Is it a good idea to share ideas?
A qualitative study about how Open Innovation is used between Chinese and Swedish entrepreneurs in an international market

Authors: Emelie Lämhed, Ida Sjöstrand
Supervisor: Selcen Öztürkcan
Examiner: Susanne Sandberg
Term: Spring 19
Subject: International Business
Level: Bachelor
Course code: 2FE51E
Abstract

In order for corporations to develop their business, they could apply an approach of exchanging ideas and knowledge with other corporations could contribute to new significant innovations. The international approach is called Open Innovation and could be implemented both externally and internally within firms. The purpose of this thesis was to examine how Open Innovation is used by Swedish and Chinese entrepreneurs in an international market context.

By implementing a qualitative research method, the researchers obtained a deeper understanding of how networks and trust affect Open Innovation when the approach is used. This thesis derived from an inductive approach since the authors made observations and generated theories from those observations, which created a theoretical synthesis. The theoretical synthesis conducted into the operationalization and the interview guide for the data gathering of the semi-structured interviews.

The gathered empirical data was compared with the theories in order to analyze the similarities and differences between them. Lastly, the study was concluded by answering the research questions, theoretical, practical, and policy implications, limitations for the study, and suggestion for future research.

Key words

Open Innovation; Swedish entrepreneurs; Chinese entrepreneurs; network; trust; international markets
Acknowledgements

The three years at Linnaeus University have given us new perspectives on international business. Both of us have absorbed the knowledge and opportunities given to us such as an exchange semester abroad. This experience has contributed to the idea of this thesis. We want to thank the four interviewees; Andreas, Ling, Henry, and Elsa who shared their personal and professional experiences with us and therefore contributed with valuable insights about the research subject. Without these inspirational entrepreneurs, the thesis would not be able to be completed.

We want to declare appreciation for our supervisor Selcen Öztürkcan for her lovely energy, support, and valuable inputs to get our thesis in the right direction as well. Furthermore, we want to thank our examiner Susanne Sandberg who has given us appreciated feedback during the seminars in order to improve our thesis. Additionally, we are grateful for the opponents who dedicated their time to give us constructive criticism and comments which has been significant and valuable for the thesis process. We are grateful for everyone who has given us any kind of support throughout the process. Without all of you, this thesis would not be possible to finalize.

Kalmar, 29th May, 2019

___________________________________________  _________________________________________
Emelie Lämhed                                      Ida Sjöstrand
# Table of contents

1 **Introduction**  
1.1 *Background*  
1.1.1 Open innovation  
1.1.2 Networking  
1.1.3 Doing business in China  
1.1.4 Doing business in Sweden  
1.2 *Problem discussion*  
1.2.1 The research gap  
1.3 *Research question*  
1.4 *Purpose*  
1.5 *Delimitations*  
1.6 *Outline*  

2 **Literature review**  
2.1 *Open Innovation*  
2.1.1 Closed Innovation versus Open Innovation  
2.1.2 Internal characteristics of Open Innovation  
2.1.3 External characteristics of Open Innovation  
2.1.4 The business model of Open Innovation  
2.2 *Entrepreneurship*  
2.2.1 International entrepreneurship  
2.2.2 Effectuation  
2.3 *Internationalization*  
2.3.1 Network theory  
2.3.2 Cultural Distance  
2.4 *Conceptual framework*  

3 **Methodology**  
3.1 *Research Approach*  
3.2 *Research method*  
3.3 *Data collection*  
3.3.1 Primary data collection  
3.3.2 Secondary data collection  
3.4 *Research design*  
3.4.1 Snowball sampling strategy  
3.4.2 Presentation of cases  
3.4.3 Semi-structured interviews  
3.4.4 Open-ended questions  
3.4.5 Operationalization  
3.4.6 Conducting interviews  
3.5 *Method of Data analysis*  
3.6 *Quality of research*  
3.6.1 Validity  
3.6.2 Reliability  
3.7 *Research ethics*
4 Empirical findings

4.1 Introduction of cases
   4.1.1 Andreas – Check Point China
   4.1.2 Ling – Interior Design
   4.1.3 Henry - Hong Kong Jockey Club
   4.1.4 Elsa - Spare Leash

4.2 Open Innovation

4.3 Entrepreneurship
   4.3.1 International entrepreneurship
   4.3.2 Effectuation

4.4 Internationalization
   4.4.1 Networking
   4.4.2 Cultural distance

5 Analysis

5.1 Open Innovation

5.2 Entrepreneurship
   5.2.1 International entrepreneurship
   5.2.2 Effectuation

5.3 Internationalization
   5.3.1 Networking
   5.3.2 Cultural distance

6 Conclusion

6.1 Answering the research questions
   6.1.1 How could Open Innovation affect the trust between entrepreneurs regarding Open Innovation?
   6.1.2 How could networks affect the entrepreneurial process between Chinese and Swedish entrepreneurs?
   6.1.3 How is Open Innovation used by Swedish and Chinese entrepreneurs in an international market?

6.2 Theoretical implications

6.3 Practical implications

6.4 Policy implications

6.5 Limitations

6.6 Recommendations for future research

References

Appendices
## Concept definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small- and medium enterprises (SME)</td>
<td>Firms with less than 10 employees</td>
</tr>
<tr>
<td>Purchasing Power Parity (PPP)</td>
<td>Measurement of price levels between different countries</td>
</tr>
<tr>
<td>Open Innovation (OI)</td>
<td>An international approach where internal and external information is shared between firms for a development in the future.</td>
</tr>
<tr>
<td>Intellectual property (IP)</td>
<td>A law of protection of your own intellectual property</td>
</tr>
<tr>
<td>Gross Domestic Product (GDP)</td>
<td>A measurement of economic activities in the country</td>
</tr>
</tbody>
</table>
1 Introduction

This chapter will present an introduction to the chosen area of research. The background of the subject will be provided, followed by a problem discussion where the chosen topic will be discussed. Based on the discussion three research questions have been shaped, as well as a purpose and delimitations for the study. Lastly, an outline of the thesis will be presented.

1.1 Background

1.1.1 Open innovation

The concept, Open Innovation, is based on knowledge and ideas from outside and inside of the firm, which will help develop firms economic growth in international markets (Chesbrough, 2003). The strategy, therefore, creates an option to overcome barriers that might hinder further development of the corporation. Open Innovation signifies that external ideas from other firms can participate as assistance for the corporation’s further development, and therefore create an open mindset within the corporation as well (Kuschel, Remneland and Kuschel, 2011). Henry Chesbrough, a professor at Haas Business School in UC Berkeley (Forbes, n.d.), created this theory through research about firms in development (Huizingh, 2011). Chesbrough developed the theory based on new landscapes of business development and innovation strategy, where a firm requires to be open for new ideas from both inside and outside of the firm. At the same time, it is crucial to retain the external path of the firm to become unique on the market (ibid.). For instance, in 1999 The Volvo Group started a collaboration with a Swedish telecommunication firm, and a global telecommunication manufacturer as well. The idea of the collaboration was to create a new vehicle technical support based on knowledge and experience from different corporations (Kuschel et al., 2011). According to Chesbrough (2003), Open innovation is more about the timing between the industries, than a business strategy. Characteristics for Open Innovation is globalization, technology intensity, new business model, technology fusion, and knowledge leveraging (Huizingh, 2011).

One early example of Open Innovation is during the first Industrial Revolution when the invention of the steam engine was developed by a French philosopher named Blaise Pascal (Yun, Jung and Yigitcanlar, 2018). He created the specific invention with the help of Britain’s knowledge of the economy and through access about the technology the British use in manufacturing. An additional example is when James Watt in the 18th century introduced Open Innovation when developing
a new steam engine (ibid.). Watt created a model of the new steam engine and introduced how the model can solve issues that current machines had, with support from Johan Anderson, a professor at Glasgow University (Anderson, 2019). Moreover, Anderson (2019) mention that Watt created a new approach when he developed the new steam engine, and therefore, he could be a symbol for Open Innovation in the first industrial revolution.

The Fourth Industrial Revolution, the digital revolution, was established in the middle of the last century (Yun et al., 2018). The digital revolution gave the world the possibility to have communication available almost at all times (Huizingh, 2011). The digital revolution and the globalization process goes hand in hand, where the globalization process focuses on the physical world rather than the actual world. Therefore, the traditional models obtained challenges with the new digital revolution (Yun et al., 2018). The digital revolution has grown to become a crucial function in society. The communications in society have developed rapidly and today the majority of the people around the world have connection to the Internet (Hodson, 2018). Steve Jobs is a symbol of the fourth industrial revolution and had a background with a lot of knowledge and experience about technology (Yun et al., 2018). Steve Jobs decided to create something that would be essential for people to have in their life, which eventually became Apple. Jobs was open for new technology skills and hired two engineers from Hewlett-Packard. Furthermore, Jobs hired a senior researcher from the Palo Alto Research Center Incorporated’s (PARC’s) as well. Steve Jobs idea was to create value for the customers by allowing his employees use their experience and create a new innovation through sharing their knowledge, which could be related to Open Innovation (Yun et al., 2018).

Development of globalization is an alternative for Open Innovation where corporations have economic and social altering (Huizingh, 2011). Openness between two or more corporations regarding new technologies and trading ideas could develop into a new market. Chesbrough (2003) discuss Open Innovation as where the firm generates to create their own idea and then develop finance, market, distribution, service, and support. Open Innovation can help companies to share knowledge between each other and develop together (Huizingh, 2011).

1.1.2 Networking

The term network in a business context is defined as “Creating a group of acquaintances and associates and keeping it active through regular communication for mutual benefit” (BusinessDictionary, n.d). The globalization is contributing to extensive importance of networks between external corporations, as well as networks within the corporation but located in other parts of the world (Hollensen,
Casson (2010) mention three different kinds of networks; social networks, commercial networks, and local business networks. However, social networks are particularly significant for entrepreneurs, as these networks are likely to share confidential information about opportunities (ibid.). Thus, the decisions made by entrepreneurs are affected by their social context (Nielsen et al., 2017), and therefore relationships and the linkages created by them are required for an entrepreneur (Aldrich and Zimmer, 1986). By networking with others, entrepreneurs could gain access to crucial resources such as; information, access to finance, access to knowledge, and social legitimacy. With the help of these resources, the chances of becoming a successful entrepreneur increase substantially if the entrepreneur has access to a social network as well (Klyver and Hindle, 2007).

1.1.3 Doing business in China

During the 1960s-1970s, China’s government made investments in physical and human capital to support expeditious industrialization, which lead to that three-fourths of industrial production was state-owned in 1978. This was an attempt to make China’s economy self-sufficient (Morrison, 2018). Since the communist leader Mao Zedong died in 1976, China has implemented several economic reforms to open up the country’s borders (Cavusgil, Ghauri and Akcal, 2013). For instance, economic zones along the coast were established to attract foreign investments and to increase export and import. The state also emancipated the economic control of several corporations to local governments instead and therefore allowed these corporations to operate on free market principles. These reforms have resulted in the rapid growth of China’s GDP, and in 2014 China passed the USA to become the world’s largest economy based on PPP (Morrison, 2018). Thus China has gone from a country with high economic control to a country with a market economy, however, excessive political controls are prevailing (Cavusgil et al., 2013). Hence, there are discussions regarding if China should still be considered an emerging market or not (Rapoza, 2018). However, The FTSE group classify China as an emerging market (FTSE Russell, 2019). Furthermore, Rapoza (2018) states that China is an emerging market because of their low GDP per capita, and World Bank (n.d.-a) states China’s status as an emerging market because of their incomplete market reforms, etc.

Since the reforms, three types of entrepreneurs in China can be identified; street vendors who were self-employed and shut out of the state system, the educated and
managerial experienced state-owned corporations, and returning Chinese who have been educated abroad and come back to start up a business (Ramesh, 2018). In common for all these three types is that networks, also called guanxi, play a crucial role in the Chinese entrepreneurship, where positive experiences from transactions between entrepreneurs will probably develop into recommendations for others. However, political and legal uncertainty, access to resources and cultural perception could be barriers for entrepreneurship in China (Ramesh, 2018). For instance, if a backup from the Chinese government is absent, it is practically impossible to have a successful business in China (Hollensen, 2017). Zhu, Wittmann, and Peng (2012) states that unfair competition, limited access to financial support, unclear regulations, excessive taxation, and insufficient support systems are barriers for private entrepreneurs in China as well.

Despite the reforms, the state-owned corporations are gradually increasing again, since private corporations have fewer resources available and are hit harder by threats such as a slowing economy (Stratfor, 2018). The state-owned corporations are assumed to receive particular credit treatment from the banking sector, who is state-owned as well, whereas private corporations have to pay higher interest rates on loans. The state-owned corporations might even escape paying back the loans (Morrison, 2018). This alongside with ongoing corruption and lack of the rule of law, could make it more difficult to do business in China (ibid.).

1.1.4 Doing business in Sweden

For about 80 years, between 1850-1970 Sweden had the highest economic growth in the world, and therefore became one of the wealthiest countries in the world (Carlgren, 2015a). This growth commenced with the liberal reform in 1846 that disassembled the guild system; regulations and prohibitions of economic activities and was a crucial step concerning free entrepreneurship. Free trade agreements and the industrial revolution that occurred in the latter 19th century lead to an increase in export as well as economic growth (ibid.). Sweden is one of the wealthiest countries in the world today (Harrington, 2018), and that journey started with adopting the “Swedish model”, which was a compromise between a privately owned industrial sector and the social democratic ruled state (Carlgren, 2015b). Several issues conducted in a major financial crisis, where the bank and financial sector practically collapsed, at the beginning of the 1990s. Structural reforms, such as the independence of the Swedish Central Bank from the government, were implemented to restore from the crisis (Carlgren, 2015c). Today, Sweden is one of the most highly developed countries in the world (BBC, 2018).
In the latter years, factors such as social stability, access to government support, and the social safety net have encouraged entrepreneurship in Sweden, since the risks of starting a business are supported (Sweden, 2018). Sweden ranks as number one in perceived entrepreneurial opportunities (Bosma and Kelley, 2018), and according to Zubascu (2016), because Sweden is a developed country, most entrepreneurs start a business because they identify these opportunities.

Sweden’s economic success is based on the lessons learned from the economic crisis, maintained competitiveness, innovation and open approach to trade. Several unicorns are from Sweden and the country have a liberal view on trade and doing business (Chipperfield and Sutherland, 2018).

As Sweden is a developed country (BBC, 2018) and China is an emerging country (FTSE Russell, 2019; Rapoza, 2018; World Bank, n.d.-a), their mindsets could differ. However, both countries have economic growth (World Bank, n.d.-b) and both developed and emerging countries are increasing their focus on openness and innovation (OECD, 2009)

1.2 Problem discussion

Open Innovation is a subject of research within International Business (Chesbrough, 2003), and studies about the concept appear to have increased in the latter years. Chesbrough created the whole concept, and therefore play a major role in the research about Open Innovation. Nonetheless, previous research appears to be mainly about how the concept function and how to apply it in general, not specified in different markets. The completed research on Open Innovation in emerging markets is regarding how the concept is applied in International Joint Ventures between developed countries and emerging countries (Dawson et al., 2014). Thus, two companies merge and therefore share information with each other to be innovative (ibid.). Dawson et al. (2014) also state that a lack of entrepreneurial skills and flexibility is existent in China, which Open Innovation in International Joint Ventures may improve.

The concept of Open Innovation has been a successful theory in International Business by sharing information between corporations to encourage innovation. For instance, through a long history of cross-border collaborations and collaborative testing, Sweden has become one of the most innovative countries in the world (Business Sweden, n.d.-a; Dutta, Lanvin and Wunsch-Vincent, 2018). Nowadays the world’s industries are changing rapidly, and to avoid falling behind it is significant for corporations to develop new innovations. Therefore, sharing information through Open Innovation has increased in Sweden, and is leading to
new solutions (ibid.). However, the Chinese association with entrepreneurship and innovation is usually to avoid uncertainty, collectivism and accept hierarchy and authority, which usually is a restraint of innovation instead of an encouragement (Dawson et al., 2014). Sweden and China have been in a business relationship for years, and according to Business Sweden (n.d.-b), Sweden is used as guidance for the Chinese market regarding innovation. Another aspect of this topic is how Chinese corporations made large profits on copying foreign brands when China finally opened up their borders for these foreign brands to enter their markets (Andersson, 2009). Hence, this displays some concern about whether two firms can trust each other with information to encourage innovation, or if one of the firms take advantage of the information to only favor themselves.

An example of the uncertainties regarding Open Innovation can be found concerning a case with the Volvo Group. According to Kuschel et al. (2011), the Volvo Group was concerned about protection and control regarding Open Innovation. Volvo is one of the largest corporations in the automobile industry, and in 1999 the firm began to collaborate with a telecommunication firm (ibid.). Volvo had required resources, and the telecommunication firm had systems and experience of new technology. However, a discussion about the protection and control of the information shared within the collaboration began regarding how much should be shared to prevent plagiarism. If entrepreneurs should share knowledge and ideas with each other, what kind of control is essential to not be copied (ibid.). As mentioned, Sweden is an entrepreneurial country where individuals have an open mindset, however, it could be an issue to apply the same mindset in the Chinese market.

By integrating Open Innovation, networks, and entrepreneurship in the context of an emerging country, the authors of this thesis wish to see how entrepreneurs could use these concepts in order to develop a successful business in that context. The focus will be to investigate if entrepreneurs already established in the Chinese market can make use of the concepts to further expand the business and their ideas, or if the closed approach in China will hinder that kind of openness and result in a lack of trust within networks. As Ramesh (2018) mentioned, barriers to entrepreneurship occur in China, and therefore, authors of the thesis want to see if Open Innovation could open up to new opportunities for domestic and international entrepreneurs on the Chinese market.

1.2.1 The research gap

The world today is an information society, where information is shared rapidly through the internet (Chakraborty, 2014). However, the Chinese government has
internet censorship applied in the country, which hinders the population to access parts of the internet that is available in other parts of the world (Yuan, 2018). Hence, Chinese firms might forfeit significant information that could encourage their innovation process and lead to a setback in the development of new innovations. Nevertheless, Open Innovation could be an appropriate concept to apply to firms to exchange relevant information with other firms. Through that type of exchange, the firms could gain access to the information they would forfeit due to Chinese censorship.

Concerning the previous information, an issue could be noticed whether Chinese firms use Open Innovation one-way to gain information, but due to their cultural and political strains, try to retain their own information within the firm (Andersson, 2009; Dawson et al., 2014). While several Swedish firms are already proven to apply Open Innovation to both give and gain information (Business Sweden, n.d.-a; Dutta, Lanvin and Wunsch-Vincent, 2018). Therefore, it could be of interest to display if there is a lack of trust for Swedish firms when exchanging information with Chinese firms and if Chinese firms are willing to share their valuable information as well in an international market.

By investigating how the exchange of information function both ways, firms could notice if they are willing to apply Open Innovation in their firm, or if it is more beneficial to retain valuable information within the corporation. As mentioned, China and Sweden have a long and well-established business relationship (Business Sweden, n.d.-b), which is the reason why it is crucial to know if both Swedish and Chinese firms could benefit from the exchange of information.
1.3 Research question

How is **Open Innovation** used by Swedish and Chinese entrepreneurs in an international market?

*Sub-Question A:*

How could Open Innovation affect **trust** between entrepreneurs?

*Sub-question B:*

How could **networks** affect the entrepreneurial process between Chinese and Swedish entrepreneurs regarding Open Innovation?

1.4 Purpose

The purpose of this thesis is to investigate how Open Innovation, a concept of developing corporations, is used in an international market. The study will aim to examine Open Innovation and investigate the differences in viewpoints on the concept between Swedish and Chinese entrepreneurs. Moreover, the thesis will provide recommendations for Swedish entrepreneurs who want to develop their businesses in China, and for Chinese entrepreneurs who want to do business with Sweden as well.

1.5 Delimitations

This study will focus on Chinese and Swedish entrepreneurs in China, and their views on Open Innovation. Therefore, other countries perspective of the problem will not be examined. The Chinese entrepreneurs interviewed in the study have worked abroad, which might conduct in a more Westernized point of view, than if the entrepreneurs had stayed in China.
1.6 Outline

Chapter 1

**Introduction**
In the first chapter an introduction of the topic of research will be presented, followed by a problem discussion where the research gap is identified, and ends with research questions and the purpose.

Chapter 2

**Literature Review**
The second chapter describes relevant theories; Open Innovation, entrepreneurship and internationalization. Later on, the theories will be applied to analyze empirical data and will illustrate the concept between the theories.

Chapter 3

**Methodology**
In the third chapter the methodology that will presented. Furthermore, a motivation about the choice of method and subject will be presented as well.

Chapter 4

**Empirical Findings**
The forth chapter will represent the empirical findings of the qualitative research and present the empirical data collected through interviews with four entrepreneurs related to the topic.

Chapter 5

**Analysis**
In the fifth chapter an analysis connect the theoretical framework with the empirical findings. Moreover, an analysis of the similarities or differences between the two countries will be presented.

Chapter 6

**Conclusion**
The final chapter will conclude the research, summarize the main points of the subject, and answer the research questions. It will also be a recommendation for future research presented.
2 Literature review

This chapter will provide a theoretical framework as a foundation for this thesis. The chapter will begin with an introduction of Open Innovation as a theory. Following, theories regarding entrepreneurship will be presented to understand who the entrepreneur is and how entrepreneurs think. Furthermore, internationalization theories including networking and cultural distance will be presented.

2.1 Open Innovation

Henry Chesbrough (2003) introduced an approach to the digital world. The approach was based on how to develop firms with Open Innovation (Escoffier et al., 2016). Open Innovation signifies firms who open up the borders between corporations to share information, knowledge, and ideas with each other to develop their firms. In the latter years, several publications regarding Open Innovation in multinational companies have been published. According to these publications, the entrepreneur’s investments have decreased, while others state that the role of entrepreneurship has increased in the multinational firms (Brem, Nylund and Hitchen, 2017).

Open Innovation created an Intellectual Property (IP) protection between corporations before firms enter new international markets (Manzini and Lazzarotti, 2015; Brem et al., 2017). There are issues concerning IP, and these are regarding patents, industrial design copyrights, and trademarks. It is significant for the firm to indicate the relationship between Open Innovation and IP protection. IP has a high impact over the corporations’ performances and leadership, hence the firms require a distinct business plan to decide the level of protection concerning products or services before doing business with international markets (ibid.). Open innovation relates to trust, social, and informal relationship where the firm’s distance between organizations reduce (Hossain, 2012; Giaretta, 2013). Trust is created by shared values and cooperative interaction where communication are important to understand the partner’s goals and value of this business (Young-Ybarra & Wiersma, 1999). The social exchange reduces uncertainty and the risks of co-operating with others, and therefore create trust between the members of the firm’s network. Sharing information between each other could reduce costs and result in future developments for the organization to overcome barriers (Bien, Ben and Wang, 2015).
2.1.1 Closed Innovation versus Open Innovation

The open business model of innovation has opened up new opportunities to corporations (Chesbrough, 2006; Huizingh, 2011). For instance, European firms have expanded to emerging markets in order to discover new opportunities and challenges. Moreover, Open Innovation has created the value of ideas and knowledge. The model is related to value capture, key assets, resources, and position of other companies as well (ibid.). When markets are inefficient, Open Innovation and IP protection have produced more opportunities for businesses. Instead of purchasing new corporations, the approach focuses on sharing knowledge and ideas externally but also internally. Closed Innovation, an approach which can be traced to before the 20th century, is the opposite of Open Innovation (Chesbrough, 2003; Aquilani, Abbate and Codini, 2017). Previously, a firm had their own resources and knowledge and isolated the resources and knowledge from other firms to hinder them from taking part of them. This conducted in a struggle for start-up firms to find the capital required (ibid.). Closed innovation disregarded the linkage between research and development, as ideas within a firm could not be inventoried by themselves since the firm would leak the information in the long term perspective (ibid.).

![Closed Innovation Diagram](image)

Figure 1. Closed Innovation (Chesbrough, 2003:31).

The monopolies knowledge inside the firm was shifting towards widely distributed, where different institutions exchange knowledge with each other, thus from a closed approach into an open one. Open Innovation is a landscape of open knowledge, and Chesbrough (2006) created a landscape of development between different aspects, for instance, universities, governments, and firms. Universities
have knowledge specific professors to finding business problems, while the governments support the research which helps the industry to develop further. Open Innovation expands the internal role researchers have to include knowledge generation, but also knowledge brokering. The developing markets have changed as well to identify external knowledge generation to internal knowledge leading to great innovation corporations (ibid.; Aquilani, Abbate and Codini, 2017).

It is necessary for firms to have a strategy to manage patent protection and licensing decisions of their ideas. There must be a balance between Open Innovation and IP protection (Chesbrough, 2006).

![Diagram of Open Innovation](image)

Figure 2. Open innovation (Chesbrough, 2003:44).

### 2.1.2 Internal characteristics of Open Innovation

According to Huizingh (2011), internal characteristics of Open Innovation is demography and strategies within a firm. The demography concerns sales, employees, profits, age, location, market share, and ownership. Meanwhile, the strategies are concerning the goal of innovation, strategic orientation, organizational culture, incumbents and new entrants (ibid.). The employees’ characteristics are significant factors to reach success within the firm since the employees have knowledge and ideas to introduce to new businesses (Kratzer, Meissner and Roud, 2017). The employees’ characteristics create value for the team where the employees are involved in the organization. Innovation has influenced firms to reconsider the employees’ abilities from independent ones to teamwork. However, firms require to overcome barriers with the support from the internal team’s knowledge and ideas, not only individual knowledge and ideas. Knowledge
sharing within the team supports the organization, individual competition hinders it instead. Nonetheless, it is crucial for an organization to have a dynamic group and complement each other’s knowledge (ibid.). The difficulty with creating a team is usually the mismatch between the employees and integrating the different pieces of knowledge within the firm (Fallick, Fleichman and Rebitzer, 2005). The mismatch can depend on a formalization of openness, operation and norms and, the corporation tend to have an influence on communities regarding interests and ambitions (Kratzer et al., 2017).

The internal context of SMEs has a limited capability of resources and market reach (Lee et al., 2010). SMEs focus more on external innovation than multinational corporations, since multinational corporations usually have resources and experience to a greater extent within a business. However, entrepreneurs generally have fewer resources and therefore they have to create IP protection. As mentioned, successful innovations transfers within an established relationship, which can relate to that multinational corporations have established partners as well. Established partners signify that two partners are routinized, more institutionalized and make the transfers of innovations more efficient than not established partners (Holmström Lind and Kang, 2017). The strategies orientated for e.g. market orientation will influence the direction the firm is willing to adapt to an international market (Huizingh, 2011).

2.1.3 External characteristics of Open Innovation

According to Gassmann (2006), Open Innovation is concerning globalization, new business, technology, and knowledge leveraging. External resources for SMEs concerns networking to a great extent (Lee et al., 2010). Large corporations generally focus on research and development with an Open Innovation strategy. Meanwhile, SMEs focus on commercialization of knowledge and ideas in marketing channels and through global contacts which can provide with more effective businesses (ibid.). External resources are important for both development and innovation within a firm. External knowledge and experience create a lower distance between the business partners, which creates a trust (Ratinho and Henriques, 2010; Giaretta, 2013). The commercialization stage is significant for SMEs in order to be successful regarding innovation and to gain support from networks. Firms desire collaborations with other firms in order to exchange ideas and knowledge (Lee et al., 2010).

Nowadays, Open Innovation is frequently used when a firm is adapting to international markets (Lee et al., 2010). Large corporations generally have inbound Open Innovation since the corporation have resources and knowledge (Gassmann,
2006). However, outbound Open Innovation could possibly be a profitable strategy for the corporations IP protection of their systems (Huizingh, 2011). Inbound refers to internal use of external knowledge, and outbound is the usage of external exploitation of internal knowledge (Lichtenthaler and Lichtenthaler, 2009).

### 2.1.4 The business model of Open Innovation

Connections between internal and external resources in innovation companies is a combination of internal research with external ideas (Chesbrough, 2003). The ideas and knowledge from employees will be applied to the business. The Open Innovation business model is a framework concerning technical and economic outcomes. The business model is most suitable for entrepreneurial firms, where the firm requires an understanding of how technological potential could transform into economic growth (ibid.; Munsch, 2009). According to Chesbrough (2003), the business model has six working definitions; value proposition, market segmentation, value chain, cost structure and target margins, value network, and competitive strategy.

The value proposition process key point is concerning what the product offering will be to the customer (Chesbrough, 2003). The firm is aiming to solve the customer’s issue, hence the firm will attempt to solve the issue with new technology. However, it is crucial to understand the difference between large issues and small issues; for instance, people are more willing to pay for medicine than vitamins (ibid.).

Market segmentation is regarding which target of customers and market the firm will focus on (Chesbrough, 2003). A firm can create value to the customers with new technology by reducing costs and producing solutions to customer problems. The market segmentation is a specific target with a clear value proposition inform to discover a solution to the customer’s issue (ibid.). The company needs to listen and learn from the customer's needs and questions. Collaborations help firms to develop and create new knowledge and ideas (Wouters and Kirchberger, 2015).

The value chain is the elements that customers’ require to solve the issue (Chesbrough, 2003). The value chain has two main goals; deliver a valuable solution to the customers, and follow the claim of the value chain that customer premises of the firm. For instance, several activities of the value chain require the creation and delivering of medicine to the customers (ibid.).

Cost structure and target margins are the structures over revenues which the customers are willing to pay for the product or service (Chesbrough, 2003). This attribute is regarding options within outright sales, truncation, advertising, renting,
licensing, and after-sales support and service. Thus, cost structure and target margins are concerning the understanding of the cost structure for development. The margins are justifications regarding real life and financial assets required to the value proposition. According to Lee and Schmidt (2016), a more Open Innovation approach within firms can reduce costs both external and internal because the employees can complement each other.

The value network creates value for the third parties and imitates the value chain (Chesbrough, 2003). The network influence the suppliers, customers, and third parts to create innovation in the organization. Building a strong connection of value network creates a great dynamic atmosphere inside and outside the firm. Furthermore, Lee et al. (2010) explain that firms not only need networks but also trust between the network members. A value network is especially crucial for SMEs because these firms do not have a lot of knowledge and resources since the firm need to collaborate with other firms to develop the business further (Brouwer, Kleinknecht and Reijnen, 1993; Lee et. al., 2010). The collaboration with other businesses create trust between the organizations, and the relations between people both externally and internally in a firm will create value for their experiences and therefore create trust. However, it could create risks as well (Baber et al., 2015).

Competitive strategy is the final attribute of the business model, and it is concerning the competitive strategy of the chosen market (Chesbrough, 2003) and retain a sustainable profit in the market (Porter, 1985). The factor to success is to have internal resources which are valuable for the customers and predict competition. The sustainability of a competitive strategy has several risks to be copied, hence it is significant for firms to analyze new markets before entering them (ibid.). However, competitors can imitate the product or service, therefore firms require a clear strategy to avoid imitation. Hence, it is crucial for corporations to revise the barriers of scale economies, differentiation, channel loyalty, and other barriers before entering new international markets. For Instance, Kodak put a focus on how to overcome the imitators with proprietary technology and establish economies with service networking and sales in-house (ibid.).

2.2 Entrepreneurship

Entrepreneurship is frequently surrounding us and mentioned in media, however, the concept is valued differently from different people and therefore, the term entrepreneurship is difficult to define (Nielsen et al., 2017). While there is no generally accepted definition of the term entrepreneurship (Anderson and Starnawska, 2008), Kuratko (2009) describes entrepreneurship as a dynamic process of vision, change, and creation where energy and estrum are essential to
implement new ideas and solutions. However, Casson (2010) states two main ways of defining entrepreneurship. The first definition is based on the entrepreneur as a founder of an SME with a potential to grow, and the second definition is based on the economic function the entrepreneur performs. In contrast, Shane and Venkataraman (2000) have stated the difficulty of creating a framework and a definition for entrepreneurship as well. However, they define the phenomenon as “the scholarly examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited” (Shane and Venkataraman, 2000:218). This study will follow the definition made by Shane and Venkataraman (2000).

2.2.1 International entrepreneurship

International entrepreneurship as a field of study has developed from International New Ventures towards what is known as International Entrepreneurship today (Mainela, Puhakka and Servais, 2014). The foundation to the definition of International Entrepreneurship is based on two main arguments; contrasting the entrepreneurial behavior from several countries and cultures, and the organizational behavior is entrepreneurial and crosses national borders (McDougall and Oviatt, 2000). However, the definition of the theory has changed throughout the years (Oviatt and McDougall, 2005). According to Onetti and Zucchella (2014), one of the first definitions of International Entrepreneurship can be traced back to 1989 where McDougall defined it as “the development of international new ventures or startups that, from their inception, engage in international business, thus viewing their operating domain as international from the initial stages of the firm’s operation” (Onetti and Zucchella, 2014:173). A broader definition was stated once again by McDougall in 2000, but this time together with Oviatt, and the definition was “a combination of innovative, proactive, and risk-seeking behavior that crosses national border and is intended to create value in organizations” (McDougall and Oviatt, 2000:903). However, the two authors later specified the definition again to “International entrepreneurship is the discovery, enactment, evaluation, and exploitation of opportunities - across national borders - to create future goods and services” (Oviatt and McDougall, 2005:540).

The interest for International Entrepreneurship is comprehensive, and therefore, the subject has previously been researched through several aspects such as the entrepreneurial behavior in various countries, contrasting small firm exporters and non-exporters (Oviatt and McDougall, 1994), multidisciplinary and multicountry collaboration opportunities, corporate entrepreneurship (Oviatt and McDougall, 2005), cooperative alliances, economic development initiatives and entry modes (McDougall and Oviatt, 2000). According to Jones, Coviello and Tang (2011), who
reviewed several articles regarding the subject, previous research is concerning either internationalization or issues regarding venture type. These kinds of researches also describe opportunities as conceptual phenomena where the actual features are difficult to apprehend (Mainela et al., 2014).

According to McDougall and Oviatt (2000), studies display that an establishment at the domestic market before going international causes barriers for the entrepreneurs when the desire to internationalize occur. However, becoming an international entrepreneur right away or early in the process causes fewer barriers to overcome, thus the firm is likely to reach an overall growth when establishing in foreign markets early on. Regarding opportunities for international entrepreneurs, Mainela et al. (2014) state that networks are one main determinant of international-opportunity-based entry. Moreover, international opportunities are located from the social settings surrounding the entrepreneurs and therefore, the opportunities are created since they are a result of sense-making and enactment in alternately social situations. Dialogues, joint acts, and interactions with other entrepreneurs will create international opportunities as well (ibid.).

2.2.2 Effectuation

Entrepreneurs are rarely in environments where they can predict the future, hence it is crucial for them to renounce control over situations and use resources available to them at the moment. Thus, new ways are required to be found depending on current situations and opportunities, hence use what is available to the entrepreneur (Nielsen et al., 2017). This improvising principle is called effectuation and was as a term first introduced by Sarasvathy (Sarasvathy, 2001). Entrepreneurs who are effectual interpret their surrounding as human-made, thus they are aware that their actions create the ideas which will turn into artifacts such as new organizations or markets (Sarasvathy, 2008).

Effectuation is defined as “a set of means as given and focus on selecting between possible effects that can be created with that set of means” (Sarasvathy, 2001:245). Thus, effectuation concerns a choice between several possible outcomes using a particular set of means (ibid.). There are three means that effectuation usually begins with since they continuously are relevant to the entrepreneur; who am I, what I know and whom I know. Therefore, the effectuation process does not start with a specific goal, but what is available (Sarasvathy, 2008). The process is dependent on the actor and is consequently exceptional at discovering contingencies in the surrounding. Therefore, the outcomes of being an effectual entrepreneur usually lead to creating new alliances and collaborative strategies to open up new markets. (Sarasvathy, 2001).
Effectuation is described in five different principles as well; Bird-in-Hand, Affordable loss, Crazy Quilt, Lemonade, and Pilot-in-the-Plane (Sarasvathy, 2008). The first principle, Bird-in-Hand, concerns the means an entrepreneur begin with; who am I, what I know, whom I know, and create new effects with them. However, the standards of the outcomes will depend on the entrepreneur and how he uses his means (ibid.). The second principle, Affordable loss, concerns what the entrepreneur is willing to lose at a new investment. In order to create new effects with the limited means available, the entrepreneur tries to evaluate the required loss, thus reduce the risk of the investment (ibid.). The third principle, Crazy Quilt, concerns negotiation with relevant stakeholders who could commit to the investment. By doing this, the entrepreneur does not need to be distressed about for instance opportunity costs (ibid.). The fourth principle, Lemonade, concerns utilizing contingencies. By considering possible contingencies as opportunities the entrepreneur take control over the situation and reduces uncertainties (ibid.). The last principle, Pilot-in-the-Plane, concerns non-predictive control. When the future is unpredictable, it is crucial for the entrepreneur to focus on manageable features instead. Hence, the entrepreneur believes he creates the future (ibid.).

2.3 Internationalization

Internationalization is described as a process of adapting firms’ operations to international markets or environments (Calof and Beamish, 1995). Internationalization of firms is increasing around the world since firms have started to focus on international markets instead of the domestic market (Malhotra, Agarwal and Ulgado, 2003). The emerging markets have grown rapidly, however trading blocs have created barriers in, for instance, Eastern Europe. Though these
blocs still exist, more advanced production and communication technologies have led to economic growth in these developing markets (ibid.).

According to Sandberg (2012), the three key concepts of internationalization process theory and networking of firms are foreign market entry process, knowledge, and distance. The foreign market entry process is depending on networking where firms build relationships. Knowledge regards doing international business with market specificity. Distance is concerning differences between markets when firms internationalize to foreign markets. The distance can be cultural, psychic and institutional distance (ibid). Chetty and Blankenburg Holm (2000) and Johanson and Vahlne (2003) stated that technology has developed the international market rapidly and the authors gave attention to networking. The internationalization process value relationships with actors who have experiences and knowledge about the foreign market (Barkema and Vermeulen, 1998).

In general, the Uppsala model requires more innovativeness and openness to match the Open Innovation approach (Coviello, Kano and Liesch, 2017). Vahlne and Johanson (2017) did research on applying the Uppsala model in today’s modern world. The authors describe the Uppsala model as a traditional model where the focus is on identifying the product and the market. The conclusion of this research was that networking is the new tool for success with the touch of an entrepreneurial venture.

2.3.1 Network theory

As mentioned, networking is a significant tool for economic growth in corporations (Kollmann and Christofor, 2014). According to Hollensen (2017), the network model is where companies create relationships in the domestic market and turn them into bridges to foreign countries and networks. Business networks are relationships between business partners (Halinen and Törnroos, 1998; Pettenella and Maso, 2011). The structure of business networks emerges, evolves, and dissolves over a process. Additionally, Coviello and Munro (1995) discuss that a firm’s success in international markets is dependent on relationships in both domestic and international markets. For instance, a firm can expand to an international market with support from existing relationships, who can help the firm to develop new partners and eventually develop a further position in the international market. Thus, networks are the relations between firms or the entrepreneur himself and the connections with other firms or entrepreneurs (Bagwell, 2008).
Networks are significant to create new products or services (Munoz and Lu, 2011). According to Lorenzoni and Baden-Fuller (1995), sharing information with each other is one of the main benefits of a network. Moreover, Fuller-Love and O’Gorman (2011) state that networking with other entrepreneurs contributes to the development of new ideas through exchanging experiences with each other. Even scattered and limited information could be shared and used within an entrepreneur’s network (Steele, 2012). Beyond sharing information, corporations could benefit from networks by accessing resources they would not have access to otherwise (Fuller-Love and O’Gorman, 2011). Hence, the relationship between for instance suppliers and customers are significant for a firm (Johanson and Mattsson, 1988). Creating relationships with partners is not only regarding statistics but is concerning the logistic part as well. In a long-term perspective, it is a good connection between the actors which is the key to a successful business (ibid.).

2.3.2 Cultural Distance

Cultural distance is the differences between a home country and a host country when a business internationalize (Schenkar, 2001). In 1980, Hofstede created four dimensions to measure cultural distance; power distance, collectivism/individualism, uncertainty avoidance, and masculinity/femininity (Hofstede, 2006). This chapter will focus on power distance and collectivism/individualism due to their relevance to this thesis.

2.3.2.1 Power distance

According to Hofstede, Hofstede and Minkov (2010), discussions about the differences between nations in the society occurs. These discussions intend that firms in different countries tend to have some inequalities. For instance, employees who possess similar positions within firms in different nations could have a different amount of influence in the firm – power distance. In a firm with a hierarchical organizational structure, the employees are usually more afraid of the director than employees in a firm with a flat organizational structure (ibid.).

In small-power distance countries, is it more frequently preferred with a consultative manager and the distance between the manager and the employees are lower (Hofstede et al., 2010). Thus, the firm has a flat organizational structure. In large- power distance countries the firms are more dependent on a manager and his directives. Hofstede et al. (2010) argue that means such as family, education, community, and opportunities have different importance in different countries and societies.
2.3.2.2 Collectivism and individualism

Emerging markets usually have more collective performances in groups. Thus, firms in emerging markets have in-group goals and a desire to be anonymous within groups. However, in developed countries, it is more common to be individualistic and therefore be more identifiable with for instance signatures on documents (Moriano et al., 2011). People in individualistic cultures are expected to put their own interests first, which applies to organizations as well. Individualism relates to entrepreneurial characteristics such as being open-minded. In a collective society, employees are being hired according to the interest of the group and the in-group goals. Consequently, the group will protect the members of their group as family members (Hofstede et al, 2010; Oyserman, 2006).

2.4 Conceptual framework

Through the literature review, the authors of this thesis have seen that Open Innovation could conduct in corporations’ further development and come up with new ideas through sharing information with others. Furthermore, entrepreneurship is regarding opportunities and how, by whom, and with what effects they are discovered, evaluated, and exploited. An entrepreneurs international opportunities are usually found in the entrepreneur’s social settings, thus these opportunities are created, as in the effectuation principle. Hence, networks are a significant tool for corporations economic growth and development. As figure 4 demonstrates; entrepreneurship and internationalization together are based on networks and trust between the firms. It is crucial to have networks with others and trust these in order to become an international entrepreneur. If firms have trust for each other and the networks exist, the collaborations between entrepreneurs could contribute to Open Innovation and new developments for their firms.

![Diagram](Image)

Figure 4. Theoretical synthesis (Authors of this thesis).
3 Methodology

This chapter contains descriptions of the methods used when conducting this research. First, the research approach and methods used in this study will be explained. Second, the gathering of the data for the thesis will be presented and argued for. Third, the operationalization and how the data was analyzed is introduced. Finally quality, ethical considerations and comments regarding this study will be concluding the chapter.

3.1 Research Approach

Theory and data can be used in two different ways in research; deductive or inductive (Bell, Bryman and Harley, 2019). The deductive approach, which is the most common one, is when the researcher assumes a result of a specific subject based on theories and what is known before. It is a theory-testing method (ibid.). Meanwhile, the inductive approach is when the researcher observes incidents in the real world, and determine a presumptive conclusion based on these incidents (Zikmund et al., 2010). Thus, the researcher generates theories based on data (Eisenhardt, Graebner and Sonenshein, 2016). When an inductive approach is used in a case study it is crucial to be flexible, since the study could be pinpointed towards several directions and therefore, the results are unpredictable (Spindler and Spindler, 1990). However, in the latter years a new research approach has been common to implement; the abductive approach. The approach is neither deductive or inductive. Similar to in the deductive approach, the researcher begins with a theory, however, instead of determining a conclusion the researcher does observations, and based on the theory and the observation, a conclusion is determined if the theory and the observation converge (Mantere and Ketokivi, 2013).

The authors of this thesis made observations about how closed the Chinese society is and how it could hinder entrepreneurs to further develop their firms, hence an inductive approach was the most suitable approach for this study. An inductive research approach is usually concatenated with qualitative studies as well (Bell et al., 2019), which therefore seems appropriate for this study.

3.2 Research method

When executing business research, there are two different general strategies to consider; quantitative or qualitative. A quantitative study is when the data collected is based on quantification (Bell et al., 2019). The researcher who devote a quantitative strategy measure concepts with numbers, that will provide a
generalized result (Zikmund et al., 2010). Furthermore, it usually involves a
deductive approach, thus a theory-testing method (Bell et al., 2019). Contrasting,
qualitative research is when the data collection is stressing words and images, not
about quantity (ibid.). Thus, the study will supply the researcher with explicate
explanations of phenomena without being dependent on numbers. Moreover, the
strategy is not as structured as the quantitative strategy and is, therefore, more
dependent on the researcher, whom will collect the data and turn it into information
(Zikmund et al., 2010). A qualitative research strategy usually includes an inductive
approach, as the relation between theory and research is stressed by the theory’s
generation (Bell et al., 2019).

Qualitative research is the most suitable option when there is an issue which is
crucial to be explored. Hence, when there are variables studied that cannot be
measured, and when a deeper and more complex understanding of the issue is
desired, a qualitative study is suitable (Creswell, 2013). This thesis is implementing
qualitative research since the authors’ desire is a deep understanding of the issues
regarding Open Innovation for Chinese and Swedish entrepreneurs in China. Thus,
the data collection will be conducted through interviews with a few entrepreneurs
from both countries to find that understanding. Bell et al. (2019) emphasize the
importance of transcribing the interviews as the researchers can fully focus on the
interview and not focus on taking notes during the interview. The transcription will
also support the analysis as the researchers have the possibility to listen to the
interview once again and therefore conduct a more thorough analysis (ibid.). The
data collected will be analyzed using constant comparisons, a process used in
qualitative studies where similarities and differences are compared continuously
throughout the analysis (Corbin and Strauss, 2015).

Although qualitative research is a good research strategy in several aspects, the
strategy has some critique and disadvantages as well. First, Bell al. (2019) states
that qualitative studies could be too subjective since the findings depend on the
researchers’ views on what is significant. Furthermore, a qualitative study could be
difficult to recreate since the strategy is quite unstructured. Moreover, there could
be an issue to generalize the results of a qualitative study because of the few cases
studied (ibid.).

3.3 Data collection

Data sampling is gathering of information to answer the research questions and the
data can be collected by for instance interviews, observations, or surveys (Zikmund
et al., 2010). The collection of data is the most significant step within business
research (Bell et al., 2019). According to Creswell (2013), there are three things to
consider when collecting the qualitative information; whom the participants are, what types of sampling to use, and how many samplings to gather. Moreover, there are two different procedures concerning data collection; primary data collection and secondary data collection (Bell et al., 2019).

### 3.3.1 Primary data collection

Primary data is data collected by the researcher for particular research, thus the data is from an original source (Salkind, 2010). In qualitative research, there are mainly two different ways to gather primary data; interviews and observations (Corbin and Strauss, 2015). In an interview, the researcher and the interviewee has a conversation where the researcher asks questions relevant to the research questions which the interviewee will respond to (Saunders, Lewis and Thornhill, 2016). The interviews will give the researcher further understanding of an issue since there is a possibility to ask for additional explanations for both key events in the issue and the interviewee’s perspective (Yin, 2018). During observations, the researcher mainly performs a systematic viewing, record, describe, analyze, and interpret people’s behaviors, thus to investigate how people behave the researcher observe their behavior (Saunders et al., 2016).

In this thesis, the primary data gathering has been made through interviews via Skype or WeChat, since the interviewees were based in China while the researchers were in Sweden. There could be some issues with not meeting the interviewees as they might not feel as comfortable with answering to someone they cannot see. Therefore, the researchers tried to conduct all interviews via video chat in order to see the interviewees anyway. Interviews as primary data collection were intentionally chosen to gain a deeper understanding of the issue with Open Innovation in China in this qualitative study.

### 3.3.2 Secondary data collection

Secondary data is data collected by others for another purpose, however, used to provide with new or further knowledge and conclusions. There are three different types of secondary data; document secondary data, survey-based secondary data, and multiple-source secondary data (Saunders et al., 2016). Document secondary data is sources such as web pages, books, journals, and, video recordings, etc. Survey-based secondary data is information gathered from surveys. Finally, multiple-source secondary data is when different combinations of data have been put together into new data (ibid.). In this thesis, the secondary data is mainly orchestrated by document secondary data; books, journals, and a few web pages.
3.4 Research design

The research design is more of a strategy of how the researchers will answer the questions to the issue being investigated (Saunders et al., 2016). Within research there are multiple different designs that could be implemented, however, the most common ones are; experiment, survey, archival analysis, history, and case study (Yin, 2018). Case studies should be implemented when the research question is a “how” or “why” question, and when the issue is concerning contemporary events or phenomenon where the researcher have no control. Thus, a case study is concerning a real-life setting of a specific topic (ibid.) and is made because a further understanding of the case and its relevant context is desired (Yin and Davis, 2007). Since this study investigated the real-life setting of how Swedish and Chinese entrepreneurs could use Open Innovation in China, a case study was implemented to gain the answers for the research questions, which was “how” questions.

According to Yin (2018), single case versus multiple cases and holistic case versus embedded case are two different dimensions of case studies. A single case study is common in unique cases, for instance, a study of a specific organization, while multiple cases are used to investigate if findings are possible to reconstruct in several cases (Saunders et al., 2016). Furthermore, a holistic case is when an organization is investigated as a whole unit, while an embedded case study is when sub-units within the organization is investigated (ibid.). As mentioned, in this thesis the authors chose to interview multiple entrepreneurs to gain a more comprehensive understanding of the research questions regarding Open Innovation in China, hence the chosen research design was a multiple case study. If merely one corporation or entrepreneur was interviewed, the data gathered would have been too narrow to make conclusions of such a wide subject. Thus, by investigating multiple cases this study presented a profound understanding of the issue.

3.4.1 Snowball sampling strategy

Before gathering the data required to answer the research questions, it is significant for the researcher to determine whom, where, what, and when to interview – the sample (Merriam and Tisdell, 2016). Saunders et al. (2016) state that there are two types of sampling techniques; probability sampling and non-probability sampling. Probability sampling signifies that each selected case’s probability is known and commonly equal for all, hence this technique is usually correlated to quantitative studies. Contrasting, non-probability sampling is when the probability for each case is not known and it is impossible to do a statistical conclusion, therefore the technique is usually correlated to qualitative studies (ibid.). Purposive sampling is a type of non-probability sampling where the researcher select cases which is
certain to fulfill the objectives of the study (ibid.). Furthermore, the most common type of purposive sampling is called snowball sampling (Merriam and Tisdell, 2016; Bryman and Bell, 2013). When a snowball sampling is implemented, the researchers contact a small number of relevant cases in order to gain access to further cases recommended by the first ones. The technique is usually used when the desired population for the study is difficult to identify (Saunders et al., 2016).

The information mentioned were the foundation of why this study implemented a purposive snowball sampling. Since the desired cases was based in China, using networks to find suitable interviewees for the study was an appropriate choice. If that would not have been done, it would have been difficult to find entrepreneurs in China willing to participate. However, a few criteria were developed based on the research questions in order to gain the right data for the study. These criteria were:

The interviewees needed to…

1. Be entrepreneurs
2. Be either Swedish or Chinese
3. Work in China

3.4.2 Presentation of cases

3.4.2.1 Check Point China

Check Point China was founded in Nässjö, Sweden by Andreas Fälth in 2007. The firm is executing quality inspections of factories, deliveries, and products in China. Currently, the firm has approximately 30 employees in China and Sweden. There are five supplementary firm names in the business as well; Check Point Brazil, Check Point Russia, Check Point India, Check Point Group, and CBBC Bearings. This interview was conducted in Swedish as it was both the interviewee and the researchers’ native language. Furthermore, it was conducted 29th of April via video chat on Skype and lasted for approximately 60 minutes.

3.4.2.2 Interior Design

Interior Design, located in Beijing, China, is designing interior and furniture for larger companies in China. The interview was conducted in English since it was a common language for all actors. Moreover, the interview was conducted 30th of April via video chat on WeChat and lasted for 15 minutes.
3.4.2.3 Hong Kong Jockey Club

Hong Kong Jockey Club was founded back in 1884 as a racing club, which recently developed into a world-class racing organization. It is a not-for-profit organization which provides with mainly horse racing events. Every year the club hosts approximately 700 horse races and the club is the home for more than 1000 horses. It is now seen as one of the major entertainment opportunities in Hong Kong. This interview were conducted in English, as the researchers and the interviewee had different native languages. The interview was conducted 1st of May via phone call on WeChat and proceeded for 50 minutes.

3.4.2.4 Spare Leash

Spare Leash, founded in 2016 by Elsa Medin and Erin Leigh in Shanghai, offers a pet sitting platform for pet owners around China. The platform was started to connect pet owners with pet sitters, however, is now offering additional services such as dog walking and vet runs as well. Nowadays, the platform has approximately 700 pet sitters registered in five cities in China. The firm’s vision is to be the safest pet sitting choice for both pets and pet owners worldwide. The interview with Elsa was conducted in English since the researchers wanted to skip the translation step in the transcription. Additionally, the interview was conducted 2nd of May via phone call on WeChat and lasted for approximately 20 minutes.

3.4.3 Semi-structured interviews

There are three types of interviews in business research; structured interviews, semi-structured interviews, and unstructured interviews (Saunders et al., 2016). In qualitative research, interviews are the most common way of collecting primary data. These qualitative interviews contain two of the mentioned types of interviews; unstructured interviews and semi-structured interviews (Bell et al., 2019). Unstructured interviews are implemented when the researchers intend to investigate an area of interest thoroughly. In these studies, the researchers do not have predetermined lists of questions to ask, however it is crucial to have a clear idea of what aspects to investigate (ibid.). Therefore, the researcher might ask a single question for the interviewees to respond to freely, and the researcher could respond to the points worth following up (Saunders et al., 2016). Thus, unstructured interviews are informal (Saunders et al., 2016; Bell et al., 2019).

Conversely, in semi-structured interviews, the researcher has prepared a list of themes or questions to cover the area of interest (Saunders et al., 2016), an interview guide. To conduct the data required for the study, the researcher may be required to ask additional questions than the ones in the interview guide, in case the
interviewees’ responses are too narrow or more information regarding a certain theme is desired (Bell et al., 2019). Therefore, it is crucial to either audio-record the interviews or take notes in order to remember the content being said, also called transcription (Saunders et al., 2016). Brinkmann and Kvale (2015) define semi-structured interviews as “an interview with the purpose of obtaining descriptions of the life world of the interviewee in order to interpret the meaning of the described phenomena” (2015:6).

Semi-structured interviews are mainly used in explanatory and evaluative studies. In explanatory studies, this type of interview is suitable since it could present a further understanding of relationships between variables to the researchers. Furthermore, semi-structured interviews are suitable in evaluative studies because researchers desire to gain a further understanding of relationships between criteria concerning evaluation or effectiveness (Saunders et al., 2016).

This study conducted semi-structured interviews since the researchers wanted to gain an understanding of how Open Innovation is used in an international business context. In order to gain that understanding, it was significant for the researchers to be able to ask supplementary questions for more thorough responses. The interviewees were based in China while the researchers were located in Sweden, hence the interviews could not be executed face-to-face, but via WeChat and Skype instead. It was not desired to have interviews via email since the researchers wanted the possibility to ask for follow up questions if required and avoid misunderstandings. The four interviews were conducted via WeChat or Skype, which presented a possibility for the researchers to conduct live conversations with the interviewee even though they were located in another country.

3.4.4 Open-ended questions

According to Saunders et al. (2016), there are two types of questions to consider before conducting an interview; open-ended questions and closed questions. The researcher could provide the interviewee with alternative answers to choose from when asking questions, which would be closed questions. Contrasting, open-ended questions are when the interviewee has the possibility to answer more detailed to ensure a thorough data gathering (ibid.). In this thesis open-ended questions were used for the mentioned reason, to provide the interviewees with the opportunity to reply with their own thoughts and opinions to gain as much information from the interviews as possible. This hindered the researchers to angle the study in a specific way and gave the interviewees the control of their replies. The questions used in the interviews are available in the appendix.
3.4.5 Operationalization

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Interview questions</th>
<th>Reasoning</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Background</td>
<td>1-2</td>
<td>To start the interview the researchers wanted to ask questions to gain some background information regarding the entrepreneur. The interviewee was asked to give an introduction of themselves and of their businesses.</td>
</tr>
<tr>
<td>Open Innovation</td>
<td>3-8</td>
<td>In order to understand how entrepreneurs share ideas and knowledge with others, the researchers asked questions regarding Open Innovation. Furthermore, it was desired to know what risks the entrepreneurs considered when sharing ideas.</td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td>9-14</td>
<td>The questions regarding entrepreneurship were asked to gain an understanding of what entrepreneurship is according to the interviewees, but also to investigate the differences when being an international entrepreneur and how innovation processes work to our interviewees.</td>
</tr>
<tr>
<td>Internationalization</td>
<td>15-19</td>
<td>This section regarding internationalization was relevant to the research in order to investigate how the entrepreneurs internationalize, how networks have supported them in the process and if cultural issues affect them as well.</td>
</tr>
</tbody>
</table>

Table 1. Operationalization Summary (Authors of this thesis).
3.4.6 Conducting interviews

To conduct the interviews, the authors of this thesis called some interviewees and emailed some interviewees in order to contact them and find out if they were interested in participating in the study. Even though several Chinese and Swedish entrepreneurs were contacted, only four had the possibility to participate because of the time frame. Other entrepreneurs had an interest in participating, however, did not have the possibility at the moment.

Prior to every interview, the researchers sent the interview guide to every interviewee in order for them to prepare their answers to each question. The authors of this thesis considered it as a way for the interviewees to think about their answers in advance, and therefore be able to give more thorough replies when the interviews occurred. This appeared to be favorable in some of the cases, while in some interviews the preparation made the interviewee almost have a monologue touching each question in one large reply, which made it difficult to distinguish the desired data and find the desired answers. Thus, some interviews became more unstructured than desired by the researchers. However, it still resulted in comprehensive replies, which not preparing the interviewees probably would do.

The interviews were conducted by video chat on Skype or WeChat and through phone calls via WeChat. The four interviews were recorded simultaneously as one of the researcher’s asked the questions and the other took notes. The transcription was favored by the recordings and the notes. However, one interview was conducted in Swedish, which resulted in a more inconvenient transcription since it required a translation into English as well. Meanwhile, the fact that the interview was conducted in both the interviewee and the researchers’ native language could be beneficial for the research as it would not be any misunderstandings between the actors. Hence the interviewee could fully express himself. Though, the three other interviews were conducted in English as the authors of this thesis believed the interviewees’ language skills were good enough and to decrease the time put on transcriptions. Moreover, conducting the interviews via phone or video chat simplified for the researchers as it made it possible to connect with the interviewees and ask for further information if desired.

3.5 Method of Data analysis

Bell et al. (2019) state that a large amount of data gathered in the form of notes and interview transcripts is one of the main issues regarding qualitative research. It is an issue since a large amount of data probably will make it difficult to discover connections between the replies in the interviews. Qualitative data analysis is more
complexed than quantitative data analysis since qualitative data consists of meanings obtained from words and images, while quantitative data is obtained from numbers (Saunders et al., 2016).

In order to implement a useful analysis, it is significant to transcribe the interviews, code the gathered data through reducing it into themes, condense the codes, and lastly present the data in either a discussion or figures (Creswell, 2013). The data analysis is supposed to help answer the research questions, hence it is required to shift between data and concepts, reasonings, description, and interpretation. Thus, making sense of all the data gathered (Merriam and Tisdell, 2016).

After each interview, the authors for this thesis wrote down notes of the main points made by each interviewee. Furthermore, as more interviews were conducted, these main points were expanded after each interview with similarities and differences between the interviewees’ replies, in order to do a small analysis instantly. Since the interviews were recorded, the researchers transcribed each interview after it was done to have a clear view of what the interviewees replied. When the data was analyzed the researchers’ aim was to connect the empirical data with the theories.

3.6 Quality of research

When conducting business research it is of great importance to ensure the quality of the research (Bell et al., 2019). The concepts mainly used for that is validity and reliability (Saunders et al., 2016). There have been discussions regarding the relevance of these two concepts in qualitative studies as the concepts are associated with measurement, which is not applied in qualitative studies. However, there have been adaptations made to the concepts in order to operate with qualitative studies (Bell et al., 2019).

3.6.1 Validity

According to Kumar (2014), validity is the researchers’ capability to measure what the study was aimed to measure. However, in qualitative studies measurements are not used, hence validity is determined by the indicators credibility and transferability instead (Bell et al., 2019; Kumar, 2014).

3.6.1.1 Credibility

Credibility in qualitative studies is equivalent to internal validity in quantitative studies (Bell et al., 2019). Thus, credibility is the conformity of the interviewee’s intentions with the researchers’ findings (Saunders et al., 2016). As qualitative studies investigate for instance perceptions and experiences, the ones who can judge
the credibility of the findings are the interviewees themselves, hence a high agreement with the researchers finding and the interviewees’ intentions equals high credibility (Kumar, 2014). The authors checked the credibility of the study by sending the empirical chapter back to the interviewees for them to accept.

3.6.1.2 Transferability

In quantitative studies, the corresponding indicator of transferability is external validity (Bell et al., 2019). Therefore, transferability is concerning to what extent research can be transferred to another context, thus how generalizable a study is. Since qualitative studies are not depending on measurements, transferability could be somewhat controlled through the researchers describing every method used in the study thoroughly, for others to follow (Kumar, 2014). Which is what the authors of this thesis have been doing as well.

3.6.2 Reliability

Reliability in business research signifies the consistency and stability of a study. Thus, a study which is consistent and stable has high reliability (Kumar, 2014). However, the concept is divided into two indicators in qualitative researches’; dependability and conformability (Bell et al., 2019; Kumar, 2014).

3.6.2.1 Dependability

Dependability in qualitative studies is comparable to reliability in quantitative studies (Bell et al., 2019). Hence, dependability is to what extent research can be repeated and receive equal results twice. Research which can be repeated with the same results has high dependability. As qualitative studies are flexible, dependability is controlled similarly to transferability, by thoroughly describe the whole process adopted in the study (Kumar, 2014). Hence, the outline of this study is described throughout this chapter for others to follow.

3.6.2.2 Conformability

Conformability is the qualitative version of objectivity in quantitative studies (Bell et al., 2019). The indicator is concerning to what extent the researchers’ findings can be confirmed by others. There are similarities between conformability and the quantitative term reliability as well since conformability merely is feasible if the process can be followed by others (Kumar, 2014), which might be difficult in this study.
3.7 Research ethics

It has become more significant for researchers to be cautious regarding accessing and gathering data (Saunders et al., 2016). Ethical dilemmas in qualitative studies are likely to appear within the data gathering and the dissemination of the findings. For instance, when researchers gather their data through interviews, there is a possibility of invading the interviewee’s privacy (Merriam and Tisdell, 2016).

To overcome some ethical dilemmas Denscombe (2014:309) states four key principles to consider when doing research that contains human interaction. The first one is to protect the interests of the participants. Which means that the researchers need to ensure that the participants do not come to either physical, psychological or personal harm as well as ensure equal treatment of the participants. Furthermore, they should benefit from the outcomes of the study (ibid.). The second principle is to ensure that participation is voluntary and based on informed consent. This principle regards that the participants in the study should have a choice whether they want to participate or not (ibid.). The third principle is that the researcher avoids deception and operates with scientific integrity. It concerns how open the researchers are about the study and what is being researched, in order for the participants to have knowledge about what they are giving their consent to (ibid.). The last principle complies with the laws of the land, is regarding research which breaks the law should not be completed (ibid.).

In this thesis, the authors have considered all these four principles in order to conduct a study which is as ethical as possible. Related to the second and third principle, all interviewees in this research were first introduced to the topic of the thesis in order to gain an understanding of what the study was conducting and to make a decision whether they wanted to participate or not. Furthermore, considering protecting the interests of the interviewees, the researchers’ asked all interviewees if they desired to be confidential in order to protect their views and aspects of the topics. The data from the interviewee who desired to be confidential were handled to ensure that the information could not be traced back to that specific interviewee. Therefore, Ling and Interior Design are fictional names. This could result in less reliable research since the statements from this interviewee could not be proven. However, the authors of this research had the responsibility by ethical grounds to ensure the interviewee’s desire to be confidential. Moreover, related to the fourth principle, the subject studied in this thesis was not sensitive enough to break the law, and the secondary data gathered is available on public web pages and publications.
3.7.1 Societal considerations

The authors of this thesis have made societal considerations throughout the research process. For instance, have meticulous deliberations of chosen words when writing findings regarding the two countries been made. This to avoid making conclusions regarding the whole society of China and Sweden, thus to avoid offending someone.

3.8 Author contributions

Throughout the thesis, the authors have divided some parts of the work in order to be more efficient. One of the authors wrote most of the theories, while the other wrote the methodology chapter. The empirical and the analysis was divided equally as well. However, when one chapter was done, both authors read what the other one had written to comment and edit the text. Hence, both authors share the responsibility for each part of the thesis. All these chapters were divided between the authors to save time.
4 Empirical findings

This chapter will present the empirical findings in the study. Firstly, a short introduction of the four cases and interviewees chosen will be presented. Secondly, a presentation of the findings made in the interviews will be made based on the main concepts of this study: Open Innovation, entrepreneurship, and internationalization.

4.1 Introduction of cases

In this study, the four interviewees’ common denominator is their business activities in China. All four of them has been or are entrepreneurs, and has international connections. The interviews were conducted through Skype or WeChat between the 29th April and 2nd May.

4.1.1 Andreas – Check Point China

Andreas is a Swedish entrepreneur who started his career by complementing his four year High School education with some university courses while he was working at his father’s ball bearing company. The firm was sold in 1997, however, Andreas continued to be a part of it as the CEO. Eventually, he decided to be an entrepreneur and created Check Point China after he had seen strong economic growth and an opportunity in China. Check Point China offers quality assurance of systems in China to Swedish customers.

4.1.2 Ling – Interior Design

Ling is a Chinese designer and is working in a design firm, Interior Design, in Beijing. Previously she studied textile and material in London. Ling is working independently in the interior design firm. The graduation from the university in the UK has helped her develop her entrepreneurial thinking and open up for possibilities in other businesses.

4.1.3 Henry - Hong Kong Jockey Club

Henry is a Chinese entrepreneur now working at Hong Kong Jockey Club. After he graduated from University in 2012, Henry has been working in several different projects both inside and outside of China before he got the opportunity to be a part of Hong Kong Jockey Club. Henry is a Stables Operations Officer at the Conghua racecourse owned by Hong Kong Jockey Club, which opened last year.
4.1.4 Elsa - Spare Leash

Elsa is a Swedish entrepreneur living in Shanghai, China. She moved to China to study Mandarin for a year, however, started to study a bachelor at a Business School in Shanghai and ended up staying. She has now been living in China for seven years. Elsa is the co-founder of Spare Leash, a platform which connects pet owners to pet sitters in five cities around China. It was Elsa’s love for animals that was the initial foundation of her business, however, it was when Elsa found a street dog whom she wished to adopt her idea about Spare Leash actually arose. She works a lot and loves to travel as well, and when she could not find any alternatives for having a dog with her lifestyle, she found a gap in the market which became Spare Leash.

4.2 Open Innovation

The four interviewees Andreas, Elsa, Henry, and Ling have a desire to have an openness around them and to share ideas. However, the interviewees also stated how cautious they are regarding their IP protection. Both Henry and Ling mentioned that they are careful regarding sharing information with other firms, especially when it comes to more sensitive information. Ling and Henry pointed out how significant it is to be careful which words are chosen in conversations with other corporations. Henry expressed it:

“It's not like I write a book and put it online for free for everybody to read”.

Additionally, Elsa mentioned the easiness to copy things in China, hence information which is shared should be monitored. Ling agreed with that statement as she explained the significance of sharing ideas, but being cautious is crucial since copyright does not exist in China, hence there are risks that someone could steal the idea.

Andreas pointed out how easy it is to copy an idea as well, however, it is the experience in the business that will make a corporation successful since experience cannot be copied:

“Good experience comes from bad experience which comes from no experience.”

Henry pointed out that Chinese corporations, in general, are careful regarding sharing critical information with others as well, while Elsa believes it is an international thing. Furthermore, in the start-up of Elsa’s business in China, she was selective to whom she would share information with externally. However, she went to a program called China Accelerator for weekly meetings with a focus on start-up companies, where she met other corporations to brainstorm and share ideas in
between the firms, which was helpful for her business. Though, Elsa stated the importance to secure your idea as much as you can beforehand:

“But I do think that it is best when you have the idea and you have the brand already, and the name, you should always file for IP. So you know that it is safe before you share every little detail.”

Additionally, Elsa stated that it is crucial to converse with others, as long as they are not your main competitors. She also took the opportunity to go out to feel the Chinese atmosphere in order to see if there was a market for her business and get clients from the very beginning. Andreas discourse how significant it is to see what the customers need in the market, not what the customer want, because that probably already exists on the market. However, Henry and his firm are open to being inspired by other firms. Again everything is about IP protection, and Andreas states the importance of that:

“It is better to be first than best.”

Ling agreed with that since she expressed that as long as you work fast, you can share ideas with others since new ideas arise within your firm all the time, thus the information shared will be old news to you in the near future. Moreover, Henry mentioned his value in the corporation because of his management position over the Conghua racecourse, which means he has a lot of information and knowledge. Though he must be selective about sharing his information about horses to others. Additionally, he must find different gaps in the organization instead of looking at the competitors. Andreas stressed that sharing ideas horizontal with competitors is not an option, however, vertical sharing with for instance suppliers and customers is beneficial.

Internally within their firms, all interviewees agreed regarding how significant openness is for their firm’s future. Each interviewee has the possibility to share information and knowledge with their colleagues as well. Henry mentioned that he is not overprotective of his ideas when it comes to sharing within the firm since it could help Hong Kong Jockey Club to work more efficiently, it is a part of his responsibility to the firm. In Spare Leash and Interior Design, Elsa and Ling pointed out how they have weekly meetings or brainstorm meetings for sharing ideas and come up with different experiments to try within the firm.

4.3 Entrepreneurship

According to Elsa and Ling, entrepreneurship is when someone is free to follow their passion and do something they dream about. Andreas has a similar view where
he mentioned that entrepreneurship to him is when you have a drive for something and develop an idea into an activity. Meanwhile, Henry stated that entrepreneurship is to be a leader. All interviewees also agreed on the amount of responsibility that comes with entrepreneurship.

Andreas started his business Check Point China after years of experience in the ball bearing industry in Russia where his family had a business. When he noticed the quick economic growth in China he distinguished an opportunity to produce ball bearing cheaper in China than in Russia. However, the quality was not as good as in Russia, which is when he understood that they would require quality assurance in China, and that is when Check Point China was created.

The main benefits of being an entrepreneur Elsa stated are the possibility to be creative, innovative, and the opportunity to do something you love, which Henry agreed with. However, the two interviewees mentioned a few disadvantages with being an entrepreneur as well, such as it is time-consuming. Elsa stated:

“It does mean that you work 24/7 and you normally do not take any breaks. You are constantly working to improve your business.”

Another disadvantage Elsa mentioned is the pressure of failing because of all the responsibility related to the business. Additionally, Henry stated how significant it is to have a business sense and be smart in order to have a successful business. It takes several crucial qualities to be an entrepreneur, hence, both Henry and Elsa meant that being an entrepreneur is not for everyone.

4.3.1 International entrepreneurship

Henry stated how he believes every entrepreneur’s desire is to be an international entrepreneur since their desire is to make their business as large as possible. But the main challenge to become an international entrepreneur mentioned by all four interviewees is to learn and obtain knowledge about the new market. Henry gave an example regarding how several Chinese technological firms fail when going abroad because in a Chinese perspective the product is usually good and the brand is well-known. However, when the firms internationalize the product or the brand might not be known, which lead to a failed internationalization because the firm did not adapt their product to the new market. Thus, a challenge when internationalizing is cross-cultural communication as well. Andreas points out an issue with common sense, as it is different in different countries. Common sense in China is not the same as in Sweden, hence Andreas gave an example of issues regarding that. In China, the local employees were satisfied with their products that only was 2% wrong, meanwhile according to Andreas 2% is a high number when it comes to
faulty production. Thus, different cultures create a difficulty to understand each other. In order to adapt to the new markets, large investments are required, which Henry also mentioned as a challenge. Moreover, Andreas mentioned the difficulty of finding the right people for the business abroad:

"We are not satisfied with our size or revenue today. With the concept we have, we should be even bigger. Unfortunately, that comes back to myself that I have not gotten good enough people to contribute to this."

Hence, Elsa, Henry, and Ling stated the significance of doing research about the new market before internationalizing. According to Ling, the best research will be done by knowing someone in that country whom you can ask directly how things work. She believes that will give much more than do proper paper research. Elsa also stated the importance of having a well-developed plan before becoming an international entrepreneur and ensure if there is a need for the product in other markets. It is crucial to set a time plan for how long you can try to enter a new market before realizing it will not work.

Elsa, Henry, and Ling also agreed that entrepreneurship is universal. Even though the process to become one differs between countries regarding for instance licenses and governmental approvals, being an entrepreneur itself is the same anywhere. However, Andreas stated that entrepreneurship is different in different countries since there is another culture in another country. He mentioned that Chinese entrepreneurs usually invest in everything that has a possibility to give money, thus they end up doing too much. This occurs in Sweden as well, but not in a large extent as in China.

4.3.2 Effectuation

How the interviewees start an innovation process in their firms differs somewhat. Elsa and Ling stated that their firms set up a goal to reach, and then find the means to reach it. In Elsa’s firm Spare Leash, they do something called Objectives and key results (OKRs), which is meetings every three months where they set up goals, and then during the three months period of time, they do different experiments to try to reach their goals. Meanwhile, in Ling’s firm, it is mainly the clients that have a certain demand, and with the demand in mind, the firm tries to come up with ways to fulfill them. In Hong Kong Jockey Club, Henry mentioned that they have some core values they always bear in mind. However, they work in the moment to satisfy the customers with the core values in their mind at all times.
4.4 Internationalization

Henry pointed out the importance of internationalization in a corporation since it is effective for the firm to have partners around the world. Elsa is more specific on what she would consider when internationalizing her firm:

"I guess you have to look at the pricing strategies, you have to see how the market works, if it is really a need for your product there, who is already our market and where should you fit yourself."

Ling mentioned that it can be challenging with internationalization because the industries operate totally different in different countries. Ling is not familiar with the internationalization of firms, however, she studied in London which created experience and knowledge for the future according to her. Moreover, Andreas explained how he had done business with Russia in his former firm, however, the firm decided to do business in China because they saw economic growth at the beginning of the 20\textsuperscript{th} century. Additionally, Andreas recommended considering an exit plan before entering a new market:

"Have an exit plan. When you do an investment you do not know the challenges you are going to tackle. You must have a plan when you need to exit the business plan. It could be one year, it could be three years, but it could also be ten years."

The exit plan state when you should end the internationalization process of the business if it is not as successful as desired. For instance, it is crucial to have a plan of how to do business in the new market regarding finances and resources, but it is also significant to have an exit plan.

4.4.1 Networking

All interviewees described how crucial networking is for success in business. Henry pointed out how significant networks are in the horse racing industry and to Hong Kong Jockey Club to receive a better international reputation, as well as it is helpful in order to improve the whole corporation. Additionally, Elsa stated that networking is required, especially in the start-up process of a firm:

“When you start your business you just want to work, you do not want to go out there and tell people, but I think it is very important to go out and network. Because then you hear about new ideas, you get new ideas and meet more people.”
Because of the networking, her firm did not have to spend large amounts on marketing. Furthermore, Elsa described that networks will promote your product in terms of word of mouth and networking is crucial to learn about new trends, markets, and to meet investors as well. Andreas stated how his networks have affected his business from the very beginning towards what it is today: Andreas said:

"These people I have met during my years have made me to this person who I am today. If I had not met the people from when I was twenty years old I would not have the same position as I have today."

Henry and Ling explained that they got their current positions through their networks, hence networks could be beneficial from several aspects. Ling mentioned:

“Networks will not do any harm to your business, whether it is international or not.”

### 4.4.2 Cultural distance

Regarding cultural differences which might occur when internationalizing a business, all four interviewees try to adapt to the new culture. Henry stated that it could be difficult in the beginning, but those difficulties could be overcome simply by asking them about their culture to try to embrace it, which Elsa and Andreas agreed on as well. Elsa first experienced a shock when arriving in China because of the cultural differences, however by going out and having an open mind she overcame it and adapted to the culture. Moreover, Henry called culture a project but stated commonly to Elsa that an open mind will help overcome the differences.

Andreas pointed out the main barrier regarding cultural differences in China as common sense, thus what Swedes believe is obvious might not be obvious to Chinese. He gave an example of a case where his firm had faxed an outline of a product to China, where a product number was written all over the product. For Andreas it was clear that the numbers were not supposed to be in the actual product, however in the other culture they thought it was part of the design, hence they produced the product with the number molded into the product. Andreas mentioned:

“We just have another culture and another perspective.”

Furthermore, Andreas mentioned his experiences that it is a more hierarchical culture in China. Thus they have strong leadership and not a team spirit to an as large extent as in Sweden, where there is weak leadership.
Additionally, Andreas mentioned when they have meetings, they usually have a structured list of numbers on the agenda for the meeting. However, some cultures usually have a circular structure and not a list. Instead of bringing up points one by one, some other cultures work more circular and solve the most accurate problem. Hence, the circular structure makes the teamwork more dynamic than the line structure.
5 Analysis

This chapter presents an analysis of the empirical findings conducted in the research and theoretical synthesis. The theories will be discussed compared to the empirical findings. The analysis will be presented with the same structure as the empirical findings were presented.

5.1 Open Innovation

As mentioned, Open Innovation is designed by Chesbrough to help firms develop further in the future (Chesbrough, 2003). The idea of this approach was to open up borders between firms in order to share information and ideas between different firms but inside their own firm as well (ibid.). In this thesis, the authors wanted to apply Open Innovation on the international market and see how the approach is used there. All interviewees in the study have a desire to be open and share ideas with external firms. Manzini and Lazzarotti, (2015) and Brem et al. (2017) stated how IP protection was created in Open Innovation to protect firms sensitive information. It is significant for these firms to have a plan regarding what level of protection their products and services require before entering an international market. Andreas, Elsa, and Ling mentioned the easiness of copy things in China, hence, all interviewees are careful regarding their IP protection in order to decrease the risk of being copied. Therefore, Henry and Ling mentioned that they carefully consider what information they share, especially regarding sensitive information. By observing these empirical findings and the literature, we understand the importance of IP protection. When Open Innovation is implemented, the firm’s ideas require protection.

Furthermore, Open Innovation relates to trust, social, and informal relationship where the firms’ distance between each other is reduced (Hossain, 2012; Giaretta, 2013). Elsa stated the importance of having conversations with others as long as they are not the firm’s main competitors. Hence, trust is essential in order to implement Open Innovation. Young-Ybarra and Wiersma (1999) mentioned that trust is created by cooperative interactions and shared values. Bien, Ben, and Wang (2015) agreed by stating that social exchange reduces uncertainties and risks when cooperating with other firms, which creates trust. The interviewees agreed that trust is significant for Open Innovation. Elsa, Henry, and Andres mentioned how they are selective of whom they share their information with. Furthermore, Elsa stressed how external interactions have been significant for her business as long as the other participant is trustable. According to Lee et. al. (2010), trust and value networks of Open Innovation are crucial for firms. For instance, Elsa joined a program where
she could brainstorm ideas with other business owners in a controlled environment. Hence, we noticed the importance of sharing ideas with others, but it is essential to be careful regarding whom they are shared with.

5.2 Entrepreneurship

Shane and Venkataraman (2000) emphasize that entrepreneurship is when opportunities are discovered, evaluated and exploited, but also how, by whom, and with what effects they are discovered. All four interviewees view entrepreneurship quite differently, but meanwhile similarly to Shane and Venkataraman. According to Andreas, Elsa, and Ling, entrepreneurship is when someone follows their passion and develop an idea into an activity, hence the entrepreneur turn opportunities into a product or service. Henry, on the other hand, indicates that entrepreneurship is leadership, which also could be seen as someone who takes action of their desires and create something they are passionate about. Moreover, all interviewees mention that entrepreneurship is about responsibility. Regarding how the entrepreneurs discover opportunities, Elsa and Andreas discovered a gap in the market which they imposed on and created their businesses. Both Spare Leash and Check Point China was created when the entrepreneurs wanted something themselves, thus the opportunity was discovered and not made by existing means. Hence, we distinguish that entrepreneurship is someone who discovers an opportunity they are passionate about and turn it into a product or service they want and can relate to. Thus, it is concerning passion and responsibilities.

5.2.1 International entrepreneurship

According to Oviatt and McDougall (2005), international entrepreneurship is when entrepreneurs discover, enact, evaluate, and exploit opportunities across country borders. This is something that Henry states every entrepreneur has a wish of doing because of the desire to make the firm as large as possible. However, McDougall and Oviatt (2000) state that becoming an international entrepreneur after being established on the national market will cause more barriers for the internationalization process, than if becoming an international entrepreneur right away or early in the entrepreneurial process. Both Henry and Andreas agreed with that statement. Henry mentioned how several Chinese firms, mainly technological firms, have failed when going abroad since they thought their product would be as accepted internationally as they were at the domestic market, but products or services might require some kind of adaption when being internationalized. Andreas noticed barriers regarding this as well when he realized that common sense could differ in different cultures, which created issues with manufacturers that produced products with a higher margin of error than Andreas’ firm could accept,
even though the producer thought it was a decent number. This happened even though Andreas became an international entrepreneur from the start of his business. Hence, all four interviewees stress the importance of doing research about the country which is desired to internationalize into. Because of the interviewees replies and what the theory states, we have realized that becoming an international entrepreneur in a later stage of the business than at the start-up point could result in barriers and failures of the business. Mainly due to that the entrepreneur is used to a culture, which is not the same in the new country. Consequently, doing research about the country is the best way to overcome these possible barriers and failures.

Furthermore, Mainela et al. (2014) argue that international opportunities are created by the entrepreneur’s social settings and his sense-making in social situations. Hence, networks are a determinant factor of becoming an international entrepreneur. However, both Andreas and Elsa found a gap in the market which conducted in Check Point China and Spare Leash. Thus, we distinguish it was not networks who made them become international entrepreneurs but discovered opportunities.

5.2.2 Effectuation

According to Sarasvathy (2008), effectual entrepreneurs are entrepreneurs who are aware that their ideas are created into artifacts by their actions. Furthermore, effectuation is when a set of means already exists and by these means, effects are created (Sarasvathy, 2001). Additionally, Sarasvathy (2008) states that the three means which are incessantly relevant to the entrepreneur are; who am I, what I know, and whom I know, hence it is not a goal which begins an innovation process. Ling’s firm has an effectual process, thus they receive demands from clients which Interior Design try to fulfill by the means available to them. Henry’s firm has an effectual approach as well since they work in the moment to satisfy its customers, even though they bear their core values in mind at the same time. However, in Spare Leash, Elsa mentioned that they do not have an effectual approach. They set up goals to reach and then try to reach them, which is how she came up with Spare Leash as well. Hence, we realize that entrepreneurs can come up with ideas through different processes. Entrepreneurs are not always effectual, but sometimes set up goals to reach as well.

5.3 Internationalization

Malhotra et.al. (2003) state that emerging markets have grown rapidly meanwhile creating barriers and trading blocs between the countries. The economic growth in the emerging markets has increased since the beginning of the century because of
the availability of new technology (ibid.). Andreas mentioned how he decided to start Check Point China in China because of the country’s economic growth, and he also explained that he invested in China at the beginning of the 20th centuries. Ling explained that she studied in London but is not involved in the international market at the moment since she started to work in China when she finished her studies. However, Henry describes the horse industry in China as a fairly new industry, which is the reason they are dependent on the international market.

According to Vahlne and Johanson (2017), the Uppsala model require a touch of the entrepreneurial venture. This can relate to Andreas recommendation to have an exit plan. Furthermore, Vahlne and Johanson (2017) stated that the Uppsala model needs to apply networking as well. Henry explained that it is crucial for the corporation to have partners around the world, which can make the business more effective. In another point of view, Elsa mentioned the importance of understanding the market and be more specific about the market’s gap, which can relate to Coviello, Kano and Liesch’s (2017) statement of that the Uppsala model needs to have a more Open Innovation approach. We comprehend that the Open Innovation approach is an international approach where entrepreneurs have a more open mindset than what the Uppsala model has. Open innovation favors the internationalization process for entrepreneurs in order to overcome trading blocs and barriers.

5.3.1 Networking

All interviewees confirm Kollmann’s and Christofor’s (2014) theory regarding how networking is a tool for success in business. For instance, Henry explained the importance of networking with international partners as it helps with the improvement of the Hong Kong Jockey Club.

Fuller-Love and O’Gorman (2011) stressed how networking with other entrepreneurs conduct in new ideas and experiences. Elsa highlight the importance of networking especially in the start-up process of a firm. The networking will promote the product or service in terms of “word of mouth” and networking is also critical to gain an understanding of the market. Elsa found her customers when she went out and talked to people to explain the concept of her idea. Furthermore, Elsa explained that when she started to go out and promote the service on the streets, her corporation started to gain some investors. Moreover, Coviello and Munro (1995) describe that a firm who wants to be successful in international markets depends on domestic and international relationships within that specific market. Andreas, Ling, and Henry explained how networking had helped them to end up in the positions they have today. Additionally, all three of them highlights how their success has
come from networking between actors. We realize that the theory and interviewees confirm each other concerning networks. Thus, networking is crucial for a successful business regarding several factors such as finding investors, word of mouth, and gaining new ideas.

5.3.2 Cultural distance

According to Hofstede, Hofstede and Minkov (2010), the differences between countries are within their societies. Henry, Elsa, and Andreas explained the difficulties at the beginning of their internationalization processes, but overcome these barriers by gaining an understanding of the market and embraced the cultural differences. When Elsa arrived in China she was in shock because of the cultural differences, hence her recommendation is to have an open mind to overcome the cultural clashes in a different culture. Moreover, Henry explained cultures as a project to embrace and overcome. We have experiences of different cultures as well, and can therefore somewhat confirm the theories and the interviewees. It is significant to have an open mind to adapt to other countries. Even if it small distances, it is of importance to understand the countries atmosphere. We realize that if a company want to be a part of an international market, it is crucial to understand the market and have an open mindset because each country has their own rules and norms in their society.

Emerging markets work more in groups with goals and a desire to be anonymous within the group. Meanwhile, developed countries are more individualistic and rather put their own signatures on documents, etc. (Moriano et al., 2011). Andreas confirm this theory by explaining a situation that occurred in Check Point China, where the firm had faxed an outline of a product in Sweden with an order number. However, China produced the product with the order number on the actual product, which can relate to differences regarding common sense. It is more about differences in cultures than common sense. Andreas experiences have led him to adapt to the hierarchical structure in China with strong leadership instead of the weak leadership in Sweden.

Oyserman (2006) explained that people in an individualistic culture have their own interests in mind and have more entrepreneurial characteristics in the firm. However, in collective societies, the employees are hired for the group interests and the group goals. The collective societies want to protect the group members as family members. Andreas confirm this with his experiences. When Check Point China have meetings, there is a structured to-do list to follow. In some cultures, they have a circular of numbers and usually starts with the numbers in a different order. Thus, the crucial structure of to-do list makes the team work more dynamic
than a lined structure. We can relate to Andreas experience that in developed countries, it is easier to relate to entrepreneurship characteristics than other culture since the culture is more as a collective society than an individualistic society.
6 Conclusion

This chapter will present the findings from the analysis to answer the research questions. Moreover, theoretical, practical and policy implications will be featured as well as limitations for this study. Lastly, there will be recommendations for future research presented.

6.1 Answering the research questions

Open Innovation is a topical subject which more entrepreneurs and businesses start to apply in an international market. Former researchers have emphasized the importance of networks, trust and consideration of cultural distance. Hence, this study was conducted to find out how Open Innovation is used in an international context and discover what must be considered and what differences there is in the two cultures perspectives. By interviewing both Swedish and Chinese entrepreneurs, we could draw some conclusions and provide with answers to the research questions of this thesis.

6.1.1 How could Open Innovation affect the trust between entrepreneurs regarding Open Innovation?

The first sub-question addresses by what means trust is affected by entrepreneurs regarding Open Innovation, thus sharing ideas and knowledge with each other, or if one side of the Open Innovation will receive more than they give back. The literature concerning Open Innovation mentions how crucial it is for firms to trust each other when sharing ideas externally between firms, which the empirical findings support and agree with. We believe that it is difficult to share ideas and knowledge externally if the entrepreneur does not know where the information will end up since the risk to be copied is high. Especially in a market like China where copyright does not exist. Entrepreneurs or business owners do not seem to trust competitors with their information, however, they trust other businesses such as suppliers with the information in order to develop their businesses forward.

However, regarding internal Open Innovation, the literature stresses the importance of sharing ideas and knowledge within firms in order to develop their firms. The empirical findings saw the same benefits with internal Open Innovation as the literature. Hence, we agree with the importance of internal Open Innovation. If the employees feel like they can share their ideas with others in the firm, it is likely that they feel appreciated and the business will become a more familiar business, which promotes a trustworthy business environment. But when it comes to internal Open
Innovation, it does not seem to matter whether there is a collective or individualistic culture, since both sides see the benefits of sharing ideas within the firm.

Thus, Open Innovation between competitors affects trust negatively since the risk of being copied exist. But Open Innovation with suppliers or customers and internally in firms will affect trust positively and promote the development of the firms with new or improved products or services.

6.1.2 How could networks affect the entrepreneurial process between Chinese and Swedish entrepreneurs?

The second sub-question concerns in what ways the entrepreneurial process between Chinese and Swedish entrepreneurs is affected by networks when it regards Open Innovation, thus how networks could support or restrain entrepreneurs in the development of their firms. Regarding networks and international entrepreneurship, the literature stresses that networks are a key to success since it leads to new ideas and experiences as well as being the dependent factor for success in an international market. Our perception is that networks are a dependent factor for most businesses success, both domestically and internationally. It does not seem to matter where the network itself is located, because entrepreneurs’ network could always be useful in one way or another. Entrepreneurs seem to consider networks as essential for their businesses in terms of for instance gaining customers and distinguish what customers need.

Though, when it comes to international entrepreneurship the literature states that international opportunities are created due to the entrepreneurs’ networks. Conversely, the entrepreneurs interviewed in this study seemed to have become international entrepreneurs because of discovered gaps in the market, hence discovered opportunities. From these empirical findings that differed from the literature concerning international entrepreneurship, we have the perception that when becoming an international entrepreneur right away in the entrepreneurial process it is discovered opportunities that motivates the entrepreneur. However, when becoming an international entrepreneur later in the process, we believe that it is networks that motivate the entrepreneur to go abroad.

Consequently, how much networks affect the entrepreneurial process seem to differ depending on where in the entrepreneurial process the entrepreneur is. However, both Chinese and Swedish entrepreneurs will eventually need networks in order to spread the word of their idea and gaining new ideas and inputs.
6.1.3 How is Open Innovation used by Swedish and Chinese entrepreneurs in an international market?

The main research question is asked to distinguish how Open Innovation is used by Chinese and Swedish entrepreneurs in an international market, thus in what way these entrepreneurs use Open Innovation. The results of the study indicate that Chinese and Swedish entrepreneurs use Open Innovation in a similar way, thus it does not seem to be any differences affected by for instance cultural or political factors. Hence, the entrepreneurs use Open Innovation in an international market by communicating with their network, having an open mind, and being amenable to new ideas and knowledge from others. Furthermore, the main concern regarding Open Innovation which seems to be persistent for entrepreneurs is trust and IP protection. Consequently, to not risk being copied, entrepreneurs will not share ideas horizontal with competitors, but vertical with actors who are not in the same market as the entrepreneur himself, such as suppliers or customers. However, to not risk the information shared with these actors to be further spread, trust is the main factor in order for Open Innovation to be implemented by entrepreneurs. The trust will probably be secured from building strong relationships within the network.

Previous research had not identified the way in which Open Innovation is used by two different nationalities in an international market, but Open Innovation had only been researched in general as a concept. From the previous research, we got the perception that network and trust came side by side and together lead to Open Innovation and new innovations. However, the findings of this study have shown that trust is perhaps the most crucial factor for Open Innovation to be implemented and the network has to be founded before trust can be built. Therefore, how entrepreneurs being active on an international market use Open Innovation is depending on building trust with the network available to the entrepreneur and not use Open Innovation with those actors who are not trusted, such as competitors. We have updated our theoretical synthesis in order to present new conceptions and the findings of this study which we believe is crucial to consider for future research. We have the perception that Open Innovation is helpful to international entrepreneurs and can lead to success, as long as the issue with trust can be overcome.

Thus, is it a good idea to share ideas for Chinese and Swedish entrepreneurs in an international market? We would say yes, as long as the entrepreneurs are being cautious regarding whom the ideas are shared with, we distinguish that the concept could contribute to new significant innovations that could help people around the world.
6.2 Theoretical implications

As mentioned, previous research regarding Open Innovation has mainly been general research concerning the subject, not applying the concept on different markets. Therefore, we recognized that Open Innovation could differ in two markets and be affected by for instance trust and networks in those markets, hence we identified a research gap. Due to the identified research gap, we decided to study how Open Innovation is used by Swedish and Chinese entrepreneurs in an international market. The results of the study show that Open Innovation is used in similar ways regardless of if the entrepreneur is from a developed or an emerging country. Furthermore, the findings show that Open Innovation is not implemented with competing firms, but with firms on another level as the entrepreneur’s own firm. These findings confirm previous studies regarding, for instance, Open Innovation. However, provide with some new perspectives concerning of Open Innovation in international entrepreneurship and cultural distance.

This thesis provides an understanding of how entrepreneurs use Open Innovation, but also their cautiousness regarding whom to integrate with, as well as the importance of having a network to actually share ideas and knowledge with. The entrepreneur’s relationship with the network is what will decide how much and what information will be shared between the actors, regardless of which market the entrepreneur is active on. If trust is achieved, the information will be shared. Hence, Open Innovation will not be implemented between competitors, since trust is not sufficient enough.

![Diagram](image)

Figure 5. Revised theoretical syntheses (Authors of this thesis).
6.3 Practical implications

The empirical findings in this thesis indicate that Open Innovation is used by both Chinese and Swedish entrepreneurs, no matter what market context they are present in. If the entrepreneur has a strong and trustable network, Open Innovation can be a possibility for new innovations and development for the firm. Therefore, our recommendations for entrepreneurs is to engage in networks and workshops to find others to exchange ideas with and help each other towards new innovations, since the network is the foundation for Open Innovation. The more an entrepreneur will engage with his network, the more trust will be built between the actors which will be advantageous.

Additionally, regarding entrepreneurs in international markets, we believe that knowledge about that specific market and try to engage in their culture is crucial in order to overcome cultural distance. When the cultural distance is less and the market is known, we believe it would be even easier to apply Open Innovation in an international market context.

6.4 Policy implications

Open Innovation is to share knowledge and information between firms, and as mentioned in the empirical findings of this study, how Chinese and Swedish entrepreneurs use Open Innovation does not have any substantial differences. Hence, this study could show entrepreneurs that Open Innovation is applicable in an international business context, which could contribute to more entrepreneurs applying the concept in their business and with their networks. Thus, lead to more innovations and collaborations. However, it could contribute to more issues with copies as well if the information is wrongfully shared. Therefore, a consequence could be that institutions, rules or laws could use an update to avoid these issues.

Moreover, as Open Innovation reduces barriers between countries, the concept could contribute to an even more open atmosphere in international business contexts, which could provide businesses with new innovations and increased profits. Therefore, businesses and societies could use our findings to understand how and what to consider when sharing information with others.

6.5 Limitations

Throughout the study, we noticed some limitations of our findings. As the purpose of the research was to study Chinese and Swedish entrepreneurs, we had to identify entrepreneurs from both countries. Since we did not have the possibility to be
present in China, one of the Chinese entrepreneurs we interviewed were a contact to one of us who have been working in China, and he recommended the other one to us. However, these entrepreneurs have been working and studying outside of China, which could give them a more westernized view and their replies in the interviews could, therefore, be angled and not represent other Chinese entrepreneurs’ opinions. This could have been avoided if we examined Chinese entrepreneurs who always have been located in China, however, it would be complicated and time-consuming for us to find such entrepreneurs from Sweden.

Moreover, the research is limited due to the small number of interviewees. Though, as the study is a qualitative study, the interviews have given us the chance to ask follow up questions and gain a relationship with the interviewees, which could conduct in more enriched empirical data.

6.6 Recommendations for future research

In this study, the researchers’ purpose was to see if Open Innovation can be used in an international context where two different cultures appeared, and where one is an emerging country and the other one is a developed country. The findings of this study indicate that Open Innovation is viewed and used similarly in the two countries. However, there were limitations in this study which could suggest topics for new research.

1. A comparative study of Chinese and Swedish entrepreneurs and their different views on Open Innovation in their domestic markets.

2. A study of the views of Open Innovation between emerging countries and developed countries, as China cannot represent all emerging countries and Sweden cannot represent all developed countries.
References

**Interview respondents**

1. Andreas – Check Point China, Skype interview 2019-04-29
2. Ling – Interior Design AB, WeChat interview 2019-04-30
3. Henry – Hong Kong Jockey Club, WeChat interview 2019-05-01
4. Elsa – Spare Leash, WeChat interview 2019-05-02

**Literature**


**Electronic sources**


**Figures and tables**

Figure 1. Closed Innovation (Chesbrough, 2003:31). Page 11.

Figure 2. Open innovation (Chesbrough, 2003:44). Page 12.
Figure 3. The dynamic model of effectuation (Sarasvathy, 2008:101). Page 18.

Figure 4. Theoretical synthesis (Authors of this thesis). Page 21.

Figure 5. Revised theoretical syntheses (Authors of this thesis). Page 52.

Table 1. Operationalization Summary (Authors of this thesis). Page 29.
Appendices

Appendix A. Interview Guide

General Background

1. Could you give us a brief introduction of yourself?
2. Could you give us a brief introduction of your business/what you do?

Open Innovation

3. Do you feel like you can share ideas with others without risking the ideas to be copied?
4. How do you consider protection of your ideas and knowledge when presenting them to others?

Internal Open Innovation

5. How do you work towards creating a creative/innovative business environment internally in your business/firm?
6. In what way do you have the possibility to share your ideas and knowledges within the firm?

External Open Innovation

7. What benefits do you see regarding sharing ideas and knowledge between different firms?
8. What disadvantages do you see regarding sharing ideas and knowledge between different firms?

Entrepreneurship

9. What does entrepreneurship mean to you?
10. What benefits and disadvantages does entrepreneurship have according to you?

International Entrepreneurship

11. What challenges does entrepreneurs face when becoming an international entrepreneur according to you?
12. Do you believe entrepreneurship is seen differently in different countries?
13. What is most important for an entrepreneur to consider before entering a new market according to you?
Effectuation

14. How does an innovation process begin in your firm? Do you have a goal to reach or do you start with the means already available?

Internationalization

15. How do you think an internationalization process is most effective?

Network

16. In what way is networks important to you?
17. What does networking mean to you in a international business perspective?
18. In what way have networks impacted the position you have today on the market?

Cultural distance

19. How do you adapt to different cultures?