

course guide

INTERNATIONAL ENTREPRENEURSHIP

course code 201000156 – 5 EC

April – June 2013

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Assistant: Bart Stoffelsen

Class: Wednesday, 13:45 – 17:30, room: CU B205

Target group: students enrolled in the MSc program Business Administration track Innovation & Entrepreneurship and track International Management

Blackboard: 2012-21000156-2B: International Entrepreneurship

Date: 22. April 2013

Version: 1.3 – emerging issues will be clarified during the course

Texts: selected journal articles

1. Introduction

1.1 Setting

International Entrepreneurship is a course in the Master of Science program in Business Administration at the School of Management and Governance of University of Twente, the Netherlands. Its target audience consists of students who chose the Innovation & Entrepreneurship track or the International Management track. This course guide is the basic road map, providing details on course objectives, content and set-up. It also addresses the requirements to complete the course successfully.

1.2 Definition

Two major themes can be distinguished in research on International Entrepreneurship: on the one hand, the internationalization of entrepreneurial activities and, on the other hand, comparison of national cultures that are associated with entrepreneurial activities (McDougall & Oviatt, 2000). The current course focusses on the first theme: internationalization of entrepreneurial activities. Under this perspective, International Entrepreneurship can be defined as “the discovery, enactment, evaluation, and exploitation of opportunities - across national borders - to create future goods and services. It follows, therefore, that the scholarly field of international entrepreneurship examines and compares - across national borders - how, by whom, and with what effects those opportunities are acted upon” (Oviatt & McDougall 2005).

1.3 Focus

A comparison of IE with International Business is visualized in Fig. 1. Entrepreneurial ventures concern 'new ventures' (an independent new venture) typically up to 6-12 years of age that bring something new to the market (cells I and II in fig.1). This course emphasizes new ventures (including the so-called born-globals) and small & medium-sized enterprises (SMEs) including their internationalization (cell II in fig. 1). Key issues to be addressed in the IE-course include: entrepreneurship and internationalization research; recognizing, preparing and exploiting international entrepreneurial opportunities. Global corporations, such as those that can be found in the Fortune 500 and "... have a pervasive influence in the global economy" (Som, 2009, cell IV of Fig. 1) are the focus of the course International Management (code 191880710).

		GEOGRAPHICAL SCOPE	
		Domestic	International
TYPE OF ORGANIZATION	Entrepreneurial	I	II
	Large, Established	III	IV

Source: McDougall and Oviatt (2000)

2. Course outline

2.1 Objectives

This course focuses on how entrepreneurs and managers of new and smaller ventures can effectively make use of international opportunities in view of the challenges connected with operating across borders. The objective of the current course is to learn about the challenges of international entrepreneurship that new ventures are facing.

2.2 Set-up

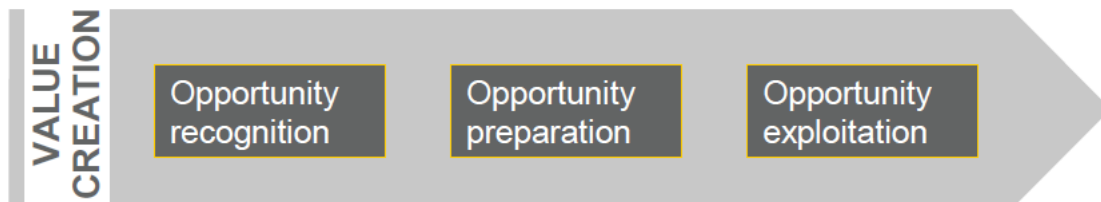


Fig. 2. The entrepreneurial process (based on Groen, 2005)

A major organizing principle is the entrepreneurial process that consists of opportunity recognition, opportunity development and opportunity exploitation (Groen, 2005, see fig. 2). In each class, we explore (a) the theoretical foundations, (b) the application in International Business / International Management (IB/IM) resp. Entrepreneurship, and (c) the application in International Entrepreneurship.

2.3 Learning goals

On completing this course, students:

- will have state of the art knowledge of the field of international entrepreneurship research
- will have a deep theoretical understanding of international entrepreneurship research in general and the entrepreneurial process in particular
- can critically reflect theoretical contributions to the field.
- can apply / reflect theoretical contributions in the real business world.

2.4 Teaching method

The topics are discussed from a research perspective, addressing theoretical frameworks, findings, contributions and implications. Students are expected to participate actively, based on structured and well-formulated arguments. Class sessions will consist of lectures as well as student presentations. In the periods between sessions, you will read assigned material, reflect on it and work on assignments (self-study).

2.5 Assignments

To conclude this course successfully, you will have to hand in four types of assignments.

2.5.1 The presentation

- Each session has a central theme, and we will discuss the theoretical foundation, the application in entrepreneurship in general and the application in IE in particular. While we have three presentations per session, students will prepare the presentation on Entrepreneurship and the application in IE. Groups (class size divided by 7) will work out these presentations. The internal division of labor is up to the groups, but it is strongly encouraged that the subgroups collaborate.
- The presentation will revolve around a central question (see appendix), that will have to be answered with the help of one or two core papers and other, related papers that you will have to find yourself. The “spirit” of the presentation is to be **interested and engaged**, and to help your fellow students understand the content, its relevance and the answer to the guiding question(s). To do so, a “must” is outline the key topic first, address its relevance, and to explicitly define key terms. At the end, recapitulate the key learnings. The integrated use of examples is advised, as well as the use of creativity!
- If you have the first presentation of a session, lead out with information on how your paper is going to connect to the following presentation.
- If you have the second presentation, use concepts that were dealt with in the first presentation and integrate them in your presentation – you might cooperate with the first group, and read their key paper do get the information you need.
- In case there are two or more papers given, do NOT treat them independently in your presentation, but use the information from all papers to answer the guiding question.
- The length of the presentation is 25 minutes each. This should be reflected in a maximum number of 10 slides +- 10%

- Make clear use of definitions and examples. Provide handouts for all participants and a set of slides (.pdf) to be uploaded on BB before the class begins.
- Turn in no later than 12:00 **TWO** days before the presentation and be ready to incorporate changes based on feedback. If there are multiple groups on one paper, all concerned groups need to prepare, and the group that is going to present will be notified on the day of the presentation.
- The spirit of the slides is to support the presentation, NOT to provide an extensive learning aid. Therefore, be economic with text. Use *Duarte, N. (2008): Slide:ology: The art and science of presentation design. O'Reilly Media: Sebatopol* as reference for effective presentations.

For the grading, see the grading sheet in the course guide.

2.5.2 The entrepreneur reports

After most sessions, each group conducts a short interview with an (international) entrepreneur. The goal of this interview is to reflect on the statements made by the academic papers and to compare these with one example from 'reality'. This reflection revolves around the contextualization of your case, and includes theory-practice reflection. Phone interviews are possible, face-to-face is encouraged.

- Write up your findings, 900 words +- 10%; each additional 10% deviation one gradepoint less.
- Turn in: no later than 12:00 the Monday before the next session, via BB in the format .pdf (no: docx). Each day late, one gradepoint less.
- Preferably, stick with one company for writing the reports. This saves time, and enables you to see the connections in the entrepreneurial process.

For the grading, see the grading sheet.

2.5.3 The written exam

The final assignment will be in the form of a written exam (3.5 hours) on the subjects of this course. The exam will be based around the papers (including the references), the presentations, and the classroom discussion.

2.5.4 The preparation

This is not an assignment, but an invitation to you that helps you to get the most out of your class. To prepare for class, you can reflect on your **pre-knowledge of a key question of that session**. The length can be 600 words +- 10% (a good half page). These reports will NOT be graded, and there will NOT be feedback on them. They serve as an

instrument to discover your pre-knowledge and hidden assumptions about a topic. You can contrast this with your knowledge on that question after the class and after the entrepreneur report and see your learning progress. For a guiding question, see “preparation question”.

2.6. Grading

The final grade for this course will be compiled based on the presentations (10 %), entrepreneur reports (40 %) and the final exam (50 %). All three parts must be graded with at least 5.5.

2.7 . Rules of participation

- You are expected to submit your own work. When you use work by others then refer to it. Cases of discovery of plagiarism (copying from other students and/or internet sources without proper references) will be reported to the School's Examination Board, see Student Charter, esp. Article 7.
- Assignments will have to be delivered on time. Each day delay results in the reduction of one grade for that assignment
- Attendance is required. You can miss class one time

3. Course schedule

date & location	during the session	after the session
Wednesday 24.04. 13.45 – 15.30 CU B209 Harms	Introduction - internationalization - the research field of international entrepreneurship - course set-up and execution	Find a company / an entrepreneur that can spend 7*1h with you
Wednesday 01.05. 13.45 – 17.30 CU B209	Opportunity recognition - fundamentals - application in Entrepreneurship - application in IE	Prepare and hand in the entrepreneur report
Wednesday 08.05. 13.45 – 17.30 CU B209 Harms	Opportunity development 1/5 – causation & effectuation - fundamentals - application in Entrepreneurship - application in IE	Prepare and hand in the entrepreneur report
Wednesday 15.05. 13.45 – 17.30 CU B209 Harms	Opportunity development 2/5 – networks - fundamentals - application in Entrepreneurship - application in IE	Prepare and hand in the entrepreneur report
Wednesday 22.05. 13.45 – 17.30 CU B209 Harms	Opportunity development 3/5 – learning - fundamentals - application in International Business - application in IE	Prepare and hand in the entrepreneur report
Wednesday 29.05. 13.45 – 17.30 CU B209 Harms	Guest lecture – Venturing abroad: Dutch Entrepreneurs in Germany	
Wednesday 05.06. 13.45 – 17.30 CU B209 Harms	Opportunity development 4/5 – international market selection - fundamentals - application in International Business - application in IE	Prepare and hand in the entrepreneur report
Wednesday 12.06. 13.45 – 17.30 CU B209 Harms	Opportunity development 5/5 – entry mode selection - fundamentals - application in International Business - application in IE	Prepare and hand in the entrepreneur report DOUBLE SESSION
Wednesday 12.06. 13.45 – 17.30 CU B209 Harms	Opportunity exploitation - fundamentals - application in Entrepreneurship / International Business - application in IE	
open	Written exam – open book	
open	Retake	

4. Details per session

24. April: Introduction

Keupp, M. M. and O. Gassmann (2009). "The Past and the Future of International Entrepreneurship: A Review and Suggestions for Developing the Field." *Journal of Management* 35(3): 600-633.

McDougall, P.P., Oviatt, B.M., (2000). International Entrepreneurship: the Intersection of Two Research Paths. *Academy of Management Journal* vol. 43 no. 5 p. 902-906.

Oviatt, B. M. and P. McDougall (1994). "Toward a theory of international new ventures." *Journal of International Business Studies* 25: 45-64.

Oviatt, B. M. and P. McDougall (1994). "A framework for understanding accelerated international entrepreneurship. In: Rugman, A. M. & Wright, R. W. (Eds.), 1999. *Research in Global Strategic Management: International Entrepreneurship*, Stamford, CT: JAI Press, 23-40.

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01. May: Opportunity recognition

Preparation question:

What is the role of the “person” in entrepreneurship

Theoretical foundation (by lecturer)

Alvarez, S. A. and J. B. Barney (2007). "Discovery and Creation: Alternative Theories of Entrepreneurial Action." Strategic Entrepreneurship Journal 1: 11-26.

Guiding question of presentation:

What do we know about the “person” in entrepreneurship research? What is an “opportunity”? What traits, capabilities etc. are needed for the recognition/creation of international opportunities? What are the implications for practice, also with regard to IE?

Entrepreneurship foundation:

Baron, R. A. and M. D. Ensley (2006). "Opportunity Recognition as the Detection of Meaningful Patterns: Evidence from Comparisons of Novice and Experienced Entrepreneurs." *Management Science* 52(9): 1331-1344.

Baron, R. A. (2006). "Opportunity Recognition as Pattern Recognition: How Entrepreneurs “Connect the Dots” to Identify New Business Opportunities." *Academy of Management Perspectives* 20: 104-119.

Guiding questions of presentation:

- What are the factors that play a role in the recognition of opportunity?
- What is the benefit of analyzing a process model of opportunity recognition? (Draw on van de Ven , “Engaged Scholarship” to discuss process- and factor models)
- What does the model of opportunity recognition according to Baron look like (in terms of elements and links)?
- What are the practical implications that can be drawn from Baron’s model?

IE application:

Zahra, S. A., J. S. Korri, et al. (2005). "Cognition and international entrepreneurship: implications for research on international opportunity recognition and exploitation." *International Business Review* 14: 129-146.

Guiding questions of presentation:

Focus on chapters 6-8. What is the “cognitive perspective”? What are the implications for IE research? What are the implications for IE practice?

08. May: Opportunity development 1/5: C&E

Preparation question:

What do you know about how strategies are being made?

Theoretical foundation (by lecturer)

Mintzberg, H. (1978). "Patterns in Strategy Formation." *Management Science* 24(9): 465-499.

Guiding question of presentation:

What is an "intended strategy", what is a "realized strategy", and why are the differences between them so important? What is the current status of research on emergent vs. realized strategies?

Entrepreneurship foundation

Gruber, M. (2007). "Uncovering the value of planning in new venture creation: A process and contingency perspective." *Journal of Business Venturing* 22(6): 782-807.

Sarasvathy, S. D. (2001). "Causation and effectuation: Toward a theoretical shift from economic inevitability to entrepreneurial contingency." *Academy of Management Review* 26(2): 243-263.

Guiding questions of presentation:

- What is "causation", what is "effectuation"?
- Provide examples of how a "causation"-based decision process works, and how an "effectuation-based" decision process works
- What are the elements of a "rudimentary theory of effectuation"?
- Is "effectuation" something entirely new or has it intellectual predecessors?
- Based on the findings from the two papers, what are implications for entrepreneurship practice?

IE Application

Crick, D. and M. Spence (2005). "The internationalisation of 'high performing' UK high-tech SMEs: a study of planned and unplanned strategies." *International Business Review* 12: 167-185.

Harms, R. (2012). "Antecedents and consequences of effectuation and causation in the international new venture creation process." *Journal of International Entrepreneurship*.

- What impact does C&E have in the internationalization process?
- What are the implications for future research?
- What are the implications for practice?

15. May: Opportunity development 2/5: Networks

Preparation question:

What do you know about the role of networks in business?

Theoretical foundation (by lecturer)

Khaire, M. (2010). "Young and No Money? Never Mind: The Material Impact of Social Resources on New Venture Growth." *Organization Science* 21(1): 168–185.

Zaheer, A., R. Gözübüyük, et al. (2010). "It's in the connections: The network perspective in interorganizational research." *Academy of Management Perspectives* 24(1): 62-77.

Guiding questions of presentation:

What “is” the network perspective”? What are the theoretical mechanisms of networks? Explain the theoretical background of each of the boxes in Table 1 and provide examples.

Entrepreneurship foundation

Witt, P. (2004). "Entrepreneurs' networks and the success of start-ups." *Entrepreneurship & Regional Development* 16(5): 391-412.

Guiding questions of presentation:

What is the “network success hypothesis”? What does empirical evidence say about the network success hypothesis? What are the reasons why “networks” don’t always “work”?

IE application

Coviello, N. E. (2006). "The network dynamics of international new ventures." *Journal of International Business Studies* 37: 713-731.

Guiding questions of presentation:

How do networks of INV develop over time? What can be said about the functionality of the INV networks at different points in time?

22. May: Opportunity development 3/5: Learning

Preparation question:

What do you know about the role of learning in business?

Theoretical foundation (by lecturer)

Barker Scott, B. (2011). Organizational learning: A literature review. Queens University IRC Discussion Paper #2011-02.

Crossan, M. M., Lane, H. W., & White, R. E. (1999). An organizational learning framework: From intuition to institution. *Academy of Management Journal*, 24(3), 522-537.

Fiol, C. M., & Lyles, M. A. (1985). Organizational learning. *Academy of Management Review*, 10, 803-813.

Guiding questions of presentation:

What are the basic questions and approaches towards organizational learning?

Entrepreneurship foundation

Dutta, D. K., & Crossan, M. M. (2005). The nature of entrepreneurial opportunities: Understanding the process using the 4i organizational learning framework. *Entrepreneurship Theory & Practice*, 29(4), 425-449.

Lumpkin, G. T., & Lichtenstein, B. B. (2005). The role of organizational learning in the opportunity-recognition process. *Entrepreneurship Theory & Practice*, 29(4), 451-472.

Guiding questions of presentation:

How can organizational learning theor(ies) help to explain opportunity recognition?

IE application

Bingham, C. B., & Davis, J. P. (2012). Learning sequences: Their existence, effect and evolution. *Academy of Management Journal*, 55(3), 611-641.

Bingham, C. B. (2009). Oscillating improvisation: How entrepreneurial firms create success in foreign markets over time. *Strategic Entrepreneurship Journal*, 3, 321-345.

Guiding questions of presentation:

How do entrepreneurs learn for and from internationalization?

29. May: Guest lecture

05. June: Opportunity development 4/5: IMS

Preparation question:

What do you know about how firms chose which (international) markets to enter?

Theoretical foundation (by lecturer)

Paper on IMS

Papadopoulos, N., Chen, Hongbin, and D.R. Thomas (2002): Toward a tradeoff model for international market selection. *International Business Review* 11 (2002) 165–192

Guiding questions of presentation:

What are the theories that are discussed in the IMS literature?

IB/IM foundation

Brouthers, LE; Mukhopadhyay, S; Wilkinson, TJ, et al. (2009). International market selection and subsidiary performance: A neural network approach, *Jnl of World Business* Vol. 44 Issue 3 Pages 262-273

Guiding questions of presentation:

First, make a link to the previous lecture. What is new in this presentation, why is it relevant? Guiding question: Does following the factors expounded by the OLI framework lead to performance?

IE application

Dimitratos, Pavlos; Plakoyiannak, Emmanuella; Pitsoulaki, Antigoni; Tüsselmann, Heinz-Josef. (2010). The global smaller firm in international entrepreneurship. *International Business Review* 19(6), p. 589-606.

Guiding questions of presentation:

Are there other ways to international performance than “following the rules” (see previous two presentations)? What are “lead markets” (example). Why is internationalization to lead markets beneficial for a company? Under what conditions is internationalizing to a lead market beneficial to international performance?

12 June: Opportunity development 5/5: EMS

Preparation question:

What do you know about international market entry forms?

Theoretical foundation (by lecturer)

Klein, P.G. and Shelanski, H.A. (1996). "Transaction Cost Economics in Practice. Applications and Evidence. *Journal of Market Focused Management* 1, 281-300.

Guiding questions of presentation:

- a) How does TCE explain the existence of firms, markets, and hybrids? What are "transactions"? What are "costs"?
- b) What is the relationship between TCE, the "network perspective" and the RBV?

IB/IM foundation

Perks, K.J. (2009). Influences on international market entry method decisions by European Entrepreneurs. *Int Jnl of Entrepreneurship* 13 special issue p. 1-19.

Guiding questions of presentation:

What are the factors that influence the choice of mode of entry in SME? What factors does TCE highlight? What factors are highlighted by Perks?

IE application

Burgel, O. and G. C. Murray (2000). "The International Market Entry Choices of Start-Up Companies in High-Technology Industries." *Journal of International Marketing* 8(2): 33-62.

Guiding questions of presentation:

What is the special situation in EMS that young, technology-oriented ventures are facing? Refer to the theories and the IB/IM-foundations of this class.

19. June: Opportunity exploitation

Preparation question

What do you know about the resource based view?

Theoretical foundation (by lecturer)

Barney, J. (1991). "Firm Resources and Sustained Competitive Advantage." *Journal of Management* 17(1): 99-120.

Guiding questions of presentation:

What is a CA? What is an SCA? What are resources? And what is the relationship between resources and SCA? What are the characteristics of resources that lead to an SCA? What role does the market and the network play in helping a firm obtain an SCA? What are "dynamic capabilities" and how does this concept expand the RBV?

Ent/IB/IM foundation

Alvarez, S. A. and L. W. Busenitz (2001). "The Entrepreneurship of Resource-Based Theory." *Journal of Management* 27(6): 755-775.

Peng, M. W. (2001). "The resource-based view and international business." *Journal of Management* 27: 803-829. Particularly sections 7 and 8

Guiding questions of presentation:

Explain the links between Entrepreneurship and RBV. In what way does the RBV contribute to International Business research in general, and to IE research in particular?

IE application

Sapienza, H., E. Autio, et al. (2005). "A Capabilities Perspective on the Effects of Early Internationalization on Firm Survival and Growth" *Academy of Management Journal* 31(4): 914-933.

Westhead, P., M. Wright, et al. (2001). "The internationalization of new and small firms: A resource-based view." *Journal of Business Venturing* 16: 333-358.

Guiding questions of presentation:

What are empirical results on the question of whether there are particular resources that are linked with (successful) internationalization? What are the impacts of capabilities on survival and growth in the internationalization process? Try to merge these two papers in a coherent presentation.

Scoring sheet for Presentation	Group Number:		
	Topic:		
CRITERIA	SCORE		
	0	1	2
PART 1: Content			
1.1: Embedding the key topic in a larger discussion	Missing	Concepts	Conceptual model
1.2: Relevance of key topic	Missing	Vague	Explicit and arguments
1.3: Definition of key terms	Unclear	Somewhat clear	Clear
1.4: Address all guiding questions	Some missing / vague	Complete and implicit	Complete and explicit
1.5: Summary of learnings	Missing	Superficial	Explicit
1.6: Outro to the second resp. / Into from the first presentation (leadover)	Missing	Superficial	Explicit
1.7: Additional literature	None	Marginal	fitting
Part 2: Structure			
2.1: Consistency	Piecework	Attempted integration	Successful integration
2.2: Examples	Not used	Not fitting	fitting
PART 3: Presentation			
3.1: Coverage balanced (incl. on time)	Very skewed	Bit skewed	Balanced
3.2: Functional/professional design of slides	Chaotic	Satisfactory	Professional
3.3: Engaged delivery of presentation	Chaotic	Satisfactory	Professional
3.4: Ability to answer critical questions	Missing	Satisfactory	Excellent
GRADING: < 6 pts fail 12 pts: 6 15 pts: 7 18 pts: 8 21 pts: 9 26 pts: 10	TOTAL POINTS:	GRADE:	

Other comments:

1.1:

1.2:

1.3:

1.4:

1.5:

1.6:

1.7:

2.1:

2.2:

3.1:

3.2:

3.3:

3.4:

Scoring sheet for Entrepreneur Report	Group Number:		
	Topic:		
CRITERIA	SCORE		
	0	1	2
PART 1: Content			
1.1: Theory/ies correctly described	Missing / serious mistakes	Vague / some mistakes	Faultless / well linked
1.2: Match between theory and observation/interview	Missing / serious mistakes	Vague / some mistakes	Explicit / arguments and evidence
1.3: Identification of overlap and/or mismatch between theory and practice	Missing / serious mistakes	Vague / some mistakes	Explicit / well argued
PART 2: Form			
2.1: Coverage balanced (thematic)	Very skewed / numerous incoherent elements	Bit skewed / few incoherent elements	Balanced
2.2: Professional writing (structure / citation / references)	Chaotic / not on master student level	Satisfactory / room for improvement	Professional
GRADING: < 3 pts fail 4 pts: 6 5-6 pts: 7 7-8 pts: 8 9 pts: 9 10 pts: 10	TOTAL POINTS:	GRADE:	
Other comments:			
1.1:			
1.2:			
1.3:			
2.1:			
2.2:			