture opportunity. However, indifferent of the kind of venture opportunity exploited, the actions and behaviours of individual(s) or teams are crucial for the performance of firms (Gartner et al, 2003). How venture opportunities are exploited is crucial for the performance of firms. In this sense, action is one of the fundamental aspects in the process of starting up, developing and running a firm (Johannisson, 2000; Holmqvist, 2003; Gartner et al, 2003). This can be connected to a discussion on what I refer to as proactive and reactive action modes. These terms reflect different behaviours towards opportunities. A proactive action mode symbolises a person that acts toward or creates an opportunity, whether innovative or equilibrium in character, whereas a reactive action mode means that a person does not have the same alertness to perceive and act toward opportunities (Kirzner, 1973) or to create opportunities (Schumpeter, 1934; Gartner et al, 2003).

2.3.3 Environment
Forslund (2002) discusses the fact that entrepreneurship literature generally has emphasised the role of the entrepreneur in the process of starting and running new businesses, while few studies have dealt with the importance of the surrounding context. Firms do not work in vacuums – they interact with the environment and function within a context. Environmental influences have proven to have an effect on new venture creation, thus emphasising contextual variables (Van de Ven, 1993; Aldrich, 1999; Johannisson, 2000). Ideas referring to structural (push) and cultural (pull) factors in the environment have been discussed in the theoretical section about immigrant and ethnic entrepreneurship. An example is that high percentages of recent immigrants in the population lead to higher organisation birth rates (Gartner 1985), something that recent statistics in Sweden confirms (ITPS, 2002).
Thus, in addition to their own personal characteristics, entrepreneurs must take part in a supportive environment. Entrepreneurs, like all other people, engage in social settings that impose restrictions on their business, but also provide support essential for further action (Aldrich, 1999). The most common way to describe this interaction is through the concept of networking. Partly, this has been a reaction against the usage of individual, psychological variables as means of explaining entrepreneurial activities. Instead, research has focused on how business opportunities are discovered and organised. Hereby, the network consists a framework and a context for the entrepreneurial process that aims at organising the necessary resources in order to exploit the business opportunities the entrepreneur discovers (Landström, 2000).

Social networks are among the most important kinds of structures in which economic transactions are embedded. In Portes (1995:8) view, social networks “…are sets of recurrent associations between groups of people linked by occupational, familial, cultural, or affective ties.” Networks are important in economic life because they are sources for the acquisition of scarce resources, something that can make networks even more valuable in relation to the emerging process of ethnic entrepreneurship. From the beginning, social networks are crucial assets for business owners in competitive markets, and networking allows them to gain access to resources and opportunities otherwise unavailable (Aldrich, 1999; Johannisson, 2000; Carter and Jones-Evans, 2000). All nascent entrepreneurs draw upon their existing social networks and construct new ones in the process of obtaining knowledge and resources for building their organisations. Even if the entrepreneur possesses excellent personal networking abilities, impoverished social locations will constitute a hindrance for access to emerging opportunities and critical resources (Aldrich, 1999).

### 2.3.4 Process

The view of entrepreneurship as a process, activity or function is gaining more and more terrain in the entrepreneurship field (Gartner et al, 1992; Carter et al, 1996; Holmqvist, 2003). The implications of this movement are that entrepreneurial activities, features and characteristics are not ‘objects’ given a fixed or static ontological status as they come into being. Instead, they are dynamic and constantly emerging, as they are realised, shaped and constructed through social processes (Fletcher, 2003). From this process perspective it becomes clear that there still exists a need for approaches that give good descriptions of individual cases, along with more traditional methodological approaches to entrepreneurship (Birley and Gartner, 2001).

The organisational emergence and development perspective (Gartner et al, 1992) highlights the social, processual, and constructive aspects of business venturing. This “dynamic” view looks at the characteristics of certain circumstances related to the individual venture, and the goal is to identify the specific variables that describe how each venture is created as a means of making meaningful contrasts and comparisons among firms, including certain actions that the individual(s) involved perform(s) in order to create and develop a venture. And once good description is achieved, good comparisons and contrasts can be made and subsets of similar ventures can be established (Gartner, 1985).

### 2.3.5 Framework summary

Although he does not claim this framework for new venture creation to be complete, Gartner (ibid.) convincingly argues that no description of a venture is complete.
without taking these four perspectives into account. From this framework it is concluded that venture creation is a complex phenomenon – each venture creation and development is different from another. The primary benefit of the framework presented above is that it provides a systematic means of comparing and contrasting complex ventures, i.e. it is a means of conceptualising variation and complexity. The value of such an approach also is applicable in a narrowly selected research sample in order to avoid making too hasty conclusions about the virtual sameness of businesses in a sample (Gartner, 1985).

2.3.6 Gartner’s framework in relation to resource acquisition and the resource-based view

As suggested above, new organisations emerge when an entrepreneur identifies, assembles and configures resources (Gartner, 1985), and resources are one of the defining properties of new ventures (Katz and Gartner, 1988; Barney, 1991; Alvarez and Busenitz, 2001). Lichtenstein and Brush (1997) combine Gartner’s definition of new venture creation as “organizing (in the Weickian sense) of new organizations” (Gartner, 1985:697) with Penrose’s theory of the firm as a “collection...and acquisition...of productive resources” (Penrose, 1959/1995, in Lichtenstein and Brush, 1997)\(^\text{11}\). This combination results in a theoretical typology of resources that need to be acquired and from which new ventures are created (Brush et al, 1997).

According to Alvarez and Busenitz (2001), discussing the connection between entrepreneurship and the resource-based view, resources can be used as the unit of analysis in entrepreneurship studies. All four dimensions in the framework can be taken into account and resources studied at each dimension, but a resource acquisition perspective makes it possible to practically organise these at an overall firm level. Therefore, combining the four perspectives with a resource acquisition perspective represents a theoretical as well as a methodological tool.

2.4 Resource acquisition and the resource-based view

Light and Gold (2000) conclude that entrepreneurs need resources. They regard the concept referred to as entrepreneurial capacity as just a cipher for the resources that create it. A resource acquisition perspective has its roots in the resource-based view (Penrose, 1959; Barney, 1991; 2001; Brush et al, 1997). According to this view, organisations are comprised of heterogeneous bundles of resources, defined as “all tangible and intangible assets that are tied to the firm in a relatively permanent fashion” (Brush et al, 1997)\(^\text{12}\), or as “all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable [it to] improve its efficiency and effectiveness” (Barney, 1991: 101). The acquisition of resources and their combinations provide a firm’s strengths, and optimally are a source of competitive advantage (Penrose, 1959; Barney, 1991; Alvarez and Busenitz, 2001). An organisation emerges when the entrepreneur or entrepreneurial team utilises resources and establishes procedures for their use, and over time, some resources are reorganised, new ones are acquired, some become specialized and others may become idle (Brush et al, 1997).

\(^{11}\) Source: [http://www.babson.edu/entrep/fer/papers97/lichen/2.htm#Resource-Based%20View%20in%20Entrepreneurship](http://www.babson.edu/entrep/fer/papers97/lichen/2.htm#Resource-Based%20View%20in%20Entrepreneurship).

\(^{12}\) Source: [http://www.babson.edu/entrep/fer/papers97/brush/bru3.htm#BACKGROUND](http://www.babson.edu/entrep/fer/papers97/brush/bru3.htm#BACKGROUND).
2.4.1 Types of resources described in entrepreneurship literature

Resources can be classified into distinct types. All types of resources are forms of capital (Light and Gold, 2000:84). Traditionally, the resource-based view has defined three types of resources: financial, physical and human capital (Barney, 1991; Brush et al, 1997). Later, other kinds of resources have been included in entrepreneurship studies, e.g. organisational and social capital. A typology appropriate to venture creation and development is proposed by Brush et al (1997) that – apart from financial capital – recognises the important role of the founder(s)’ human capital, social capital (networks and relationships), and unique features of physical and organisational capital. Thus, this typology includes “…the human and social capital of the entrepreneur, the physical and financial capital needed to start the company, and organizational capital that produces the goods and services in the firm.” (Lichtenstein and Brush, 1997)\(^\text{13}\). These five categories of capital are theorised as the essential resources needed to drive the emergence and development of a firm (Lichtenstein and Brush, 1997). These forms of capital are presented in the table below.

\(^{13}\) Source: [http://www.babson.edu/entrep/fer/papers97/lichten/li2.htm#Resource-Based%20View%20in%20Entrepreneurship](http://www.babson.edu/entrep/fer/papers97/lichten/li2.htm#Resource-Based%20View%20in%20Entrepreneurship).
### Table 1. Greene et al’s (1997) ‘Capital framework for new ventures’ as presented in Brush et al (1997).\(^{14}\)

<table>
<thead>
<tr>
<th>Capital Type</th>
<th>Definition</th>
<th>Associated Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Capital</td>
<td>achieved attributes</td>
<td>Becker, 1964</td>
</tr>
<tr>
<td></td>
<td>Education and experience</td>
<td>Cooper, 1981</td>
</tr>
<tr>
<td></td>
<td>Reputation</td>
<td>Dollinger, 1995</td>
</tr>
<tr>
<td>Social Capital</td>
<td>relationships and networks</td>
<td>Bourdieu, 1983</td>
</tr>
<tr>
<td></td>
<td>Family</td>
<td>Liebenstein, 1968</td>
</tr>
<tr>
<td></td>
<td>Race and ethnicity</td>
<td>Glade, 1967</td>
</tr>
<tr>
<td></td>
<td>political connections</td>
<td>Glade, 1967</td>
</tr>
<tr>
<td>Physical Capital</td>
<td>tangible assets necessary for business operations</td>
<td>Hofer &amp; Schendel, 1978</td>
</tr>
<tr>
<td></td>
<td>facilities and equipment</td>
<td>Hofer &amp; Schendel, 1978</td>
</tr>
<tr>
<td></td>
<td>Technology</td>
<td>Dollinger, 1995</td>
</tr>
<tr>
<td>Organizational Capital</td>
<td>organizational relationships, structures</td>
<td>Tomer, 1987</td>
</tr>
<tr>
<td></td>
<td>routines, culture</td>
<td>Hofer &amp; Schendel, 1978</td>
</tr>
<tr>
<td></td>
<td>Knowledge</td>
<td>Dollinger, 1995</td>
</tr>
<tr>
<td>Financial Capital</td>
<td>funds used to start &amp; grow business</td>
<td>Bygrave, 1992</td>
</tr>
</tbody>
</table>

Lichtenstein and Brush (1997) state that the definitions of these five resource categories reveal a broad distinction between organisational and other types of capital. **Human capital** refers to the “…attributes of the individual entrepreneur or the entrepreneurial partners involved in the creation of the organization” (Brush and Greene, 1996, in Lichtenstein and Brush, 1997).\(^{15}\) Similarly, the entrepreneur brings with her or him **social capital** – familial, ethnic and professional network relations that support the acquisition of further resources. Thirdly, acquiring **financial capital** can also rely on the proven success or savvy of the individual(s) involved. **Physical capital** is “the tangible assets necessary for the operation of the business” (Brush & Greene, 1996, in Lichtenstein and Brush, 1997).\(^{16}\) Since these assets often are difficult to acquire, the choice of which industry to enter may depend on which physical resources the organisation can acquire. Finally, **organisational capital** includes the skills, knowledge and learning embodied within the firm over time or brought by the employees, in contrast to the human, social, financial and sometimes physical capital which may exist through past experience and reputation of the founder(s) involved. An example of an organisational resource is organisational learning, whereas technology, which in established firms is usually counted as a separate resource category, in new ventures can be considered either physical or organisational capital, depending on its centrality to the firm (Lichtenstein and Brush, 1997). Since entrepreneurs normally start up with limited resources (Aldrich, 1999), the resource acquisition process is assumed to be just as crucial – or even more important – than the incomplete resource-base a firm starts up with. In this sense, social capital of the

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\(^{14}\) Source: [http://www.babson.edu/entrep/fer/papers97/brush/bru3.htm#BACKGROUND](http://www.babson.edu/entrep/fer/papers97/brush/bru3.htm#BACKGROUND).

\(^{15}\) Source: [http://www.babson.edu/entrep/fer/papers97/lichten/li2.htm#Resource-Based%20View%20in%20Entrepreneurship](http://www.babson.edu/entrep/fer/papers97/lichten/li2.htm#Resource-Based%20View%20in%20Entrepreneurship).

\(^{16}\) Source: [http://www.babson.edu/entrep/fer/papers97/lichten/li2.htm#Resource-Based%20View%20in%20Entrepreneurship](http://www.babson.edu/entrep/fer/papers97/lichten/li2.htm#Resource-Based%20View%20in%20Entrepreneurship).
individual(s) involved may be the most important form of capital for the acquisition of further resources needed, which is also suggested in Gartner’s (1985) emergence perspective above.

2.4.2 Types of resources in literature about immigrant and ethnic entrepreneurship

In immigrant and ethnic entrepreneurship literature, resources commonly have been discussed in a way that deals with how immigrant/ethnic entrepreneurs possess and acquire so-called ‘mainstream’ resources in relation to ethnic resources (Waldinger et al., 1990; 2000; Pripp, 2001; Saxenian, 2001; Chaganti and Greene, 2002; Abbasian, 2003). Light and Gold (2000:83-84) develop this further and make the distinction between class resources and ethnic resources. Just like the resources described in the previous section, class resources are all forms of capital. Light and Gold (ibid.) refer to four types of capital in relation to class resources: financial, cultural, social and human capital. Immigrant and ethnic enterprises are expected to utilise both class and ethnic resources in different proportions. Although class resources refer to social status and not to ethnic origin, ethnic background (ethnic resources and identity) can be valuable in order to acquire class resources.

Financial capital is basically the pecuniary resources tied to the business activity. For ethnic entrepreneurs, the ethnic community and the ethnic network often provide opportunities for financial assistance (Waldinger et al, 1990; 2000; Light and Gold, 2000). Typically, such arrangements have the character of informal borrowing and lending, sometimes with interest rates, based on mutual tacit understanding of the rules of the game. Although this kind of credit giving activities have been regarded and stated as a valuable resource exclusive for certain ethnic groups, these loans have to be paid back sooner or later, just as any other loans. And examples show that the very existence of such arrangements could be indicators of that these people have problems borrowing money from ‘mainstream’ sources (Light and Gold, 2000).

Human capital means an individual’s investment in personal productivity. Formal education, such as university education, and informal education, such as work experience, are the basic forms of human capital. Besides, nonformal education, like adult education, may increase an individual’s human capital (Light and Gold, 2000; Davidsson and Honig, 2003). Human capital also includes a number of other variables, where e.g. language skills are suggested important for immigrant and ethnic entrepreneurs. These are referred to as knowledge and knowledge may be defined as either tacit (know-how) or explicit (know-what). Davidsson and Honig (2003:306) state that “…tacit knowledge refers to know-how, the often noncodified components of activity. Know-what consists of the explicit type of information normally conveyed in procedures, processes, formal written documents and educational institutions.” Previous studies show that formal education increases the individual’s likelihood of engaging in nascent activities, but that it does not determine success in the exploitation process (Davidsson and Honig, 2003).

Bourdieu (1979, in Light and Gold, 2000:91) defines cultural capital “…as competence in a society’s high-status culture.” Therefore, this form of capital has the potential to be of specific interest for the study of immigrant and ethnic entrepreneurship, and for these purposes, cultural capital is best translated as the knowledge how to acquire other forms of capital in a society. Human capital, for
example, increases its owner’s productivity, a competence rewarded with higher productivity and income, whereas cultural capital reflects prestige recognition for which people get e.g. desirable educations and business contacts. Thus, education or work experience could have value as both human and cultural capital. The difference depends upon whether they emphasise the real vocational experiences or the prestige recognition it means to its carrier (Light and Gold, 2000).

One definition of social capital is “...the arrangement of human resources to improve flows of future income.” (Light and Gold, 2000:94). And Davidsson and Honig (2003:307) state: “Social capital theory refers to the ability of actors to extract benefits from their social structures, networks and memberships. Social networks provided by extended family, community-based, or organizational relationships are theorized to supplement the effects of education, experience and financial capital.” A fruitful way is to broadly utilise social capital in terms of social exchange to examine the effects of exchange ties on performance. Ties that result in social capital can occur at both individual and organisational levels, although commonly attributed to the individuals involved (Aldrich, 1999; Davidsson and Honig, 2003). Thus, access to social relations that facilitate entrepreneurship increases a person’s entrepreneurial social capital and the simplest form of social capital is a network of strong (bonding) and weak (bridging) social ties (Ardichivili et al, 2003; Davidsson and Honig, 2003). “The contribution of social networks to entrepreneurship is the most important discovery in the last generation. Entrepreneurs make extensive and important use of social networks when starting and running a business.” (Light and Gold, 2000). The cultural capital of an entrepreneur includes the knowledge of what social capital is, how to obtain it and how to use it. Nonetheless, cultural and social capital are distinguished on the basis that knowledge how to obtain and use a resource and the actual acquisition and possession of that resource are different matters.

As discussed earlier in this thesis, apart from class resources, entrepreneurs may also have access to and utilise ethnic resources. These resources are acquired differently and cannot be referred to resources dependent on class, which numerous examples show (Light and Gold, 2000; Pripp, 2001; Saxenian, 2001; Chaganti and Greene, 2002). Ethnic resources are socio-cultural and demographic features of a whole ethnic group from which co-ethnic entrepreneurs actively or passively benefit. Ethnic resources characterise a whole group, not just isolated members and not just high-status members. “Typical ethnic resources include kinship and marriage systems, relationships of trust, ethnic-derived social capital, cultural assumptions, religion, native language fluency, a middleman heritage, entrepreneurial values and attitudes, rotating credit associations, relative satisfaction arising from nonacculturation to prevailing labor and living standards, reactive solidarities, multiplex social networks, employer paternalism, an ideology of ethnic solidarity, and a generous pool of underemployed and disadvantaged coethnic workers.” (Light and Gold, 2000:102). In practice, ethnic traditions of business ownership, ethnic financial capital, ethnic labour and ethnic consumer demand might be the most useful measures of ethnic involvement and dependency. These resources are normally built on mutual trust (Light and Gold, 2000).

2.4.3 Summarising types of resources

The discussion about types of resources presented above provides great potential in understanding differences in performance between businesses, since they make a
Voices of entrepreneurship and small business – immigrant enterprises in Kista, Stockholm

distinction between firms who possess and utilise certain resources from people who do not. As the resource-based theory suggests: possession and acquisition of certain kinds of resources leads to competitive advantage. The types of resources brought up in the discussion above are summarised below.

<table>
<thead>
<tr>
<th>Human capital</th>
<th>Organisational capital</th>
<th>Cultural capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and experience</td>
<td>Technology</td>
<td>Mastering of language</td>
</tr>
<tr>
<td>Motivation</td>
<td>Organisational learning</td>
<td>Knowledge about rules and codes in society</td>
</tr>
<tr>
<td>Reputation</td>
<td></td>
<td></td>
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<tr>
<td>Action mode</td>
<td></td>
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<td></td>
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<tr>
<td>Social capital</td>
<td>Economic resources</td>
<td>Financial capital</td>
</tr>
<tr>
<td>Relations and networks</td>
<td>Money</td>
<td>Start-up capital</td>
</tr>
<tr>
<td>Ethnicity</td>
<td>Labour</td>
<td>Money for own support</td>
</tr>
<tr>
<td>Support systems</td>
<td>Language</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Using ethnicity in order to acquire further resources)</td>
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</tbody>
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Table 2. A summary of types of resources (as forms of capital) in entrepreneurship and immigrant/ethnic entrepreneurship literature

*Human capital* variables include aspects such as education, work experience and entrepreneurial motivation. *Organisational capital* deals with business logics, including aspects of technology, as well as organisational learning of a firm. Other important factors are assets necessary for business operations, like an office, facilities and equipment, as well as funds used to start and grow the business. These factors can be referred to the physical capital of the firm. *Cultural capital* refers to how to obtain social capital, that one masters codes to acquire ‘mainstream resources’ (see Light and Gold, 2000; Saxenian, 2001; Abbasian, 2003). *Social capital* refers to the ways people and firms engage in networking activities, including how to obtain physical and *Financial capital*. *Ethnic resources* may affect the acquisition of all other types of resources such as financial and physical capital.

Although all types of resources are important, when looking at resource acquisition aspects, social capital stands as extraordinarily crucial (Davidsson and Honig, 2003). For businesses with scarce resources, networking more or less equals actions of resource acquisition (Aldrich, 1999; Johannisson, 2000). A lack of social capital generally leads to a lack of other resources as well, and many researchers have emphasised the importance of social and professional networks (Aldrich, 1999; Johannisson, 2001; Saxenian, 2001). Unlike human and cultural capital, which a learner absorbs, social capital remains an external resource. And unlike financial capital, which decreases with use, social capital increases with use (Light and Gold, 2000).
2.5 Combining Gartner’s framework with resource acquisition/the resource-based view into a conceptual framework

The types of resources brought up in the discussion about resource-based theory and resource acquisition perspective above can be related to the dimensions in Gartner’s framework, although there are ‘overlaps’ in the sense that different types of resources can be referred to more than one dimension in his framework. The conceptual framework for this thesis, a combination of Gartner’s (1985) framework for describing new venture creation and resource acquisition/resource-based theories, is presented below.

Included in the organisational dimension is what can be referred to organisational capital. Type of industry and venture opportunity should be reflected in the organisational capital (including technological capital) of the firm. Physical capital refers to the possession and acquisition of assets necessary for business operations, like office space and other facilities. And financial capital is relevant here, since high tech firms are expected to acquire financial assistance thanks to the technology of the firm and other organisational capital, while traditional firms may have to use other sources for financing their ventures.

Human capital of the individual(s) involved ought to play an important role for the type of industry or firm. The rationales and motives of the individual(s) involved are expected to differ between science- and technology-based and service-based firms. And human capital aspects like education and relevant previous experience are likely to influence what kind of resources the firm depends on. Social capital can be referred both to individuals and firms, but also in the interaction with the environment. Cultural capital refers to the knowledge of how to obtain social capital.

As previously discussed in this thesis, Waldinger et al (1990; 2000) conclude that immigrant and ethnic entrepreneurs need resources outside the ethnic community –
so-called ‘mainstream’ resources (Saxenian, 2001; Chaganti and Greene, 2002) in order to grow. Regarding resource acquisition in interaction with the environment, social capital of individual(s) involved is expected to have a big influence and importance. Financial capital is relevant here as well, while traditional firms are expected to at a higher degree acquire pecuniary resources through ethnic involvement. And physical capital is acquired through interaction with the surroundings too.

Regarding the process, certain actions taken to create and develop the venture over time are expected to be crucial. Examples are that one starts a firm and devotes time and resources to create and further develop the business. This is related to action modes of the individual(s) involved and the interaction with other parties in the environment, such as business advisors and other actors in the business support system. A proactive action mode is expected to enhance the possibilities to successfully exploit the venture opportunity at hand and thus acquire the resources needed. Networking and relationships – forms of social capital – are the means by which new businesses with scarce resources acquire new resources. In turn, social capital is to a large degree dependent on previous cultural capital of the individual(s) involved. And since immigrant/ethnic entrepreneurship is the topic here, I include ethnic resources as a means of operating the importance of ethnic resources and thus ethnic background in the process of acquiring resources for the development of a firm. And using ethnic resources and ethnicity as a resource affects the acquisition of all other types of resources. Thus, as the figure shows, all the dimensions and types of resources are connected.

2.5.1 Operating the conceptual framework

In order to summarise this chapter, I present some aspects that will be emphasised in the remainder of this thesis. They are all connected to the discussions conducted above. Although many matters are of interest, I specifically focus on aspects that can be related to type of industry or firm, action mode of the individual(s) involved, interaction with the environment (networks, relationships and support) and to firm-specific aspects of resource bases and resource acquisition. This conceptual framework incorporates important aspects of the theoretical discussion conducted above and is the ‘lens’ through which I study the empirical context. Figure 3 presents the conceptual framework for this study.

Figure 3. Operating aspects emphasised in the conceptual framework
To sum up, I include ethnic resources as a means of operating the importance of ethnic resources and thus ethnic background in the process of acquiring resources for the development of a firm. Using ethnic resources and ethnicity as a resource affects the acquisition of all other types of resources. The discussion about business logics (high tech and traditional firms/innovative and equilibrium venture opportunities) represents the firm level, and high tech firms are expected to utilise ethnic resources and ethnicity as a resource to a lesser degree than traditional firms. Action mode deals with attitudes and behaviour of the individual(s) involved. Although there is practical value in separating individuals and firms, these still are intertwined and can be said to represent two sides of the same coin. Every venture opportunity, regardless of type of industry or firm, involves people and these can exhibit both proactive and reactive action modes. Further, the influence of the surroundings and the interaction between businesses and the environment can be referred to how firms engage in relationships and networking activities, as well as strive for business support, to acquire resources they lack (see Johannisson, 2000). The fourth dimension is the specific process and development each venture goes through. A deeper understanding of this dimension can only be obtained using a methodology that pays attention to the complexity and variation in each case, as well as listens to the individual(s) involved in the cases. This methodology is presented in chapter 3.
3 Methodology

In this chapter I present the methodological inspiration for my study and relate this to the conceptual framework presented in chapter 2. Social constructionism, narrative voices and language as the cursor for identity are cornerstones in this part.

3.1 My journey

As written at the very beginning of this study, I got interested in the field of immigrant and ethnic entrepreneurship about three years ago. I became a PhD student at the School of Business, Stockholm University, and further developed my ideas about this topic. However, I had difficulties in finding a context for my study, and when the opportunity to move to Kista appeared, I realised this was the context I had been looking for. In the Information and Communications Technology (ICT) cluster of Kista, Stockholm, immigrants and ethnic groups are well represented. Immigrants constitute an important number of people living in Kista. Actually, recent statistics from official sources indicate that 44% of the inhabitants in Kista have foreign citizenships.\(^{17}\) In this context I study the phenomenon of immigrant and ethnic entrepreneurship. As an introduction in order to contextualise the voices in my study, I will begin the next chapter by presenting the Kista district.

3.2 The construction of assumptions

When it comes to the choice of methodological approach, as a researcher one has to be aware of that the process of choosing an approach is dependent on how one perceives the problem at hand, i.e. the logics of inquiry. Therefore, there exists no general ground to base the assumptions on. The only thing to do is to try to make explicit the special characteristics on which the scientific approach is based (Arnbör and Bjerke, 1997).

My discussions in this thesis are built on assumptions about the relation between type of firm or industry and ethnic background for immigrant and ethnic businesses. Taking this reasoning further, the assumptions I present in previous chapters can be referred to abduction (see e.g. Alvesson and Sköldberg, 1994). This means that although not being created purely from imagination, these assumptions are as much results of own thought processes as deduced from first principles or axioms or induced from data or empirical findings. This is therefore an exploratory study where I aim to study this relationship empirically.

3.3 Social constructionism

The insight that ethnicity, ethnic identity and ethnic resources are relational and not absolute definitions provides me with a natural connection to social constructionism. A social constructionist approach emphasises “…the meanings generated by people as they collectively engage in descriptions and explanations in language (Gergen and Gergen, 1991, in Fletcher, 2003:128). Fundamental cornerstones of this movement is that identity is created in relation to something else and not a given (Burr, 1995; Norèn, 1995; Hosking, 1999). Since this is achieved through interaction and engagement, the collective emphasis means that people use social constructionism in the process of relating to each other. This provides an understanding for the

\(^{17}\) Source: [http://www.svt.se/nyheter](http://www.svt.se/nyheter).
inconsistencies among researchers in defining the concepts of ethnicity discussed in chapters 1 and 2.

Fletcher (2003) presents a social constructionist perspective in entrepreneurship research, in which entrepreneurial knowledge (understandings and meanings) are produced through language and discourse. Discourses are “…a connected set of statements, concepts, terms, expressions which constitute a way of talking or writing about a particular issue, thus framing the way people understand and act with respect to that issue.” (Watson, 1994, in Fletcher, 2003:128-129). “Whilst sometimes being oppressive or inhibitive of aspects such as gender or ethnicity, discourses associated with entrepreneurship, new business venturing, and start-up also provide individuals with the concepts, language- and linguistic resources with which to create meaning and talk about how their businesses came into being.” (Fletcher, 2003:129). And the ways in which individuals try to create meaning and understanding is through interaction and dialogue (Berger and Luckmann, 1967). In interacting with others, individuals draw upon linguistic resources (concepts, ideas, visions, labels) to express and give voice to aspects of their organisational lives. It is possible to see entrepreneurship as both a conceptual and a linguistic resource through which meanings and understandings of organisational creation and development are constructed (Fletcher, 2003).

The implications of social constructionist approaches to entrepreneurship research are that researchers do not try to find out what aspects of entrepreneurship that are ‘real’ or ‘true’. Instead, they focus on the process through which organisational emergence is socially constructed through language. In narrative stories, entrepreneurs make reflections on identities that may take many different expressions. This means that the language used by entrepreneurs and teams reflect the discourse of a business. A language of business indicates a professional business identity, whereas a language of immigrant and ethnic background indicates the importance of an immigrant and ethnic business identity in the discourse of organisational emergence and development (Fletcher, 2003).

3.3.1 Relational constructionism

Hosking (1999) claims that talk of relational approaches is becoming more popular in literatures such as leadership studies. Her view of relational constructionism is a means of emphasising that acts of relating (language, action, communicating) are coordinated and co-constructed. This is true even when acts are separated in time and space. “This [co-construction] is the very particular meaning of ‘social’ in social constructionism – it is not a reference to relations between people as entities.” (Hosking, 1999:119). Therefore, even though a researcher does not participate in time and space when an act of resource acquisition takes place (e.g. a networking event when a business owner meets a potential partner), he/she participates in the co-construction of this event through relating. The business owner and the researcher communicate through language.

3.4 Narrative voices

In a broad sense, a narrative or story is anything told or recounted. More narrowly, it is something told or recounted in the form of a causally-linked set of events, as in the telling of a happening or connected series of happenings (Polkinghorne, 1988;
Denning, 2000). Narrative meaning is created when establishing that something is a part of a whole and usually that something is related to something else. It is usually combined with human actions or events that affect human beings. The meaning of each event is then valued by the part it plays in the whole episode. To create meaning and understanding is therefore to say how it is related or connected to something else. To ask the meaning of an event is to ask how it contributed to the story in which it occurs. It is the connections or relations between events. Meaning is a social phenomenon not only produced by individuals but by groups, communities, societies and cultures that maintain – through language and agreed understandings – knowledge of the connections between signifying sounds and signifying events (Denning, 2000).

Narrative stories and analyses also mean subjectivity. By providing room for subjective story-telling the researcher gets a rich empirical anecdotal material at the expense of all the “usual” social scientific considerations (such as representative sampling, operationalisation of terms, use of control variables, multivariate causal analysis) (Labov, 1997). As Labov (ibid.) notes, “The discussion of narrative and other speech events at the discourse level rarely allows us to prove anything. It is essentially a hermeneutic study, where continual engagement with the discourse as it was delivered gains entrance to the perspective of the speaker and the audience, tracing the transfer of information and experience in a way that deepens our own understandings of what language and social life are all about.”

The concept of voice refers to social constructionist ideas about power, inequality and language. Hymes (1996) connects the notion of voice to freedom: freedom to have one’s voice heard and freedom to develop a voice worth hearing. A parallel can be drawn to the situation for immigrant and ethnic minority businesses. Different voices are unequally heard of and have different powers in society. “Certain voices are acceptable, even valued, in certain roles, but not others.” (Hymes, 1996:70). He sees language as a resource and concludes that it constitutes an important tool in order to understand social meaning for and identity of actors. In Hymes’ (1996:220) own words, elementary linguistics is “…the linguistics someone needs, not to write a grammar, but to read one.”

3.5 The businesses in my study

Through my research contacts with Ester Barinaga I got in contact with Diamorph during the summer 2003. In August 2003 I spoke to Joakim Nilsson at KIG in order to find out if there were any other immigrant firm located in their facilities. I quickly got in contact with Frame Access. Later in the autumn 2003, I got in contact with another firm – Smarticware – located in Growhouse, KIG’s other business office. I got this reference from Lars Hallberg at Kista Applications. And about the same time, I came in contact with Kian Namwar, the founder of Adicast Systems, who also has a connection to KIG. Isa Turan at the Kista administration had a vague memory of him and directed me to Lars Hallberg, who in turn eventually found Kian’s contact information.

Isa Turan also helped me to get in contact with three other firms included in my study, Roya Hälsocenter, Spice Catering and Järva tolk- och översättningsservice. These

18 Source: [http://www.ling.upenn.edu/~labov/sfs.html](http://www.ling.upenn.edu/~labov/sfs.html)
firms differ from the ones above in that they do not fall into the category of high tech firms. Roya Hälsocenter is a newly started firm, while the two others have been up and running for several years. However, although they are operating in another way compared to the high tech firms above in terms of first sale and revenues, they do not necessarily have significantly longer histories. Some of the high tech firms in my study have had a long way from first idea to realising plans and registering a firm. Besides, I still look at aspects referred to new venture creation in Gartner’s (1985) framework, in that I look at how the firms emerged and developed over time.

I contacted Janne Jansson at NyföretagarFentrum (NFC) in August 2003 in order to get in contact with people with immigrant background that were about to start their own firms. I wanted to capture them early in the process of starting up and follow them for the coming months. After quite some time, he sent me a list of three people. These were the people who replied after he had sent out a mass mail to entrepreneurs who had visited NFC for assistance. When I contacted these three people, it appeared that one of them had dropped his plans, at least for the coming year or two, due to the fact that he had got an employment instead. The other two were Abdullah and John (not their real names) who I followed for about five months. It is difficult to assert if they qualify for being incorporated as emerging firms in this study, but since their plans never were realised into operation of firms, I decided to exclude them from my material. Still, I am grateful since they have provided useful knowledge about the subject of my study. Their stories are interesting as a means of understanding difficulties immigrants face in their efforts to start up businesses and these difficulties can be referred to type of industry or firm and ethnic background.

Due to the nature of my search for businesses, the reasons for choosing these particular firms are matters of coincidence and convenience. However, in my search I have tried to find businesses that cover a certain scope of business activities in different industries. I wanted to study high tech firms because of the presumably special character of these firms, and I wanted to study firms in other industries with contrasting venture opportunities as a comparison. Naturally, these firms do not cover or represent the whole scope of immigrant and ethnic businesses in Sweden today. However, they are representatives of many other voices, voices that experience similar situations as the ones in my report. Thereby, the potential usefulness of this study stretches beyond these firms and their context.

I want to emphasise my gratitude to the individuals and firms that have participated and thus contributed to my study. These include the businesses that allowed me to construct voices about them, as well as people who have contributed to the construction of these voices. Further, I want to express special thanks to those people who have helped me to get in contact with these businesses. Thank you!

3.6 Fieldwork

My empirical study covers seven businesses. It stretches from August 2003 to March 2004. It is a study conducted using different qualitatively inspired techniques. It contains ethnographic elements, but mainly conversations, discussions and interviews. The cases all represent voices of small businesses or intended small businesses in some way connected to Kista, Stockholm’s most northern district. The voices have from two to many authors, whereof I am one. The businesses all involve people with immigrant background and are engaged in different industries and settings. Apart
Voices of entrepreneurship and small business – immigrant enterprises in Kista, Stockholm

from these seven cases, I have been in contact with six additional businesses. However, these did not provide enough material to include them in this report. Still, meetings and conversations with these additional four firms have proven useful for understanding the conditions for these and other businesses with immigrant background in the Kista context.

Further, I have talked to people with insights in these firms. They are experts or business advisors of some kind that assist in the business development. Altogether, I have spoken to nine people, and I have also had discussions with them about the general climate for businesses in Kista and Sweden. Their experiences and insights have provided valuable input in the process I have gone through, trying to understand the role of networking and support systems for small firms in Sweden today.

The base for the empirical consists of meetings, conversations, discussions and interviews. Depending on the situation, I have taken notes during these occasions. All personal meetings and most phone conversations are written down in separate word documents. During my first contacts with individual(s) involved, I have normally not brought a questionnaire or taken notes. Instead, I have done this during later meetings. Close to all interactions have been conducted in Swedish. Thus, the English text in the descriptions, including quotations, are the author’s own translations. Since I have quickly typed impressions from meetings and discussions, language is straightforward and sometimes on a lower level than in the other parts of the thesis. I apologise, especially to native English speakers, for the shortcomings of the text regarding this matter. However, the language in the descriptions of the voices lies closer to the spoken one and represents how the businesspeople in my study expressed their thoughts and ideas.

During meetings and conversations I have tried to keep a low profile and a “down to earth” perspective. This is not a sign of patronising behaviour, but the reason is that I want to capture the reality for the people I talk to and not bring in abstract theories. The danger of using the concept of resources is that it represents a scientific language with little value for practitioners. In fact, I may impose a Western World scientific paradigm to issues where it is not applicable. Thus, as a matter of reducing the risk of becoming too distanced from these matters in practice, I have tried to be aware of the potential pitfalls of such a vocabulary. I also have the impression that people are more comfortable when I talk to them in a vocabulary they recognise and are familiar with. Whenever I have brought up new and possibly strange concepts, I have tried to explain them thoroughly and more or less decreased their value while referring to them as “research terms”. Therefore I have, as far as possible, avoided using theoretical concepts in interaction with practitioners.

It is worth mentioning that this also could work in the opposite direction. The practitioners I talk to may also try to describe or explain things to me in a certain way, so that I as a researcher would understand what they talk about. In order to avoid this from happening, I have put much emphasis on discussing the business activities with practitioners, i.e. I have taken quite some time to understand the nature of the

19 See appendix 1 for a documentation of meetings, phone calls and other contacts.
20 See appendix 2 for a basic questionnaire that provides examples of questions brought up during meetings and conversations. Note that this has been used very freely and by no means cover the full range of matters discussed.
businesses and their resource acquisition efforts in practice. In order to secure that I have not misunderstood matters discussed, individual(s) involved have had the possibility to read both preliminary and final versions of case descriptions about their businesses.

### 3.7 Constructing narrative voices

Since narrative voices are co-constructed in the process of relating (action, language, context), narratives are social constructions – not individual subjective realities. Therefore, it is naïve to believe that one can separate style from content (Hymes, 1996). Further, narratives are situated – they are contextualised in relation to multiple local-cultural-historical acts and texts (Hymes, 1996). As a means of avoiding to neglect the diversity and multiplicity of immigrant and ethnic entrepreneurship, I have tried to bring forward and work with more than one person involved in each case. The reason for including people outside the firm into the constructions is that it might not only be what happens at the stage that is interesting, but that events behind the scenes also provide valuable insights. Multiple voices of people are helpful in constructing an aggregated business voice that tells more than just the official story.

My way of dealing with the problem of representation is thus to provide room for the ‘voices of the field’ (“fältets röster”) in the constructions of the businesses. This is a classic ethnographic approach that also is a means of enriching the text (see e.g. Salzer-Mörling, 1998). Quotations are frequently used in order to bring these ‘voices of the field’ into the text. Each business represents one voice where at least two people construct the story of the business: the person driving the business and me as a researcher. However, in many cases more people – and even people outside the business teams – are involved in the creation of one aggregated business voice.

Despite this approach of multiple voices of people, it is important to point out that in my role as a researcher I am not at all objective. In fact, I probably am the most important person in constructing the business voices. Thus, I am a co-constructor already at that stage and in interpreting and analysing the voices I take this a step further and become the tenth voice. Therefore, I am not so much presenting a context as I am contributing to the construction of a context. Research can be viewed as a construction and in this sense relating (language, action, communicating) becomes understood as co-constructed rather than an individual affair (Hosking, 1999).

### 3.8 Using the conceptual framework in constructing, interpreting and analysing the voices

In my writings, interpretations and analyses, I become the eighth voice in the constructions of the voices. I use the conceptual framework – as it was presented in chapter 2 – as a guideline to construct the empirical cases in chapter 4 and to interpret and analyse these texts in chapter 5. As discussed earlier, I assume that type of industry or firm matter when it comes to the importance of ethnic involvement – utilisation of ethnic resources – and ethnic identity. Since I take this industrial approach to immigrant/ethnic entrepreneurship, business logics is in focus, i.e. the organisation in Gartner’s (1985) framework. The problem is that interaction with the individual(s) involved is the primary way to create understanding and meaning about the businesses. But by adopting a resource acquisition perspective, resources become the unit of analysis, as Alvarez and Busenitz (2001) suggests. A resource acquisition
perspective provides a level of analysis where I do not have to focus on either the individual, the firm or the environment. One business is one voice, and a resource acquisition perspective is helpful in keeping a straight level throughout the description of the voices. Even though individual(s), organisation, environment and the firm-specific process – as the four dimensions of Gartner’s (1985) framework – at all times are present, the resource-based view makes it possible to study resources and competences at each dimension of the framework. While ethnic resources penetrate the text at all times, the conceptual framework in chapter 2 operates important types of resources in the different dimensions. These are organisation and type of industry or firm, action mode of the individual(s) involved, environment: networking, relationships and support, and firm-specific aspects regarding resource base and the process of resource acquisition. The operative focus – in methodological terms of the study – is the business identity expressed in terms of resource base and resource acquisition of the voices. This means that in each of the dimensions in the conceptual framework, identity related to resource base and resource acquisition is researched. How these issues are investigated and described in the narrative voices is brought up in separate paragraphs below.

Using the conceptual framework also is a means of introducing a more general approach to entrepreneurship studies to studying the sub-field of immigrant and ethnic entrepreneurship. The only thing the firms in my study have in common is that they involve people with immigrant backgrounds. While it is not my intention to predefine and predetermine these firms, how immigrant and/or ethnic background influence the resource acquisition of the firms is a question that will be dealt with empirically. What can be concluded is that my study involves immigrant businesses where people involved have ethnic backgrounds different from that of the majority population in Sweden.

3.8.1 Organisation and type of industry or firm
Each firm’s business idea and operations are described throughout each case in order to investigate what industry a particular firm is involved in. If it is high tech/science- and technology-based, this ought to be reflected in the emphasis of technology and innovative technological characteristics when the firm is described. Service-based/traditional firms are expected to emphasise other matters when these businesses are described. I expect these discursive narratives to reflect different identities and in turn this would reflect different views on the influence of ethnic resources and the importance of ethnic background for immigrant/ethnic firms in different industries.

3.8.2 Individual(s) and action mode
The key people involved in each business are brought up in the descriptions. Talks to experts and other people with influence over the firms – such as business advisors and people who have acted as mentors – are a means to include people that provide important insights about the businesses. Throughout, I focus on business identity aspects and thus involvement in business matters. This means that even if family and relatives are important from a personal point of view, I regard them to be important only if these provide ethnic resources that have direct influence over the business activities of the firm. And the action mode exhibited in exploiting the venture opportunity is expected to shine through when talking to people about their businesses. This is expected to further enhance the understanding how ethnic resources and ethnic background influences actions of people involved.
3.8.3 Environment: networking, relationships and support
By talking to people outside the firm, I have looked at the interaction between the businesses and their environment. This way I have taken a step in order to understand the influence of the surroundings in evaluating the importance of immigrant/ethnic resources for firms in different industries. Thus, how they relate to the surroundings when they acquire resources needed for creation and development of their firms. I specifically look at matters of business support and assistance, while crucial resources often are acquired externally due to the scarce resources new ventures possess from the beginning. Further, in my study I have contextualised the geographical setting in order to find out what role Kista plays for the firms in my study. Here, identification with the Kista district provides a way to describe the geographical contextual identity of the firms.

3.8.4 Process: firm-specific aspects of resource base and resource acquisition
By conducting in-depth descriptions of each business voice, it is possible to evaluate firm-specific aspects for all businesses included in the study. A resource acquisition perspective emphasises process since it deals with how resources are acquired over time. But this is not a process study in the sense that I regularly have followed these firms and coded their resources into classifications (see e.g. Lichtenstein and Brush, 1997). Instead, I have studied the language and discourse of each business voice in order to relate resource acquisition processes to ethnic resources and identity, thus the importance of ethnic background. The conduct of talking to other people than the ones driving the firms means that more nuances are added to the material.

3.9 Writing and constructing the voices
I have written the voices from a resource acquisition perspective. The focus is on the venture opportunities of the firms and the action modes of the people driving the firms forward. I look at competences and resources the firms possess, and the networking people in the firms conduct in order to acquire further competences and resources. I also deal with motives and drivers behind the start-up, as well as how involvement and identity as ‘immigrant’ and/or ‘ethnic’ are expressed in the conversations I have had with these people. This is a means of investigating how important the notion of ethnic background has been for the start-up, development and operation of their businesses.

As a natural step of the industrial perspective, the business is the centre of attention, and a resource acquisition perspective is expected to emphasise professional issues. Therefore, a language that reflects immigrant and ethnic identity in my sample should be able to refer to influence the business activities of firms. Otherwise, this identification does not emphasise the influence of ethnic background in business terms.

3.10 Interpreting and analysing the voices
In chapter 5, the voices are interpreted and analysed based on the assumptions I have made about type of firm or industry in relation to ethnic background. It is assumed that type of industry or firm – as in high tech firms – differ from other firms – as in so-called traditional firms. These firms exploit different venture opportunities – innovative and equilibrium (imitative); respectively – and thus draw on different
resources in their resource acquisition efforts. The high tech ones are expected to utilise ethnic resources to a lesser extent than traditional businesses. This is expected to be apparent in the narrative stories about these voices – a language reflecting different business logics and thus different business identities. In turn, this reflects the importance of ethnic background.

Thereafter, in chapter 6, I incorporate all the voices in a framework that exhibits the importance of ethnic background for the firms in my study. This is a means of pointing at the variation and complexity between them, as well as indicating that although great variation and complexity exist, there are patterns demonstrating similarities between firms. Although it is impossible to make bigger generalisations outside my sample, these patterns of similarities, and the fact that (almost) all firms are presented openly, vitalises the idea that the voices in my study represent more than themselves – that conclusions are valid for other immigrant and ethnic businesses as well. Although my study is context-specific in the sense that I study businesses in the Kista district, aspects related to the importance of ethnic background for these firms are expected to be referable to other contexts, where matters regarding type of industry or firm are researched.

3.10.1 Language as a cursor for ethnic identity and the importance of ethnic background

I use the methodology of language and discourse to interpret and analyse the texts. I go through the dimensions in the framework since they all reveal resource bases and resource acquisition aspects of firms in relation to ethnic resources and identity. Thereafter, I look at how these aspects relate to an assessment of an aggregated business voice. The comparison is not made separately for each firm, but integrated as I look for patterns that may contribute to the understanding of ethnic identity and involvement in relation to venture opportunity. However, I use the cases to exemplify and emphasise my points.

As the type and industry or firm – the difference between high tech other firms – is the focus here, the organisational dimension is emphasised in this thesis. This means that I refer aspects of identity to business terms. However, I will not disregard the importance of the other perspectives since the complexity and variation cannot be adequately accounted for unless all four dimensions and the interaction between them are studied. In the light of this thesis, it is interesting to challenge the view of immigrant and ethnic entrepreneurship as a homogeneous phenomenon. I expect to find similarities and contrasts along the dimensions among the businesses in my sample. On the basis of patterns, there may exist possibilities to classify these firms.

As discussed above, the role of language is an important issue in the social constructionist view, as well as in narrative research. Social constructionist researchers take the stance that language fills the role of communication, not representation. In that sense, the question whether opportunities are discovered or enacted becomes central (see Gartner et al, 2003). The language of opportunity reveals the action modes of the individuals involved in the development of the firms. This means that matters of identity are expected to shine through in the stories I present about the voices. In short, if the stories emphasise professional or ethnic identities of the businesses. Language is the communicative “tool” through which meaning and understanding about these issues is constructed (Fletcher, 2003).
This performative emphasis (Hosking, 1999) joins what often is separated i.e., talk, action, things and events. Language (as a form of action) now is seen to include written and spoken words, non-verbal gestures, voice tone, artefacts of human activity such as a logo, a company uniform, interior layout and decor, and music. Identity is thereby seen as a construction through “performative acts” (Pettersson, 2002:28). As my texts about the voices mainly are based on spoken and written words, all of the aspects mentioned above are not included in my presentations. However, I have made an effort to include aspects such as photographs and websites when possible, since I believe they enhance meaning and understanding about the value of ethnic resources and ethnic identity.

It is worth mentioning here that if one would use a performative definition merely on ethnic involvement, an Iranian business owner that utilises an Arabic network could be described as an Arab entrepreneur and thus his business an Arab business. Although this in some cases probably could be a useful and adequate definition, it also leads to difficulties. As an example, it would be difficult if one wants to refer business activity among immigrants to a definable ethnic background, as is the case in this study. Therefore, instead of predefining these firms, it is up to the voices in the empirical context to provide insights regarding ethnic identity in this matter. This means that my interest lies in how ethnicity is expressed, utilised and integrated in the resource acquisition efforts of immigrant and ethnic businesses involved in different industries.
4 Empirical study

In this chapter I present the stories about business voices in my empirical study. But before I do that, the context of my study — the Kista district in northern Stockholm — is introduced. I also include some important actors for the business development in Kista, whereof Kista Innovation and Growth (KIG) is the most important one for my study. KIG’s business support and incubator system most probably is the most influential support system in the high tech business life in Kista today. Moreover, all four high tech firms in my study have direct or indirect connections to KIG’s support program.

4.1 The Kista district

Kista is the most northern district of Stockholm, the capital of Sweden. It includes the units Kista, Akalla and Husby. Almost 30,000 people live in the Kista district and about as many people work there. Kista is an interesting area for more than one reason. First, it hosts a large concentration on ICT (Information and Communications Technology). Over a longer life cycle, the industry in Kista has expanded steadily and today there are more than 2,000 companies in the Kista district. During the first quarter 2004 26,433 people worked in Kista, whereof 17,360 in ICT companies and 9,073 in other kinds of firms. A common reference for this ICT focus is Kista Science City. This technology focus is further emphasised by the fact that many ICT and knowledge intensive companies – both big (as Ericsson, Nokia etc.) and small (as those presented below in my study) – have offices in Kista. This effort is also underlined by the joint foundation of the IT University by KTH (Royal Institute of Technology) and Stockholm University.

Second, Kista is a district with great variation. The Kista galleria (‘Kista-gallerian’) divides Kista in two different parts: Working Kista (the area where people work) and Residential Kista (the housing area where people live). Kista has an international touch in that many people have roots from countries all over the world. In fact, the number of people with foreign citizenship is 44 per cent. However, the amount of people living in Kista that actually work in the IT cluster east from the underground/galleria is low. This implies that Kista is an area with high segregation or that it is not one area, and there are initiatives focusing on increased integration of different sectors in Kista.

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21 Source: Intranet of the municipality of Stockholm (http://info.kista.stockholm.se/1.htm).
According to recent statistics, of these 2000, around 400 are ICT companies (http://www.idg.se/ArticlePages/200401/16/20040116125725_CS/20040116125725_CS.dbp.asp?s=02&nolimit=true).


23 Kista Science City is an image concept but also connected to a definable geographical area which includes other parts of Stockholm municipality as well as parts of other municipalities in the greater Stockholm area. Apart from Kista, Southern Järva (‘Södra Järva’) and parts of the municipalities Sollentuna, Järfalla and Sundbyberg are included in the Kista Science City concept. Around 120000 people live in the area defined as Kista Science City, more than 6000 companies are established there (http://www.kista.com/foretagsregister.html?sortyp=1&mid=007004), and about 65000 people work in this region (http://www.kista.com/artikel/105/014009/se). Albeit Kista Science City is a bigger concept than Kista, the Kista district is the focus in this thesis.

The most important goal for the Kista district today is to create work and provide education for everybody living in Kista as well as unite the working area with the housing area. A statement is made in a document at one of the websites of the Kista administration: “All the work of the Borough shall be done jointly with the residents, unions and other groups working in Kista, as well as all the employees, the companies, local associations and clubs and all other resources in and around the Borough. Therefore, all our work is based on network building.”

Further, the Kista administration is constantly involved in several projects, many of which are within different European Community funds and in co-operation with other communities in various parts of Europe. Kista Matching is an example of such a project. It is a joint (integration) project with the IT companies in Kista to find and educate people living primarily in Kista and suited to meet the specific needs of the companies.

4.1.1 Kista administration

Regarding business aspects, Kista administration works with support for people living in the district who want to start businesses or that need help with their existing businesses. The administration cooperates with several actors in order to direct the entrepreneurs where they can get help. Examples of such actors are NyföretagarCentrum (NFC) and Kista Applications AB. In discussions with Isa Turan, Economic Development Coordinator in the Kista administration and responsible for this collaborative initiative, he states that all kinds of businesses are welcome. He finds it important to stimulate all kinds of businesses, since different sectors (culture, technology, service) depend on and support each other. He also claims that initiatives like KIG in its present form is a potential threat to Kista, in the sense that there exists little diversity there and only one kind of businesses (high tech businesses) are welcome. As written in the previous chapter, through Isa I got in contact with three firms in my study: Roya Hälsocenter, Spice Catering and Järva tolk- och översättningsservice.

“The real danger is the isolation of businesses in Kista Science City from residential Kista.” In his eyes, firms started by entrepreneurs rooted in residential Kista have much higher diversity and they also make use of and relate to the close neighbourhood. The last issue is very important for him – that businesses in Kista, including high tech firms in Kista Science City, regard Kista as a market where new ideas and innovations can be tested in a smaller scale. He finds it important to create the view of one Kista. This means that he – in line with the policy of the administration – actively works to reduce barriers between the science part and the residential part.

In Isa’s view, there are three disadvantaged groups in Swedish business life today, namely immigrants, women and young people. He thinks that there is not enough

25 Source: (http://www.stockholm.se/templates/template_121.asp_Q_mainframe_E_template_120.asp_Q_number_E_13840_A_category_E_24_A_topcategory_E_189).
26 For examples of further initiatives, see the website referred to above or the homepage of Kista administration (‘Kista Stadsdelsnämnd’) (http://www.stockholm.se/kista), or see below for extracts of interviews with Isa Turam, economic development coordinator working for the Kista administration).
27 030624; 031110
support for these people in the society at the moment. In order to increase their possibilities of success, another order must be introduced. “We need to find ways for financing these firms. Venture capital should be more accessible and the society should act as the big intermediary and take the responsibility for this to happen. This is neglected in Sweden! Even in the United States, the individualistic country with personal freedom and making its own way…even there you find public money at different levels. Regional, state and federal money to help these kinds of firms.” On a direct question he tells me that there are no records on how many firm owners in Kista that have immigrant backgrounds, regardless of what industry they are engaged in. This is because this “…could be seen as discrimination.”

4.1.2 Kista Innovation and Growth – KIG

In December of 2001 the decision was made in the Electrum Foundation to establish an innovation support system hosted by the company Kista Science City AB. The support system was named Kista Innovation & Growth (KIG). The aim of KIG is to commercialise ideas from the IT-university, research institutes and spin-offs from company employees. The founders of KIG are Kista Science City AB (earlier Kista Science Park AB) and the Electrum Foundation. Kista Science City AB, as well as the Electrum Foundation, is primarily financed from governmental funding. KIG’s goal is to increase the number of new companies within the ICT-sector from 8 to 20 per year from 2004. Thus, KIG should coach 12 firms/year. KIG runs two facilities where new IT businesses can apply for office space and business support, Quick Office in the Electrum building, Isafjordsgatan 22 (5th floor), and Growhouse, Österögatan 3 (1st floor). There are four steps in KIG’s support program:

1. Startup. The entrepreneurs or teams apply with their own business ideas. This is a hands-on program including about ten workshops in areas of financing, business plan, leadership, business development etc. Theory is mixed with practice and experienced entrepreneurs as well as experts guide the participants through the process.

2. Business Lab (BL). This is a pre-incubator where the entrepreneurs and teams get free office space for 6 months. They also get access to a qualified business coach that assists them for six months. During this period the focus is on analysis of competitors, market, business model, generating external financing, recruitment of a “board of advisors” etc. There is a dedicated area in Quick office for this. Normally, customer contacts should be taken during this period.

3. Business Accelerator (BA). At this stage, the emphasis is on coaching the entrepreneurs/entrepreneurial teams. The Accelerator provides extensive support throughout the commercialisation process and its primary focus is the implementation of a business plan. Some firms have passed through the pre-incubator, but that is not mandatory. Many of the firms at this stage sit in Quick Office or Growhouse, but can also be located elsewhere in Kista, e.g. in the Kista galleria or in other parts of the Electrum building.

4. Growth Program. This is a new initiative directed to firms with 15-20 employees. Sales already occur, but these firms have problems to grow.

28 The information about KIG comes from KIG’s website (http://www.kistainnovation.com), and from conversations with the three business coaches at KIG: Ulf Brandels 030813; Joakim Nilsson 040112 and Pär Hedberg (also project leader, KIG) 040129.
further. This development program is aimed at technology-based companies with focus on rapid growth. The program creates opportunities for the companies to reach quicker growth through expansion to new markets.

“It has gone faster than expected”, Pär Hedberg, project leader KIG, says. “We started only two years ago and we actually have achieved some results. We’ve met 220 entrepreneurs in one and a half years and 20 have been accepted. We have consciously marketed ourselves towards all big actors to make them direct people here. And we have made sure that these people like what we do!” He says that the way to prioritise firms is what focus they have on their innovations. “We mainly look for mobile applications, wireless communication and broadband technology. Concerning the idea we look for the altitude of the innovation and another crucial aspect is that we want the firms to have an international focus.”

The big advantage of working in an incubator is that things move faster, Pär says. “Surely, one can succeed anyway, but one gets a quick indicator if the idea and the team has what it takes.” Still, the recipe for success is a slow and controlled process. “We develop a Volkswagen first, then an Audi. Finally, we build a Formula 1 car. We emphasise adaptive product development. We force the firms to go out and sell early, because that’s where the Swedish technology firms have their weakness. At least one person ought to work with sales, and there you’ll have the importance of the team.”

Stages 2 (Business Lab) and 3 are the main services offered by KIG, and the emphasis is put on coaching. In Quick Office, KIG works with firms that gain Business Lab support. Both Diamorph and Frame Access – two firms in my study – were accepted to Business Lab. The aim in Business Lab is to take the venture from idea to innovation. The firms accepted get access to a qualified business coach that assists the ventures for six months and helps to find the shortcuts. During this period the focus is on analysis of competitors, market, business model, generating external financing, recruitment of a “board of advisors” etc. In short, Business Lab is a measure that aims at preparing the firms for closing their first customer deals. In addition, the Business Lab also provides a fully equipped office. The idea is that this will foster networking, since the firms run into other entrepreneurs, their business coaches and resource providers on a daily basis. Kian Namwar, the founder of Adicast Systems, another high tech firm in my study, took the start-up program and has applied for a place in Business Lab. Unlike Business Lab firms, Business Accelerator firms could be located anywhere in Kista. Even though there are Business Accelerator firms in Growhouse, this is more of a location among many other facilities for new ventures in Kista. One signs a contract the normal way, so the firms in Growhouse are generally more loosely coupled to KIG’s incubator program. Among the firms in my study, Smarticware is such a firm.

One interesting aspect is that all the four high tech firms referred to above include people with Iranian background and Pär Hedberg tells me that Iranians are common in this business. Joakim Nilsson, one of the other business coaches at KIG, says that this probably is no coincidence. “Quite a few Iranians have come to us and my impression is that they are competent, very driven and that their innovations generally contain high quality. “Every fifth or sixth firm we talk to have some form of immigrant background”, Joakim estimates. “These people have a little extra energy compared to
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native Swedes. I believe this has to do with that business ownership may be one of few ways to be somebody. These people have an enormously strong driving force!”

4.1.3 Kista Applications AB 29

Kista Applications, founded October 2000, is a Stockholm based company mainly owned by four groups: large companies (8 international companies, i.e. Siemens, Nokia etc.), small companies, different organisations and public actors. The goal is to help existing firms with their business development, to increase the value of IT/Telecom based product ideas by offering business development provided by experienced businesspeople. The network is the backbone of all activities and consists of partners from the business field, private and public organisations and society. Thus, Kista Applications works with existing firms and want them to develop new ideas for the future. The organisation has been up and running for three years. In my empirical sample, both Smarticware and Adicast Systems have been in contact with Kista Applications.

Lars Hallberg – CEO Kista Applications, greater Stockholm – has been in the organisation for two years. He claims not that many actors engaged in support to newly founded businesses. “KIG wants to pick the ideas from the university and colleges, while we address existing firms. Our purpose is to bring forward new ideas and then start new firms around these”, Lars says. “Product development in a wider sense is what we drive.” Questions they focus on are if the innovator has knowledge of the market, and the potential of the product. “Lately, we have started to pay attention to the potential firm and regard the network around it as co-workers. We live from the work we do for the firms that seek help by helping them to apply for money that in turn become part of our financing. Some of the jobs we do are consultancy oriented to earn our living.” In other words, Lars explains that what they mainly conduct is “marriage counselling”. “We bring actors that can work together face to face to each other.”

Lars has had previous contacts with immigrant entrepreneurs in the high tech sectors. He says that there are few immigrants in these sectors in Kista, but that they exist. However, he only finds references to two people with immigrant backgrounds. These are Omid Aval at Smarticware and Kian Namwar at Adicast Systems – both included in my study – and he says he has directed them to new settings. Lars mentions that apart from these two he suspects that there might be more people with immigrant background who have left Ericsson in recent years that are possible founders of one-man/one-woman consultant firms.

Generally, Lars thinks that a CEO with another background than native Swedish manages with more control than native Swedes. “And the employees are affected by the leading style of the boss. These are my own experiences from different jobs in the industry.” Lars points out that he has had many good contacts with people who have foreign background, mainly people from Iran and Iraq. “What matters are when people don’t understand each other. That’s the cultural aspect. It could be difficult and a disadvantage not to be native Swedish, but the networks are what’s important.

29 The information about Kista Applications comes from the Kista Applications website (http://www.kistaapplications.se), and from a conversation with Lars Hallberg, CEO Kista Applications AB 031125.
Naturally, native Swedes may have bigger and more useful network relations than people from other countries.”

4.1.4 Kista NyföretagarCentrum

Kista NyföretagarCentrum (‘Kista Enterprise Agency’) is a part of Stockholm’s NyföretagarCentrum (NFC). NyföretagarCentrum is an initiative under the wings of the parent organisation Jobs & Society. Its aim is to stimulate the founding of new businesses in Sweden. The organisation has subsidiaries in about 80 locations around Sweden. Kista NFC provides advice free of charge for potential businesspeople with an idea. They stimulate all ideas and are not directed toward a certain type of business. Through Janne Jansson, business advisor at Kista NFC, I got in contact with two people that aimed at starting firms. These were Abdullah and John (not their real names) who did not provide enough material to be included in my study.

Janne is responsible for advising activities in Kista. He acts as a mentor for many potential businesspeople that contact him for advice. He has done this for about three years and he tells me he has met and guided many immigrants on their way towards starting businesses. He estimates that around 50 % of the potential entrepreneurs he meets are immigrants. “There are differences between different generations of immigrant entrepreneurs. The first generation has little or no knowledge about the Swedish administrative system, while this is more naturally learned among following generations.” Overall, he states that immigrant entrepreneurs are better than others in implementing their ideas, to actually realise the ideas in action. “This stage of implementation is the crucial part in the process of starting a business. I believe it’s easier for immigrants to take this big step, since many of them already have taken an even bigger step when deciding to leave their country of origin and move to a new environment with new conditions.”

Apart from the stage of implementation, the most crucial ingredient for success is a viable and functional network. “This is the case both in business as well as in private life. My impression is that immigrants tend to be better at building and maintaining networks, which could be explained by cultural traditions.”

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30 The information about Kista NyföretagarCentrum (Kista NFC) comes from the websites of Kista NFC (http://www.nyforetagarcentrum.org/kista) and NFC Stockholm (http://www.nyforetagarcentrum.org), discussion with Jan Jansson, business advisor, Kista NFC 030820, and from participation in a Kista NFC introduction meeting 031008.
Voice 1 – Diamorph

Diamorph AB (Inc.) is a research and development firm based on a newly discovered and patented advanced glass material – diamorph – with commercially interesting properties. Glass scientists have searched for several of these properties, such as hardness, thermal stability, magnetism and refractive index, for more than thirty years. For example, diamorph is the hardest glass material ever made (according to the product brochure, author’s remark). Due to the promising properties in many areas, there are many possible application areas where diamorph can make substantial contributions, such as fibre optics and security glasses.

The entrepreneurial team consists of three people, all originating from Iran: Saeid Esmaeilzadeh, 29 years old, the man behind the innovation, senior lecturer (‘docent’) in chemistry and responsible for material development; Ashkan Pouya, 27 years old, educated in business, childhood friend of Saeid and responsible for marketing and finance; and Saeid’s father Naser Esmaeilzadeh, in his mid-sixties, engineer and advisor for product development. They got together and started the firm after Saeid discovered the material. From May until mid-November 2003, they were located in Quick Office, KIG, but now they have moved to KTH Start House at Campus.

Original website when located at Quick Office

New website when located in KTH start house

The discovery and its progress

Saeid says he discovered the material by mistake. A couple of years ago he conducted an experiment at Stockholm University to produce new ceramic materials. The
experiment stood overnight but when Saeid came back the day after the equipment was broken. “The result was a new glass material that I threw away in a drawer. I considered it a failure then.” However, half a year later he looked at the material again and started to investigate it. It took him a whole year before he managed to reproduce the material again under controlled circumstances. “I’ve had enormous response both from researchers and international companies”, Said says. “Some have said they don’t believe in my results, while others have said that it’s too good to be true. In principle, the customer herself can decide the composition of the material. When the patent is ready it’ll be more obvious what I’ve discovered.” He means that then can be much more open with the innovation.

After the discovery Saeid contacted Kenneth Billqvist, innovation advisor at KTH start house, since Kenneth is known for his knowledge about patents. About his first contact with Saeid, Kenneth says: “We discussed the results of his research, demands and patents. Then I didn’t hear from Saeid for a long time. About one year later he contacted me again and told me they had received money. Then they handed in a patent application.”

Saeid and Ashkan are childhood friends, and Ashkan quickly got involved in the venture. “Saeid could have found people who were more qualified than me to help him commercialise diamorph.” However, the fact that he knew he could trust Ashkan made them business partners. “I want to work with people I can trust 100 per cent”, Saeid states. That is also the reason they have been very cautious with respect to external relations. “It’s licenses that’s the business idea, not to produce for the markets ourselves”, Saeid’s father Naser says. He has more than 30 years’ experience from the telecom industry in Iran, Germany and Sweden. Naser is retired and works part-time with the firm. He acts as a consultant and his biggest contribution is his long work experience.

In May, Diamorph got accepted to KIG’s Business Lab program at Quick Office. Diamorph’s contact with KIG was based on recommendations from other people. Ashkan first spoke to a person at Stockholm Innovation that directed them to KIG. The team considered several alternatives before they decided to proceed and join Quick Office. Concerning the fact that they have been connected to and placed in KIG, Ashkan says: “An incubator is a good place to be. Most useful for us was the
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possibility to have access to office space, telephone and mail and Internet connection. But we would have done exactly the same things and taken the same steps anyway!” (i.e. even if they had been situated outside KIG – author’s comment.)

They stayed in Quick Office for six months (the time the Business Lab program lasted – author’s comment), but in the middle of November 2003 they moved to a new location in KTH start house in central Stockholm. The reason was the feeling that they do not want to adjust to KIG’s way of developing the firm. “The KIG model is very focused on fast exploitation of the product and market”, Ashkan explains. Since Diamorph’s founders want to grow in a more organic way, they feel it is better to end the cooperation and coaching relation. Further, the team emphasises that the decision to leave KIG does not reflect a dispute, but merely has to do with that they need other people and settings now.

Their coach at business lab, Joakim Nilsson, says that the decision to part was mutual: “We wanted them to find a few, just one or two, application areas for the material, and initially they focused on that. That was within optics, I believe. But we had different goals and focus for what we wanted to do with this innovation. While we wanted them to find a few application areas for the glass material diamorph, they wanted to patent the basic technology.”

Pär Hedberg, project leader at KIG, supports this thinking. “We only work with products – Diamorph wanted to sell licenses. But our experience is that if one wants to sell licenses, there’s still a need for an application. Otherwise there will never be 15-30 employees. Instead you’ll have three people invoicing license money!” But Kenneth Billqvist has another opinion. “Diamorph follows a development that’s very good! Since they handed in the patent application they have developed the research project and now they need to produce a business concept.” Kenneth’s overall impression is: “I think it looks good!”

Apart from advisors and other people supporting the venture on the market side, they have brought in people to work with technical aspects of diamorph. “There are other people working with the material development except for Saeid”, Ashkan explains. “These are research colleagues that are included in his research network. They help him and we pay them for the amount of work they do.”

It is obvious that Ashkan and Saeid are confident in the diamorph material. Ashkan emphasises: “Everybody we tell about this innovation gets interested, and we have got confirmation from many people in high positions that this is a promising venture. I can say almost all people that have been introduced to the innovation are positive towards it!” Ulf Brandels, business coach at KIG (colleague of Joakim and Pär) also gives a clear statement of the potential of their innovation: “Both them and I are convinced that if all three of them would die in a crash tomorrow, someone else would anyhow discover this material fairly soon.”

The team and its competences

Saeid and Ashkan have similar backgrounds. Saeid came to Sweden when he was 8 and Ashkan when he was 10. Ashkan’s family came to Gävle, while Saeid’s family lived in Stockholm. The families did not know each other until they met in Sweden.
Their fathers discovered they had similar interests and backgrounds. So Saeid and Ashkan became friends already at childhood.

After school Ashkan went to Uppsala University for business studies. He was also a successful fighter in the art of combat ju-jitsu. After travelling as a sportsman, and winning the world championship, he wanted to see more of the world, so during his studies he went both to North America and Europe. Saeid says he had a different upbringing compared to most people in the Swedish society, coming to Sweden eight years old. Saeid studied chemistry and moved on to a research career at Stockholm University. At the age of 28 he became the youngest senior lecturer (‘docent’) in Sweden.

The team members in Diamorph have complementary roles, which all are important. Ashkan is the face to the outside and deals with most external contacts and presentations, while Saeid does research on material development. “This is crucial since we need to take more specific patents related to material. If we only take general patents, these patents can be made useless by firms that develop more specific products. And in case of a legal dispute, we would have a problem financing such a process against big corporate actors.” In this sense, they emphasise that it also is important to have big and influential actors and businesspeople backing up their business.

Ashkan explains that he never wants to work for money – money should not be the driver for him. However, in order to be able to do what he wants in life he has to earn enough money to become independent. “The reason that people get burned out is because other people put more pressure on them than they do themselves. This means they don’t do things they think are fun. Then it’s better to do something else! If you do something that’s fun you put the hardest pressure on yourself and you won’t burn yourself out. I only do things I like, and I like working with Saeid in this firm. And we want to become successful!”

Concerning the motives for engaging in the business and the driving forces behind, Ashkan says following: “For Saeid, this came up and it was interesting. For me, this is a personal driver. Honestly, I had ten different projects going on when Saeid told me about this. But I wanted to work with Saeid, so I chose this one!” Kenneth Billqvist says he believes they have different motives. “Saeid is driven by the pursuit to realise his thinking. Ashkan wants to show the world – he fixed it! I think it’s good with different motives – it creates complementary perspectives. I believe Naser wants to be a support and he is! That could be good but also bad, depending on what role he gets.” Joakim Nilsson says: “Said is technology-driven and wants to see this change the world. I believe that Naser wants to work with his son and see this (i.e. change the world, author’s reamark) happen.”

The kind of project Diamorph represents is a difficult one, Kenneth asserts. “From the results you start with, you normally either develop a product or develop ideas. But when the result is a basic technology – as is the case with Diamorph – this is the hardest type of project to work with. These are complex and one normally tries to avoid those.” He continues: “At its present form, Diamorph is a research project. This research project has different layers. Layer 1 is Saeid, Ashkan and Naser, the core of the firm. Layer 2 is Saeid’s institution, where the research is carried out. In contrast, a
developing project includes cooperation with an industrial partner. There you have marketing aspects, even though they may not be fully developed. What Diamorph offers today are possibilities and opportunities, e.g. cooperative agreements.”

None of the people in the team has previous experience from creating and developing a business. Regarding this matter, Kenneth says that what Diamorph does is “…more of project development than entrepreneurship. Previous business experience is not decisive. This is hard work in real life. One doesn’t need to be that much of an entrepreneur to fix this. We know quite well what to do and if you follow these guidelines it often turns out good. For me, entrepreneurship is a word that no longer has a real meaning, it becomes devalued when used too often. I believe there is a property to make things happen. This is a personal characteristic. This characteristic is congenital! To some extent I believe it is there in Diamorph, but I haven’t got a secure opinion about that yet.”

“The business concept is the next step”, Kenneth says. “They don’t have one today. What they need to do is to define a concept they will focus on. This includes strategies and concrete things to do. Business partners, projects, customers etc.”

Kenneth continues: “In the longer run, Diamorph needs negotiation capacity. In the board there should be negotiation competence – that’s important! They also need project capacity and sales capacity.” The problem Diamorph faces, like other developing firms in their situation, is to bring that capacity in when you cannot pay for it. However, Kenneth asserts: “Formal competence is not important at all! What’s needed is the understanding about the need for competence. And this awareness is big in the Diamorph team. They know this. What this is all about is problem solving!”

The current financial situation is relatively gentle to Diamorph, compared to other developing firms, Kenneth assures me. “Saeid gets his salary from his research institution at Stockholm University.” And Ashkan tells me there he has the possibility to raise a salary now, since the firm has acquired money for projects and market research.

**Identity and immigrant/ethnic involvement**

Ashkan asserts that he and Saeid always have been entrepreneurially driven and that this partly can be referred to their cultural background. He says that the Iranian culture is “elitist and competitive”. Although bearing a cultural heritage, Ashkan states that the success of the business does not depend on ethnic resources of any kind, since their ethnic network cannot provide them with the resources they need. “The personality is always a matter of both background and personal characteristics, so it’s hard to say what is what. “I don’t think I would present myself as Swedish while I look different. But that’s not central in this business. I actually haven’t thought much about it!”

The only financial help they got from their families was with the start-up. “They families helped us when the joint-stock company was founded in August 2003. These were no big amounts – just to cover the joint-stock capital. From the beginning, Saeid and I owned the firm. But the distribution will change, since we’re about to appoint board members. They will be compensated with shares.”
The contacts Ashkan has to people represent different kinds of bonds, he says. The relation he has to Saeid and his closest family and friends are different from those he has to business associates he does not know that well. “Those are trust bonds. There’s a core in those contacts that can’t be established without a long-term relationship. It’s much easier to work together in a business with people one knows really well.” He gives an example: “Saeid never checks a paper I ask him to sign, but just puts his signature to it. I’d rather die than deceive him!”, Ashkan asserts.

Concerning the composition of the team, Joakim Nilsson says: “My perception is that they have strong ethnic bonds. It’s a strength with a strong team, but this could lead to difficulties when you want to bring in new people and ideas in the firm. In all firms, you need people with experience in building firms. This goes for Diamorph as well! Saeid is very academic, with all right, but his main focus is in the technology part. And Ashkan has a business background and a background in finance, but has no real experience in building firms.” However, when it comes to the contacts with the firm for him as a business coach, Joakim concludes: “On the whole, Diamorph was like working with any firm. I can’t say that it was particularly different because they have Iranian origin.”

**Relations and support**

As written above, Diamorph’s move to KTH start house symbolises different views in how to proceed with the firm. Ashkan talks positively about Kenneth Billqvist, who is involved in start house operations at KTH campus and the person they work closest to there. “We need him right now”, Ashkan says. “He can help us since he understands the industry and applications we’re involved in. He’s good at patents!”

And Joakim Nilsson supports Diamorph’s move to KTH start house. “Diamorph doesn’t represent a typical firm for us. Therefore, I believe it was the right thing for them to move to KTH start house. They are good at other things compared to us, and especially Kenneth Billqvist knows much about patenting basic materials and development of patenting processes. He’s very competent!”

Although both Ashkan and Joakim Nilsson describe Kenneth Billqvist as very competent at patenting innovations, Kenneth himself denies that. “I’m not sure they moved here because they needed me, but since they needed a place to be! The patent bureaus are the experts on the patenting process. But one has to have basic knowledge about patents – that kind of comes with the job. What it’s really about is to packet the whole.”

In order to secure long-term financing, the Diamorph team has contacted top people within the Swedish industry, and according to Ashkan this makes it easier to find financial capital. These people act like “door openers” and warrants for the prosperity of their business idea. “We’ve got many influential people to support our firm, both as references but also as board members”, Ashkan says. “We think it’s important to have these people supporting us if we want to get credibility for our business!” Among those supporting the firm are people that will become board members in the future. And Diamorph has managed to get the money they need for the complicated and complex patent process of the diamorph glass. With this external help they have managed to get “soft money” from different sources. ALMI – normally the big provider of soft money – only contributes with around 5% of the total financing.
“We’ve got between 2 and 3 million SEK marked for research on the material diamorph. These are subsidies, not loans”, Ashkan explains.

**The future**

Kenneth states that in order to acquire money and push the process forward, Diamorph needs partners. When I ask Kenneth how close Diamorph is to close a deal with a partner, he replies: “Somewhere in the span of 6 to 18 months. It takes 3 to 6 months just to negotiate a contract. The time it takes to sell projects is longer than one believes.”

Ashkan confirms and says: “This is what we do right now. We have talks and negotiations with several potential partners. We work with the hardness aspects of the material now – this is the area we’ll develop first. We want to develop ceramic materials, composite materials and more. There are many applications to this, e.g. security glasses. This is a big and broad market! The partners are involved now to help us develop possible application areas and share developing costs.”
Voice 2 – Frame Access
Frame Access develops new digital technology for monitoring, regulating and controlling remote systems. This is a major technology-shift, where old analogue technology becomes digital, and thereby hardware is turned into codes, called Firmware. At the moment, the firm is focused on the process industry, where the technology can be used to control remote machines and robots. However, the technology is very much adapted for the telecom industry and efforts will be put there in the future as well.

Frame Access website

The Frame Access founding team consists of Said Zainali, 36 years old and the inventor of the technology on which the firm is based. He originates from Iran and came to Sweden in the early 1990s. He is electronic engineer and has previously run businesses both in Sweden and Iran. Helena Kristersson, 43 years old, is native Swedish and has education and background both in marketing and technology. She has also been engaged in business ownership activities earlier. The firm is located in KIG’s business incubator in Quick Office, at the fifth floor of the Electrum building in Kista.

Helena and Said. In the background one can see glimpses of the interior in the Electrum building.

The start-up
Said and Helena met during the Ericsson Start-Up program, where they planned to start their own businesses after they both left the company in 2002. “But after I had listened to Said’s description of his innovation I got interested in his idea”, Helena says. That was in April 2003, and just a month later they decided to start working together.
From August 2003 to March 2004 (the time I have followed the firm, author’s remark) they were accepted to Business Lab (BL), one of KIG’s initiatives for new start-ups. They are still located in Quick Office (where the business lab is located). The story how they ended up in Quick Office is following:

During the spring 2003, Said first contacted Stockholm Innovation as a matter of getting assistance concerning where to go with his idea. “The person I contacted there was a person I knew from before. She told me about KIG in Kista.” “I told Said I could help him get in there”, Helena says. “I know how to write applications. We had about 4-5 meetings with KIG during May and June last year (i.e. 2003, author’s remark). It was a long process and it was far from certain that we would be accepted.”

“We believed in the idea and the people”, Joakim Nilsson, their business coach in the business lab says. Pär Hedberg, KIG’s project leader, agrees that the idea is promising, but states: “One shouldn’t say too much at this stage! It’s still a long way to go before one can make an estimation of how successful the firm will be.” At the early stage of Business Lab, it’s extremely difficult to say what will become of any firm. Here, our focus is to analyse the preconditions for commercialisation.”

“We believe in the idea and the people”, Joakim Nilsson, their business coach in the business lab says. Pär Hedberg, KIG’s project leader, agrees that the idea is promising, but states: “One shouldn’t say too much at this stage! It’s still a long way to go before one can make an estimation of how successful the firm will be.” At the early stage of Business Lab, it’s extremely difficult to say what will become of any firm. Here, our focus is to analyse the preconditions for commercialisation.”

“In May, she and Said decided to work together. The joint-stock company was founded in September, one month after they entered KIG. In October they received contribution from ALMI to develop their innovation. In November they received first prize in Vinnova’s Vinn Nu contest. And in January, they had a prototype ready for demonstration.

At one occasion, Said shows me an early model of his innovation. He describes the product in more detail. It is a platform, a panel for monitoring, regulating and controlling remote devices and instruments. The platform can monitor, regulate and control many devices at the same time, as long as these have IP addresses. One area where this product may be useful is as a remote control of reading devices that measure consumption of electricity. “Compared to the products available today this can do more things and it is also cheaper. This is the future!”, Said states. Helena agrees: “If I hadn’t believed in it we wouldn’t have started up this firm together!”

Helena and Said do not regard themselves as small business entrepreneurs. “In the longer run, we want to build a big company! This innovation means a technological shift, a paradigmatic shift. One can say that we may build a new Ericsson.”

Said points out that he wants to cooperate with other firms concerning the parts in the platform. Frame Access can only patent the platform and not its parts. Said wants the best technology and therefore is eager to cooperate. “It’s completely different to work in this type of business and industry compared to the firms I’ve run before”, he says. This is the kind of business I’ve always dreamed of! I want to have stable relations to a couple of partners and work closely with them to develop products in various projects. This is the third and final time as a business owner for me! If it doesn’t work this time, I’ll quit and find an employment somewhere.”

The team and its competences
Said says that he has always been interested in technology and technological solutions. He studied electronic engineering at the gymnasium in Iran, but partly as a consequence of the limited opportunities there he moved to Sweden in the beginning
of the 1990s. Said has been involved in other business activities over the years. 1994-1995 he had his own firm within electronic engineering where he provided service and maintenance on machines, for companies (such as restaurants) as well as for private households. However, he wanted to learn more and studied electronic engineering at the university level in Västerås. By the end of his studies he did his ex-job at Ericsson and moved on to work there after the ex-job was finished. He worked for Ericsson until he was fired. Then he joined the Ericsson start-up program and there he met Helena.

In fact, Said has a business background that goes back to his home country. “I started my first own firm in Iran when I was 14 years old. My father lent me the money for the start-up.” And in Sweden he has been oriented towards innovative activities as well. “Twice before I’ve considered to apply for patents on products I’ve developed, but I never took the process further since it was both expensive and time-consuming.”

Helena started studying at Chalmers Technical University in her hometown Gothenburg. However, the education did not fit her so she never completed it. Instead, she studied at School of Economics and Commercial Law at Göteborg University (‘Handels i Göteborg’). After that education she worked for many companies, including a trainee job, construction engineer, senior consultant and business-to-business communication. The last job was at Ericsson, where she had to leave together with thousands of others in 2002.

Helena tells me stories about previous entrepreneurial experiences, and the first one was while she still studied at the gymnasium. Then, together with a female friend she imported yarn and sold it to private customers through non-professional agents. Later, Helena and her husband ran a firm on the side during their university studies as a means of supporting themselves instead of taking student loans. “We developed the basics for the system for registration and records that golf clubs in Sweden use today. We could have continued with our own firm then, while it was successful, but we wanted to work with what we were educated for instead.” There is also a business heritage in her family. Her father ran a big wood-processing firm in the construction industry.

As a main theme throughout her career, in all her jobs Helena has had “…freedom to develop the tasks, plus they have been focused on marketing issues”. Neither the freedom in her previous work tasks nor the entrepreneurial activities she has been involved in are things she has reflected upon earlier. “But since I started Frame Access with Said I’ve thought much more about it, and somehow found a red thread.” In this sense, she regards the current activity of starting and running a firm from the very beginning as a natural step in her career development.

Said and Helena were not friends or associates before they founded this firm. They both emphasise that their relation is businesslike. They are also eager to let me know that it was important for them to anchor the decision to work together with their families. “Said is motivated by developing the technology that he has worked with during most of his life. My motive is to start a company ‘from scratch’”, Helena says. As stated earlier she has had freedom in her previous employments and regards this step as a natural one. “I planned to start up my own consulting firm when I met Said. The tasks would have been pretty much the same as what I do now. I would have
assisted firms that need external help with communication and marketing issues, both physically at the firms and from home. Instead of doing this work as a consultant for other firms, I now do it for my own.”

**Identity and immigrant/ethnic involvement**

In Said’s family, many people have had their own businesses. Partly this has to do with that they belong to the Bahai religion. “After the Islamic revolution in Iran, to run your own firm was one of few options since the official government jobs were restricted for Muslims.” Even before the revolution there was an entrepreneurial tradition in Said’s family. “But I haven’t got any help from them with Frame Access – I haven’t needed it!”

“The business climate in Sweden is completely different compared to how it is in Iran! In Sweden you need to prove your competence before the customer wants to contract you, while in Iran the customer contributes to your learning at work. Personally I think the Iranian way is good – the customer should contribute to my learning. For that reason, it’s much easier to start a firm there. On the other hand, you don’t have the same security there. If something goes wrong, e.g. that your facility burns down to the ground, you are ruined. You are not insured the same way.”

“I haven’t thought of it before”, Said says when I ask him if his immigrant background has affected his business activities. A possible explanation for that, he states, is that he basically has had no problems to adjust to the Swedish society. The reason is that he was brought up in the Bahai religion and tradition, where e.g. equality between the sexes is one fundamental cornerstone. “My wife – who’s Swedish – sometimes tells me that I don’t seem to have any problems living in Sweden.”

“Said and I have had many discussions concerning culture and ethnicity”, Helena says. “The very fact that we come from different backgrounds means we need to discuss this openly.” Helena admits she had second thoughts about starting a company together with Said because of the cultural differences, but that she trusted her instincts that this was the right thing to do. “One evening he phoned me and asked if I wanted to work with him. The very fact that Said told me he had talked this over with his wife was decisive. Another thing that made me less hesitant was that Said’s wife is Swedish. Somehow, I felt I could trust that his values weren’t that far away from mine.” This has also proved to be correct, she says. “Despite our different backgrounds we have common apprehensions when it comes to the character of the people we meet. I think it’s a strength that we have similar values in that sense!”

Further, she clearly states that it is difficult to decide whether differences should be referred more to personality or to culture/ethnicity. “Said’s a very good listener and reacts admirably to the criticism I present. As I see it, I’m the one who pushes the firm forward. Said’s the one with the high technical skills and he’s very good at that, while I take care of all other issues. This work includes administrative issues, secrecy contracts and contacts with customers, authorities and law firms. I also book meetings so that we meet clients and have a chance to present our product.” Further, she states: “For me it was a necessity to own 50 per cent each of the firm. I wanted us both to be equally involved and committed to this venture!”
Voices of entrepreneurship and small business – immigrant enterprises in Kista, Stockholm

There are people helping Said with the development of the platform. These are friends of his with Iranian background. They have agreed to sign a contract where it says that they will get paid if the firm becomes profitable. “They do this on their free time since they think it’s fun to work with this product. They like technical solutions”, Said says. Helena says that this ethnic involvement has led to some disturbances and controversies. “It’s enough Persians here”, is one of the statements she had made when discussing this issue with Said. Their business coach Joakim Nilsson says: “I believe I have entered and acted as a kind of intermediary between Helena and Said. This is because they don’t speak the same language and that leads to misunderstandings and things that become unclear. Said brings his friends here to work with the technological solution and they speak Persian and use subtle codes that Helena doesn’t understand.” Helena asserts that she draws a straight line between business and friendship. This division is exemplified by Helena’s comment: “As a Swede it’s not likely that I seek help among the people closest to me. I can sell anything – as long as I don’t know that person!” She states: “I would never do it the same way as Said does: bring in my friends and work so closely with them!” And just because the others involved in the product development are Said’s friends, Helena gets the role of the “bad guy” (“bad woman”!, author’s remark) in situations that appear.

Joakim continues: “What Frame Access needs is knowledge about and within the process industry. Further, they need more developers for faster technological progress. There are people with the right competences, but since they don’t have money they can’t pay them for their work. This means they are forced to use solutions like they do right now – that Said’s Iranian friends work here for free with the development of the platform.” And regarding the future both Helena and Said state that they want diversity in terms of people. “We need both the right competences and the right people”, Said says.

Relations and the support system

According to Helena, to be located in an incubator is “very valuable”. Besides getting office space, computer and telephone six months for free, they get a reference and a setting to work from. “It’s all about legitimacy and legitimacy opens the door to new valuable contacts and relations.” Still, they claim that they have not got that much practical help from KIG. “Joakim, our business coach, has been a good person socially, but KIG’s value has more to do with references and legitimacy. When we’ve talked to other actors and potential partners, I’ve noticed that it is positive to mention that we sit in the KIG environment!”

“We have a technology that fits the telecom industry, which makes our location good!”, Said says. “In Kista there’s also a big network of firms that are potential customers and partners in joint projects.” “Kista is the right place for the industry we focus on”, Helena fills in. Besides, both Helena and Said live north from Stockholm, which makes Kista a good option geographically. “We both have contacts in Kista after our jobs at Ericsson in Kista. We don’t have to be here but it’s good! For example, there is no meaning for us to have our office in the centre of Stockholm.”

The big problem they both have is to support themselves. For Helena the situation is critical at the moment, since her severance payment from Ericsson finished in October 2003. This means that from November she has no income. “Right now we don’t know
Voices of entrepreneurship and small business – immigrant enterprises in Kista, Stockholm

for how long we can go on like this.” Here, Helena criticises the business support system for being too rigid and not adjusted to the conditions and entrepreneurs that start businesses today. “The system is not adjusted for people like me to start firms. I have a family, mortgage and big monthly expenses. The way the system works, it seems like it’s assumed that people starting developing firms are students who can live alone on bread and butter while developing their ideas.” She thinks that politicians and policy-makers must do something in order to make it possible for entrepreneurs have an income, e.g. from unemployment benefit funds, while developing their businesses.

Said complains about the complexity of the bureaucracy too, and thinks that the system should have greater understanding for the fact that one needs money in order to build up a firm like this. “The unemployment agency wanted to put me through the system of applying for jobs, taking unemployment courses etc. At the same time, it wouldn’t be possible to get money from unemployment benefit funds (A-kassa). In that case, I can only work with this firm after regular work hours!” However, for Said, things have changed for the better in this respect. “I’ve got a start-up subsidy, at least for the coming six months. And this might be extended if needed.”

The future
Late February, Frame Access moved into an office that KIG has arranged for them. “It’s a cheaper office we call Quick Office Light!”, Said says. There are things we need to do before they will accept us to the Business Accelerator.” They now have plans to bring people into the firm, in different areas. “The question is how we can hire these people when we can’t pay them”, Helena says.

And the hunt for partners proceeds as well, Said tells me. “We’ve been very customer focused in our contacts. The customer decides what she wants. Right now we’re negotiating to develop a specific product for an interested customer. Before, we were broad. You know, we shot with a shot-gun and hoped that someone would fall down! But now we’ve hit – we have a killer. We’ve discovered needs and gaps. This is a complementary solution where we don’t have to replace old technical solutions. Instead, old solutions can be included with our new technology in this new device.”
**Voice 3 – Smarticware**

Smarticware AB (Inc.) is a firm engaged in the smart card industry and develops the next generation of new smart card chips. Its aim is to enable technologies based on breakthrough development and inventive usage of so-called Large Memory smart card IC chips. The Smarticware chip has high processor functionality that enables handling of more applications, information, data, a high range of biometric security features, digital ID and passport, unique payment system etc. The aim is to build and maintain relationships with smart card vendors globally. The idea is to improve and increase the performance of their cards with more efficient tailor-made hardware solutions on the chip.

Smarticware website

Omid Aval, 41 years old, is the founder of the firm. He has had a long professional career and previously worked with areas related to smart card technology. He runs the firm together with an assistant, Lars, who wants to stay anonymous. Lars is a 60-year old native Swedish man. The firm is located in KIG’s facility Growhouse, Österögatan 3 in Kista.

The owner structure is as follows: Avaline AB with 100 000 SEK in share capital owns 100% of the shares in Smarticware AB with 300 000 SEK in share capital. Omid himself owns all the shares in Avaline and thus in Smarticware.

**The start-up**

About three years ago, Omid worked for Sonera. During this time his ideas about Smarticware started to grow. Aside from his employment there, he worked long hours looking for and gathering information for the Smarticware business, an effort that provided an extensive compilation. “The finished material contained market analysis and thorough descriptions of technology and more”, Omid says.

“Contacts in England led to an offer to sell my concept based on USIM (universal SIM-card) standardisation – that is, for the next generation – to a venture capitalist for a large sum of money. When I sent this to the venture capitalist, it was 700 MB zipped – quite an extensive work”, Omid says with a laugh. Thus, Omid was close to selling the concept about two years ago, but without giving any details he tells me that the venture capitalist was not able to close the deal in the end. If the deal would have
been closed, Omid would have earned much money, although he had to share much with partners. “Something I learned from this was not to give away too much next time!” When the deal was terminated, he continued in Sweden. “When I presented all my work for SIC (‘Stiftelsen InnovationsCentrum’), they gave me money after just a few days, a loan of 400 000 SEK. They were impressed by that I had already done market analyses and that the idea was ready to go.”

Then the team went to The Swedish Inventors’ society (‘Uppfinnarföreningen’) where they were directed to ALMI. “Omid contacted ALMI a year and a half year ago”, Peter Ekman says. “I got in contact with him through one of our business advisors. He understood he had to do something to get money. Possibly, we can intermediate contacts to business angels, but otherwise you won’t get venture capital at such an early stage.” Smarticware got accepted to ALMI’s coaching program, where Peter became their coach. “I made the assessment that their business idea would work, other people had other opinions. But that’s common. It’s often like that – it’s up to the entrepreneur to show that people in the surroundings are wrong!” Peter tells me they took a number of measures. “I used my network to contact different actors. Money, assistance, those kinds of things.” Through ALMI, Omid came in contact with a patent bureau in the US. He also got money for the patent application through ALMI. About one year ago, the patent was registered.

Then Peter pushed Smarticware towards Kista. “We’ve had a good cooperation with KIG – they do other things than us. They have a niche in IT technology, while we work in all areas. We’ve forwarded many of our clients to them. I think they do a good job and I hope KIG will be successful!” But Smarticware did not fit into KIG’s criteria, so they landed up in Growhouse. “Therefore, I’m still involved in the coaching relation. But I want to withdraw from these coaching relations after some time, and the same goes for Smarticware.”

“They came to us and applied for a coaching relation but we rejected their application. They got a place in Growhouse instead”, Pär Hedberg, project leader at KIG, says. “We didn’t believe in their business idea! We had doubts along a few of the dimensions we use for evaluating the innovations. This has to do with competences, resources and focus of the venture. It was mainly concerning two things we had questions: the first one was the ‘altitude’ of the innovation; that it was new enough and had the kind of potential we’re looking for. The second was about the composition of the team. We doubted they could achieve what they wanted.” Despite KIG’s doubts concerning Smarticeware, Pär says that he might be wrong. “It’s always like that. We’re not perfect and noone knows what’s going to happen in the future.”

“We were one of the first businesses to come here”, Lars says. We were here more or less when Growhouse opened about one year ago (in the beginning of 2003, author’s remark). But Smarticware has not had any direct use of KIG. “This is no protected milieu for us”, Lars continues. “We came here a totally different way compared to many of the other firms here. We went through Uppfinnarföreningen (‘The Swedish Inventors’ Association’), ALMI and then we ended up here. “From the beginning this was just a facility. During the time we’ve been here, we’ve appreciated Pär Hedberg as a good contact!” Omid agrees and adds: “Anyway, we’re past that stage now. We don’t need that coaching relation anymore.”
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The team and its competences

Omid’s background is that he moved to Sweden from Iran 18 years ago. In Iran he ran a firm together with his father. “That business was involved in the radiator industry (heat exchange, author’s remark). We helped other firms with sales and organisation development and had up to 15 employees.” Omid’s father was a former army officer and he comes from a family with an academic background. When his father died, Omid took over the firm. When he came to Sweden, Omid studied electro technology at Chalmers Technical University in Gothenburg. After that he has among other things worked for Ericsson, Semcon and Sonera.

Lars’ background is that he previously in his career has worked with sales, translation and education. Further, he has helped one friend and his former wife to build up two firms altogether. During his entire career, he has worked in small firms as well. “Omid and I met through a common friend and we’ve stayed friends since.” One can say they make a rather unusual couple. “Well, when you know each other you don’t think about it that way. You’re friends, and that’s the way it is!” They work together in the office, and right now Lars does not get any compensation for his work. He does unpaid work, so to say. “I do this because I think it’s fun”, he says.

“There are few people with Lars’ competences. He knows everything!”, Omid says. But Lars does not regard this firm as his own. He says that Smarticware is Omid’s business and Lars is there to assist Omid with administrative work. “I help him with the correspondence. I check the Swedish language in outgoing mails, for example. Further, I answer the phone and give advice. I don’t make myself big in comparison to Omid – I’m just helping him here.” Lars cautiously says it may have been useful for Omid to have him by his side when meeting people. “For instance, I joined him when he met ALMI for the first time. To be introduced the proper way is important!” However, he clearly states that his help has been very modest. “Nowadays Omid doesn’t have to prove himself credible, today it’s no problem for him to present the firm himself!”

“If you want to help an entrepreneur you should be sensitive and not tell him what to do. One should support. The entrepreneur should plan and have opinions. Be a listener and a support. Never say: ‘I would never do this!’ Why? Because you’re not the one who should do it! One mustn’t drain the entrepreneur on energy and goal-orientation.” Lars says that this has to do with attitude. “Very few people can give the entrepreneur advice. The entrepreneur is sensitive, must finance himself and is made responsible for what he does. Other peoples’ experience can be negative if it’s used the wrong way. Concrete, simple advice is important.” Lars states: “Entrepreneurs have so much energy. An entrepreneur is someone who wants to do something. Omid’s not just an entrepreneur, he’s also a fantastic inventor. He has many ideas in his drawer. He has an ability to foresee the technical development. Earlier he’s told me a couple of times that ‘this will come in a couple of years’ and so far he’s always been right!”

“Omid does all of the technical work himself and he works incredibly much!” When I ask if this is a danger, that he might get burned out, Lars replies: “This is of course hard to say, but entrepreneurs are special people – and Omid is definitely an entrepreneur. If you do things you like you can work much without suffering from it. You don’t burn yourself out if you enjoy what you’re doing!”
“It’s hard to say what motivates Omid. It feels so natural that he does this. Well, he has acquired necessary experience in business. I believe that he now wants to try his own wings.” Finally, Lars says that it is possible that Omid also wants to advance at a quicker rate than what is common in larger companies. Omid supports this view and states that he wants to realise his ideas. “One shouldn’t be independent as an entrepreneur, but one should be free! In Persian, the word for success means ‘to adjust’. Entrepreneurs need energy and freedom releases energy. But energy is unequally distributed among people. In all companies 20 per cent of the people do 80 per cent of the work and the opposite. Those 20 per cent are educated, have knowledge, experience and incitements to work. Entrepreneurs are people with those attributes.”

“The decision process in Smarticware comes rather naturally”, Lars says. “In practice, Omid shares ideas with me and I express my opinions. Then he continues with his ideas and often discusses them with his partners in the network. This is some kind of ‘check’ and quality control.” Lars emphasises: “I think it’s fun and I’m flattered by the fact that he involves me in his decisions.”

Omid tells me that the firm has raised about 2 Million SEK from different institutions (SIC, ALMI, Vinnova and NUTEK). “The problem is that the money you get is all marked for product development. This makes it really hard for me as an entrepreneur to support myself meanwhile. Omid states this is a different matter altogether than to start a restaurant, for example. He thinks it should be legitimate to receive money from unemployment benefit funds (A-kassa) while exploiting a high tech venture opportunity. “If I don’t take the idea to market in Sweden, this is bad for the country. And if I don’t do it here, I might do it somewhere else, in another country. And if this turns out to be successful, I can employ people. But this message is hard to communicate, so it’s very tough at this stage!”

Omid gets into the specific problems with starting a firm in a high tech environment. “Everything takes time while developing the firm, and meanwhile you don’t have any money to earn your living. But it’s different to start a firm like this compared to other kinds of businesses. The money I’ve raised doesn’t cover much and the applications for patents consume much of it. This means I generally can’t pay potential partners for their work. Noone works for free – one has to create incentives! One way is to reward them later if my firm succeeds.” Apart from the money from institutions above, Omid has invested a large sum of his own money, including money he borrowed from family and friends.

Concerning resources in Smarticware, Peter says following: “The foundation in the team, the basic properties of the person/founder, and to have the maturity to know what one is capable of are important matters. One has to build a network to have access to necessary resources. These kinds of things are important.” The question of financing and competences goes together, both internally and externally.” It is obvious that Peter thinks the big picture is crucial; it is a matter of judging the whole and not parts of the firm.

The reasons Peter believed in Smarticware therefore are connected, but he mentions quite a few anyway. “They have a technology that quickly can be implemented without too great boundaries. There was an openness to listen and to adopt new ideas.
There was ‘business competence’. They also had network thinking. There was energy and the ability to see possibilities. What one must remember is that you invest in people, not in technology! People drive the projects.”

**Identification and immigrant/ethnic involvement**

Omid has no real experience from starting a company. “No, but he took over his father’s firm in Iran when he died”, Lars says. “And at times he managed 15-20 employees. Besides, since Omid is the topic here, he came to Sweden about 17-18 years ago, studied Swedish and studied at Chalmers. Then, he worked for some big firms, like Ericsson Microwave, Semcon and Sonera. That kind of effort – I mean, I’m not sure I would be able to do that! What I mean is that he has been forced to take care of himself in an entrepreneurial way!”

Being in the KIG structure has been helpful for Smarticware, Omid says. It gives credibility and provides him with a network of potential partners and customers. Financing has also a lot to do with credibility, and KIG provides trustworthiness. This is even more important for him as an immigrant entrepreneur. “Financing and customer and partner contacts have to do with credibility. It would definitely be easier for you if you had the same competences and idea as I have!” Although Omid says he has faced problems that can be referred to his immigrant background, he uses methods to get around those barriers. “If you don’t think about it, you don’t see yourself. I strain to try to be ‘from the heart’ and act rationally. I can’t say that I personally have been treated badly, but I have a feeling that it would be easier if I was native-born Swedish.”

Omid develops his thoughts: “People in the Swedish society, like in all societies, can be divided into layers or classes. There are different classes and these could be static but there are also possibilities to move up and down like in an elevator. A person that enters a society, like an immigrant, mainly starts from the bottom and then has to climb. One can say that the difference between where you are today and where you were yesterday is the degree of satisfaction.”

Concerning the background of the founder or team members, this is a question Peter seems to be familiar with from many cases. “Generally, there’s a totally different culture among immigrants that come here. Many immigrants first contact IFS and then come to us if they need more help. Today, they depend on that family and relatives help them financially. In mature industries, the industry often has the ability to help, but in high tech the same possibilities don’t exist.”

However, in Smarticware there still are some aspects that can be referred to Omid’s ethnic background, Peter says. “Omid doesn’t master the language that well and therefore he hasn’t got the power of rhetoric. When he holds presentations in Swedish he gets difficulties to say what he wants to say. For some people, this is important and can be a hindrance if you don’t master the language well enough. In such cases, I have an important role to help to translate. And naturally, Lars has been of great help for Omid in that respect. Omid could manage this on his own and he would pass these barriers anyway, he’s got that kind of energy. But Lars has been of great help.”
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Relations and support
Lars clearly states that Omid is Smarticware. “He is competent and he captures peoples’ interest when he talks to them. The firm in its present phase is totally dependent on Omid. But he has strong partners with commitment. These people have an ‘operative thinking’, if you get what I mean. And Omid has acquired these contacts during Smarticware’s short history. As I said, Omid captures people. He has the ability and energy to make people listen!”

The contacts and network relations Omid has symbolise a way of solving problems. “Networking is problem-solving – that’s what it is. This is true not just for Omid but for all entrepreneurs in developing firms. But it has to do with personal engagement, not just formal contacts. In these contexts people are incredibly important! Formal competence, yes, but it also has to do with competence in relations. The people Smarticware works with represent such competence”, Lars asserts. Omid tells me there are 6-10 people in a network that help him concerning specific matters. “I buy the competence I don’t have”, he says.

The team experiences difficulties to have an income while developing a firm like this. According to Lars, this is the major problem. “Financing, personnel resources – although this is not up for discussion yet – and to find the right people to work with is crucial for success.” Further, Lars tells me: “There are many people that want to make money on Omid and Smarticware. It could for example be in the form of proposing an agreement where Omid should pay in advance. I’m not saying that all of these people are frauds, but they don’t know how to help an entrepreneur! And these people steal an enormous amount of energy!”

Lars explains that he and Omid have met some people that have been supportive. ALMI has been a mainstay, and that this has to do with personal engagement. “They have the right contacts, but if one comes to the wrong person it could be difficult to get the support one needs. But we’ve been lucky!” Omid tells me: “There are many charlatans in this industry. Many firms try to look much better than they really are.”

Concerning their location in Growhouse, Lars says: “From the beginning it was a good thing to be located in Kista, it gave us a kind of identification. ‘We are located in Kista’, or so. But what kind of role it will play in the future, that I don’t know. Besides, there are other places in Kista today where we can sit and pay less money, so economically it’s no gain for us to be in KIG’s milieu.” Lars goes on by stating that there are people in supportive environments (like incubators) that deal with advice although they shouldn’t be there. “Very few of these people know how an entrepreneur works. It has to do with being!” What Lars means is that when dealing with an entrepreneur, one deals with people. “It has to do with how one views and approaches people.”

The future
Peter has good hopes for Smarticware: “Right now it’s about managing the resources they have to generate business. If they succeed with that, financing won’t be a problem. If one has paying customers, things usually turn out well.” Peter says that the future development and financing can be solved in three different ways. “With venture capital, one is dependent on having the right partner – an active partner. If one uses loans for financing, this goes slower, but one has control and stable
development. The third way is that the customer pays for the development. Then you have a deal where you share the risk. But just as with venture capital, the relation is decisive. All three ways work fine, but they have different pros and cons. I feel fully confident about the future for Smarticware, but they have to focus on revenues!”

Lars tells me that an EU project with a number of partners may be launched. “Omid is the originator of this project. Some parties involved in this partnership network are quite big.” Further, although Omid is a bit secretive about the future since no deals are official yet, he tells me he has “…discussions with business angels and venture capitalists right now”, so he thinks the future looks prosperous.
Voice 4 – Adicast Systems
Adicast Systems is a firm directed towards the television and broadcasting market. The product is a combination of a chip and a management system. The chip can be installed in a TV-set that receives the broadcast signals in a certain way. The idea is not new, but the technical solution is. It focuses on digital TV and its domain is in the general area of ‘targeted advertising solutions’.

Kian (Kianoush) Namvar – the founder of the firm – originates from Iran and moved to Sweden about 16 years ago. Now he is in his mid-thirties. He registered Adicast Systems in November 2003. Until now, he has run the firm completely on his own at his home in Kista but he has applied for an office space, either in Quick Office or in Growhouse, both managed and run by Kista Innovation and Growth – KIG.

Adicast website. Copyright: Adicast Systems AB

From past to present
It has been a long process for Kian to develop this idea. He came up with it already in 1998. “I went to Förnyelse Stockholm (‘Renewal Stockholm’) where I got some financial contribution. Then I took contact with a few patent bureaus and I chose the one that I felt I could talk to. They understood what I was talking about, if you know what I mean.” There he took his first patent for the overall solution. However, the market was not ready for his solution then so he did not proceed with his plans.

In 2001 Kian contacted Isa Turan, economic development coordinator at the Kista administration. “My role is to act as an intermediary”, Isa tells me, “and I try to forward the entrepreneurs I meet to other people that can help them. This was a technical idea, so I sent him to Kista Applications.” Kian says that he was in contact with Kista Applications for a couple of months. “Before I spoke to Lars Hallberg – the CEO – I had another contact person that quit. I believe there were problems with finances. They switched focus meanwhile from new to established firms, and perhaps they didn’t believe in my idea anyway. In fact, I hardly spoke to Lars Hallberg while I was there.” “Since Kian was a potential entrepreneur with an idea, I directed him to a team of people in a firm who are good at working with and developing innovations”, Lars explains.
“They’re called Savantic”, Kian says. That’s a couple of guys that work with technology on a detailed level. I spoke to them about one year ago, but we didn’t have detailed discussions, since I had no money to pay them. I may return to them, but I don’t know how competent they are – I have no references! But they won’t work for free, you know, and I can’t afford to pay them much. This means I can’t engage in a long-term partnership right now without money.” Instead, he has contacted another firm for specific technical help. “A couple of engineers helped me develop the idea technically. This was a job I ordered and immediately paid them for. It was just a one-time job.”

In order to acquire further resources for his venture, Kian has taken the start-up program offered by KIG, the first step in their support program, and he has applied for a place in KIG’s Business Lab program. He needs much financial capital in order to develop and realise his business idea, and he hopes that the access to KIG’s business support system can help him with the necessary contacts that can lead to financial assistance.

“If you start a company and too early you won’t have the persistence to be in business until the market is ready and you can commercialise the idea”, Kian says. He thinks it is the right time to start now, since he counts on that the time when this solution will be used will come around 2006. These estimations are based on the planned closing of the analogue TV broadcasts in Sweden in 2007. Even though the amount of time seems rather tight, Kian thinks it is possible to do this in two years. “We only have to develop one or two new components. The rest we buy when we assemble the device.” By ‘we’, Kian means his potential partner(s) in the future.

**Kian and his competences**

Kian originates from Iran and moved to Sweden about 16 years ago. His brother lives here, but most members of his family still live in Iran. He has worked with different things since he came to Sweden. He has previously run businesses and still has a firm working with photography and editing for the television industry. In order to support himself, he works extra with various jobs. “I do extra work with completely different things. I have many jobs on the side! This is the way I support myself.” His business activities do not reflect a heritage of any kind. “We have no tradition of business ownership or entrepreneurship in my family. This is more a personal thing. I have a personal motivation towards entrepreneurship.”

His technical solutions, like all new solutions in the field of ‘targeted advertising solutions’, are based on the usage of digital-TV broadcasting technology. “The technology I use hasn’t previously been used in Europe. The legislation in Europe is different than in the U.S. The way it’s used in the U.S. is prohibited, so I have a new solution to solve the problems with the legislation. Therefore, I use the technology in a new way. But my solution can also be used in the U.S. And this solution can easily be integrated in existing systems.”

Kian tells me that he is market oriented and not stuck in the technology. This means he thinks he has a clear customer and user focus. He emphasises this several times during our talks. “I believe this has to do with my background, that I’m not an technician but coming from social science. There are many competent engineers that
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try to run businesses today and don’t have enough market knowledge. But technical knowledge isn’t everything.” But this also means that Kian cannot develop the product on his own. “In theory I know much, but I can’t do it in practice because I lack the technical skills.”

Although he seeks partnership and despite the fact that relations are necessary to develop his business, this is a solo venture so far and he wants to keep it that way, at least for the time being. He does everything on his own. Kian says he may be willing to bring in external but also internal partners and form a team around his innovation, but not for the sake of it. “Sure, if it fills a function”, is his practically oriented thinking in this matter. In the beginning of January, Kian was on a business trip for two weeks. “I visited a couple of firms in Europe and discussed some kind of partnership. They would help me develop the idea, and thus assist in paying for the product development. Unfortunately, none of these firms had experience in the area.” By ‘the area’, Kian means the TV medium. “Anyway, these were just discussions –no concrete decisions were taken.”

Joakim Nilsson is Kian’s contact person at KIG. “Right now we work with verifying the innovation. That is, the potential of the innovation and the work behind it. Another thing I can say about him is that Kianoush runs this on his own and that’s something we don’t recommend.”

Identity and immigrant/ethnic involvement

Kian has acquired much money from family and friends to apply for international patents. “In Iran people don’t make the same distinction between my money and your money as in Sweden. When it comes to your parents you’ll inherit their money anyway sooner or later.” When borrowing money, he sometimes is obliged to listen to opinions from family and friends, but he solves that by “choosing what opinions I should listen to”. And despite the fact that friends would provide cheap or even free help, he refuses such help. “I don’t want to work with friends!” he says. He has bad experiences from this, where it has even led to losing friendship because they have not been able to separate work from pleasure. “If a friend stays in bed and arrives late when you have a deadline, it is much more difficult to tell him that we have to work now – to order a friend to do something.”

Kian has experienced some situations where the firms he has contacted for partnership have behaved strangely. He is certain that much of this can be referred to his immigrant background. “A colleague stated that one firm I contacted was planning to cancel their contract with the security company since they had an immigrant working there as a call-in. That person was not even steadily employed but was there on temporal basis, and he had not misbehaved in any way!” Things are different for immigrants, he says. “If you (i.e. Tobias Dalhammar, native Swedish, author’s remark) would go to partners and investors and present the idea I have it would be much easier for you! Immigrants have small and limited networks. Native Swedes have easier to access important contacts than immigrants, because they commonly know someone who knows someone etc.” And he says he gets treated differently compared to native Swedish people. “When I talk to someone, first of all I’m foreign, then entrepreneur. A Svensson is first of all an entrepreneur!”
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“Personally, I have experienced some difficulties with the language, but I know that others have had much worse problems. You have to know either Swedish or English if you want to talk to people. Otherwise you have problems.” Here, a native Swedish partner would help, Kian says. “Sometimes, it’s good to have a person that takes care of external contacts – one that masters the language. Today, I don’t have such a contact, and I don’t need it right now, but it will be needed in the near future.”

Relations, networking and support
Apart from the money he borrowed from family and friends, Kian has got a small loan from SIC (‘Stiftelsen InnovationsCentrum’). Still, he needs much seed capital in order to develop and realise his idea. “I have estimations indicating that I need about 10-20 million SEK to develop all the solutions for the complete solution.” Therefore, he hopes that the access to KIG’s business support system can help him with the necessary contacts that can lead to financial assistance. KIG people, mainly Joakim Nilsson, have previously helped him with contacts. Kian says that Joakim and the others at KIG have been professional and replied instantly when he has had queries about business matters etc. He means it is the coach relation that is important. “KIG can give me contacts and assistance. They provide credibility and legitimacy! The economic relation is less important. I can sit somewhere else and I don’t save that much money to be in KIG.”

Kian explains that KIG seminars are valuable sessions for learning about business issues and the market, since professional people give their opinions on matters relating to one’s business. “Venture Cup is also a good thing. There one gets insights from experienced people concerning market and customer potential etc. But these people are not always right! There are examples where firms that were winners have been far less successful than those who received no prizes.”

This means that generally he is positive to these initiatives. “KIG, Venture Cup, Vinn Nu and Connect help to create knowledge, both in terms of the market and when it comes to presenting the idea.” However, he also has negative remarks. “Sweden is an innovative country, but it lacks a basic system. I think there should be a center – a basic power to gather all the initiatives that today are spread out. All in one at the same place and under the same umbrella! It has taken me so many years to go through all the people I’ve been in contact with because there is no coordination among these actors.”

In his contacts with firms that would help him develop the technical aspects of his solution, Kian has experienced “antagonisms”. One strange occasion was when he spoke to a firm and he had a detailed discussion about technical matters with an engineer. Then the boss interrupted and said that entrepreneurs are too focused on technical details. Kian experienced this as a correction and felt offended. “He should not make these kinds of remarks. I’m a client and if they treat me well and do a good job, there is a big possibility that I will come back.”

KIG has told Kian that they want market information about the potential of his innovation. During the last months, Kian has been in contact with many people, both researchers and practitioners. He wants hands-on information that his innovation has a potential on the broadcasting market. “I have spoken to people at Stockholm School of Economics (‘Handelshögskolan’), Royal Institute of Technology (‘KTH’) and even
with people in Gothenburg about issues concerning the broadcasting industry and market. But none of them have been able to fully help me. They have known some issues and then directed me to another person etc. That’s why I’ve spoken to so many! Now, I want to get in contact with someone at TV4 or Kanal 5 (Swedish TV broadcasting stations, author’s remark). I want to talk to someone high up in the hierarchy, a marketing manager or equivalent.”

The future
Concerning the present situation, Kian says: “I haven’t answered KIG about the questions they had. I need to talk to some people first.” As was stated above, he has problems getting in contact with the right people and that slows down the process. He concludes: “Some things could be solved really quickly if I just could get in contact with the right person, but it can take weeks to find the right person to talk to. KIG wants concrete answers about the market. That’s why I need this on paper from someone high up in the hierarchy, like the TV people I mentioned.”

“But I will sort this out soon. It can’t wait; I need to get going now! I need an office, telephone, business cards etc. As I said, I have some money saved. I can manage the most crucial functions for the coming 6 to 12 months. The time depends on how thrifty I am. After this time I need to get new capital into the firm.”

If he finds it too difficult to realise his plans in Sweden, Kian has an alternative plan. This is to bring the firm and the innovation abroad and develop the idea in Germany, U.K. or U.S. He expects the climate to be more prosperous there. He also says that he has quite a few immigrant friends that already have moved to UK and US since they had problems finding jobs in Sweden. When I ask him why he has not moved already, he says: “I’m persistent and stubborn. I’ll try everything before I move”.
Voice 5 – Roya Hälsocenter

Roya Hälsocenter’s business idea is to sell health care products and provide massage and spa services to private and corporate customers. The store is located at Kista square (Kista torg), just outside the Kista galleria. Treatments they perform include classic facial treatments, classic foot care, body treatments (peeling and mask), health examination, make-up, eyebrows/eyelashes, waxing (legs, lips etc.), epilating, aromatherapy, medical sauna, bubble bath, automatic massage bed and solarium. Besides that, they offer classic massage, as well as Indian and Chinese massage. The turnover from selling products in the store and giving massage and treatments go hand in hand. However, the big income comes from providing massage and spa treatments.

The founding team consists of two spouses. Rohangiz (Roya) and Sarowar Alam, 48 and 38 years’ old, respectively. Roya comes from Iran and her husband Sarowar originates from Bangladesh. Although Roya officially is the firm owner, they work together and drive the firm as a team.

The firm and its story

Roya and Sarowar say they both have experience from the health care sector. Roya has previously worked in health care stores and Sarowar has a massage diploma. In 1998 they started to consider their own business and about two years ago the realisation of the idea began. They signed a contract for a facility and started to renovate it from scratch.

Roya spoke to Isa Turan, economic development coordinator at the Kista administration. “He helped us with wordings in applications and where we should turn.” So, Roya spoke to “someone at NyföretagarCentrum.” They don’t remember the man’s name (but I assume it could be Janne Jansson, author’s remark). However, he directed them to ALMI, but both ALMI and the bank turned their idea down. “I don’t know why”, Sarowar says. Roya continues: “They said they didn’t believe in the business idea. This can depend on a number of things. When they looked at the store, nothing was finished. And we didn’t have a spa from the beginning. The only thing we offered except for healthcare products then was massage.”

Since they did not get any support, they have mainly financed the firm with their own money. They have also borrowed from family and friends. This means it has been a slow process where they renovated the store themselves during the summer 2003 and opened the doors in August the same year. Roya says that the store hires experts that work with treatments and massages the store offers and around five people work at Roya Hälsocenter on a somewhat regular basis. “The initial plan was to have people employed, but we couldn’t afford that. Now firm owners work here in the store. They provide different treatments and services to customers. It’s not profitable for these people to rent a space here so the deal at the moment is that we share the revenues 50-50 with these people. We’re all part of a team!”

Roya tells me about the people that come and work in the store. Sara does facial treatment and nails. She is educated skin therapist with 17 years’ work experience. “She’s popular”, Roya says. Micael gives Chinese massage that is more medically oriented. “He’s good and popular too”, she says. Further, a man comes about once a week and does medical foot care. Roya does light massage, spa treatments and other
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easier treatments. Sarowar does Indian massage and classic massage. Besides, a surgeon comes from time to time to give injections that remove wrinkles, mainly in cheeks and other parts of the face.

“The business idea is to help people, not to make money!”, they both state. Sarowar says there is research stating that massage and relaxation can help people overcome minor injuries. Massage and relaxation works for many people as a way to get rid of stress. So, they want business customers, and he stresses that authorities in particular could send their staff here as a matter of preventing health and stress-related problems. “We want to talk to big public organisations like Länstyrelsen (the ‘county council’) or big private companies to contract them to take care of their health care.”

They claim they are constantly focused on paying the rent. They have agreements with suppliers on respite with payments, but the rent is another issue – it has to be paid in advance. “In December, it was raised to 66 000 SEK/month”, Sarowar says. “There are estimations stating that one needs to have 5000 in the cashier each day to make enough money to pay the rent.” One indicator on that they are in a tough financial situation is that during Christmas they sold Christmas decorations, like Santa Clauses and angels. “They sold pretty OK”, Sarowar says.

The team and its competences

Since she came to Sweden in the mid-1980’s, Roya has worked in health care stores. However, she is university-educated statistician in Iran and worked as statistician and mathematics teacher in her home country. I ask her if she would like to work with that here in Sweden. “Yes, I like mathematics, but you have to find something to do. And I don’t get any teaching jobs.” Sarowar came to Sweden about the same time. They met in an SFI class (SFI=Swedish For Immigrants) in 1987. In Sweden, he has had different jobs, driving taxi etc., but cut working hours when he became a father about 14 years ago. “There are many immigrant children that grow up and feel lost in Sweden today, therefore I wanted to prioritise my kids.”

They talk about the drivers behind the start-up. “We started because we wanted to be independent. That’s better than going to the social welfare office. To earn your own money.” Both Roya and Sarowar state that it is good to be two in a team that run the firm. Two spouses can support each other, and the burden feels less heavy to bear. It is apparent that Sarowar is just as concerned as Roya about the firm and this is truly a team effort. “Roya is the firm owner, but I can’t just neglect what’s she’s doing. We started this together and we run this together!” It is a private firm (‘enskild firma’), which makes it even more risky since Roya could be personally responsible for the debts of the firm. However, they have managed to borrow money from family and friends so far, so they do not owe money to formal institutions that could file a bankruptcy petition against them.

They do not have much business experience, although Sarowar had a cleaning firm for a while about five years ago. Unfortunately, he did not manage to get any clients, despite the fact that when he initially talked to actors like the county council (‘Länstyrelsen’) they were positive and said he could get a contract for cleaning some of their facilities. After a few months he shut the firm down. Concerning the difficulties connected to not having much experience from business ownership, they say: “…one learns all the time.” They both feel that they get better and better.
About his life as a business owner, Sarowar says: “We want to survive. There’s no room for leisure time, me and the firm become one!” In connection to the business they are in, he gives the following comments. “It’s kind of special, one works directly with customers. It’s sensitive, one has to be careful, provide service. And the word massage is negative for many people. They think it’s sexual or something.” Micael Lehto, who gives Chinese massage, agrees: “Far from everyone can do this kind of job! You work with people. It’s about customer treatment, to be a good judge of character. It’s about who you are. In this profession, these things are very important!”

“A problem for us is that since we started our business, salons in the area have started with similar services as well. For example, both hairdressers and fitness centres offer nail treatments and massage. Now we have competitors around us. Hairdressers have started giving face treatments and a salon here has started with massage. But they don’t have relaxation areas. We’re the only ones that cover everything, including spa.” Sarowar says that he suspects that these salons book times at Roya Hålsocenter without going. “They cheat on us and book times”, he says. He views these salons as competitors and they probably regard Roya’s store as a threat as well. He believes that is why they ‘fake book’ appointments.

Micael Lehto, the masseur, feels that most resources are there to make Roya a successful firm. “There’s knowledge, people, products – I suppose it’s a question of getting a bigger clientele.” Micael says that takes a couple of years. “This is something the guy who taught me Chinese massage said, and I believe that. ‘It takes one year – then people know where you are. After two years, people know who you are.’ Then you’re known. You have to be seen, be available. The least work I do is massage!” As a way to describe his efforts, Micael says he has visited every company in the Kista galleria. “Some have turned me down immediately. Mostly, it’s the managers who’ve said no.”

The reason Micael did these visits is that “…to advertise the common way is pointless! Mouth-to-mouth, rumour – that’s the way it works. The tragic thing in this business – and then I talk about small private firms – is…you can quote me on this if you wish: ‘If 10 satisfied customers leave this store we get one additional customer. If one dissatisfied customer leaves this store, 10 customers disappear!’ Small firms are vulnerable. H&M don’t cry if they lose 10 customers, but every customer is important for us. We make no difference between people!”

Micael says: “The difficult thing is to be seen, I think. The problem is that were located outside a galleria. This is not a store for window-shopping! If it had been inside the galleria, I believe more people would have recognised it. What they’ve done now, to put flip sign outside the store – that’s a good thing. People notice that sign.”

**Identity and immigrant/ethnic involvement**

When I ask them about problems they have faced the reply is: “The big problems are money and contacts.” Roya says that they have problems for two reasons – the disadvantage of being both an immigrant and starting a business. As an immigrant, one does not understand the system and needs more help regarding contacts with authorities. “We don’t have good contacts. I mean contacts with authorities.
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you’re an immigrant you don’t know where to turn. It would be easier for you (i.e. Tobias Dalhammar, native Swedish, author’s remark) as a non-immigrant. But the contacts with customers isn’t a problem, the only thing is they’re hard to reach. We haven’t had one single dissatisfied customer!”, Sarowar states.

Sarowar have some theories why they have problems getting new customers. “It’s not accepted that an immigrant should open a store like this. People seem to think we don’t have the knowledge. Different cultures…suspicion, not the least from immigrants. They want to go to Swedes instead. I feel there’s much ignorance here.” I ask Sarowar if he feels integrated in the Swedish society. “When I meet people in Stockholm city that could be a problem, but not here in the store. Also with business contacts I sometimes feel it’s negative that I’m an immigrant. I’ve been here since 1986 and I want to contribute to this country, but sometimes this feels hard.” Sarowar thinks that people in Sweden are suspicious about things from abroad, that Swedes are indoctrinated with that what is Swedish is safe and reliable. However, Sarowar says: “In Bangladesh, people believe in what’s foreign. They are suspicious about things from Bangladesh!”

Isa Turan comments Roya’ situation: “Roya is a woman and that’s an extra burden. Besides being immigrant, you’re also a woman. You know, there are three disadvantaged groups in the society; young people, women and immigrants. If you belong to two of these groups things are more difficult for you! Roya wants to move on and they don’t regret that they opened the store!” Further, Isa says: “They want to show that they cut out as business owners.” “We are professional”, Roya says. “We sell good brands – our healthcare products are of top quality. People seem to believe we sell ‘fake products’. It’s about the body – then you mustn’t cheat anyone.” Roya starts to name the famous brands they sell. “We have Dead Sea products. They are very famous. We also have Chinese products that are really good.”

Micael says he does not know if and how much of the firm’s problems that can be related to that Roya and Sarowar have immigrant backgrounds. However, he still provides some insights. “It could be negative, it may matter that you’re an immigrant. I talked to a friend that’s a dentist, and I understood that there’s inverted racism – that immigrants demand to get a Swedish dentist. And Roya didn’t get any help from authorities. If it depends on that (that they are immigrants, author’s remark), I think that sucks! At NFC in Umeå there’s a guy that only works with immigrants. I think the same help should be offered in Stockholm.” Concerning the relations to different parties in their network, Micael says following: “There have been no problems with suppliers, but that may have to do with that they want to sell as much as possible. The customers…I think that more immigrants come here. I’ve never treated so many immigrants before. That’s positive, of course.”

Relations and support
Isa Turan says: “Roya is interesting, because she managed to start her firm without any support from the surrounding community. She hasn’t got any money from here (e.g. banks or public institutions – author’s note) but had to bring these from her home country. I met her just a while ago and she’s still determined to succeed!”

Apart from what Isa Turan could offer, Roya and Sarowar feel that they get little help from the Kista administration as well. They have to pay 5000 SEK every month to the
administration for marketing, but they still are not allowed to market their store in the galleria. “We want to put up signs there telling people that pass that we’re located just outside the galleria. Often, people don’t recognise us and we lose customers because of that!” Although they have a few competitors, they state that they are the only health care store offering complete spa treatments within a big geographical part of Stockholm, and in that sense there is a huge amount of potential customers. Another problem with the Kista administration is that according to the rules of the stores located in or just outside the galleria, they have to be open 10-21 every day. Since Roya and Sarowar cannot afford hiring people they have to work long hours, something that they say is very tiring in the long run.

Despite the problems with getting customers and their own complaints about the location of the store just outside the galleria, Roya and Sarowar have not considered moving their store to another location. “We live in Kista. The close neighbourhood means much to us. It’s not just Kista, but Rinkeby, Tensta and other close areas. And the facility has a good position. We just need to get people in here.”

Micael tells me about his own start-up. “When I started my own firm I went through NFC in Umeå. I went through a course for two months and also got help from the guy where I studied massage. One thing that really annoys me is that when you start a company is that you lose security. One can’t be on the ‘dole’ and take stray jobs, for example. There are rules you have to follow, and I think it’s strange that the society doesn’t help people more.”

The future
Roya tells me that they have got permission to have an outdoor café during the summer. “The Kista administration has no say about this. It’s the municipality and the police that decide. That’s why we’ve bought this new fridge”, Roya says and points at the cafeteria-style fridge standing next to us. “We’ll serve sandwiches and hot and cold drinks. We think this is a way for us to attract customers. It seems like people are afraid to enter the store. They might think that it costs 2,000-3,000 SEK to go in and buy something, I don’t know. With the outdoor café we believe it will feel more natural for customers to come here.”

Further, they had a meeting with Centrumledningen in the middle of February. “We had a positive meeting with them. They will include us in a brochure that will be handed out to inhabitants in Kista and other areas in Stockholm. We also got permission to have a neon sign, like the one the police has (the police station lies next to the store, author’s remark). We hope people will notice us better when we have that sign!”

Comments
Due to special circumstances, the store was closed late March 2004. It will most probably not be opened up again. These few lines were written as an extra text in April after the case was finished, and it was not planned that they would be included. Therefore, some of the aspects included in the paragraphs about the future as presented above represent issues that probably never will be realised. Thus, this is a special case in the sense that the store will not continue to exist – at least not in the same form as before – after I have finished my empirical study. However, as it is written it gives a valid picture of what the situation was like late February 2004 when
I finished my empirical study. Therefore my assessment is that this justifies its place in this thesis.
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**Voice 6 – Spice Catering**

Spice Catering is a catering firm located at Kista Gård, close to Kista center. It serves food with an exotic touch, such as African buffets. Catering arrangements is the main activity, but they also serve lunches, salads, main courses and desserts. The firm was initiated in 1997, originally as a cooperative project.

![Kista Gård, where Spice Catering is located](image)

Today, Zarrin Fadai, 48 years old, is the leader and runs the firm. Zarrin comes from Iran and came to Sweden in the early 1990’s. At present, it employs 4 people, whereof she and another woman, Augustina, are full-time and two, Zahra and Elisabeth, are part-time workers. Besides, Zarrin’s daughter and son occasionally help out in the firm.

![Zarrin, Zahra and Elisabeth](image)

**From past to present**

The firm has had a long journey from the start-up about seven years ago to where it is today. The idea to gather women originating from different parts of the world including Latin America, China, Africa, Iran and Turkey in a food project came from Carin Flemström, by then coordinating manager for social services and industry in Kista. It started as a cooperative project and when things turned out well, she gave the women continued support to learn to run the firm on their own.

Brita Rönqvist, program manager, Kista work and study center (‘Kista arbets- och studiecenter’), now advisor of the firm and chairman of the board, tells me: “This was a project initiated by the administration in 1997. It was within the program ‘Integration, market, culture’ (‘Integration, marknad, kultur’). It was directed to unemployed immigrant women. The idea behind the catering project was that immigrant women like to cook food and that this can be utilised in a business. I know that these are stereotypes and that this explanation is simplified, but this was the main
idea behind the project.” Twelve women, all registered at the unemployment office in Kista, were recruited. They either lived in Kista or Spånga. “The common motive for the women involved initially was to avoid unemployment”, Brita says. “From the very beginning, they got education for the first six months. This included sanitation according to Swedish law, how to run a business etc. Practical things they needed. Already during this education many dropped off. It was too hard for them. Catering assignments are about working evenings and weekends, which was tough for those who had small children.”

In the beginning, they had difficulties with various things, Zarrin says. “First of all there were problems with the financial help we had. We tried 4 different accounting firms, but now we have a good one. It was the Kista administration that appointed the first one. But the people there weren’t competent!” Spice also had problems with the personnel. The fact was that too many people were involved in the business. “We didn’t know who should do what, the tasks were not clear. Nobody knew what to do!” Getting customers was another crucial aspect. “The administration helped us to start with, we served at official lunches and dinners.” Finally, the catering business was new to all involved. “To run catering, serving customers and such things. To estimate portions – we made too big. We still have big ones”, Zarrin claims.

In January 1998, when Brita got involved in Spice, only 5 women were left. “They had just received start-up subsidies (‘starta eget-bidrag’) for one full year each and formed an economic association. By then, I worked as a project leader in the administration, among others with Spice.” At the beginning of 1998 two of the five women left. “This had its reasons”, Brita says. “When the subsidies ended after one year, they all had to be compensated with salaries from the firm. It was impossible to raise five full-time salaries in relation to the revenues the firm had!”

Zarrin says: “The salaries we raised were too high, and that was bad for the firm. To save the firm, we borrowed money from our families to cover for the deficits.” Although more people left, Zarrin was determined to continue. She took the role as the leader of the business. All in all, it took about two years from initiation until Zarrin became the leader and started to run the firm as her own, although it is still constructed as an economic association.

Today, the business is pretty stable, but only makes a small profit. “We have too high personnel costs and this is a major problem!” This is the reason the firm only has two employees and the rest work due to the amount of work. Zarrin emphasises that the salary is low and not really acceptable. “Money is the big problem. If we had money we could develop our business. We have the knowledge but without money we can’t do much!” Christmas, Easter and other holidays (such as the gymnasium exams) are seasonable peaks for the firm, and in the summer they have many customers when they serve outdoor lunch. “Business clients are the most profitable ones, but all customers are important!” Zarrin tells me that most clients are native Swedish, since they are the ones most interested in the food. “This food is more exotic to them. For us, this food is normal. We cook it at home, so why couldn’t we do that here as well!? The people that come from other countries already know how to cook this food!” Zarrin tells me that it is “…not just spicy as in hot, but spicy as in different tastes.”
Zarrin, the team and their competences

Zarrin was a teacher in the mandatory school in Iran. Due to “political reasons” she came to Sweden in 1991, together with her youngest son. They had to wait for another four years before her husband and her two older children arrived. She also had to wait until 1995 for her permanent residence to stay in Sweden. When she got it she took classes and courses, e.g. in Swedish. She had a few part-time jobs, but although she had education and previous experience as a teacher she could not find a steady job.

Zarrin lives in Hässelby, but used to live in Husby. For that reason she was included in the project back in 1997. The development has given her many experiences, she says. “When I look at pictures from when we started this firm (7 years ago – author’s remark) I recognise how young we were. This work has made us old – it has been so much pressure that we’ve aged quickly! We need younger people in the firm!” Zarrin says. This is why Zarrin has engaged her children in the firm. “They might take over”, she says hopefully. The others in the firm are about her age, although a bit younger. “They, who have younger kids, perhaps not plan for the future the same way”, Zarrin speculates. “It was easy for me to start from the beginning, while I had relatively big kids and my husband wasn’t negative to my plans. For the others, these things were more difficult.”

As indicated in the beginning of this case, 4 people are employed in the firm at present. Zarrin and Augustina, the chef, work full-time. Zahra and Elisabeth work hours in the kitchen, i.e. based on demand. Further, Zarrin’s daughter Solmaz works part-time, besides her studies at Berghs School of Communication. “She helps me with marketing and administrative work. I hope that she will be more involved and assist me in developing the firm!” Zarrin’s son also works extra hours. He mainly helps with deliveries. For her own part, Zarrin says: “I don’t cook now – I don’t have time! I do office work, planning, administrative work, invoicing and such things. But sometimes when we’re busy I need to be in the kitchen as well, so it depends. But Augustine, Elisabeth and Zahra normally cook the food.”

Identity and immigrant/ethnic involvement

When the firm started, Zarrin’s driving force was to have an income and a job. “I suppose the other women involved had similar thoughts.” Still, mainly immigrant women are employed in the firm and this has its reasons. “We want to help immigrants, and particularly women. It’s twice as hard being both an immigrant and a woman. That’s why we hire immigrant women.” So, it is no coincidence that the people that work in the firm are immigrant women that previously were unemployed. However, there are limitations to this view. “Religion is not important to us – it’s rather a problem with people that can’t work with all kinds of food and at all times.”

In other countries, the situation for immigrants is different, Zarrin says. “People are open and things are easier! One gets differently treated on the bus etc. My brothers moved to the U.S. from Sweden and now they start to recognise the difference. When someone asks you where you come from there, they mean which state in the U.S., not country of origin.” I ask Zarrin if she has plans to move abroad and she says she has thought about it, but she feels that Sweden is her home. Today, to develop the firm is what motivates her. “Family and work – that I have put so much effort in – makes me stay. And my children have an easier life here than I have. Things aren’t as tough for them.”
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Zarrin states that the kind of industry the business is involved in plays an important role regarding the access to resources, crucial relationships and contacts. Zarrin relies on a few suppliers, and their ethnicity does not affect whom she chooses. “But it’s easier to come in contact with people I know, personally or through contacts. This means the chance is greater that Iranians and other immigrants are included. Among Iranian families, people help each other with money. But that is more on an informal basis.” Zarrin tells me there is a discussion going on within Iranian societies to start a more formal credit association, but right now it does not exist in Sweden. Zarrin does not belong to any Iranian business network, but she is member of an Iranian society for social reasons. However, she does not have time to go there that often, since the business takes much time.

Zarrin knows many immigrant business owners that have gone bankrupt. “This has to do with that they don’t know what entrepreneurship is about in Sweden.” She says that the most important resources for entrepreneurs are contacts, money and knowledge about rules in society. Further, her own experience is that among Iranians, entrepreneurship is more common for those who have emigrated in comparison to enterprise in Iran. Zarrin says that this it is an effect of contextual circumstances, referring to conditions in the new country. “They are forced to start businesses because they don’t get a job!” Other Iranian entrepreneurs she knows are mainly in the restaurant business, but they also open retail stores, e.g. selling mobile phones. “I would gladly help other immigrants that want to start their own firms. I could provide consulting and advice to prevent them from making the same mistakes as others have done before them.”

Brita says: “Small problems get big when you don’t know the society!” Her position and knowledge sometimes has been valuable and decisive for the firm. “For example, Zarrin may have tried to contact people at the authorities about legislative matters, for example. Then she has been forwarded to another person and yet another person. This could have been going on for days. Then I’ve just phoned up the same people and said that I work at the Kista administration and I’ve got an answer straight away.”

Knowledge of language seems important. “The language is a barrier!”, Brita says. The information becomes filtered, you might understand 60-70 per cent of what’s said in a letter or formal text. It would be much easier as a native Swede to start a firm because one knows the rules.” Brita provides some other reflections on resources for firms: “Formal aspects can always be learned! But Zarrin still asks me: ‘How do Swedes reason around this?’ Those are informal things that has to do with cultural knowledge.”

**Relations, networking and support**

For Zarrin, a way out of unemployment was the possibility to engage in a project and then take over the firm. The opportunity for other immigrants to do the same depends on the support they get, she says. “The support is terminated too early. The firms are abandoned before they are capable to survive themselves. Authorities have to support these new firms better. Many go bankrupt after one year or so. Fortunately, they didn’t do that to us! The Kista administration plus two consultants helped us from the beginning. The consultants still help us sometimes for free, since we are friends.”
Brita agrees that Spice Catering has received much support and informal help as a consequence of personal relations. And, as written above, these relations have evolved to become permanent. “Formal assignments were developed into informal over time”, Brita says. Thus, Spice Catering is fortunate in comparison to many other struggling immigrant firms. “This firm would never have been started if it wasn’t for the project. These people would never have met and got involved together – they have such different backgrounds!”

Brita states that in order to be successful, immigrant enterprises need mentors they can call when having questions about various issues. “And to find a customers immediately – one has to face reality, into deep waters! Mentor, yes, but not too much holding hands!” Further, network relations are important. “They need a network with different parties. I’m a link into the Swedish society, and they need people in their networks with different backgrounds.”

From the beginning, most contacts for the firm went through the Kista administration, “…but now we fix them ourselves”, Zarrin says. “The networks evolve over time and help to find new customers. Old customers also come back or recommend us to new customers.” Zarrin says that they now could be located wherever in Stockholm. “We have customers all over town”, Zarrin explains. “But it’s good to have a facility in Kista because the personnel live in the neighbourhood. They have a close way to work.” Further, she says: “Many of our customers are IT companies. They come from Ericsson and the other companies to eat here when we had lunch and we do catering work for them. Kista feels a bit like home, the region is familiar!”

Spice Catering has been mentioned in the papers and other magazines at several occasions. Zarrin regards this as very positive for the firm. “This has definitely been good for us!”, she says. At one time, she leaves the room for a minute or so and then returns with a big amount of articles from various newspapers. It is a pile of papers. “Apart from this I’ve also been interviewed in the radio about our business a couple of times. The last time was in November.” Zarrin says that the reason for this attention is that they have stayed in business for so long, and at the same time people in the Kista administration have supported and promoted Spice Catering at different occasions. “The writings in the newspapers and the positive marketing we’ve got is very helpful! After the article in Svenska Dagbladet in November we’ve got many orders. December was the best month for us. We also are represented in various guides on the Internet. We’re visible – that’s good marketing!”

“If firms like Spice get attention, this is due to a specific reason”, Brita tells me. At times with high unemployment it’s interesting to present a fairly successful case.” Still, Spice Catering is no fantastic story. “Zarrin tells me that people she meet seem to think that Spice is a very prosperous business – and this is definitely not the case. They struggle hard to be more profitable!”

The future
Zarrin is concerned about the future and plans for new strategies in all areas. In order to reach success in the future, planning is the key, she asserts. “To plan what we should do – everything! This year to focus on catering, fast food and perhaps quit serving lunch. But first of all – a new kitchen!” By that, she also means new facilities in general. “Then I want to increase the fast food part. We already sell to ICA in Kista
center (in the Kista galleria, author’s remark). We deliver fresh fast food every day, but during the peak in December we didn’t have time to deliver to them, so we haven’t done that for a while. I want to sell to more stores.” Zarrin hopes that other things are about to happen as well. “We want to close a deal with Vinnova as their subcontractor. When they have seminars and conferences, we will deliver food to them. And we also have contacts with the English School about serving lunch there.”

When we talk further about the current situation, Zarrin says that more changes will come. They quit serving lunch in December and they will most probably not take that up again. “It cost too much! We had enough guests, but the salaries were too high anyway. Besides, the kitchen is too small for both catering and lunch.” Another change is that they probably will go from economic association to a joint stock company quite soon. “Many of the former people who worked here from the beginning want to buy shares, so it shouldn’t be a problem to find enough capital.”

Brita says: “Zarrin ought to take over herself as a private firm and run the business further in the direction she plans right now. It has been a natural process that Zarrin took the leadership in the firm. She was willing to work hard. The others can cook the food.”
Voice 7 – Järva tolk- och översättningsservice

Järva Tolk- och översättningsservice (Järva interpretation and translation service) is a broker service located in Rinkeby, which is a part of the greater Kista district. The firm mainly offers interpretation and translation services to clients. The business concentrates on big public customers, and focuses on long-term contracts. In the firm’s network, more than 2000 interpreters and a large number of translators are included. Together, these people master more than 190 languages and dialects.

Remziye Inanc, 46 years old, founded the firm about eight years ago and still leads it today. She has Kurdish origin and came to Sweden from southeast Turkey 22 years ago. In fact, her office hosts two firms. Järva tolk- och översättningsservice is a joint-stock company that deals with interpretations and translations. It was transferred from Remziye’s private firm to a joint-stock company in 2002. Still, Remziye owns all the shares in this firm. Apart from Remziye, four people are employed in the firm at the moment. Järva juristservice is a private firm that Remziye owns to 100%. It deals with help in law matters. Although these two firms are closely connected, it is the interpretation and translation service (‘Järva tolk’) that is in focus in this case.

The start-up and the business

Remziye started the firm about eight years ago. “In 1996, I saw an advert in a newspaper – Metro I think it was – that they looked for participants in a project called Företagshuset (‘Business House’), I think. They mainly looked for unemployed immigrant women who wanted to start and run their own firms. The initiative took place in the same building as we’re in now, so I’ve been here since the very beginning! The facilities were free of charge the first year and I also had free consultancy help during that year, and this was the time the project lasted.” Since Remziye arrived to Sweden, she has lived in Kista all the time. Therefore, it was a natural step to start her firm in the district as well. “But the decisive thing was the project to which I got accepted!”

Hans Bäckström is the head for the unit labour market and industry at Rinkeby administration. He explains that the project was a trans-national EU project and he was the person in charge of it. “In Rinkeby it was called Rinkeby Business House”, Hans says. “I’m definitely proud of Remziye! It’s her and an architect that have done well. That guy still sits in these facilities too.”
Remziye speaks both Kurdish and Turkish apart from Swedish. “I had already interpreted for patients while working as a nurse at Husby maternity centre (‘Husby MVC’). Besides, I worked extra for different translator firms when possible. This was the only industry where I could start a business, so it was an easy choice to start within interpretation and translation. Naturally, I gained from my previous experiences in this area.”

But she had no business experience, and that made the project crucial for the start-up. “I hadn’t started if it wasn’t for the support in the project!”, Remziye says. “I probably would have studied instead. I was taking a project course in medicine when I saw the advert. I planned to study to become a nurse and continue my education in medicine. I could have been a pharmacist today. But when I saw this I thought it should suit me. I had big support in the project: office, copier, furniture and telephone.” But Remziye also states that she did not get any help apart from the project she was accepted to. “There’s just me and my work! I’m a special case – I’ve made it on my own. I had no support from my family and no business experience. I didn’t ask anyone, but made the decision myself to start the business!” Further, Remziye says she started with zero financing. “I got business start-up subsidies (‘starta eget bidrag’) for one year that I was allowed to keep even though I had incomes from the firm. I believe the conditions were much better then than they are today.” Remziye never hesitated: “Financially, we did fine. My husband was working and things went alright – I wasn’t worried!”

“My interpretations are the main part of our business”, the employee Gisela Cantillana says. “We act as intermediary for around 70 to 100 assignments a day. Before I started working here, I’d never heard of many of the languages and dialects our interpreters speak, and I’m sure you haven’t either!” The interpreters in the network generally work for different interpretation agencies, Gisela says. “They have all taken interpretation classes – that’s a prerequisite if we are to work with them. Some of them have their own firms, but many are just freelancers that take the assignments given. One can do that without having an own firm.”

“We mainly have long-term contracts with big clients”, Gisela says. Today, we have contracts with Migration Office in the Stockholm region (‘Migrationsverket region Stockholm’), the Stockholm police (‘Stockholmspolisen’) and the Swedish national police force (‘Rikspolisen’). Sometimes we work with Stockholm district court (Stockholms tingsrätt’). Stockholm City is probably for purchasing in the summer. On the average, we charge a small fee for each assignment, so we’re dependent on getting big clients. And this fee is not dependent on the time the assignment takes, so quantity is important.”

Apart from these big public clients, examples of customers without long-term contracts are law offices, unemployment agencies, as well as private customers, Remziye says. “One major party we had a contract with before was the county council of the Stockholm region (‘Stockholms Läns landsting’). “But we don’t have them anymore. When the big contracts are under purchase, bigger firms can dump the price while we can’t!” Besides, it could be hard to get exclusive contracts with these big public actors. “The clients usually choose two suppliers of interpretation services as a backup.”
Remziye and her competences

Remziye came to Sweden from southeast Turkey 1982. “I didn’t work in my homeland, I was 24 when I came to Sweden and I had three children. But I’m the kind of person that wants to work and not sit at home. To be a housewife isn’t for me! I quickly found a job as a home-language instructor. And later I started to work as an assistant nurse at different receptions in the neighbourhood.” As mentioned above, she worked at the prenatal clinic (‘MVC’) in Husby when I quit working for the county council.

The background to why Remziye left the county council was that she lost her job during the recession in the 1990’s. However, she says that due to job guarantee from the county council, they could not fire her. Instead, she claims they treated her badly and offered her jobs she didn’t want to take. “They offered me jobs I didn’t want, like cleaning jobs. Don’t get me wrong – I don’t think I’m better than those who clean. I just think I have more capacity than to clean – I’ve done that enough at home. And I’ve worked with other things than cleaning too. It felt like the just wanted to get rid of me. I felt humiliated and disappointed and sad. But I didn’t want to sit at home although I had LAS (Swedish labour law, author’s remark) on my side, so I had to give my own notice. My leave of absence was over when I saw the article in the paper so the start-up became an opportunity for me.” Isa Turan, economic development coordinator at the Kista administration, likes Remziye’s initiative: “Remziye has proved that she’s not dependent on anyone to succeed. I like her because she’s a strong woman, and being a woman is a handicap in the Swedish society today.”

“The firm almost has become my life”, Remziye states. “I don’t think that I’ll ever could have an employment again. I’ve got used to having control and make my own decisions. And I don’t know if someone would hire me.” Remziye herself thinks she has done a good job. “I’m proud of myself!”, she confidently says. “We’re among the three most known agencies in Stockholm. They have respect for me! I’m a big and important actor!” Still, she thinks there are other options available if she would go out of business. “Maybe I could study again. I don’t regret that I started this firm, but I’d be happy to study medicine. I’m 46 years old, but the age doesn’t matter. I’d definitely consider studying if I’d go out of business – it’s never too late.”

Identity and immigrant/ethnic involvement

A majority of the people that work in Remziye’s firm at present are immigrants. “That’s a coincidence!”, she tells me. It’s just happened that I have taken in people with immigrant background. I’ve had many people on vocational training, at least 10. These vocational training places are a distributed by the unemployment agency. Many of them have been for a limited time, normally 3-6 months. After that, some of them have been offered jobs here.”

Despite her different cultural background and the different lives in Sweden and Turkey, Remziye doesn’t think that one should look too much at differences. “One shouldn’t stick to immigrants, marginalizing and Swedes. It’s up to the individual if one wants to become integrated. I feel integrated and haven’t faced problems because of that. I don’t believe I’ve faced more problems because I’m an immigrant!” Further, religion has not played a big role in her life. “I’m an atheist!”, she states. And Remziye does not believe that things are different for her because she is a woman with immigrant background when it comes to her business. “On the contrary. I believe
it’s more difficult for an immigrant man to start up in this industry. Many men have tried to start interpretation agencies and failed. I don’t know why. So the industry is important. For example, in the restaurant business there aren’t many women.”

**Relations, networking and support**

“During the first years, there was much marketing and hardly any assignments. I worked much with contacts to media. TV, papers, weekly and monthly magazines etc. Sometimes, the facts weren’t correct, but it’s important to be seen! Today, there are some people that contact me and want to talk to me about my business. These are researchers, students and different kinds of organisations. I don’t have time to meet them all!” She comments the reasons for this interest: “They are probably interested in me because I’ve been in business since 1996, and that is a long time. Besides, I’ve been in the same place since then and that’s also unusual.”

At the moment, Remziye is engaged in many different projects and societies. “I’m chairman for a society in Rinkeby – Rinkeby Business Forum (‘Rinkeby Företagarforum’). Further, I’m involved in a project for NFC (NyföretagarCentrum, author’s remark) – they will start NFC here in Rinkeby.” Hans Bäckström says: “NFC Stockholm doesn’t like the plans for a NFC office here in Rinkeby here. They have an office in Kista and want to have the operations there. They want control.” Hans continues: “Microsoft is behind much of this. They put efforts and money in areas like Rinkeby. They regard this as an interesting district for the future, a potential market. And it’s good for this district. Today, it doesn’t sell to have a firm in Rinkeby – unfortunately!”

But Remziye thinks the firm is in a good position. “Our location is perfect, really. I feel it’s a shame that we haven’t got more contracts, since we’re geographically located where people that need these services live. I’m disappointed in the municipality of Stockholm, because we’re not allowed to sell our services to public actors in the area, like Rinkeby, Kista and the other close neighbourhoods. Since we don’t have the contract to do interpretation work for them, they can’t move beyond the ramification deal of the municipality of Stockholm. But I also think that the Kista and Rinkeby administrations could do more. They could go together with Spånga and Tensta and others and try to influence and put pressure on Stockholm City!” Remziye clearly is disappointed in this matter. “There’s much talk, but they don’t fully support me. I could hire people from the surroundings and lower the social welfare, but they don’t buy services from me here in the neighbourhood.”

**The future**

Remziye says she has big plans for the future. “I want this to become big. I want to be able to breathe and not having this over me every day. I have no time for myself. I don’t have time to go out and meet my friends – the social life is neglected. I work 55-60 hours/week. I bring work home with me, mainly during weekends; invoices, wages. I’m the only one who can do certain jobs. I have an accountant and bookkeeping consultant that does some of this work, but I do a lot myself!”

The way to become bigger is spelled volume. “We need bigger volumes – that’s where our competitors have an advantage! We get bigger volumes by getting big contracts. Then I could hire more people and work less myself.” For that reason, she lowered the price in the latest offer to a big client in order to get the contract. “We
almost halved the offer. Although we wouldn’t earn as much we would make money on the amount of assignments instead. Besides, we want them as a reference.”

Another thing on Remziye’s agenda is to develop the law firm. It has been inactive for a while, but now she has found a new lawyer that has been assigned acting notary public. “There’s much work for that firm too”, she says.
5 Interpretations and analyses

In this chapter I include interpretations and analyses based on the empirical material in chapter 4 in relation to the aspects emphasised in the conceptual framework I presented in figures 2 and 3 in chapter 2. In chapter 3 I re-emphasised these aspects in methodological terms, looking at the identities the voices express. Thus, the conceptual framework – which summarises the background theories and literature – is the ‘lens’ through which I interpret and analyse the voices. I structure this part from the aspects emphasised in each of the dimensions in the conceptual framework, and discuss their usefulness in understanding the situations for the businesses. Thereafter, I continue with elaborations specifically targeted for immigrant and ethnic issues. The interpretations are based on the identities these businesses express in their discursive narratives, as well as performed ethnic involvement, thus utilisation of ethnic resources, of the firms. Since this is an exploratory study aiming at generating new theoretical assumptions for further research, I look for patterns in resource bases and resource acquisition of the firms in relation to their business logics. I do not interpret and analyse each firm separately. Instead, I use the voices to exemplify my interpretations and analyses.

5.1 Organisation and type of industry or firm

The differences in type of industry or firm between firms in different industries open up the firm dimension in my interpretation of the voices, where the high tech firms have different business logics compared to the traditional firms. Whereas all the four high tech firms (Diamorph, Frame Access, Smarticware and Adicast) in one sense or another are engaged in creating new market transactions, thus exploiting innovative venture opportunities, none of the traditional firms (Roya Hälsocenter, Spice Catering and Järva tolk) exploit truly innovative venture opportunities. Essentially, in my study the division between innovative and imitative ventures equals the division between high tech/science- and technology-based and traditional/service-based firms.

The differences in business logics are reflected in the discursive narratives. Even though ethnicity – as in terms of country of origin and sense of ‘immigrant belonging’ – is not unimportant in high tech firms, it is not an issue in expressed in business identity terms concerning resource base and resource acquisition. Instead, technology and characteristics specific for individual ventures are brought up in high tech cases. In Diamorph, it is the glass material, which is expressed as an important breakthrough. Frame Access’ platform is described a ‘shift in technology’. Smarticware’s smart card chips ‘enables handling of more applications’ and ‘improves overall performance’. And Adicast’s broadcast solution is a means of using digital technology in a new way. For traditional firms, ethnic resources contribute to a higher degree to resource bases and the acquisition of other resources, and thus to the organisational capital of these firms. Järva tolk is based on ethnic resources of language and knowledge about other cultures. Spice Catering’s very business idea reveals that the firm draws on specific ethnic knowledge about cooking and serving food. For Roya Hälsocenter, it is more the overall impression that ethnic background has been an important factor in the choice regarding what type of firm to start. They also draw strongly on ethnic resources to acquire financial capital since apart from the founders’ own money, sufficient pecuniary resources for the start-up were borrowed from family and friends. In a science- and technology-based firm, it would most
probably not have been possible to acquire this financial capital merely by utilising
ethnic relations. Thus, since ethnic resources are more important for the service-based
firms, ethnic background also is more influential in business terms.

5.2 Individual(s)/teams and action mode
Looking at the second dimension – the individuals (people) driving the ventures –
there are examples of different attitudes toward action and risk, issues that do not
depend on business logics, i.e. the kind of venture opportunity exploited. The
language of opportunity (Gartner et al, 2003) reveals these attitudes. In Diamorph’s
case, the people involved express that they constantly have looked for opportunities to
develop the business, which has resulted in choices to move to the KIG setting and
then to KTH start house instead. And just as Frame Access, they handed in
applications and received prizes in the Vinn Nu contest. Frame Access utilised
contacts to enter Business Lab and the people involved quickly focused on finishing
the prototype and bringing it to the market. Zarrin at Spice Catering also exhibits a
proactive action mode, in the sense that she has utilised contacts to media and
managed to get continued support long after the termination of the initial Spice
Catering project. Remziye at Järva tolk managed to access the supportive project
(‘Rinkeby Business House’) crucial for the start-up and she also says she utilised
contacts to media to promote the business. Further, she is involved in business
societies in Rinkeby. Kian at Adicast has taken contact with several organisations and
people, both in Sweden and internationally, in order to find a setting where he can
acquire resources and develop his business solution. Smarticware has gone through
several parties in order to find an adequate setting and Omid’s networking activities
have led to involvement in an EU project where potential progress is big. In Roya
Hälsocenter’s case, the founders exhibit action modes somewhere in-between. They
have tried to access some settings for support, but do not seem to have utilised all
possibilities at hand. Although there are no absolute definitions regarding this matter,
in my study there is no example of a firm where individual(s) involved clearly
represent reactive action modes.
The figure above implies that the importance of ethnic background is not merely a question of type of industry and venture opportunity of the firm, but also a matter of action mode. There is some support that a proactive action mode may indicate less sensitivity to issues regarding negative experiences of minority background. Remziye at Järva tolk and Omid at Smarticware express such thoughts. Industry and venture opportunity together with action mode of people driving the firms, contribute with much of the understanding about the differences these firms show in a comparison. Still, the proactive action modes expressed in the cases do not seem to be enough to gain confirmation and legitimacy, while firms like Adicast Systems, Smarticware and Roya Hälsocenter exhibit examples of proactive action modes of the individual(s) involved. Therefore, interactions with the environment and conditions in the support system are expected to further enhance the understanding about the influence and importance of ethnic background, in particular for these three firms.

5.3 Environment: networking, relations and support

For all seven voices, networking and business support aspects have shown to have crucial impact on the progress and development of the firms. All voices expressed external support as important. Järva tolk is a good example of this, even though it in fact represents a case where the presentation is rather ambiguous. The paradox is the following: although Remziye puts herself and her own work in focus and regard these to be the two most important factors for the creation and development of the firm, the project she was involved in and the support she got have been crucial for the start-up and development of her business. If not for this support, the firm would not have come into existence at all and Remziye would have done something else. And Järva tolk is not alone in this study. Spice Catering has a similar story, where the initial project received and the firm still receives much support, not the least by the Kista administration. In contrast to these two firms, as well as to Diamorph and Frame Access, Smarticware, Adicast Systems and Roya Hälsocenter represent voices that have experienced greater difficulties in gaining adequate support in their interactions with the surroundings. They clearly express the need for better assistance. However,
there seem to be fewer alternatives for Roya Hälsocenter than the other two. Thus, there seems to be little confirmation of Isa Turan’s view that service-based firms generally experience more diversity than science- and technology-based firms in Kista. Going back to Gartner (1985), this supports the suspicion that there is a range of individual needs to address in supportive actions. It also confirms Van de Ven’s (1993) view that the entrepreneurial process is a collective effort that demands actions during a long period from many parties, both within industry and the public sector. From the businesses’ view, this support refers to the degree of confirmation and legitimacy the firms have gained in my study and this is discussed in a separate part below.

Regarding the geographical context, Kista seems to have played a lesser role for the high tech firms in the study. The individual(s) involved are not personally committed the same way. Thus, while the science-and technology-based firms utilise the Kista context, the service-based firms tend to be more embedded in the Kista context. Although Järva tolk and Spice Catering claim they could be located elsewhere in Stockholm, they have different motives for staying there, motives that rather are related to personal matters. For example, Remziye is committed to business development in Rinkeby through the engagement in business societies and Zarrin says that she wants to help other immigrant business owners. Further, she says that the location is beneficial in the sense that the personnel live nearby. Roya Hälsocenter’s founders also express a sense of personal belonging to Kista. Thus, the traditional entrepreneurs seem to be more embedded in Kista and take larger responsibility for the connection between working and residential Kista. In contrast, Kian, the Adicast founder that has lived in Kista for more than 15 years, has sought out other contexts and organisations outside Kista as well. The reason he focuses on KIG is because this is the organisation he believes may best suit the needs of the Adicast firm. However, he even considers moving his firm abroad if he does not get the support he needs. Diamorph’s, Frame Access’ and Smarticware’s stories all indicate similar thinking of the importance of the Kista context. This view of the Kista district is different from the one presented in Saxenian’s (2001) study of immigrant high tech firms in Silicon Valley. In her study, the Silicon Valley district plays a crucial role and rather constitutes a framework for high tech entrepreneurs there. Further, in Silicon Valley there exist several developed and efficient ethnic societies where ethnic entrepreneurs can turn for help, and in this sense Kista still is an ‘immature’ ICT district.

5.3.1 Confirmation and legitimacy

Confirmation and legitimacy refer to how the firms have appreciated their interaction with the surroundings. The voices that clearly have gained confirmation and thus legitimacy in my sample are Diamorph, Frame Access, Spice Catering and Järva tolk. This interpretation is mainly based on the attention they have received from media, and the support they have experienced from various actors. The individual(s) involved have used different methods to gain confirmation and legitimacy, which is reflected in that they run different types of firms in different industries, and thus have different needs in terms of resource acquisition. What they share are similar proactive action modes. All these firms have heavily engaged in interactions with the environment, and thus proven the value of relationships and networks. This also suggests that they

31 Isa Turan is economic development coordinator working for the Kista administration and his opinion in this matter is presented in paragraph 4.1.1 on page 43
have utilised social capital in their networking activities. Further, these businesses possess the necessary cultural capital to rule their own paths. But they have obtained it in different ways.

Diamorph and Frame Access, in contrast to all other firms in my study, already in advance possessed the necessary cultural capital to find their way in business life. The individual(s) involved emphasise human capital aspects above aspects referring to immigrant and ethnic background. Besides, bringing in the industrial and venture opportunity aspect, ethnic background does not have an influence over the business identity for these two firms. Instead, the emphasis lies on business aspects and they refer to technology as the most important form of organisational capital. Smarticware, Adicast Systems and Roya Hälsocenter are firms that also exhibit examples of proactive action modes. However, these firms have not received the same kind of confirmation and thus legitimacy. What they mainly lack are relationships and networks to support the development of their firms. To some degree, this shortage of social capital can be referred to lack of cultural capital, in that they do not find the ways to acquire the external mainstream resources they need. The lack of cultural capital is more apparent and severe for Roya Hälsocenter than the other two. Mixed teams between people with immigrant and majority Swedish background provide a way to acquire ‘mainstream’ resources and competences in my study (Frame Access and Smarticware). Thereby, one gets access to cultural capital that is hard to master even if one knows how to acquire it, to use Omid’s (Smarticware) words freely.

Further, Kian at Adicast Systems represents a voice that emphasises the importance of such relations. His idea is that a person with ethnic majority background could represent the firm to the outside and create credibility and legitimacy, since it seems hard to acquire this legitimacy on his own in the firm’s resource acquisition activities.

One could argue that time is a factor here, that it takes time to gain confirmation and legitimacy. Järva tolk and Spice Catering have been in business for a much longer period compared to e.g. Roya Hälsocenter. However, Adicast’s business idea was initiated in 1998, so the amount of time cannot be regarded a certain indicator. For example, Diamorph and Frame Access have managed to gain confirmation and legitimacy necessary to acquire financial and physical capital in a much shorter time period than Adicast Systems and Roya Hälsocenter.

Further, one should also remember that since the innovations these firms are based on are classified and cannot be revealed, it is difficult to assess the quality of their business ideas. Among the voices, there are examples where people in the support system have made different assessments of the potential of innovations (Diamorph and Smarticware). That aspect of organisational capital is particularly uncertain when it comes to science- and technology-based/high tech firms and must not be forgotten, although it cannot be further analysed here.

5.4 Process: firm-specific aspects of resource base and resource acquisition

Firm-specific aspects have been brought up when discussing the other dimensions of the conceptual framework above, and will be further discussed below in this chapter. The firms represent different ways to acquire resources, and the processes generally have taken much time before they have born fruit. However, the pattern is that the high tech firms in my study have much longer paths before they reach first customer
Voices of entrepreneurship and small business – immigrant enterprises in Kista, Stockholm

and first sale. The unique and thus innovative process that each science-and technology-based firm goes through means that specific technological and human capital aspects must be met. And it does not seem possible to acquire these resources through ethnic involvement since these generally are not to be found in ethnic settings. Thus, in contrast to the service-based firms in my study, there is no support for and it is not likely that these specific demands in the creation and development process should be acquired utilising ethnic resources.

In this process perspective of a firm’s development, both Kenneth Billqvist at KTH start house and Pär Hedberg at KIG emphasise that they know what measures should be taken in order to accomplish the progress of a successful venture. They deny the importance of ‘entrepreneurial characteristics’ and state that it has more to do with ‘doing the right things in the right order’, ‘hard work’ and ‘project development’. But although this may be valid both for high tech and traditional firms, interactions with other parties in the environment and action modes of the individual(s) involved in the businesses influence the importance of ethnic background as well. Interactions among the dimensions in the conceptual framework are brought up below.

5.5 Interactions among the dimensions

Regarding the competences and resources tied to the organisations (organisational capital), these are not necessarily reflected in the human capital of the people driving the firms. Among the high tech firms, education and work experience are relatively well correlated to type of industry and firm, whereas among the traditionally oriented firms the results are mixed. Relating type of industry or firm to the possession of human capital, some of the people driving traditional firms have backgrounds – like education – better suited for working with something completely different. The non-correlation between human and organisational capital (e.g. Roya who is university educated statistician and Zarrin who was teacher by profession in Iran) is suggested to reflect a lack of cultural capital. Cultural capital seems to be crucial in order to acquire the help one needs through the support system, and this assistance in turn seems to be crucial to start up a business that has the possibility to gain confirmation and legitimacy. And a lack of cultural capital – something that also can be referred to a lack of ‘mainstream’ (Saxenian, 2001) or ‘integration’ (Abbasian, 2003) resources – also seem to have an effect on the language and discourse used to express identity. In cases like Spice Catering and Roya Hälsocenter, language and discourse reflect ‘immigrant’ matters, thus emphasising that ethnic background is important and influential for the identity of their businesses. Finally, a lack of cultural capital also affects the social capital – the possibility to acquire ‘mainstream’ resources. Apart from not having educational and vocational competences for their business activities, this also implies that they do have a professional network to support them.

These shortcomings in capital indicate differences in motives and drivers behind the start-ups between the high tech and the traditional firms. While the high tech voices express the wish to create and accomplish something as the main driver, and emphasise commitment to their particular ventures in professional terms, the traditional voices generally address a wish to survive. In all of the traditionally oriented firms, unemployment was a contributing driver for starting the firms and in some cases still seems to be a factor for keeping them in business. Freedom becomes a valuable word to make a distinction between those who carry on because they believe in it and those who do this in the absence of better alternatives. In Hymes
(1996) view, this is the freedom to make one’s voice heard and freedom to develop a voice worth hearing. In turn, the amount of support and thus confirmation and legitimacy affects the way business identity is created. Aspects referring to ethnic identity and involvement are discussed below.

5.6 Immigrant/ethnic involvement and identity

None of the firms in my study relied fully on the founders’ own capital, even though some started without financing and managed to get going thanks to subsidies for the first year. More or less all businesses borrowed money from family and friends in order to finance parts of the start-up, and thus utilised resources not available for other firms outside their ethnic sphere. However, using family and friends for help does not need to be a sign of utilising ethnic resources, but a sign of a proactive action mode. Still, in business terms, there is a difference between the high tech and the traditional firms in this respect. The financial capital acquired through ethnic contacts constitutes a bigger share of the capital needed for Roya Hälsocenter, in comparison to Adicast Systems. Therefore, there are indications that ethnic resources are more important for service-based firms. Despite the utilisation of such resources, none of the voices regard ethnic resources a ‘blessing’. On the contrary, they express a common will to acquire ‘mainstream’ resources in the development of the firms. Although some businesses draw on ethnic resources, all firms need other contacts as well, just as literature on the topic suggests (Waldinger et al, 1990; 2000; Najib, 1999; Saxenian, 2001). In a case like Roya Hälsocenter, the individual(s) involved do not seem to have a choice, whereas the high tech firms cannot draw on ethnic resources for practical purposes.

Overall, when looking at the identity the texts tell about the businesses and their owners/teams, identity shines through in the cases. Language is a resource and it constitutes an important tool in order to understand social meaning for and identity of actors (Hymes, 1996). None of the businesses involved were eager to define themselves as ‘ethnic’. The similarity between high tech and traditional businesses in this matter indicates that ethnic background not is an aspect people refer to, neither do they want to be regarded as running ‘immigrant’ or ‘ethnic’ businesses. However, to various degrees they give room for a language and discourse connected to ‘immigrant’ identities. And this identification is more expressed in business terms among individual(s) involved in traditional ventures. For some voices, the professional and private identities become intertwined. In cases such as Roya Hälsocenter and Spice Catering, the discussions to a large degree concern the identity as an immigrant. On the other hand, for the high tech firms the business stories much more concern the professional side of business instead of immigrant identities. By this, I do not mean that ethnic background is unimportant for the high tech voices. The point is that it is not a big issue in business terms. Generally, one can conclude that there was coherence between identity as an immigrant firm and the utilisation of ethnic resources. Thus, most voices performed in accordance with identities expressed in the language (as a form of action) they used (Burr, 1995; Hosking, 1999).

5.7 Summary

In my study, I found confirmation for the assumption that type of industry or firm is a crucial aspect in order to understand the importance of ethnic background. However, from the interpretation of the cases it can be concluded that it is not just type of industry or firm that is important. The action mode of the individual(s) involved also
contributes to enhanced understanding. Action mode is not tied to type of industry or firm – whether the firm is science- and technology-based or service-based. Further, the degree of confirmation and legitimacy the businesses have experienced in interactions with the surroundings contributes with the external aspect missing in the first two dimensions. Thus, in the light of what is discussed above, the main aspects in order to understand the influence and importance of ethnic background in relation to type of industry or firm for immigrant enterprises are:

- Type of industry or firm, related to:
- Action mode of the individual(s) involved, and the:
- Degree of confirmation and legitimacy the businesses have experienced in interactions with the surroundings

And, as previously discussed in this thesis, these three aspects summarise a number of interactions among the dimensions in the conceptual framework: various types of resources in the resource base and resource acquisition efforts of the organisation, the individual(s) involved, the interaction with the environment and the very process by which the resource acquisition process has taken place. In the next chapter, I will draw some conclusions from these findings in a tentative framework.
6 A tentative framework

In this thesis, I derived from the assumption that type of industry or firm affects the influence and thus importance of ethnic background for immigrant and ethnic businesses. As discussed in chapter 5, type of industry or firm is important, but other aspects – action mode of the individual(s) involved and confirmation and legitimacy received – influence the importance of ethnic backgrounds as well. The question is how it affects immigrant/ethnic firms. Based on these interpretations and analyses, I present a tentative framework that discusses different ways to view the influence of ethnic background for the firms in my study. This tentative framework is presented in two models. First, I introduce a model that combines the first two aspects brought up as influencing the importance of ethnic background: type of industry or firm and action modes of the individual(s) involved. Thereafter, I continue by adding issues regarding the degree of confirmation and legitimacy the voices in my study have received. This is referable to issues connected to relations, networking and support. I round up with some concluding final words and final reflections on this thesis.

6.1 Different ways to view the influence of ethnic background

The voices all represent some kind of business identity. The importance of immigrant and ethnic backgrounds of the service-based firms seem to be apparent enough to exclude that they regard identity as a non-issue in business life. For them, the identity as an immigrant business owner either becomes an asset or an excuse. For the high tech firms, the professionalism of their ventures and the limited value and contribution of ethnic resources exclude the possibility to regard immigrant identity as an asset. Ethnic background either becomes a non-issue or a barrier.

6.1.1 Ethnic background as an asset

Spice Catering and Järva tolk represent service-based businesses that exhibit proactive action modes, regardless of the fact that they are engaged in different industries. Spice Catering represents a firm that is 'immigrant' in the sense that the exotic is emphasised in the business idea and this identity is expressed in the narrative business voice as well. Thus, ethnic background becomes an asset in terms of business operations. For Järva tolk, Remziye’s ethnic resources constituted a prerequisite for starting up the firm in the sense that her language resources also contributed to her previous work experience in the interpretation business. In this sense, ethnic background becomes an asset in business operations too.

6.1.2 Ethnic background as a non-issue

For Diamorph and Frame Access, the identity as an immigrant firm and thus ethnic background becomes less interesting. In terms of identity expressed, they are not immigrant businesspeople, but just businesspeople. Further, in the longer run they may be referred to as ‘successful immigrants’ in the public debate, examples popularly used by politicians and policy-makers. However, such descriptions would inappropriately indicate that ethnic background is an asset for these firms. For their own sake, ethnic background tends to be considered a non-issue in business life, since they have not drawn on ethnic resources and these do not play a decisive role concerning the operation of the firms. Nor do they express business identities that indicate the importance of ethnic background.
6.1.3 Ethnic background as a barrier/excuse
Adicast, Smarticware and Roya Hälsocenter have faced problems that can be referred to ethnic backgrounds. Their ethnic background can therefore not be regarded as a non-issue or an asset in positive terms. Thus, these firms cannot be placed in either of the two categories above. Concerning the first two firms, they do not draw on ethnic resources or provide stories of immigrant identities in business terms. Since their ethnic backgrounds are not emphasised, their backgrounds can be viewed as barriers for business activities. But there are indications that with rising confirmation and legitimacy, their ethnic backgrounds can turn from a barrier into a non-issue. Regarding Roya Hälsocenter, the identity expressed in the business voice is concerned with an immigrant business identity. Ethnic background then becomes an excuse to explain the problems the firm experiences. However, the firm has drawn on ethnic resources in terms of money and these pecuniary resources have provided financial capital sufficient to start the firm. Therefore, there are elements in the story pointing at the possibility that background could be a potential asset.

6.2 Model for understanding the influence and importance of ethnic background
The influence and thus importance of ethnic background for the firms in my study is illustrated in the model below. This model is a proposal as an outcome of my exploratory empirical study, not a universal law. It is an empirically generated summary of my findings regarding the importance of ethnic background for firms in different industries in a definable geographical context – the Kista district. Therefore, it does not claim to cover the full range of immigrant/ethnic firms with different venture opportunities and action modes in Sweden today. The model addresses the question how objective ethnic background affects new venture creation in innovative (science-based/high tech) and imitative (service-based/traditional) immigrant firms. This model mainly represents the experiences of key people – as in founders or founding teams – complemented with insights from experts such as mentors and business advisors.
Model 1. The influence of ethnic background for the firms in my study in relation to type of industry or firm and action mode of the individual(s) involved

The model proposes that in innovative ventures where a proactive action mode is utilised, ethnic background does not play an important role, but becomes a non-issue (Diamorph and Frame Access). Neither identification nor deriving on ethnic resources is emphasised. In the equilibrium ventures where a proactive action mode is utilised, ethnic background becomes an asset, mainly in the sense that deriving on ethnic resources can provide resources that may lead to a competitive advantage. Naturally, identification and ethnic involvement (i.e. the utilisation of ethnic resources) often go together. But in the case of Järva tolk, for example, the utilisation of ethnic resources is not connected to the identification, which is assumed to be unimportant. On the other hand, Spice Catering represents a business that recognises the identification as well as the value of ethnically bounded resources. Because of the uncertainty connected to the other three businesses (Roya Hälsocenter, Smarticware and Adicast), these are placed in-between possible fields in the model below. In order to understand the full picture, one more dimension needs to be added. This refers to interaction with the environment (networking and relationships), above all with parties in the support system. Unlike the other four firms (Diamorph, Frame Access, Järva tolk- och översättningsservice and Spice Catering), until now Smarticware, Adicast Systems and Roya Hälsocenter have not gained necessary confirmation and legitimacy in their interactions with the environment.

6.3 Interaction with the environment: gaining confirmation and legitimacy

Concerning the three uncertain firms (Smarticware, Adicast and Roya Hälsocenter), the individual(s) involved exhibit examples of proactive action modes. Above all
Omid at Smarticware and Kian at Adicast continuously seek new opportunities and look for help in the support system in order to develop their business ideas. However, they still feel they lack sufficient support. The fact that they fall under the category of background as a potential barrier in the model above rather reflects problems in relation to the support system than reactive action modes. Thus, this is a reflection of a shortage of resources. These concern social and cultural capital aspects, which in turn lead to a shortage of other types of resources, mainly financial capital. Although both Omid and Kian state they have not been directly discriminated, they still lack ‘knowledge of the codes’ (Omid) and ‘language’ (Kian). But these problems cannot merely be referred to them as individuals, but to relations to the support system around them, including a number of actors. In other words, the same way as these firms are expected to adjust to the nature of support system, one can argue that the support system ought to adjust to the competences of the firms. Thus, the environment does not address their needs in acquiring new competences and resources into their firms.

The actors in the support system seem to agree. There seems to be no support system comprehensive enough to address specific needs for different venture opportunities and people. NFC offers more general help and according to Peter Ekman, ALMI has not enough resources on their own to help people the way they want to. This implies that there may be shortages in the support system contributing to the difficulties firms in my study face. And voices in my empirical material express that an immigrant needs more specific support due to lack of knowledge about how to start and run businesses in Sweden. Gaining confirmation and legitimacy therefore seems to be even more important for immigrant entrepreneurs in comparison to ‘mainstream’ entrepreneurs.

6.4 Loud voices, silent voices and voices in between

Concerning the fact that the voices can take different paths, all voices above are constructed, and in some cases constructed after the firms have gone through the emergence stage. In this respect, it can be questioned if these stories provide the full picture. The winners write the history and it is likely that those who manage to stay in business regard ethnic background to be a non-issue, something brought up in my discussions both with Ashkan at Diamorph and Said at Frame Access. Remziye at Järva tolk also describes her background as a non-issue, but due to her skilled competences and previous experience in relation to her business, one clearly understands that her ethnic background rather ought to be regarded as an asset. The reasoning above could also indicate that if confirmation and legitimacy is gained, there is a tendency to neglect previous problems and difficulties. Thus, in a few years’ time, we may experience the Smarticware and Adicast founders talking about their background as a non-issue. Despite the difficulties in evaluating the aspects of reconstruction, it is an interesting notion that different images may evolve during different stages in a business’ life cycle.

This opens up the discussion about gaining confirmation and legitimacy for business efforts. The differences in how ethnic background is perceived could be referred to how successful the voice is to get heard. In my study, this means confirmation and legitimacy not just to acquire resources, but also to start up a venture. There are

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32 Expressed during a phone conversation 040130.
examples of strong influence of projects and personal support in my study, and these supportive actions have played crucial roles for the very existence of some firms. Thereby, we touch upon Hymes (1996) discussion of voice as freedom of making one’s voice heard. The differences in confirmation and legitimacy among the firms shed light on the third aspect previously emphasised as influential and important for the understanding of the relation between type of industry or firm and ethnic background, apart from the two other aspects included in Model 1 above.

6.4.1 Loud and ‘becoming’ voices
Diamorph, Frame Access, Spice Catering and Järva tolk represent business voices in the empirical material that have gained confirmation and legitimacy for business activities. This confirmation and legitimacy is traced both in their own stories and in the language and discourse used by people around them. This confirmation and legitimacy also seems to be expressed in that the individual(s) involved are proud and confident concerning their accomplishments. The issue of confirmation should not be misunderstood as an issue of success. All have long ways to go before they could be described as success stories. But by having received this confirmation and legitimacy, they can be regarded as loud or becoming voices in business life. They possess the necessary cultural capital to rule their own paths. Thus, they equal Hymes’ (1996) description of voices that experience freedom and have the possibility to get heard. This is further emphasised by the relatively big medial attention for these firms, which also can be explained by media’s propensity to present successful ‘immigrant stories’. However, it should be pointed out that the tendency observed is that ethnic minority background only becomes regarded as an asset if a business gains confirmation and legitimacy.

6.4.2 Silent voices
There are no clear examples of ‘silent voices’ in my report. A ‘silent voice’ implies that efforts have not been confirmed. This is further emphasised by anonymousness. Such a voice lacks cultural capital in order to find the right ways of networking (social capital). Further, it would demonstrate a reactive action mode in terms of business activity. Looking at it from a social constructionist perspective, one could argue that such voices are not ‘silent’, but ‘silenced’. This refers to Hymes (1996) view that they do not have the freedom to make their voices heard. Since this is not the focus of my study, I do not take this discussion further. I just want the reader to note that there are different ways to view these matters, and that silent voices exist in business life in Kista and Sweden today. I have met at least two such voices, although they did not qualify for this study. The reason is that they did not meet the requirements of emergence in Gartner’s (1985) framework. This also means they did not contribute with enough material for a narrative voice story.

6.4.3 Voices ‘in between’
Adicast, Smarticware and Roya Hälsocenter have partly received confirmation, although they still struggle hard for legitimacy. They are also the ones difficult to place in the model above. These three are voices in between loud/becoming and the silent ones. They could go either way: unfold into recognition or fade into silence. Here, the metaphor of cultural capital seems useful, as one can clearly recognise differences among the firms in this respect. For example, Smarticware differs from Roya Hälsocenter (HC) and Adicast in the sense that the former firm involves front people that possess valuable cultural capital.
Model 1 above can now be added by another aspect. Below, I present this new framework in a model that also includes “speech power” depending on the confirmation and legitimacy the voices have experienced.
Voices of entrepreneurship and small business – immigrant enterprises in Kista, Stockholm

**Action mode (people)**  
Proactive (acts toward or creates an opportunity)

<table>
<thead>
<tr>
<th>Loud/becoming voices</th>
</tr>
</thead>
</table>
| Järva tolk  
| Spice Cater.  
| ASSET |  
| Frame Access  
| Diamorph  
| NON-ISSUE |  
| Venture opportunity (Firms) |  
| Roya HC |  
| Smarticware  
| Adicast |  
| Venture opportunity (Firms) |  
| EXCUSE |  
| BARRIER |  
| Reactive (does not act toward an opportunity) |

Model 2. The importance of ethnic background among the businesses in relation to “speech power” of the voices (Model 1 increased)

It is no surprise that different kinds of venture opportunities need different kinds of support. This is contextually bounded to each specific business voice in my empirical study. From the discussions with people representing the firms and people in the support system, the impression is that the support offered within the high tech sphere is more specifically targeted for each firm and not so organised in a mainstream way. The other side of the coin is that there seems to be conformity here – one has to adjust to the rules of the game by adopting the methods used. KIG, for example, have high criteria for accepting firms for individually targeted assistance, but impose rules and demands for those that pass the scrutiny. Thus, in the process of resource acquisition, gaining confirmation and legitimacy becomes as important as venture opportunity and action mode to understand the influence and importance of ethnic background for the firms in my study.

**6.5 Conclusions**

The variable of business logics is one that has been forgotten in many previous studies on immigrant and ethnic entrepreneurship. However, the models and previous discussions show that there is not merely a difference between high-tech and traditional firms, but also in the experiences and attitudes toward the value of ethnic background, among the individual(s) involved as well as in the interaction with the surrounding context. For the high tech/science- and technology-based firms, ethnic background either becomes a non-issue or a barrier, since technology in itself and the supportive environment in high tech settings have the character of emphasising professional identities rather than identities as ‘immigrant’ or ‘ethnic’. When the individual(s) involved exhibit a proactive action mode, the likelihood is greater that ethnic background becomes a non-issue. When a reactive action mode is exhibited, it is more likely that ethnic background becomes a barrier. For traditional/service-based firms, it is suggested that ethnic background either becomes an asset or an excuse. When a proactive action mode is exhibited, it is more likely that ethnic background becomes an asset, whereas when a reactive action is exhibited, ethnic background
becomes an excuse. But the influence and importance of ethnic background also depends on the confirmation and legitimacy businesses experience in the interactions with their surroundings. And this confirmation and legitimacy decides the “speech power” (loud/becoming voices and voices in-between') of the voices in my study.

My study shows that there is representation among immigrant/ethnic businesses in Sweden today for a more complex picture than the conform view on immigrant and ethnic entrepreneurship commonly presented. Most probably, future studies will further contribute to this complexity and variation, adding more aspects and levels. However, since this is an exploratory study, it is up to future research to further investigate the appropriateness of these findings in similar or different contexts than Kista.

6.6 Final reflections

Through a number of case studies, I wanted to explore the interaction between type of industry or firm and the influence and importance of ethnic background for immigrant firms in different industries in the Kista context. Ethnic resources is emphasised as an important concept in immigrant and ethnic entrepreneurship literature, and some researchers claim that type of industry or firm affect the utilisation of ethnic resources. Therefore, in evaluating the influence of objective ethnic background, I concluded that using a resource-based view and a resource acquisition perspective would be a logical way to inquire these issues. Combining Gartner’s (1985) framework (organisation, individual(s), environment and process) and a resource acquisition perspective/the resource-based view made it possible to study types of resources discussed in entrepreneurship and immigrant/ethnic entrepreneurship literature (social, organisational, human, cultural, financial and physical capital, and ethnic resources) in different dimensions of venture creation and development. My conceptual framework emphasised certain aspects (organisation and type of industry or firm, action mode of the individual(s) involved, interactions with the environment: networking, relationships and support, and process: firm-specific aspects of resource base and resource acquisition) that I used to construct, interpret and analyse individual business voices. In the end, I found patterns that I formed to a concluding tentative framework. Since I took a broad approach in the conceptual framework, the conclusions are broad too. But I had no ambitions to present valid results applicable in all settings. Still, both the conceptual as well as the tentative framework are contributions of this licentiate thesis. And since it is likely to assume that the topic of immigrant and ethnic entrepreneurship will be highly relevant in the future as well, it is my belief that they can be further elaborated and researched. One example would be to compare immigrant and non-immigrant businesses in the same type of industry, like science- and technology-based firms, engaged in the same or in different contexts.
References


Hymes, Dell (1996), Ethnography, linguistics, narrative inequality: toward an understanding of voice, London: Taylor & Francis UK.


Voices of entrepreneurship and small business – immigrant enterprises in Kista, Stockholm


Kirzner, Israel (1973), Competition and Entrepreneurship, University of Chigaco Press.


Voices of entrepreneurship and small business – immigrant enterprises in Kista, Stockholm


**Other sources**


Voices of entrepreneurship and small business – immigrant enterprises in Kista, Stockholm


Appendix 1: Documentation of meetings, phone calls and other contacts

Businesses

Diamorph AB
Meetings have mainly taken place at Quick Office, KIG’s business incubator in the Electrum building, Isafjordsgatan 22, Kista. The exceptions are the meeting with Pär Hedberg, which was held at the principal’s office at KTH campus, Valhallavägen 79 in central Stockholm, and the meeting with Kenneth Billqvist, which was held at KTH start house (the Sing-Sing building), Lindstedsvägen 30 in central Stockholm.

Primary sources:
- Diamorph introduction party 030812
- Participation in a meeting between Ashkan Pouya, Saeid and Naser Esmaeilzadeh and two external researchers 030813 (conducted mainly in English)
- Meeting with Ashkan Pouya 030813
- Meeting with Ulf Brandels 030813
- Meeting with Ashkan Pouya 030923
- Meeting with Ashkan Pouya 031013
- Meeting with Ashkan Pouya 031107
- Phone conversation with Ashkan Pouya 031208
- Meeting with Joakim Nilsson 040112
- Meeting with Kenneth Billqvist 040121
- Meeting with Pär Hedberg 040129
- Phone conversation with Ashkan Pouya 040203
- Phone conversation with Ashkan Pouya 040220
- Several phone calls to Ashkan (at least 10), besides the ones noted above

Secondary sources:
- Firm brochure, handed out during the introduction party 030813
- Article in the paper Competence, Nr 5-6 2003
- Article about winning first prize in the Vinn Nu contest, arranged by Vinnova, in the monthly paper Competence, Nr 10 2003
- Saeid’s chronicle in the paper Competence, Nr 9 2003

Frame Access
All meetings have taken place at Quick Office, KIG’s business incubator in the Electrum building, Isafjordsgatan 22, Kista.

Primary sources:
- Meeting with Said Zainali and Helena Kristersson 030821
- Phone conversation with Helena Kristersson 030903
- Meeting with Said Zainali 031208
<table>
<thead>
<tr>
<th>Notes</th>
</tr>
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<tbody>
<tr>
<td>Meeting with Said Zainali 031112</td>
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<tr>
<td>Meeting with Helena Kristersson 031211</td>
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<tr>
<td>Phone conversation with Said Zainali 031205</td>
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<tr>
<td>Meeting with Joakim Nilsson 040112</td>
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<tr>
<td>Meeting with Pär Hedberg 040129</td>
</tr>
<tr>
<td>Phone conversation with Said Zainali 040209</td>
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<tr>
<td>Phone conversation with Said Zainali 040217</td>
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<tr>
<td>Phone conversation with Said Zainali 040220</td>
</tr>
<tr>
<td>Phone conversation with Helena Kristersson 040225</td>
</tr>
<tr>
<td>Several phone calls (more than 10) both to Said and Helena, besides the ones noted above</td>
</tr>
</tbody>
</table>

**Secondary sources:**

- Article about the firm in the paper Competence, Nr 10 2003
- Article about winning first prize in the Vinn Nu contest, arranged by Vinnova, in the paper Competence, Nr 10 2003

**Smarticware AB**

All meetings have taken place in Smarticware’s office at Growhouse, Österögatan 3 in Kista. The exception is the meeting with Pär Hedberg, which was held at the principal’s office at KTH campus, Valhallavägen 79 in central Stockholm.

**Primary sources:**

- Phone conversation with Lars Hallberg 031125
- Meeting with Omid Aval 031205
- Meeting with Lars 040114
- Meeting with Lars and Omid Aval 040114
- Meeting with Pär Hedberg 040129
- Phone conversation with Peter Ekman 040130
- Phone conversation with Lars 040222
- Meeting with Omid Aval 040223

**Secondary sources:**

- Smarticware’s website, [http://www.smarticware.com](http://www.smarticware.com), Accessed 040526

**Adicast Systems**

The meeting with Kian took place in Café Playfield in the Kista galleria. The meeting with Joakim Nilsson was held at Quick Office, the Electrum building, Isafjordsgatan 22 in Kista.

**Primary sources:**

- Phone conversation with Lars Hallberg 031125
- Phone conversation with Kian Namwar 031128
- Meeting with Kian Namwar 031204
- Phone conversation with Kian Namwar 031218
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| Meeting with Joakim Nilsson 040112 |
| Phone conversation with Kian Namwar 040126 |
| Phone conversation with Kian Namwar 040220 |
| Some emails to Kian with information about researchers to contact for market information about TV commercials |

**Secondary sources:**
Adicast Systems website, [http://www.adicast.se](http://www.adicast.se), Accessed 040526

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**Roya Hälsocenter**
All meetings have taken place in Roya Hälsocenter’s store at Kista Square (‘Kista torg’) just outside the Kista galleria.

| Primary sources: |
| Meeting with Roya and Sarowar and a guided tour around the store 031119 |
| Meeting with Sarowar Alam 031211 |
| Meeting with Sarowar Alam 040109 |
| Meeting with Roya and Sarowar Alam 040116 |
| Phone conversation with Isa Turan 040121 |
| Meeting with Roya and Sarowar Alam 040126 |
| Meeting with Roya and Sarowar Alam 040204 |
| Meeting with Micael Lehto 040209 |
| Meeting with Roya and Sarowar Alam 040209 |
| Meeting with Roya and Sarowar Alam 040220 |
| Additional meetings (about 5) with Roya and/or Sarowar, besides the ones noted here |

**Secondary sources:**
Leaflet about services and treatments, handed out 040116

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**Spice Catering**
Meetings have mainly taken place at the firm’s location in Kista Gård, Oddegatan 14, close to central Kista. The exception is the meeting with Brita Rönnqvist, which was held at Kista Service Center, Trondheimsgatan 3 in Husby (part of the Kista district).

| Primary sources: |
| Meeting with Zarrin Fadai 031118 |
| Phone conversation with Zarrin Fadai 031205 |
| Meeting with Zarrin Fadai 040119 |
| Phone conversation with Isa Turan 040121 |
| Meeting with Brita Rönnqvist 040126 |
| Meeting with Zarrin Fadai 040225 |
| A number of phone calls to Zarrin Fadai (about 5), besides the one noted above |

**Secondary sources:**
Spice Catering website, [http://www.spicecatering.com](http://www.spicecatering.com), Accessed 031120; 040526
Article about the firm in the daily newspaper Svenska Dagbladet 031117
Firm brochure, handed out 040119

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Järva tolk AB
Most meetings took place at the firm’s office, Rinkebyvägen 70 in Rinkeby (part of the greater Kista district). Exceptions are the meeting with Isa Turan, which was held at Mötesplats Kista in the Kista galleria, and the meeting with Remziye Inanc and Hans Bäckström 040202, which was held at a restaurant just opposite from the firm’s office.

**Primary sources:**
- Meeting with Isa Turan 031110
- Meeting with Remziye Inanc 031119
- Meeting with Gisela Cantillana 040109
- Meeting with Remziye Inanc 040109
- Meeting with Remziye Inanc 040202
- Meeting with Hans Bäckström 040202
- A number of phone conversations with Remziye Inanc (about 5)

**Secondary sources:**

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**Experts and advisors**
Meeting with Isa Turan – economic development coordinator, Kista administration, at Mötesplats Kista in the Kista galleria 030624.

Meeting with Ulf Brandels – business coach, KIG, at Quick Office in the Electrum building, Isafjordsgatan 22, Kista 030813.


Participation in an introduction meeting, Kista NFC, at the unemployment agency in the Kista galleria, 2nd floor 031008.

Meeting with Isa Turan – economic development coordinator, Kista administration, at Mötesplats Kista in the Kista galleria 031110.

Phone conversation with Lars Hallberg – CEO, Kista Applications AB 031125.


Meeting with Kenneth Billqvist, innovation advisor at KTH start house (the Sing-Sing building), Lindstedsvägen 30 in central Stockholm 040121.

Meeting with Brita Rönnqvist – program manager, Kista work and study center, at Kista Service Center, Trondheimsstigen 3 in Husby (part of the Kista district) 040126.

Meeting with Pär Hedberg – project leader, KIG, at the principal’s office KTH, Valhallavägen 79, Stockholm 040129.
Phone conversation with Peter Ekman – manager, business area innovation, ALMI Stockholm 040130.

Other
Appendix 2: Basic questionnaire
Tell me about your business! Can you describe what you do?

What’s your (life) story? Tell me about your background? What about the background of the others in the team?

Education

Work experience

Entrepreneurial experience

Contacts and relations – ethnic as well as diverse

Ethnic identity – does it matter where you come from? I mean both in terms of your personal pride of belonging, as well as a means of accessing and utilising resources otherwise unreachable for you.

Access to organisational, financial, physical, cultural, social and human capital. Which of these resource acquisitions could be derived to class resources and ethnic resources, respectively, i.e. what is the rationale of interaction? In which cases have you used ethnicity as a resource or drawn on ethnic resources? Do you have a reliable set of strong ties or a community to which you turn for help?

During the start-up and onwards, did you have access to important and decisive financial capital through ethnic channels?

Do you come from a supportive entrepreneurial culture? Could you describe your cultural background and the culture of your group?

Ethnic networks – are these important for you? In what way – mainly in business life or more in terms of private matters?

Is the possible contribution of ethnic resources dependent on the industry of your business?

Does it matter that you are a woman/man? In what way?

Contacts and relations with other parties (such as firms, business associations and the Kista administration). Business networks?

Geographical identity – does the Kista district mean anything to you? Do you, as an entrepreneur or as a private person, have a connection and/or relation to Kista as an ICT cluster?

Would it be different if you worked in some kind of an incubator during the start-up process, where you basically get all the practical help you need?
Is it important (or even decisive) for you that you work in an incubator during the start-up process, where you basically get all the practical help you need?

What about board members – have you appointed people to help you (as mentors)?

Have you received help from business advisors or people that have acted as mentors?

What factors do you consider being crucial for the success of your business? What factors do you regard as crucial for businesses in general? Rate, punctuation and timing aspects.

What are the motives factors behind your business? What drives you?

Do you have anything further to say? Anything to add that seems relevant to you?