



**UNIVERSITY OF GOTHENBURG**  
**SCHOOL OF BUSINESS, ECONOMICS AND LAW**

**Master Thesis in Knowledge-based Entrepreneurship**

**‘Expatripreneurship’ in emerging economies**

---

A case study about the emergence and venture process  
of expat-preneurs in Rwanda

**Daniel Shijaku**

Master of Science

Summer 2020

Supervisor: Erik Gustafsson

## **Abstract**

What does it take to venture into emerging economies and build a company in a cultural distinct setting? This paper shines more light into the phenomenon of expat-preneurs and thereby delineates between two phases in the venture process: Opportunity identification and opportunity development. It has been found in alignment with the literature that a global mindset, prior entrepreneurial experience, personal and professional networks, and institutional bridging are conducive to opportunity identification and development of expat-preneurs. Moreover, the research brought to light that a social commitment is another key enabler for the venture creation process in emerging economies.

**Keywords:** Collaborative Entrepreneurship, Emerging Economies, Expat-preneurship, Institutional Entrepreneurship, Internationalization Knowledge, International New Ventures, Start-up Liabilities

## **Acknowledgements**

The master thesis has been a challenging journey. Luckily, I have been blessed with people who continuously supported me in that process.

First, I want to thank my supervisor Erik Gustafsson for his valuable feedback and encouragement. Although the feedback deemed frustrating at times, I knew that it was always for the better. Navigating through this process with Erik as a compass, I learned a lot and seeing the results, I sincerely want to express my gratitude.

I would also like to thank the interviewees for devoting their time and energy into my studies.

Finally, I want to thank my family and friends whom I can always rely on and who push me to become a better version of myself.

# Table of Content

<b>1. Introduction</b> .....	<b>5</b>
<b>1.1 Background</b> .....	<b>5</b>
<b>1.2 Purpose</b> .....	<b>7</b>
<b>1.3 Research Question</b> .....	<b>7</b>
<b>2. Literature Review</b> .....	<b>8</b>
<b>2.1 The Expat-preneur</b> .....	<b>8</b>
<b>2.2 Entrepreneurship in Emerging Markets</b> .....	<b>10</b>
<b>2.2.1 Institutions and Entrepreneurial Capability</b> .....	<b>10</b>
<b>2.2.2 Entrepreneurial Financing</b> .....	<b>13</b>
<b>2.3 Challenges for International New Ventures</b> .....	<b>14</b>
<b>2.3.1 Liabilities of Newness and Smallness</b> .....	<b>14</b>
<b>2.3.2 Liabilities of Foreignness</b> .....	<b>16</b>
<b>2.4 The Role of Knowledge for International New Ventures</b> .....	<b>16</b>
<b>2.4.1 Prior Knowledge</b> .....	<b>18</b>
<b>2.4.2 Experiential Knowledge</b> .....	<b>21</b>
<b>2.4.2.1 Knowledge Sources</b> .....	<b>21</b>
<b>2.4.3 Network Knowledge</b> .....	<b>23</b>
<b>2.4.3.1 Active and Passive Internationalization</b> .....	<b>25</b>
<b>3. Methodology</b> .....	<b>27</b>
<b>3.1 Research Strategy</b> .....	<b>27</b>
<b>3.2 Research Design</b> .....	<b>28</b>
<b>3.3 Research Methodology</b> .....	<b>29</b>
<b>3.3.1 Primary Data Collection</b> .....	<b>29</b>
<b>3.3.1.1 Interviewee Selection and Interview Guide</b> .....	<b>30</b>
<b>3.3.2 Literature Review</b> .....	<b>32</b>
<b>3.4 Data Analysis</b> .....	<b>32</b>
<b>3.5 Research Quality</b> .....	<b>33</b>
<b>3.5.1 Reliability</b> .....	<b>33</b>
<b>3.5.2 Validity</b> .....	<b>33</b>
<b>3.5.3 Limitations</b> .....	<b>34</b>
<b>4. Empirical Findings</b> .....	<b>35</b>
<b>4.1 Gabriel Ekman</b> .....	<b>35</b>
<b>4.2 Dan Klinck</b> .....	<b>38</b>
<b>4.3 Johanna Sandberg</b> .....	<b>43</b>

4.4 Simon Sondern.....	46
5. Data analysis.....	51
5.1 Opportunity Identification .....	51
5.2 Opportunity Development .....	55
5.3 Summary .....	58
6. Conclusion and Future Research.....	61
6.1 Conclusion .....	61
6.2 Future Research.....	61
References .....	63

# 1. Introduction

## 1.1 Background

The increasing degree of globalization due to increasing mobility of goods, labor, technology, and capital has led to rising global-interdependence and intensified competition in virtually every market and product category (Rugman & Verbeke, 2004). Hence, new and established ventures perceive internationalization, especially into emerging markets (Brookfield, 2015), rather as a necessity than an option for competing successfully considering the contemporary business environment (Leonidou et al., 2003; Ruzzier et al., 2006).

Accounting for more than 75 percent of global growth in output and consumption almost double the share of just two decades ago emerging economies have become increasingly important in the global economy in recent years (International Monetary Fund, 2017). By 2025 the combined GDP of the eight largest emerging economies is likely to be larger than that of the eight largest advanced economies (World Bank, 2011). Rwanda is among the fastest growing economies in the world with growth averaging 7.5% during the last decade (World Bank, 2019). Consistently, Rwanda is ranked 38<sup>th</sup> in the ‘ease of doing business’ ranking by the World Bank making it the second easiest place to do business in Africa (World Bank, 2019). These developments insinuate a strong entrepreneurial ecosystem in Rwanda.

While Rwanda seems favorable for venture creation and development, the emergence of international new ventures is explained by characteristics and cognitive capabilities of the individual (Andersson & Evers 2015; McDougall et al., 2003). International entrepreneurship refers to the recognition and exploitation of business opportunities across national borders matching a market need either through incremental or novel innovation described as combining existing knowledge or creating new knowledge; or through the elimination of market inefficiencies (Kirzner, 1973; Oviatt & McDougall, 2005).

As business operations in emerging economies are becoming increasingly important, individuals realize that they must take greater responsibility for advancing in an international career themselves. (Inkson & Arthur, 2001). Expansion abroad provides many opportunities for ‘expatriates’ (Vance, 2005). Expatriates are defined as “legally working individuals who reside temporarily in a country of which they are not a citizen in order to accomplish a career-related goal being relocated abroad either by an organization, by self-initiation or directly employed within the host-country” (McNulty and Brewster 2017, p. 46).

According to Vance et al. (2017) expatriates who self-initiate their own venture in the host country constitute a particularly entrepreneurial group – called “expatpreneurs”. Striving to work internationally might follow different motivations. While some ‘soldiers of fortune’ aspire to build global capital out of calculated career choices, others are driven by wanderlust motivated by curiosity and perceived opportunities for adventure (Inkson & Myres, 2003). Entrepreneurship in emerging economies differs from developed countries. While some claim that it is riskier and more complex (Karra et al., 2008; Manolova et al., 2008), others claim that the context of emerging economies enables business opportunities to act on (Tracey & Phillips, 2011). Regardless of a country’s development level, new ventures face additional start-up liabilities that they need to overcome (Guercini & Milanese, 2016).

Following the call by Kiss et al. (2012) this issue of how knowledge of individuals is related to the discovery and exploitation of foreign market opportunities is investigated in the context of emerging economies. Since research about knowledge components of expatpreneurs specifically is scarce, this thesis draws on the knowledge components highlighted in internationalization literature. Internationalization literature is found applicable as a framework to describe the relevant knowledge factors in the founding process of expatpreneurs as studies agree that internationalization is an entrepreneurial activity (Knight 2000; Lu & Beamish 2001, Johanson & Vahlne, 2009).

This thesis is written from a knowledge-based view which states that the primary reason for the existence of a firm is its superior ability to integrate multiple knowledge streams of individuals for the application of existing knowledge as well as the creation of new knowledge (Grant, 1996). This is in alignment with Casillas et al. (2009) who identified knowledge accumulation and learning as key influences on the emergence of international new ventures.

## 1.2 Purpose

The thesis aims to shed light on how expat-preneurs self-initiated their businesses in the host country to support their interest in living and working there. What are common patterns among expatriates and how do they build new ventures in foreign, culturally distant countries such as Rwanda?

Inspiration is drawn from the internationalization framework by Gulanowski et al. (2018) which highlights specific knowledge components during the venture creation process. Unlike other models, it delineates between the founding and growth process of an international new venture.

It is the hope to demystify the emergence of expat-preneurs and break down common characteristics in the venture creation process so that scholars who strive to follow an international entrepreneurial career can learn from the venture creation process of a Swedish, Canadian, German, and Danish expat-preneurs in Rwanda.

The thesis is written from a micro perspective focusing on entrepreneurial knowledge and skills rather than from a macro perspective analyzing the entrepreneurial ecosystem of Rwanda.

## 1.3 Research Question

This thesis aims to answer the research question of:

*What are the knowledge components of expat-preneurs in emerging economies?*

The following sub-questions will contribute to the answer of the main question raised above:

- *What knowledge components help to identify international opportunities?*
- *What knowledge components help to develop identified opportunities?*

The research question will be answered through a single case study interviewing four expat-preneurs' who have built international new ventures in Rwanda and thereby investigating that issue from different angles. Eventually, an analysis and comparison of the responses will allow identifying commonalities that were critical for the establishment and subsequent growth of the venture.

## 2. Literature Review

### 2.1 The Expat-preneur

The expat-preneur is defined as an "individual temporarily living abroad who initiates an international new venture (self-employment) opportunity in a host country" (Vance et al. 2016, p. 202). The expat-preneur must meet three conditions according to Vance et al. (2016): First, the expat-preneur must be self-employed. Second, self-employment requires the formal registration of the business in the host country. Third, taxable earnings must be declared in the host country. In contrast to migrants who often leave developing countries out of necessity-driven reasons aiming to for permanent citizenship, the expat-preneur temporarily enters a country as a free agent aiming to self-direct their career on their own initiative to create global competencies (Selmer et al., 2017; McNulty & Vance, 2017).

The primary motive of expat-preneurs for going abroad is to facilitate their personal growth and career development by developing cross-culture competencies (Vance & McNulty, 2014). There are two ways in which expat-preneurs emerge either they anticipate opportunities and move abroad with a pre-conceived entrepreneurial purpose, called 'pre-departure expat-preneurs or they self-initiate into new working arrangements while working abroad, called transitioned expat-preneurs (Vance et al., 2016).

Pre-departure expat-preneurs most time had opportunities to travel abroad at a young age either with their parents or as part of their school program (Vance et al., 2017). Such early experiences enhance the learning of foreign languages, the understanding of new business environments and acquisition of a global perspective (Vance et al., 2017). Given their previous experience, they might already have developed an understanding of the business or social need in a foreign country. In fact, social entrepreneurship as the intention to have a positive impact and making a difference by addressing social and environmental needs is increasingly seen as a major driver in identifying business opportunities in the host country (Stenn, 2017). This category of expat-preneurs is typically comprised of young idealistic people venturing abroad during or right after university studies (Vance & Bergin, 2019). Pre-departure entrepreneurs are often driven by wanderlust motivated by curiosity and perceived opportunities for adventure rather than calculated career choices (Inkson & Myres, 2003).

In contrast, the transitioned expat-preneur who is at first engaged in some form employment either with local companies or multinational enterprises usually has no social, entrepreneurial



focus at first (Vance & Bergin, 2019). Such ‘soldiers of fortune’ usually aspire to build global capital out of calculated career choices (Vance et al., 2017). Although transitional entrepreneurs are securing employment in the host country first, a growing number becomes involved in starting new ventures whether profit or non-profit (McNulty & Vance, 2017). They decide to change from past work and focus more on social entrepreneurship ventures as they recognize business or social opportunities by time and engage in entrepreneurial activity as a source of self-employment (Vance et al., 2016). So, the transitional expat-preneur relocates to the host country or remains there due to past work experiences. Thereby, it is also possible that factors unrelated to the host country economic situation, such as falling in love with the host country’s culture or one of its citizens promote ‘expatpreneurship’ (Vance and McNulty, 2014). Their decision to remain in the host country suggests that they successfully adapted the countries culture and feel comfortable living in it.

Pre-departure and transitional expat-preneurs recognize the mutual influence of cultural values and norms between the home and host country (Sarala & Vaara, 2010). Through this extra cultural and institutional perspective, expatriates can leverage their knowledge to embark on new business opportunities. In fact, expatriates are at an increasing rate becoming involved in new venture opportunities (Vance et al., 2016). Estrin et al. (2019) found that returnee entrepreneurs outperform their domestic entrepreneurial rivals due to the skills, funding, and networks brought home by the returnees. Although returnee entrepreneurs are not the focus of this study, these findings suggest that living in two different ecosystems promotes the identification and exploitation of opportunities.

According to Vance et al., (2017) the three most important factors contributing to the success of an expat-preneur are: *education*, *financial resources*, and *networking*. Most of the expat-preneurs possess secondary degrees which possibly equip them with the skill to confront the complexities of starting international new ventures (Vance et al., 2017). Moreover, expat-preneurs often use their own funds to create their businesses and ensure survival during the initial growth stage (Vance et al., 2017). Lastly, formal networking by contacting institutions like the chamber of commerce or informal networking through social interactions with locals enabled expat-preneurs to find clients, determine a suitable location for the firm, and navigate local business laws (Vance et al., 2017).

It is not just the expat-preneur who benefits from the new venture creation in the host country by fulfilling personal needs (Bernardino & Santos, 2015) or professional goals through improved leadership and career capital (Cappellen & Janssens, 2010; Inkson & Arthur, 2001)

but also the host country. Expat-preneurs contribute to enhanced entrepreneurial strength and economic development of the local economy (Dearie & Geduldig, 2013; Wadhwa et al., 2012). This is mainly due to explicit or tacit knowledge spillover effects enriching the local economy next to investing physical capital (Vance et al., 2016). The contribution of expat-preneurs to human capital and knowledge acquisition is well recognized which in turn is critical for sustainable economic development (Silvanto et al., 2015). Expat-preneurs often maintain personal and professional connections to the home country and thereby facilitate economic and information exchange that benefits both nations and can be characterized as ‘brain circulation’ rather than the negative ‘brain drain’ (Tung, 2008).

## **2.2 Entrepreneurship in Emerging Markets**

### **2.2.1 Institutions and Entrepreneurial Capability**

Although the terms ‘emerging economies’ and ‘developing countries’ are often used interchangeably, they differ from each other as emerging markets must fulfil two criteria: (1) They must undertake a process of economic reform designed to address poverty and improve the living standards. (2) They must record positive economic growth over a sustained period of time (Cavusgil et al., 2002). Hence, not all developing countries are emerging markets.

Many studies have found entrepreneurship as a key driver for innovation and growth in emerging economies (Acs et al., 2018). Yet, current research on entrepreneurship focuses mainly on developed countries with mature market conditions and misses the important role of entrepreneurial collaboration in emerging market countries (Bruton et al., 2006; Ratten, 2014). Entrepreneurship in emerging economies differs from developed economies in terms of institutional support and capital access (Ahlstrom & Bruton, 2006; Lim et al., 2016). Similarly, Cao & Shi (2020) identify resource scarcity, structural gaps, and institutional voids as differentiating factors. In the context of analyzing management behavior in emerging markets institutional theory has become pre-dominant (Hoskisson et al., 2000; Wright et al., 2005). Institutions determine firm actions which in turn determine the outcome and effectiveness of organizations (He et al., 2007).

According to Ahlstrom & Bruton (2006, p.299) “emerging economies are characterized by fundamental and comprehensive institutional transformations as their economies begin to mature.” A common characteristic among emerging economies is a high degree of institutional

uncertainty and underdeveloped institutions which often act as a barrier to entrepreneurship making entrepreneurial activities riskier and more complex (Manolova et al., 2008; Peng, 2001). On the other hand, these characteristics also enable business opportunities for entrepreneurs (Tracey & Phillips, 2011).

Challenges faced by entrepreneurs in the context of a weak institutional environment might range from formal institutional constraints such as lacks in the legal framework and stable political structures to more informal institutional constraints such as the prominence of deeply embedded networks and personalized exchanges (Peng et al., 2008). Overcoming informal constraints is even harder for outsiders someone who is not embedded in local network structures (Schweizer, 2013). In addition, high levels of corruption and a weak infrastructure also often impose hurdles on the entrepreneur in emerging economies (Cavusgil et al., 2002). Similarly, Vance et al. (2016) and Silavanto et al. (2015) state that emerging economies likely present greater cultural distance, government instability, and poorer levels of economic and physical infrastructure which could discourage expat-preneurs to invest ‘hurt money’ into international new ventures.

While acknowledging such challenges that come with institutional uncertainty, Tracey & Phillips (2011) argue that it can also create many opportunities for the *institutional entrepreneur*. The institutional entrepreneur is an individual who adopts certain strategies to takes advantage of the institutional uncertainty in order to create new businesses (Tracey & Phillips, 2011). Thereby, the entrepreneur takes efforts towards collective action and devises strategies for establishing interaction with other organizations (Garud et al., 2002). So, compared to developed economies the role of collaborative entrepreneurship in emerging economies is essential (Ratten, 2014).

Collaborative Entrepreneurship is defined as “*the creation of something of economic value arising out of new, jointly created ideas that emerge from the sharing of information and knowledge*” (Franco & Haase, 2013, p. 681). It involves the creation and utilization of opportunities made possible by linkages with individuals, businesses and governments who collaborate to achieve mutually agreed-upon goals (Naude et al., 2011). Actors build networks and alliances through which they manage institutional structures instead of taking existing structures as given (Lawrence & Phillips, 2004). Collaborative entrepreneurship also means to take collective action that fosters greater society benefits rather than pure individual gain (Ratten, 2014).

Next to collaborative entrepreneurship, the institutional entrepreneur can apply three strategies to succeed in emerging economies. According to Tracey & Phillips (2011), these are institutional brokering, spanning institutional voids, and bridging institutional distance.

Institutional brokering takes place when entrepreneurs found ventures to reduce institutional uncertainty faced by other actors. Thereby, they create value by modifying the risk of economic transactions and taking advantage of market asymmetries across sectors (Peng, 2001; Tracey & Phillips, 2011). This means that the business model by the intermediary must reduce uncertainty either faced by a foreign company aiming to do business in an unfamiliar environment or by a local entrepreneur who is lacking knowledge or connection to manage their institutional environment independently (Tracey & Phillips, 2011).

Institutional voids are a term coined by Khanna & Palepu (2006, p.62) and describe “the absence of specialist intermediaries, regulatory systems, and contract-enforcing mechanisms” in an economy. For spanning institutional voids, the entrepreneur is required to build a prototype-institution, make it available to other disparate actors and build legitimacy among them (Lawrence et al., 2002). Spanning such voids involves particularly high levels of ambiguity and risk (Tracey & Phillips, 2011). The Grameen Bank is a good example of spanning institutional voids. The founder Muhamad Yunus created a system to give the capital access to the rural poor in Bangladesh which is built on trust and community support with the risk being shared among community members.

Lastly, bridging institutional distance is described as the practice of translating or transposing an institution between countries with significant institutional differences (Tracey & Phillips, 2011). This can happen among two different emerging economies but also between a developed and emerging economy. Basically, a concept which has functioned in one country is transferred to the other country but adjusted with respect to the specific country context.

So, Tracey and Phillips argue that these strategies connected to weak institutions lead to significant possibilities for opportunity exploitation. Similarly, Lingelbach et al. (2005) argue that the needs in emerging economies are broader in scope than in developed countries and with that the opportunities for entrepreneurs. While entrepreneurs in developed economies often operate at the fringes of the economy, in emerging economies they operate closer to the core (Lingelbach et al., 2005).

Yet, Karra et al. (2008) emphasize that international opportunity identification is more complex than domestic opportunity identification and requires different knowledge and skills.

International knowledge stocks including knowledge about the customer, cultural norms and practices as well as the legal and regulatory environment are needed which is gained through international experience (Karra et al., 2008). This means that the entrepreneur needs to spend time in the potential target market in order to sense opportunities there and understand the institutional context (Karra et al., 2008). Moreover, the entrepreneur must utilize the international experience in order to connect with relevant international partners (Karra et al., 2008). For that purpose, former intense networking experiences are helpful such as an MBA program with a high number of international students (Karra et al., 2008). Such experiences stimulate thinking about international opportunities and bridge institutional distance (Karra et al., 2008). The development of a key network in the target market is crucial as foreign entrepreneurs might suffer from credibility and legitimacy problems and collaborations with local partners can confer them (Huybrechts & Nicholls, 2013). Besides building a network, the foreign entrepreneur needs to attract and retain talents from the local labor force in order to grow (Karra et al., 2008). Local employees have a high understanding of the market as well as common practices and ways of working that are consistent with the home country (Karra et al., 2008).

### **2.2.2 Entrepreneurial Financing**

As emerging markets differ so fundamentally from developed economies in terms of their institutional development, so too is their capital market weaker and with that the availability of external financing which is crucial for the emergence and scaling of entrepreneurial new ventures (Estrin et al., 2019). Ahlstrom & Bruton (2006), for example, discuss the problem of severe information asymmetries between entrepreneurs and investors in emerging markets and highlight accounting and due diligence problems. This creates big challenges for venture capitalists entering such markets as they rely on a local network and aligned principles in the absence of strong institutions (Ahlstrom & Bruton, 2006). Also, enforcing contracts might be problematic in the context of weak institutions (Farag et al., 2004). Groh & Wallmeroth (2016) show that M&A activity, legal rights and investor protection, innovation, IP (intellectual property) protection, corruption, corporate taxes, and unemployment impact the development of VC markets and that these determinants differ between developed and emerging economies. Given these difficulties, self-financing is common among expatpreneurs (Vance et al., 2017). In fact, the entrepreneur often takes the role of a financial investor managing portfolio risk by operating several different businesses (Lingelbach et al., 2005). Thereby, internally generated

cash-flow might be used for financing when alternative sources are missing (Lingelbach et al., 2005).

Since there is a lack of strong capital markets, Ahlstrom & Bruton (2006) emphasize that networking in emerging economies is even more important relative to developed countries. Networking enables firms to overcome capital constraints (Atieno, 2009; Arenius, 2002). In addition, serial entrepreneurs with a track record are more likely to receive funding as the information asymmetry is lower (Hsu, 2007).

In emerging economies, developmental financial institutions are important funding organizations to network with (George & Prabhu, 2003). Development organizations are quasi-governmental institutions who aim to fill the capital void and provide funding or grants in accordance with national development priorities (George & Prabhu, 2003).

## **2.3 Challenges for International New Ventures**

### **2.3.1 Liabilities of Newness and Smallness**

Given the crucial role that start-ups have on innovation and economic growth (Acs, 2018), the emergence and development process of start-ups has been of high interest in recent research. While most literature investigates mechanism and resources that need to be in place within the organization, less attention is paid between the interaction process of new ventures with essential actors in the surrounding network (Guercini & Milanese, 2016). There are specific liabilities that affect start-ups viewed from a network perspective namely liabilities of newness and smallness as well as liabilities of foreignness (Guercini & Milanese, 2016). What is the gist of each liability?

Liabilities of newness refer to the fact that young organizations have a higher likeability to fail than old organizations because of the difficulties in competing effectively and their low levels of legitimacy (Stinchcombe, 1965). To gain legitimacy start-ups have to work hard proving themselves in order to establish relationships with various stakeholders which can be costly and time-consuming (Guercini & Milanese, 2016). Environmental factors, individual factors, and company level factors all contribute to the possible failure of start-ups connected to liabilities of newness (Guercini & Milanese, 2016). Environmental factors refer to the fact that political developments and industry trends happening to a start-up may influence its long-term survival (Le Mens et al., 2011). On the individual level, it has been shown that previous industry

experience may increase the start-up's survival chances (Thornhill & Amit, 2003). Also, the presence of internal company processes such as learning and trust among employees' impact failure rates (Stinchcombe, 1965). Employees often have to learn unfamiliar roles in start-up's which takes time and so does the development of trust (Guercini & Milanesi, 2016). Liabilities of newness, however, also incur external to the organization with respect to winning stakeholders over. The lack of a track-record makes it hard to convince essential stakeholders such as investors, customers and suppliers and develop meaningful relationships with them (Romanelli, 1989). Difficulties in establishing external ties due to a lack of legitimacy is a major cause of start-up mortality (Dobrev & Gotsopoulos, 2010). So, legitimacy defined as an opportunity-enhancing property resulting from being perceived as competent, effective, and worthy is an asset among start-ups that is conferred when meeting stakeholders' expectations (Zimmermann & Zeitz, 2002). Research has shown that a company's age is an insufficient proxy when assessing a company's legitimacy. Intangible characteristics such as prior start-up experience lead to different manifestations of liabilities of newness among companies with the same age (Le Mens et al., 2011). More objectively, reliability and accountability can be signaled through certifications, warranties and availability leading to a higher trust of stakeholders (Guercini & Milanesi, 2016).

On the other hand, Choi & Shepherd (2005) have argued that the young age of a start-up might rather be an asset instead of a liability since stakeholders might view them as flexible, innovative, and dynamic. Organizational flexibility defined as the ability to adjust the product or service to stakeholders' expectations (Feldman & Pentland, 2003) as well as organizational energy defined as the extent to which employees work enthusiastically, relentlessly, and vigorously in the pursuit of organizational improvement (Nagy et al., 2012) may be important assets of newness.

Often connected to liabilities of newness are liabilities of smallness although not every new organization is born small (Aldrich & Auster 1986). Liabilities of smallness refer to the fact that start-ups often have limited resources and capabilities and that large new companies either in terms of financial or employee size have an advantage over small new companies during the critical start-up process since they are more resilient to shocks (Aldrich & Auster, 1986). While large organizations can often raise more capital and have better tax conditions, small organizations have limited market presence and market power in negotiations (Guercini & Milanesi, 2016). On the other hand, an advantage of lean organizations is that inter-organizational knowledge sharing becomes easier (Sharma & Blomstermo, 2003).

Liabilities of newness and smallness are integral parts in the internationalization literature of global start-ups. Zahra (2005) complements these liabilities with the liability of foreignness. Although the expatpreneurs businesses might be perceived as Rwandan since the founders live in the country and started their business there before anywhere else, liabilities of foreignness might still occur due to their foreign origin.

### **2.3.2 Liabilities of Foreignness**

Liabilities of foreignness are additional costs that incur to an organization operating in a new market relative to a local organization (Zaheer, 1995). Such costs may include having less information and cultural understanding available as well as lack of legitimacy in the host country (Hymer, 1976; Zaheer, 1995).

The concept of psychic distance by Johanson & Vahlne (1977) is particularly important in this regard. Psychic distance is defined as the sum of factors preventing the flow of information from and to the market (Johanson & Vahlne, 1977). “The larger the psychic distance the larger is the liability of foreignness” (Johanson & Vahlne, 2009, p.1412). Factors preventing information flow could be due to differences in language, education, business practices, culture, and industrial development (Johanson & Vahlne, 1977). Hence, they first stated that companies start internationalization in markets that are geographically close to their domestic background (Johanson & Vahlne, 1977) but then revised that statement as they found that the concept of psychic distance is highly context-specific and depends on experiences made by critical people in the organization (Johanson & Vahlne, 2009). Similarly, Acedo & Jones (2007) and Baum et al. (2013) state that the founder’s unique background and network of relationships reduce the perceived and real barriers to foreign market entry and thus reduces market uncertainty.

### **2.4 The Role of Knowledge for International New Ventures**

More emphasis must be put on how the liabilities for a new venture can be overcome and how the demands of entrepreneurship in an emerging economy can be met eventually leading to the creation of a new venture.

A key driver of individuals’ engagement in entrepreneurship is their knowledge and skills (Shane and Venkataraman, 2000). The entrepreneurship literature documents that knowledge is a critical firm resource to international new ventures as it enhances an individual's ability to identify, evaluate, and exploit opportunities (Arenius & De Clercq, 2005; Prashantam &

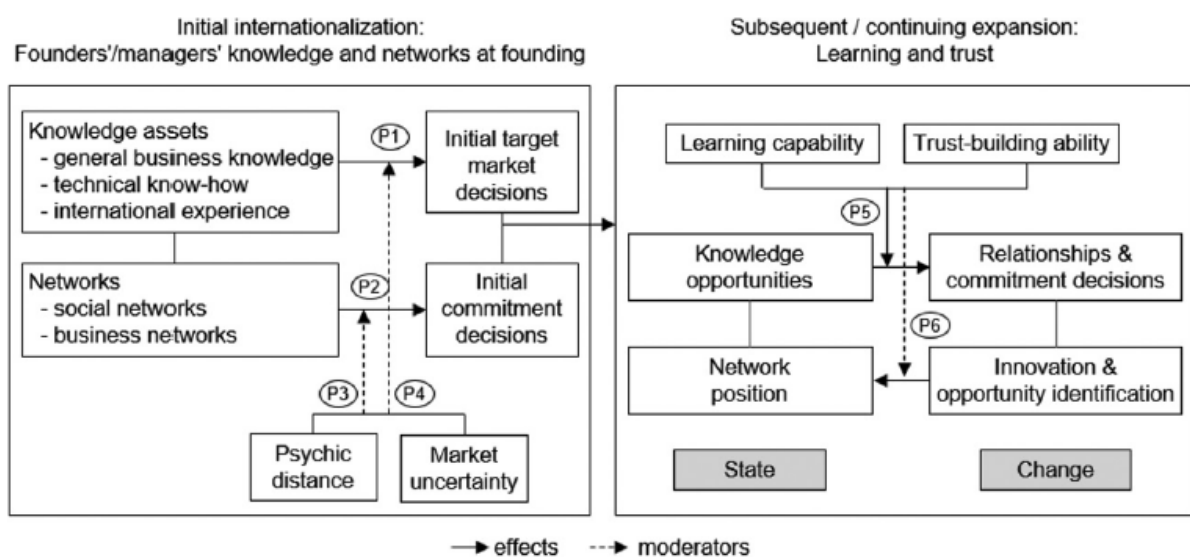


Young, 2011; Schweizer et al., 2010; Shane and Venkataraman, 2000). Knowledge is not only crucial for the creation of the new venture but also for discovering further growth opportunities and overcoming liabilities associated with the new venture (Arenius, 2002).

Gulanowski et al., (2018) conducted a meta-study on internationalization literature with respect to knowledge constituents that qualify individuals to create and grow new ventures in foreign countries. As studies agree that internationalization is an entrepreneurial process (Knight 2000; Lu & Beamish 2001, Johanson & Vahlne, 2009), the framework might also apply to ‘expatpreneurship’ in emerging economies. They find that the most influential knowledge constituents across the internationalization literature are:

*Prior Knowledge, Experiential Knowledge, and Network Knowledge.*

These factors describe the superiority of one company over another when the locational resources available are the same (Gulanowski et al., 2018; Grant, 1996). Research suggests trust, opportunity identification, learning capability and dynamic capability to be entangled with the above mentioned knowledge constituents (Gulanowski et al., 2018).



**Figure 1:** Toward an integrated model of internationalization (Gulanowski et al., 2018)

With respect to the integrated model of internationalization the following propositions are made (Gulanowski et al., 2018):

P1 and P2 state that scope and intensity of international new ventures are a function of the combination of the founder’s prior knowledge assets and internationalization experience as well as of their existing social and business ties. However, these effects on initial market scope and initial commitment are moderated by market uncertainty and psychic distance (P3 and P4).

Once the founding of the new venture has occurred, the development in terms of market scope and commitment is driven by the learning and trust-building capability of the firm (P5) highlighting the role of experiential knowledge and network positioning.

In the following, the critical knowledge constituents for creating new ventures and overcoming liabilities during the growth process are closely looked at. The interplay of the presented knowledge constituents stocks up the overall individual resources which facilitates the identification and development of business opportunities (Gulanowski et al., 2018).

#### **2.4.1 Prior Knowledge**

Entrepreneurs identify and exploit opportunities related to their prior knowledge and experience (Arentz et al., 2013). Similarly, Arenius & De Clercq (2005) argue that individuals deploy their unique knowledge stock in the entrepreneurial process of opportunity identification, evaluation, and exploitation. Schweizer et al. (2010) state that different decisions regarding business commitment in a foreign market are rooted in differences in established contacts and prior knowledge. The unique knowledge stock might result from *work experience*, *education* or unintentional *experiential learning* (Shepherd & DeTienne, 2005).

Individuals with prior knowledge have an increased likelihood to identify opportunities by recognizing important connections between concepts (Baron, 2006; Shepherd & DeTienne, 2005). At the same time, cognitive properties are needed to value prior knowledge and understand its relevance (Shane & Venkataraman; 2000). It has been found that the level of education positively correlates with the likelihood to perceive entrepreneurial opportunities and the decision to start a new venture (Arenius & De Clercq, 2005). This is due to the fact that education equips individuals with superior information processing abilities, search techniques, and scanning capabilities alongside the knowledge corridor they are in (Shaver & Scott, 1991). Estrin et al. (2019) point out the distinction between opportunity-driven and necessity-driven entrepreneurs in this regard as they found that the majority of entrepreneurs in emerging economies lack education and are starting small scale businesses for their personal survival. However, this paper deals with ‘expatpreneurship’ which is opportunity-driven by nature (Selmer et al., 2017; McNulty & Vance, 2017). Thus, the findings by Estrin et al. (2019) are not applicable.

Considering work experience as part of the knowledge stock, prior entrepreneurial experience has been identified as particularly essential knowledge for building new ventures as serial entrepreneurs develop tacit knowledge learned by doing which cannot be easily acquired

externally through other types of learning (Delmar & Shane, 2006). Prior entrepreneurial experience can involve success and failure. Yet, both outcomes result in enhanced learning and knowledge (Fuentes et al., 2010). This means that serial entrepreneurs could have enhanced cognitive structures that assist in the process of opportunity identification (Gruber et al., 2008). This argument is backed up by a study of Baron & Ensley (2006) who found that experienced founders have acquired richer cognitive representation of business opportunities which helps them to identify and pursue opportunities most likely to yield positive financial outcome. Also, Ucbasaran et al. (2003) show that prior entrepreneurial experience of founders improves the economic performance of the new venture. Prior experience in the form of relevant-business skills or good reputation is assumed to contribute to overcoming liabilities of newness that new ventures typically face (Nummela et al., 2010). Experienced founders keep track of multiple business opportunities before they decide which one is best to pursue (McGrath & MacMillan, 2000).

Moreover, the founders' global mindset developed through prior international experience is enhancing opportunity identification and creation (Baum et al., 2013; Karra et al., 2008). Only through direct experience of potential markets e.g. having lived in a foreign country for a significant period of time, entrepreneurs can sense opportunities there, understand the institutional context and build alliances with partners (Karra et al., 2008). A global mindset also has a positive effect on both international networking and knowledge acquisition activities, which in turn enhances the development of international opportunities (He et al., 2020). Foreign language skills and international education contribute to reducing the perceived costs of internationalization and complement the entrepreneurial profile (Laanti et al., 2007; Zuchella et al., 2007). McHenry & Welch (2018) point out that the internationalization of corporations is led by the internationalization of individuals in terms of their personal knowledge acquisition and motivation. Hashai & Almor (2004) found a link between managers international experience and increasing complexity in their market entry and market serving models. Barkema & Drogendijk (2007) and Hennart (2014) found that prior international involvement results in better performance by rapidly internationalizing firms at subsequent new ventures.

More precisely, prior knowledge whether gained from education, entrepreneurial experience, or direct experience can take the form of three knowledge assets (Fletcher & Harris, 2012; Gulanowski et al., 2018): *technological knowledge, market knowledge, and internationalization knowledge.*

Technological knowledge provides advantages that are transferable across borders (Oviatt & McDougall, 1995). Technological knowledge supports the development and adaption of services or products with respect to the new market (Autio et al., 2000). Developing unique products or services is a tool to overcome disadvantages in newness that comes with a lack of experience and size (Oviatt & McDougall, 1995). The knowledge intensification in services and products allows new (international) opportunities to be recognized and exploited (Autio et al., 2000; Zahra et al., 2000; Oviatt & McDougall, 2005). Technological knowledge is manager specific but not country specific. (Zahra et al., 2000).

Market knowledge is an important asset to lower uncertainty and risk in internationalization. It accumulates with an increased market commitment (Johanson & Vahlne, 2009, 2013). Eriksson et al. (2000) stress that market knowledge comprises both business and institutional knowledge. Business knowledge concerns knowledge of resources, capabilities and market behaviors of suppliers, competitors, and local clients and their customers (Blomstermo et al., 2004; Johanson & Vahlne, 2009). Institutional knowledge, on the other hand, refers to knowledge about government, institutional frameworks, and rules & norms (Eriksson et al., 2000). Market knowledge is country and market specific, but it is not manager specific (Fletcher & Harris, 2012).

Internationalization knowledge or ‘country-neutral’ market knowledge is about how to develop and execute an international business strategy and internationalize in different countries (Blomstermo et al., 2004). It is accumulated through entrepreneurial experience (Fletcher & Harris, 2012). Internationalization knowledge is important for growth in existing markets and new ones (Fletcher & Harris, 2012). The higher the internationalization knowledge, the lower the perceived cost of founding a venture in a new environment (Blomstermo et al., 2004). Internationalization knowledge includes the ability to search for information, to identify and evaluate opportunities, screen country markets, evaluate strategic partners, and manage customs operations and foreign exchange (Prashantam & Young, 2011). Internationalization knowledge is manager specific and not country specific as it is concerned with principles of operating in a foreign market and not the market itself (Eriksson et al., 2000; Prashantam & Young, 2011).

Johanson & Vahlne (2009) state that to translate pre-existing knowledge into market opportunities experiential knowledge is needed. However, it must be stated that the line between experiential and prior knowledge is diffusing as experiential knowledge eventually becomes prior knowledge (Zuchella et al., 2007).

## **2.4.2 Experiential Knowledge**

Market and experiential knowledge are developed through activities and operations in foreign markets (Johanson & Martin, 2015). Sarasvathy (2001) stresses the importance of excellence in exploiting contingencies in the effectuation concept, which means that experiential learning as ‘learning by doing’ plays a crucial part in an uncertain environment. Once the venture is founded, the entrepreneurs learn most effectively by doing and build up their knowledge stocks through direct experience and social interaction (Johanson & Martin, 2015). Johanson & Martin (2015) further state that direct experience contributes to identifying business opportunities and reducing uncertainty. They argue that direct experience is the main constituent of market knowledge (customs, tolls, customer preferences, distribution systems, consumption patterns etc.). Casillas et al. (2009), on the other hand, see direct experience as the main constituent of building up country-neutral market knowledge or internationalization knowledge.

Experiential knowledge is manifested in routines and knowledge-sharing systems (Fletcher & Harris, 2012). The speed of learning and knowledge accumulation depends on how individuals, firms and inter-organizational networks share their knowledge with one another (Casillas et al., 2009; Prashantham & Young, 2011). Firms will benefit from using formal methods of sharing market information (Leonidou & Adams-Florou, 1999). However, this is not always possible since experiential knowledge usually is of tacit nature and thus difficult to acquire and transfer (Fletcher & Harris, 2012; Johanson & Martin, 2015).

As prior knowledge can become outdated, it is highly important to experientially gain ‘state of the art’ market-specific and market-neutral knowledge and continue the path-dependent learning process (Johanson and Vahlne, 2009). Experiential knowledge has been found particularly important for start-ups. Contingent information requires them to be agile and hence they often improve their value proposition as they go (Sarasvathy, 2001).

### **2.4.2.1 Knowledge Sources**

The acquisition of technological, market and internationalization knowledge can be internalized in various ways (see Figure 2). Knowledge can be grafted from internal and external sources and can be of experiential or objective nature (Fletcher & Harris, 2012).

	Internal source of knowledge	External source of knowledge
Experiential knowledge	i. Direct experience	ii. Indirect experience: vicarious learning & grafting
Objective knowledge	iv. Internal information	iii. External search

**Figure 2** New knowledge acquisition sources (Fletcher & Harris, 2012).

Although this thesis emphasizes on direct experiential knowledge and network knowledge as a crucial knowledge absorbing factors for international new ventures, it is still of interest to understand alternative knowledge sources.

Objective knowledge characterized as explicit or codified knowledge can easily be obtained through training or can be acquired from data sources such as market research, government statistics or company reports (Nonaka, 1994). Experiential knowledge, on the other hand, is characterized as tacit or implicit knowledge (Nonaka, 1994) and cannot easily be acquired or transferred as it is a very personal ‘learning by doing’ experience (Eriksson et al., 1997). Both kinds of knowledge can either stem from internal or external sources.

As aforementioned, knowledge can be acquired from an organization’s direct experience where people learn from past decisions and apply the learning to present decisions (Huber, 1991). Direct experience can be a result of intentional systematic efforts, but more often it is acquired unintentionally (Fletcher & Harris, 2012). Learning-by-doing experiences with respect to internationalization knowledge can provide learnings about networks in foreign markets (Blomstermo et al., 2004) and inform how to acquire, adapt, and integrate knowledge from networks (Petersen et al., 2008).

Indirect experience as external experiential knowledge refers to second-hand knowledge and can be acquired vicarious or grafted. Vicarious knowledge means to learn from the experiences from others, for example, by observing other firms’ behavior in networks and potentially imitate it or through collaborative efforts such as strategic alliances (Chander & Lyon, 2009; Forsgren, 2002). Knowledge from network partners can help to overcome liabilities of foreignness (Schewns & Kabst, 2009). Even tacit knowledge learned in business relationships can stimulate rapid internationalization (Forsgren, 2002; Schewns & Kabst, 2009).

Grafting refers to hiring people or acquiring business units (Huber, 1991). Thereby, new employees with relevant experiential knowledge are recruited. This way, the learning process can be accelerated, especially when their knowledge is integrated efficiently into the organization (Barkema & Drogendijk, 2007).

Ventures can further acquire knowledge by searching for published external sources that are accessible to everyone. Thereby, organizations scan the external environment in response to a specific problem or an attempt to enhance strategic effectiveness (Chander & Lyon, 2009).

Lastly, internal information refers to the need for sharing knowledge within the organization effectively. As Huber (1991) states firms often do not know what they know. Lean organizations have an advantage since inter-organizational knowledge sharing becomes easier (Sharma & Blomstermo, 2003). For the enhancement of internal information sharing, the focus lies on establishing effective formal and informal communication lines between internal units (Karlsen et al., 2003). Prashantam & Young (2011) stress that the flow of internal information fosters venture growth. For example, the sharing of market knowledge can lead to new technical knowledge that in turn can help organizations to tailor their sales efforts to the local conditions.

In alignment with Sarasvathy (2001), Johanson & Vahlne (2009) acknowledge the important role of experiential learning but also state that it can be complemented by other forms of knowledge acquisition such as imitative learning from competitors, acquisitions of firms (and their knowledge base); or by making use of knowledge of network partners.

### **2.4.3 Network Knowledge**

Johanson & Vahlne (2009) stress that the available relevant knowledge base extends beyond firm boundaries (unilateral) and is nested in multilateral relationships. Thereby, the business environment is rather understood as a network of interconnected relationships which implies that country markets differ in the level of interconnection through network relationships they provide (Schweizer et al., 2010).

According to Johanson & Mattson (1998), internationalization is the process of developing networks of business relationships in other countries through (1) extension, (2) penetration and (3) integration. The first refers to a company investing in networks that are new to the firm, while the second describes an increased resource commitment in current networks to strengthen the network position. Third, international integration involves the enhanced coordination of different national networks.

Networks contribute to the accumulation of institutional, business, and internationalization-knowledge (Eriksson et al., 2000). This knowledge can stem from professional business relationships with customers, suppliers, government institutions and other actors (Coviello, 2006) but also from private social relationships (Barkema and Drogendijk, 2007; Loane & Bell,

2006). As new ventures often lack professional business relationships, small-medium enterprises often cultivate personal relationships in businesses for identifying entrepreneurial opportunities and ensure venture survival (Senik et al., 2011). From that knowledge exchange between networks, foreign market entry selection is impacted as business risks are reduced (Coviello, 2006). Similarly, Arenius (2002) states that ‘insidership’ in networks stock up an international new venture’s social capital which contributes to overcoming liabilities of newness and foreignness by having better access to complementary resources (e.g. R&D, distribution, capital) and international opportunities. Networks help to obtain financial resources, new capabilities, and knowledge about foreign markets and institutional structures (Wright & Dana 2003).

Schweizer (2013) scrutinizes on the processes turning ‘outsidership’ in relevant networks into ‘insidership’ which follows four steps: (1) Realization of the existence of liability of outsidership through internal/external triggers, (2) Identification of the relevant network, (3) Re-bundling resources and capabilities, and (4) Accessing, managing, and leveraging opportunities identified in the new network (Schweizer, 2013).

The author accentuates on crucial activities needed in order to overcome the liability of ‘outsidership’ such as learning, trust-building and knowledge creation. As a firm *learns* about existing networks through its existing formal (professional) or informal (personal) relationships, they build strategic positions and *trust* with organizations from the new market network to access its resources. If possible, the firm *creates* new knowledge from these relationship interactions including the learning about business opportunities. The access to resources such as knowledge and learning potential must be mutually beneficial otherwise other relationships would be pursued (Ritala et al., 2015 Schweizer et al., 2010). In general, collaboration in networks is beneficial as companies can leverage their performance while self-isolation by not sharing any knowledge can lead to reduced company performance (Laanti et al., 2007; Ritala et al., 2015) So, knowledge protection in form of intellectual property rights and knowledge sharing is a balancing act (Ritala et al., 2015).

The main proposition emerging from the network perspective on business markets is that the existence, development, and performance of companies will be explained by their ability to develop relationships (Snehota & Hakansson, 1995).



### **2.4.3.1 Active and Passive Internationalization**

In the literature, it is contentious whether international new ventures emerge out of active or passive networking approaches. Schweizer et al. (2010) for example advocate a passive view on internationalization stating that internationalization is merely a by-product of networking activities. In fact, more often than not literature on international new ventures suggests a passive view on internationalization because managers tend to be led to foreign markets by their existing networks providing them with resources and relevant knowledge (Coviello & Munro, 1997; Sharma & Blomstermo, 2003).

However, these studies highlighting the utilization of existing networks typically analyzed the market entry in nearby, psychical close markets (Ojala, 2009). But often knowledge-intensive SME's are forced to enter remote and psychically distant countries to pursue opportunities with their niche products for strategic reasons (Ojala, 2009). Investigating the networking pattern of Finish SME's entering the Japanese market, Ojala (2009) finds that these firms need to actively internationalize by deliberately creating new local networks rather than leveraging existing ones. The active role regarding internationalization is also backed up by several studies. Loane & Bell (2006) illustrate that firms without suitable network relationships can facilitate their market entry by actively building new connections. Frishhammar & Andersson (2008) and Kraus et al. (2017) show that proactive internationalization patterns are positively associated with international performance.

Reconciling both views Bell (2005) states that the emergence of international new ventures is influenced by both client 'followship' and targeting of niche markets, as well as industry specific considerations. Similarly, Crick & Spence (2005), and Vasilchenko & Morris (2011) state that the network process is not black or white but unplanned and a matter of luck considering random encounters and new employees joining the company. This view is underpinned by the logic of an uncertain future (see Sarasvathy, 2001).

While knowledge sourced externally through networks is important for identifying entrepreneurial opportunities and building international new ventures, they must still be complemented by the knowledge factors highlighted above. This is for two reasons: First, many international new ventures start without having previous networks (Rasmussen et al., 2001) and second, the information flow between firms in networks can be quite limited due to undeveloped communication channels (Kenny & Fahy, 2011). Also, while client 'followship' and active networking might be conducive to the creation and growth to international new

ventures, in the context of expatpreneurs there are more drivers to consider for building an international new venture as elaborated in chapter 2.1.

## 3. Methodology

### 3.1 Research Strategy

For this paper, a qualitative research strategy has been selected. The qualitative methodology provides the opportunity of getting intense, in-depth insights into a single issue, event, or social phenomenon in its real-life context (Crowe et al., 2011; Yin 2003). Qualitative research can either be written inductively or deductively (Yin, 2003). Here, an inductive research approach has been chosen which means that the research started with nothing but a research question and was subsequently filled with literature and research findings rather than proposing a theory or preconceptions beforehand. This approach is also motivated by a lack of research with respect to the venture creation process of expat-preneurs.

According to Brymann & Bell (2015), an inductive approach can generate new theory rather than testing a hypothesis and is suited to study a complex reality. Given the purpose of the thesis, to learn about the venture process of expat-preneurs in emerging economies an open-minded approach is needed. Due to the exploratory research question, the author wanted the interviewees to reflect and share their thoughts, opinions, and feelings about setting up a venture abroad which makes a qualitative approach suited (Brymann & Bell, 2015).

In contrast to quantitative research which is more static and where responses are simplified into quantitative measures, qualitative research allows a more process-oriented approach (Brymann & Bell, 2015). While quantitative research often portrays correlations, qualitative research focuses on the *why* and *how* of real-world matters (Austin & Sutton, 2014). Given the research purpose of why and how certain people venture into emerging economies, a qualitative case study is justified. Exploratory studies usually tend toward the qualitative and inductive approach, whereas explanatory studies are often quantitative and deductive (Austin & Sutton, 2014). Hence, quantitative research usually consists of closed questions while an inductive approach allows open questions.

However, there is also critique associated with qualitative research that must be mentioned namely its *subjectivity*, *replication difficulty*, *limited generalization*, and *lack of transparency* (Brymann & Bell, 2015). The meaning of the collected data depends on the interpretation of the researcher and is thus subjective. Moreover, the data collection can be difficult to replicate since the data could hinge on the interviewee's mood, gestures, voice tone, and other special circumstances at that moment. In addition, qualitative data collection can be very time-

consuming and thus limits the scope of data that can be gathered. In this paper, four expatpreneurs in Rwanda have been interviewed but the results do not present the entire expatpreneur population in Rwanda. Lastly, there is a lack of transparency since there is usually no video material of the conducted interviews (Brymann & Bell, 2015).

Being aware of such risks the author has taken precautionary measures to minimize disadvantages while utilizing the advantages of being close to the respondent's perspective. The undertaken actions are described in chapter 3.5: Research Quality. Exploratory case studies aim at building an initial understanding of a situation (Brymann & Bell, 2015) and so is this research.

### **3.2 Research Design**

This research aims to explain the phenomenon of how expatpreneurs build new ventures in emerging economies. Due to the scope of the thesis, a single case study has been deployed meaning to investigate this question from the perspective of Rwandan expatpreneurs instead of considering multiple cases of expatpreneurs in emerging economies from all over the world and understanding differences and similarities between them (Baxter & Jack, 2008).

A case study has been found appropriate to ensure proximity to reality. The case study method is a good way to define and explore a setting in order to understand it (Baxter & Jack, 2008). While this single case study, investigates 'expatpreneurship' in Rwanda, this phenomenon is explored from different angles as four expatpreneurs in Rwanda were personally interviewed. The study follows a holistic case design investigating the overall nature of expatpreneurs in Rwanda (Yin, 2009). At the same time, the case consists of embedded units meaning that the researcher can conduct a cross-case analysis among the individual expatpreneurs (Yin, 2009). Since a single group is studied (expatpreneurs in Rwanda), a single case study is the best choice (Yin, 2003). According to Dyer & Wilkins (1991) single case studies are better suited to produce theory although no guarantees can be made. On the other hand, Brymann & Bell (2015) question how a single case study is representative enough so that its findings can be applied to other cases. Although a single case study can be generalized to a certain extent, a multiple case study heightens the generalizability when it is grounded in several empirical evidence (Brymann & Bell, 2015).

### **3.3 Research Methodology**

#### **3.3.1 Primary Data Collection**

The author collected primary or empirical data through personal interviews with four expatpreneurs in Kigali, the capital city of Rwanda, in order to gain a deep understanding with respect to the development of the company from the identification of the opportunity to implementation and growth strategies. Interviews provide the advantage that different perspectives and experiences can be explored in depth (Brymann & Bell, 2015). Being physically in Kigali was beneficial to the author since next to direct interaction with the interviewees, the author could also get a feeling for the Rwandan business ecosystem by sensing the environment.

The conducted interviews followed a semi-structured strategy. Thereby, open-ended data can be collected to explore participants thoughts, feelings and beliefs about a topic and also to delve into personal issues forcing the interviewee to make reflections (DeJonckheere & Vaughn, 2019). Semi-structured means to ask the respondents a series of pre-determined but open-ended questions (Given, 2008). Combined with the ability to raise follow-up questions and comments, this method provides the advantage of providing both consecution and flexibility (DeJonckheere & Vaughn, 2019). The advantage of primary data collection is that the collection of information is tailored to the purpose of the thesis (Given, 2008). While the questions were thoroughly prepared, the selection of expatpreneurs in Rwanda was random.

For the presented empirical data in chapter 4., a narrative research approach has been selected. The narrative research approach aims to explore and conceptualize human experience (Salkind, 2010). It aims for in depth-exploration of the meanings that people assign to their experiences and works with small samples of participants in a free-ranging discourse (Salkind, 2010). A narrative approach is best suited when the researcher faces the challenge to examine and understand how human actions are related to the social context in which they occur (Moen, 2006). This is also the challenge with this research to understand the social context that supported certain people to build a company in an emerging economy far away from home.

### 3.3.1.1 Interviewee Selection and Interview Guide

While the choice to visit Rwanda was linked to a personal contact, the country fulfills the case requirements of being an emerging economy which is in psychological and locational distance to the interviewed expatpreneurs. The literature has confirmed the initial assumption that entrepreneurial challenges in emerging economies are different compared to developing countries (Peng, 2001; Karra et al., 2008; Tracey & Phillips, 2011).

The personal contact and first interviewee was Gabriel Ekman. Fortunately, he could not only provide compelling insights himself being an expatpreneur but he could also refer the author to other expatpreneurs in Rwanda. That having said convenience sampling has been used as an interviewee selection strategy in which the author benefited from referrals. Thereby, people who appear to be spatially or administratively close are selected by accident (Etikan et al., 2016). So, the author's judgement within the group of expatpreneurs was not used as selection criteria avoiding possibly bias pre-selections (Sedgwick, 2013). There were no pre-determined requirements in place for the conduct of an interview other than being an expatriate from a developing country who started a company in Rwanda.

The deployment of convenience sampling led to the following respondents who are listed in chronological order of the interviews:

**Gabriel Ekman** (Sweden) is the founder of the ed-tech platform Bag Innovation. Bag Innovation started in 2017 and is a digital talent accelerator that helps students and graduates to match market needs by developing relevant experience and skills. Bag Innovation not only provides an initial skill measurement tool showing students what to work on to match companies hiring criteria but also case-based challenges in close exchange with businesses that open the door for internships and employment. (Interview length: 40:13 min).

**Dan Klinck** (Canada) founded East African Power in 2012. East African Power builds hydro and solar power plants. Dan has also built a charity organization within East African Power called Empowering Villages (EV) that among others operates through the profits made by Eastern African Power. (Interview length: 55:24 min).

**Johanna Sandberg** (Denmark) is the founder of the company Sandberg limited. Sandberg limited is an HR company doing recruitment, training, and career advisory. The company has been founded in 2017. (Interview length: 38:22 min).

**Simon Sondern** (Germany) founded three E-commerce platforms operating independently from each other: VibeKigali (founded in 2017), VibeHouse (founded in 2018), and Vibecar (founded in 2019). The two latter platforms present online marketplaces for properties and cars while the former is an online directory for events in Kigali doing advertisement for restaurants, hotels, and other businesses. (Interview length: 34:02 min).

The interview questions to these respondents were asked in a chronological way. Generally, they were divided into the phases of pre-internationalization/founding and continued internationalization/growth.

Firstly, questions around the respondents' educational and professional background were asked including questions about previous entrepreneurial projects. Secondly, questions regarding the respondents' initiation of the idea were discussed followed by a discussion about the choice of Rwanda and their steps towards implementation. Thirdly, important relationships were asked about influencing the founding or consecutive growth of the company, as well as learnings made so far in the overall process.

The collected data from the interviews were then connected to the categories highlighted in the internationalization literature (prior knowledge, experiential knowledge, and network knowledge) and 'expatpreneurship' literature (transitional expat-preneur, pre-departure expat-preneur).

Research Topic	Questionnaire Guideline
<p><b>Company Founding</b></p>	<ol style="list-style-type: none"> <li>1. What is your professional background? (studies, previous work experience)</li> <li>2. Have you had any previous entrepreneurial exposure?</li> <li>3. Why have you decided to go to Rwanda?</li> <li>4. How has the idea for your company been initiated?</li> <li>5. How have you assessed the attractiveness of your idea?</li> </ol>
<p><b>Company Growth</b></p>	<ol style="list-style-type: none"> <li>6. From the idea to implementation: What did your first steps look like?</li> <li>7. How has your network changed over time and what influence has the network to specific stakeholders had on the company's success/ How did you find your team?</li> <li>8. What does your growth strategy look like?</li> <li>9. What challenges are you facing during the growth process?</li> <li>10. What would you do differently if you could go back in time and re-start your company?</li> </ol>

### **3.3.2 Literature Review**

After the research question was specified, a literature review was conducted so that the author could familiarize himself with the topic and relevant knowledge in the field of 'expatpreneurship'. Brymann & Bell (2015) refer to it as a narrative literature review in which the topic is explored with the flexibility to change the scope of the study as the process is ongoing. The gained secondary data laid out the foundation for the analysis of the empirical/primary data. At the same time, the literature review brought research gaps to light which validated the purpose of this research. While internationalization literature most often addresses the question of how existing companies with certain structures internationalize, it has neglected a model for expatriated entrepreneurs focusing on how individuals internationalize and build a venture.

The secondary data presented in the literature review was obtained from two databases namely the Economic Library at Gothenburg University and Google Scholar. In order to assess the relevancy & trustworthiness of the data, the chosen sources had to be peer-reviewed. Also, articles that have been cited many times were preferred except the source has been very recently published.

### **3.4 Data Analysis**

As stated by Salkind (2010) narrative research comes with a free-ranging discourse about people's experiences and the meaning they assign to them. While the individual experiences are extensively presented in chapter 4, it is important to the author to structure the interpretation of the data in a systematic way. When looking on the narrative as an open text systematic interpretation can be achieved at two levels: The first level comprises the story that has been carefully selected out of a complex situation while the second level selects episodes within that complex social situation and thereby is infused with meaning (Gudmundsdottir, 1992). With respect to the literature, the author has given meaning to prior knowledge, experiential knowledge, and network knowledge of the expatpreneurs. The interaction between theory and empirical data makes it possible to understand and gain new insights (Gudmundsdottir, 1992). Through the systematic literature review, the author has ensured to interpret the data within a theoretical framework. Otherwise, the narrative just without the theoretical framework would open a wide range of interpretations by others who read the report (Riessman, 2002).



## **3.5 Research Quality**

### **3.5.1 Reliability**

The reliability criterion describes to what extent the study can be replicated when repeated under the same conditions. As an effort to increase the reliability an interview-guide with pre-formulated questions has been presented and the methodology of the data gathering has clearly been carved out. On the other hand, semi-structured interviews also come with a certain degree of flexibility allowing to ask additional questions depending on the response and change the order of questions. Aiming to ensure trustworthiness through transparency transcripts, data, records, and participant selection have been kept and are accessible if other researchers should aim to replicate the study.

### **3.5.2 Validity**

Validity can be described to which extent the result measure what they are supposed to measure. As aforementioned it is doubtful whether a single case study is representative enough to generalize. In order to increase the generalizability though, several expatpreneurs have been interviewed attaining a more holistic picture of ‘expatpreneurship’ in Rwanda. Also, in-depth interviews were conducted to truly understand the process that expatpreneurs go through. While the narrative approach might increase the validity in this regard, it also comes with disadvantages. According to Phillips (1997), it is difficult to tell if a particular story is a reflection of the facts in the case or whether it has been shaped by the storyteller. That having said, the answers and interpretations of the narrative are subjective and might lead to different results if other expatpreneurs in Rwanda had been interviewed or if other researcher had interpreted the data.

Also, the interviewed companies were in different stages which is an outcome of the convenience sampling strategy. While Johanna, Simon, and Gabriel founded their company in 2017 and are more likely to be in the same company growth stage, Dan founded EAP in 2012 and is further with the company development. So, to increase the validity it would be of interest to interview these individuals again in a few years and see how they developed since. Their knowledge and perceptions might change due to new experiences and thus the answers might differ with respect to growth strategies while the founding process will not change anymore.

### **3.5.3 Limitations**

The author is aware that the study has further limitations concerning the validity and reliability of the study. The research question addresses the knowledge components of expat-preneurs in emerging economies yet only expat-preneurs in Rwanda were interviewed which raises questions about the generalizability. It could be the case that the findings are only applicable to East-Africa or only Rwanda. Moreover, convenience sampling has been used to get in touch with all kinds of expat-preneurs but a clear pre-selective distinction of expat-preneurs might also bring distinctive conclusions to light with respect to their knowledge components. For doing so, more interviews would have been necessary to get representative results within each group of expat-preneurs which would go beyond the scope of this thesis.

As aforementioned, the interpretation of the collected data is quite subjective and other researchers might come to other conclusions. Hence, the narrative data presentation has been considered as a mean to present the collected data as transparent and reliable as possible. This is particularly important considering that the study is difficult to replicate due to personal reflections that might change over time.

## 4. Empirical Findings

### 4.1 Gabriel Ekman

Gabriel Ekman has a business-related educational background studying project management and communication as part of his Bachelors in Gävele (Sweden) and continuing with his masters in Durban (South Africa) in the same field. The fact that he already lived in South Africa for four years as a kid was conducive to pursuing his masters abroad. The experiences in South Africa blessed him with a global mindset.

*“Growing up in South Africa and travelling a lot in Africa, I always wanted to come back to a country like Rwanda”.*

As much as Gabriel strived to have a positive impact, he desired to become self-employed. Hence, he had no problem leaving university with only his master’s thesis left. Of course, this has been a risky decision but at the same time underlines his self-confidence, determination, and his risk-taking ability feeling mainly accountable to himself.

Gabriel lived out his entrepreneurial mindset already during his Bachelor studies: He started an NGO, created a small for-profit painting and carpentry company, and worked as a coach in the incubation center of the entrepreneurship department at the University of Gävele. The NGO, called ‘save the goat’, aimed to preserve one of Sweden’s highest landmarks that the government used to set up as Christmas decoration. The problem the government was facing was that the costly landmark would always be burned down by young people who deliberately created a huge bonfire ever since the landmark caught fire accidentally decades ago. Gabriel and his partners made it their mission to modernize the picture of the landmark and make people appreciate it by spreading awareness through marketing campaigns. This “silly” project grew financially because they realized many companies actually benefited from the landmark. As the campaigns helped to increase the longevity of the landmark, companies started to sponsor their projects donating around 15000 dollars which have been reinvested to create advertising videos with ice hockey stars, hand out prints etc.

*“From this experience, I learned that if you are passionate about what you do, the success comes along the way”.*

Gabriel also states that during university he learned the most not by sitting in the classroom listening to the teachers but in projects where he could work practically. So, ‘save the goats’

but also his job at the incubation center where he actively worked with start-ups were extremely valuable in this regard. Gabriel says that the emergence of his current company Bag Innovation is a hybrid of these past experiences.

Equally crucial as the prior knowledge that he gained was the experiential knowledge. After leaving university, Gabriel went to Rwanda with the plan to surround himself in an entrepreneurial environment and work for three months as a teacher in the entrepreneurship school that his father started. During this work he got aware of the problem that a supportive business environment for the students was missing:

*“I saw that the relationship that I had with the private sector and businesses when I was in university did not exist at all here in East Africa and that students were not utilized as a resource whatsoever.”*

According to Gabriel, the students were just a “sitting duck” basically doing nothing hands-on during their university studies which came with the huge problem of missing skills development, talent identification and talent matching. For the students that meant that they had no supportive environment enabling them to gain proper and conducive practical experience. Education platform Bag Innovation aims to change that by facilitating practical experiences and giving students feedback on their skills level. The idea of Bag Innovation emerged during a pilot study that Gabriel did with his students where he started different kinds of small projects to see where the value proposition for students and companies lies.

Coming to Rwanda, Gabriel had no specific intention of starting a company prior to his arrival. But as he identified the need to increase the quality of education, the excitement around information and communication technology in Rwanda was also favorable:

*“Rwanda was a good springboard for start-ups like us”.*

Due to many foreign development organizations, Gabriel knew that education technology is promising for receiving support from those organizations. Moreover, Gabriel states that competition was little as almost all companies in the education sector provide their value proposition physically which limits the possible impact in terms of students reached. Since the education technology market has been overlooked in Rwanda, Gabriel further states that the country was and still is the perfect incubation center for breeding ideas.

As a first step towards implementation, Gabriel started to actively lookout for the right investors and partners pitching the idea for Bag Innovation as much as possible. He had a list of target organizations that could provide networking and funding opportunities such as the Sweden-

Africa chamber or SIDA. These networking efforts enabled him to access a broader network in turn and receive support. The support, however, did not include financial support in terms of trading equity against money but knowledge support or indirect financial support such as free IT development and business advice.

Due to its social value proposition, the idea was initially not assessed through the calculation of an expected return or break-even numbers. Although Bag Innovation aims to self-sustain itself by making profits, the key performance indicators lied on the social side with questions circulating around how many people can be impacted (scalability) and how the problem of a missing supportive business environment during the studies can be solved. From the moment of knowledge support to jumpstart his idea, Gabriel describes his entrepreneurial journey as having an idea in the spark and then testing himself forward along the way. In the first year, for example, this included not only conceiving a convincing revenue concept but also the continued search of a Co-founder, partners and advisors. Other early challenges were to develop an understanding for the cultural environment e.g. how to interact with Rwandan ministries or how to handle delayed payments, as well as the tax environment.

Up until today, pitching especially in start-up competitions is an essential part of the marketing strategy, thereby creating a lot of noise and relationships. Doing so, Gabriel won several start-up competitions among others the award as ‘best ed-tech startup in Eastern Africa’ 2019. Such start-up competitions not only helped Gabriel to expand his network, for example winning a former Rwandan minister over as an advisor who in turn can provide Gabriel access to a broader network but they also helped him to develop reputation and to appear on other peoples’ radar. Also, the fact that Gabriel has selected a Rwandan as his Co-founder, signals cultural receptiveness and appreciation to the external environment and reduces liabilities of foreignness extensively.

Liabilities of smallness are tackled not only by acquiring indirect financial support but also by attracting qualified human capital willing to work for a salary below market conditions which, according to Gabriel, can be traced back to the social value proposition of the company. Currently, Bag Innovation employs four people found on networking events while another three people work on demand. The workforce is expected to grow as Gabriel is currently preparing the grounds for organic growth by entering new country markets.

Gabriel states that this is necessary because as much as Rwanda is the perfect springboard for the company in the early phase, its domestic market is relatively small both in total population and spending power. Also, striving to increase the positive impact, Gabriel wants to prove that

Bag Innovation can function on a larger scale. As the product reaches maturity in the “incubation center” Rwanda, the plan is to enter Tanzania and Ethiopia by the end of this year. These countries have been selected because they face similar challenges in terms of education quality while the competition on education technology is low. Also, both countries provided positive feedback on initial test studies. While other countries in Africa might experience similar problems, it was important for Gabriel to gain reputation in Eastern Africa first. Close geographic proximity also appears to be beneficial as it facilitates travels. According to Gabriel, the availability of an already existing network has had no influence on the selection of the countries instead a new network will be built in these countries by actively seeking out to important stakeholders and leveraging the existing Rwandan network relationships. As Gabriel did many administrative mistakes already in Rwanda, he is confident to do better entering Tanzania and Ethiopia although the culture will differ.

Having faced several business challenges since the company founding Gabriel states:

*“The key knowledge is the knowledge of how to run a business, regardless of the sector you are in. Ninety percent of entrepreneurs who go through the same journey would quit after one and a half, two years after not seeing results. But being able to be persistent and patient while you build your business is extremely important, especially in Rwanda because it takes a while to really create sustainable revenues.”*

For his business to succeed, he also emphasizes on the necessity of being agile.

*“My Co-founder and I lead the business really flexible depending on what the market says, and we adjust our value proposition to certain trends.”*

As an example, Gabriel states that Bag Innovation had to adjust its revenue model and platform several times in order to make it profitable and attractive. Also, the start-up competition in Ecuador 2020 on solving migration problems is a good example in this regard. For this competition, Gabriel shifted the value proposition of his business from students to migrants and won the first place.

## **4.2 Dan Klinck**

Dan Klinck has had many minor jobs ever since he was eight years old from delivering newspapers to doing lawn care to working as a shoe shiner. Those early experiences equipped him with the “entrepreneurial hustle” and gave him a feeling for cash flow and other business measures. He chose the job as a shoe shiner in a country club when he was sixteen years old

over some administration or accounting job because the outlook of getting to network with the most powerful Canadians was more appealing to him. So, building up his network he found a personal mentor in Jon Dobson, “the Warren Buffet of Canada” in whose investment company he worked later and who gave him a lot of direction in life both professionally and personally. Being attracted to investing, Dan started a finance bachelor with a major in economics at Bishops University.

During his studies, at the age of 19, he became sales director of a local shoe manufacturing company. There, he tried to move production facilities to China while keeping the high-end production of footwear in Canada. He restructured the company, moved production costs 50% down and expanded into the US. Due to this experience, Dan acquired early meaningful entrepreneurial exposure and business knowledge. It also forced him doing a toss-up of either driving to be an entrepreneur and leave university or complete his remaining university courses and eventually start working in the investment industry in the company of his mentor. When he prepared for leaving university, Jon Dobson convinced him to join a co-op university business program in China instead, in which he could take some of his courses while he could simultaneously work on projects hands-on and follow his entrepreneurial drive. It turned out to be the best decision he could make:

*“The international contacts I have made in China enabled me to establish a sustainable, profitable business and take advantage of the diversity on campus. The continual interest, support and advice from professors were essential and made my co-op experience very valuable bridging the gap between theory and praxis.”*

So, in China at the age of twenty, Dan founded together with two partners the private equity company Integrity Investments which still operates to this day. The company provided advisory services for some of the clients’ change management but then was gearing them up to raise more capital. There he also collaborated with a Biotech company whom he later became the CFO of. However, when the financial crisis 2008 hit the economy, he decided to layoff himself and take a “comfort” job in a construction company, where his job was to ‘package up’ the company improving cost and budget management to eventually sell the company. Dan did this “comfort job” for two and a half years but eventually left.

*“My heart was always devoted to development in emerging markets and I never liked the idea of being based in Canada. The option to build something that can fight poverty was really attractive.”*

So, Dan moved to Rwanda together with his wife in 2010. His wife had a strong affection to Rwanda from a previous stay and they both shared the vision of making impact. For Dan sustainable impact means to run a profitable business that pays taxes and provides jobs. As a “serial entrepreneur”, he had the confidence of founding a business in an entirely new environment like Rwanda. Dan believes that entrepreneurs are born with certain risk-appetite and not made.

*“Entrepreneurs in many ways are the crazy ones who think something can go because otherwise other people would do it. You have to be a bit crazy to say, I'm going to come in the middle of Africa and set up a business and it's going to be sustainable.”*

At the same time, according to Dan, it is a big misconception that entrepreneurs are always super risk-takers:

*“I think entrepreneurs get burned so much especially serial entrepreneurs and you begin to see that you can analyze risk in more of a rapid format.”*

After moving to Rwanda, it took Dan two years to find out what the ideal market to get into was. Eventually, he found it through a “top-down” approach and also slightly by chance. By taking on a top-down perspective he refers to looking into the economy as a whole before digging deeper.

*“The state of the economy in Rwanda was that there were many state-owned assets which would be worthwhile for foreign direct investment.”*

In the two-year time period between settling in Rwanda and founding his company, Dan took on many different consultancy jobs. One of them was for an entrepreneur who owned the only non-governmental power plant in the country which was a hundred-kilowatt “dinky” project. So, Dan analyzed the macro and micro situation for him, which according to Dan is a prerequisite for building a company. Not only was the political, social, and technical situation looking good in the energy sector but also there was a clear supply and demand gap, and an efficiency problem from the micro-perspective. As he states:

*“EAP stem from finding that 60 to 70 percent of the national grid was powered by diesel fuel. So, it means that it is at least double or triple the cost of what it should be in a country full of renewable energy assets.”*

After advising the entrepreneur with action recommendations, the entrepreneur pushed these recommendations back to him asking if he would also be able to implement it instead of just



telling him. As a response, Dan applied his rapid analysis tool for founding a business which is an overlap of three factors:

*“Opportunity, Resources, and Team.”*

Since he could tick the opportunity box due to his prior assessment, it was time to figure out the financing and team composition. Dan bought a few books on Hydro Power, did further research with Google, talked to the right people from the entrepreneur’s network and then took on the attitude of just get it done.

*“Just get it done, just get it build. We will make improvements as we go and let's just get this fired up. And so certainly there's a lot of lessons learned from taking that approach but that was the way that I got in. I've been addicted to small hydropower and solar ever since.”*

Dan registered a company with hundreds of dollars and got into his first project without having any background in powerplants or engineering. He managed to do so by building a motivated team and attracting financing. The first three projects to get started were strongly subsidized by GIZ, the German development agency and other partners that do viability gap financing underneath pure market economics to serve a bigger social need. Bringing in private equity investors was very expensive at that time. Due to the risk-profile of Rwanda, they expected a return of 20-25 percent. Today, it’s closer to 15 percent meaning that the market has been de-risked. Not only was the government enthusiastic about the foreign direct investment asking him if he could do more energy projects but at the same time, a Belgian study published an atlas of Rwanda, identifying 333 hydropower projects that could be built. According to Dan, this was a perfect situation:

*“There was nobody really doing this: Almost no competition, barriers to entry or other affordable substitutes.”*

While the growth prospects were given, Dan emphasizes that the actual growth was only possible because of his team. The early core team consisted of an experienced civil engineer, and two project coordinators described as relentless and goal-getters. Once the company was created, the network became the growth lubricant. Interestingly, during the founding stage, Dan has not really had a network connected to his business besides the entrepreneur whom he did the consultancy job for. That is much more different today. How did he overcome these liabilities without coming from an energy background? How did he get a foot in the door with his company?

*“As the entrepreneur or the founder, I spend a lot of time in communications on the private and public side.”*

With communications on the private side, Dan is referring to building the internal network in terms of finding the right people for the company. His intention from early on has been to make EAP a purpose driven company meaning to devise a core set of values, principles, and ethics that every company in an emerging market should have. People get attracted to the company when they share the same philosophy and will eventually follow through. According to Dan, the people in the company are almost more enthusiastic about the charity than the business itself while still being aware that it is the charity enabler. Moreover, Dan states that he as an entrepreneur has a personality profile helping him to develop acquaintances and friends who want to work for him because they share the same risk-appetite.

Communications on the public side, on the other hand, refer to external stakeholders such as GIZ as an early financing organization. According to Dan these relationships are more intentionally managed. On another example, Dan and his team formed a private sector association in Rwanda which did not exist before and they had more than a hundred members sign up raising around 3 million dollars. This collaboration equipped them with strength as of being a voice on the table. Moreover, Dan attends every major trade show regionally and on the continent for hydro and solar power.

*“All that is a lot of work actually, but then that is where you find opportunities, team and people.”*

According to Dan, “tons” of opportunities have emerged from the private sector association. Business-people and donors who look into Rwanda for investment always want to first understand what they are looking at. Most often these people are then referred to Eastern African Power being the voice piece for the association in Rwanda. It is noticeable that the people are referred to Eastern African Power and not to Dan personally suggesting that his company grew enough reputation overcoming liabilities of smallness and newness. According to Dan the only way to make the company survive is to have a wide network on both the public and private side.

So, what started with a first 500-kilowatt project has now led into EAP which employs 90 people plus an additional 10 people working for their charity. In EAP’s portfolio of investments, five operational projects and five construction projects in Rwanda can be found, as well as more than twenty-five hydro and solar development projects in Rwanda but also a

few ones across other countries such as Uganda and Zimbabwe. Although EAP is primarily based in Rwanda, Dan sees the company's future growth clearly outside of Rwanda as the East African market is quite saturated even producing an energy surplus. EAP primarily focuses on the development of energy projects meaning that they view themselves as a catalyst to unlock projects. EAP's niche is to be an early mover, de-risk the market, and then bring the right partners in for further development. Their goal to achieve a thousand megawatts of unlocking between now and 2030 is very ambitious but Dan states that it really boils down to identifying clear supply and demand gaps for the next five years. For future growth, the Southern and West African power pool have been found to have such gaps. However, the macro-perspective of each country such as the political regime must also be considered. According to Dan these gaps in countries like Zimbabwe, Zambia, Guinea, Mozambique etc. exist because their markets are too risky for foreigners. As a strategy to enter such markets they pursue unsolicited tenders to avoid a race to the bottom. So, Dan's goal is to have operating bases in ten different countries headquartered from Rwanda.

Moreover, as a "serial entrepreneur", Dan has another business in the pipeline called "Electrocook" which he recently received funding for in order to kickstart the project. 1/4 of the funding stemmed from EAP while the rest was provided by foreign development organizations. Electrocook aims to improve cooking for the bottom of the pyramid by replacing charcoal with electricity. Dan's plan is to prove the viability of the idea and then go for stronger financing to boost company growth and thereby social impact.

### **4.3 Johanna Sandberg**

Johanna obtained a master's degree from Aarhus University in 'anthropology: global studies and development'. When talking about her program, she specifically mentions entrepreneurship as part of her education working on projects with the university's incubation center. There, she worked on expanding the incubation center to Ghana devising and physically implementing a concept of how to teach entrepreneurship in Africa, together with a Ghanaian partner. This experience qualified her to even teach entrepreneurship in schools introducing entrepreneurial tools such as personality tests or the business model canvas.

Her affinity to engage in Africa and support disadvantaged people stemmed from a documentary about the Rwandan genocide that impacted her life from early on. Propelled by this calamity, she devoted her time during high school and university to working with refugees and mentally ill people striving to help those who depend on support the most.

*“The aftermath of the genocide in Rwanda has been a key motivator in my work and my interest since I was thirteen.”*

Only at the age of eighteen during high-school, Johanna lived for three months in South Africa volunteering in a youth project. So, while she already lived in South Africa and Ghana during the course of her education, she moved to Rwanda in 2013 as part of her thesis. Personal reasons motivated that decision as her daughter is of Rwandan and Danish descent and Johanna wanted her to get to know her father’s culture and attend school there for a certain period.

Eventually, Johanna graduated in 2015 and by chance got her first job 2016 in HR in Rwanda. Her family and the outlook of having positive impact in some way facilitated her decision to accept the offer. She was responsible for running the HR office branch in Rwanda of a Ugandan company. Since she had the head lead on projects, she was exposed to all kinds of business activities ranging from sales and marketing to staff supervision. The fact that she was recruited in Rwanda was not surprising given her personal and professional background.

*“I have had an extensive network across different sectors in Rwanda because I have Rwandan family, I have worked with the government, I have worked with the police, I worked with the UN, so I had a network to begin with and that is why it was easier for me to be employed in Rwanda than it was to try to go back to Denmark and be employed there.”*

Johanna has developed her professional network as part of her thesis talking to different interest groups. The first contact between the HR company and Johanna was mediated by a personal contact. The Ugandan HR company was partly owned by a Danish and a common friend established a link between the owner and Johanna. Due to the same cultural background, trust, a prerequisite for the position as managing director was established quickly as Johanna outlines. Despite having no specific HR background, Johanna was a desirable fit for the company due to her network and her prior experience. As a trained anthropologist, she was really good at interviewing people and at the same time, acquired entrepreneurial start-up experience due to the project in Ghana that she executed. Johanna worked at the Ugandan company for one year until they decided to close down because of issues in Uganda.

*“This was a hard time because I lost my job, and my house within a month while at the same time I had responsibility to my daughter in Denmark to bring her food on the table. In Rwanda, you don’t have the same job security as in Europe.”*

From this hardship, Johanna figured it was time to take fate into her own hands, so the idea emerged to start her own company. Especially due to her entrepreneurial experience in Ghana as part of the university incubation center, she states:

*“It was not unfamiliar for me to think: Let me start a company myself then instead of trying to depend on other people.”*

Although there were some really strong local HR players in the Rwandan market with the company ‘NFT’ owning around 80% of the market receiving all government contracts, her niche was to bring in a new foreign perspective into the local industry. During her first job as head of the Rwandan office, Johanna received HR training from the Danish center for leadership and brought valuable learnings over to Rwanda like conducting a psychometric test system. Especially, with many governmental and non-governmental organizations coming from Europe, trust was quickly formed due to aligned European procedures and work ethics in the recruitment process. Moreover, given her personal situation, Johanna understands the Rwandan culture very well and can bridge between both cultures. Taking these factors into consideration, Johanna had favorable prerequisites to start her own company since she knew that former clients enjoyed working with her personally and might follow her into self-independency. That having said the attractiveness of the opportunity to become self-independent was assessed informally securing commitments of former clients. Due to the previously established and over time nurtured network, Sandberg limited received its first jobs from very big players such as the European Union and Oxfam. Up until today, the network plays a central role:

*“How I get business is through my network and recommendations.”*

While this is certainly positive, the company hinges a lot on Johanna personal network which insinuates that the company could not overcome liabilities of smallness to a desirable extent yet. Johanna states that she is still the face of the company and that the company cannot function without her. As an example, she mentions that she went to Denmark for a long period in 2019 for personal reasons and in that time the team in Rwanda consisting of five people fell apart mainly because of a lack in leadership. Today, with just one employee left, Johanna is willing to re-launch the company which includes the integration of financial partners to overcome liabilities of smallness and grow bigger in terms of marketing spending, jobs, and number of employees.

That having said, Johanna aims to strive for investment which followed a personal realization. She recognized herself during an entrepreneurship conference in 2019 in which the speaker said:

*“The biggest mistake with female entrepreneurs is that they don’t go for investment. They always think they can take care of themselves and they don’t want to owe anybody anything. Hence, you are not competing on the same level as the guys, because the guys are not afraid to go for the investment and take more risks.”*

So nowadays, Johanna is actively seeking out for investment, and “play the drums louder” while preparing her Rwandan employee to become a business partner.

In fact, this has become more important than ever as Johanna took on another position in March 2020 as managing director of a mental health application in Rwanda. The importance of addressing mental health issues was precious to her because of issues in her Rwandan family which are still connected to the Genocide 1994 but also because of her prior experience as a social worker in Denmark. Taking on the role as managing director, however, happened by chance during an event in Denmark where she spoke about mental health problems that she experienced working in HR as a career coach. After that presentation, developers of a newly launched mental health app talked with her and eventually offered her a position.

This opportunity came up completely by chance but is the result of still being open and interested in new opportunities and actively engaging in networking. Since the future is difficult to predict and new opportunities window always open up, Johanna states that she learned to deal with contingency ever since becoming self-independent:

*“As long as you continue working, everything turns out to be okay.”*

#### **4.4 Simon Sondern**

Simon has obtained an MBA at the Otto-Beisheim School of Management. His study period was coined by his two exchange semesters in Beijing and Tel Aviv.

*“I have always found it appealing to live abroad because of the new impressions and inspirations I collected. Finding my way in new environments boosted my personal growth.”*

Consequently, Simon conducted each of his internships during his studies in different countries. He interned for Airbus in Spain preparing and participating in contract negotiations, Adesso in

Germany conducting extensive market and customer research, and Jumia, a newly launched online marketplace, in Uganda. The latter experience was particularly influential to him.

*“In these four months, I sensed how much potential the entire region has.”*

However, not only the striving business environment fascinated him but also his actual job in a newly established start-up where he immediately took on high responsibilities.

*“I was working on all aspects of starting operations for Jumia as first person on the ground from finding office space to hiring first employees. Throughout the course of my work, I gained broad experience in hiring and managing staff, identifying, acquiring and managing vendors and managing the early development of a rapidly growing company.”*

Given that Simon always wanted to become self-employed, these firsthand experiences were particularly valuable and grew his interest in the African continent even more.

After graduating in 2015, Simon initially planned to go back to Uganda. However, issues with his work permit pulled him to Rwanda instead since the country was more receptive and welcoming to foreigners coming in. Simon had no links whatsoever to anyone in this country and no clue what to expect, let alone what to work with. All he got was the belief that the business potential he sensed earlier in Uganda could also be unlocked in Rwanda and open up new business opportunities.

*“I decided to give myself half a year there and then decide whether I want to stay or leave. I didn't know anyone and have never been to the country before.”*

As he scanned the business environment for opportunities, he identified a need for local facilities improving their advertisement both online and offline. The idea of doing something related to E-commerce has loosely been planted in his head prior to his arrival in Rwanda due to the experiences he made in Uganda working for Jumia.

The simplicity of the identified opportunity combined with low upfront costs and if anything, little competition made the implementation of the idea particularly attractive, he says. Moreover, Simon was aware that the concept of such an E-commerce platform has proven in Europe and Uganda already. So, to assess the attractiveness of the idea, Simon conducted no formal analysis but rather trusted his senses. Since he self-financed his business there was also no need for presenting a formal business analysis or business plan to external financial stakeholders.

So, for the implementation of his digital platform VibeKigali, he turned to a friend who could help him out with the technical establishment like building up server space. However, the technical knowledge directly connected to the website, he taught himself through YouTube videos while many websites offer simple building blocks for the creation of an own website.

Also, Simon states that the benchmark for his website was quite low due to almost no competition. Hence, he had time to improve along the way. Most important to him was to just get started, create something visible and then take the company growth from there attracting first customers. To get paying vendors on board he played out hotels and restaurants by approaching the restaurants saying: We talked to all the hotels and they want to have these brochures with your restaurant potentially listed on it. Do you want to do advertisement? While at the same time, approaching the hotels saying: I have all these restaurants in my portfolio, do you want to have these brochures?

In order to overcome liabilities of newness marketing was essential for VibeKigali. Simon experimented with search engine optimization, google ads, and marketing videos. Especially the marketing videos turned out to pull many people to his platform with some of the videos being watched around four hundred fifty thousand times in a country with a population of around 12.3 million.

The same strategy, Simon is utilizing for his other websites VibeHouse and VibeCar. Synergy effects with VibeKigali made the technical establishment of the new digital platforms relatively easy and increased the company's portfolio.

*“The processes are the same, the structure of the website is the same, advertisement is similar, and the target group is also the same.”*

Simon states that the websites also complement each other in the value proposition as people who look for a new house, often also lookout for a car and want to explore new places going out. At the same time, he can spread the risk with his diversified portfolio of offerings and increase revenues. In fact, Simon is very satisfied with the development of VibeHouse, while VibeKigali possibly must be relaunched to stay relevant although it is still (but less) growing in revenues and number of users. The development of VibeCar is promising but has only been launched 2019 making it hard to make judgements.

The idea of VibeHouse came up when Simon was looking for a new office space for VibeKigali in 2018 which turned out to be very difficult and inefficient. Nothing could be found online and even when going to agencies they were missing pictures, floor plans and reliable prices.



So, he ended up driving through the city for days visiting many different spaces personally and yet could not even get access to the places at times since the landlords were not at home. Experiencing such problems, Simon was certain that he could offer a better more professional service when people search for office or living space. By chance, this experience fell together with Jumia House, Simons former employer, retracing its business from the small Rwandan market to bigger African markets conceding space for new businesses. So, Simon reached out to the managing director of Jumia House and won her over for starting the company called VibeHouse.

At that time, Simon was devising his growth strategy weighing up between expanding to several other African countries with VibeKigali or launching more offers and websites within Rwanda. Eventually, he decided to create multiple businesses within Rwanda because he was very familiar with the business environment, could incorporate synergy effects effectively, and complement his offers. Also, administrative barriers like registration of the company, tax systems, transfer pricing etc. scared Simon away from early expansion into other African countries.

In addition, the internal prerequisites were not satisfactory back then because Simon has not had a partner to wholeheartedly trust. By time, he found good people who are supposed to become managing director of his individual companies and equity partner. His aim is to establish the businesses in Rwanda to an extent that they can operate without him and generate enough cash-flow to finance expansion to other countries that he then can personally focus on. The decision of which countries to expand to does not follow a profound quantitative assessment system or network fellowship instead Simon wants to avoid competition in the big African markets like South Africa, Kenya, Nigeria and focus on niche markets that big players do not look at. This approach, he derived from his experiences in Rwanda as he grew quite fast in the beginning even without doing a lot of marketing just because they were almost the only professionals in the market.

Today, Simon employs four full-time employees and three additional employees who work on commission. The seven employees consist of salespeople, photo and video editors, and content creators. He found these “qualified” team members through advertisement and personal recommendation from customers. Simon aims to expand the team as he aims to expand the company. Yet, he is not planning to bring external investment to the company but prefers to finance the growth through company profits and keep control inside the company. In order to further boost growth, Simon attends virtually every major business event in East Africa.

He states there was no specific contact extraordinary conducive to the company development but that he could attract new vendors, find qualified employees and get business advice through such networking occasions. When he visits certain networking events today, he realizes how he managed to overcome liabilities of newness. He has been taken more serious by his business partners over time as he proofed his personal commitment to Rwanda and determination of growing his business.

Looking back, Simon would do certain things differently when entering Rwanda again and creating a business. At the same time, he says that he knows back then he could not have done it much differently as he was missing network relationships.

*“It is extremely important to have a good team. It would have been great to have that from the start but realistically, I could not afford it. If I could re-start, I would lookout for a Co-founder so that I don’t have to go through the ups and downs by myself.”*

But Simon also stresses the difficulty of finding someone to be compatible with.

## 5. Data analysis

### 5.1 Opportunity Identification

What motivates expatriates deliberately deciding to make a living in Rwanda and create a venture in this new environment? What knowledge has contributed to the initiation of the new venture in Rwanda? How has the business opportunity been found? This section investigates all relevant factors leading to the founding of the new venture. With respect to the initial internationalization and founding process of the expatpreneurs five crucial factors have been identified: 1. Global mindset, 2. Prior entrepreneurial experience, 3. Personal relationships, 4. Institutional bridging, 5. Social purpose

The propositions are made that a global mindset, personal network, and social purpose are more influential to the expatriates looking for opportunities across national borders and make them settle in emerging economies while prior entrepreneurial exposure and institutional bridging facilitated through direct experience rather support the exploitation of opportunities in emerging economies.

All people interviewed meet the expat-preneur conditions highlighted by Vance et al. (2016). They are self-employed, have a formally registered business in the host country and hence are obliged to pay income taxes in the host country as well. However, the literature draws a distinction between pre-departure expatpreneurs and transitional expatpreneurs.

Pre-departure expatpreneurs are individuals who move abroad with a pre-conceived entrepreneurial purpose (Vance et al., 2016). They are usually driven by wanderlust or the goal to make positive impact (Inkson & Myres, 2003). Transitional expatpreneurs, on the other hand, start to become self-employed after while they work for a specific organization operating in the host country (Vance et al., 2017). They usually enter the host country due to calculated career choices building international capital and striving to climb up the company ladder (Vance et al., 2017). The intention to have a positive impact and making a difference by addressing social and environmental needs is increasingly seen as a major driver in identifying business opportunities in the host country (Stenn, 2017).

It is striking that all interviewed entrepreneurs came to Rwanda without knowing what kind of company they would build. They have not pre-analyzed the entrepreneurial eco-system of Rwanda in a technical way for the purpose of founding a company. Yet, Dan and Simon had a pre-conceived entrepreneurial purpose as it was their goal to identify business opportunities

while gaining direct experience. They gave themselves enough time to find the right opportunity. Simon said he would give himself half a year to find out what to do, while it took Dan around two years to find an opportunity that he considered worth pursuing. Their motivation, however, was very different. While Dan's motivation to move to Rwanda was influenced by the prospect of doing good and build something that can fight poverty, Simon entered Rwanda to a large extent on calculated career choices as he sensed an environment with many opportunities.

Gabriel and Johanna on the other hand, have not had a pre-conceived entrepreneurial purpose coming to Rwanda. Gabriel worked at the entrepreneurship school as he wanted to make positive impact and always wanted to come back to a country like Rwanda while Johanna returned to Rwanda out of calculated career choices considering her job offer. Yet, she also specifically mentions that the outlook of doing good has contributed to the decision of accepting the offer and moving to Rwanda. Both eventually transitioned from their working environment into becoming self-independent. The business opportunities they identified were directly connected to their prior work environment as they gained relevant country-specific market knowledge. This is in alignment with the literature which states that prior working experience facilitates the discovery of business opportunities (Baron, 2006; Shepherd & DeTienne, 2005).

The expatpreneurs decision of entering the cultural distinct country of Rwanda was also supported by a global mindset which promotes international opportunity recognition and is rooted in prior international experience (Baum et al., 2013; Karra et al., 2008; Vance et al., 2017). People with a global mindset have a bigger scope of opportunity recognition since it reduces the perceived costs of internationalization (Laanti et al., 2007; Zuchella et al, 2007). Former intense networking experiences such as an MBA program with a high number of international students are particularly helpful for developing a global mindset (Karra et al., 2008). Each expatpreneur has lived abroad for a significant time-span as part of their studies suggesting that they developed a global mindset.

While a global mindset lowered the risks associated with internationalization, the outlook of doing good buttressed their decision to move abroad. Rwanda specifically appeared on the radar of the expatpreneurs mainly due to personal links. Johanna, Dan, and Gabriel were all influenced by their close family coming to Rwanda. Gabriel had links to the entrepreneurship school that his father started, Dan happened to fall in love with a woman who loved Rwanda, and Johanna has a daughter of Rwandan descend. Only Simon had no personal links to Rwanda.

So, no expat-preneur had professional relationships in Rwanda prior to their first arrival. The decision of moving to Rwanda was largely facilitated by leveraging personal links. Once, the expat-preneurs settled in the new environment, they actively created new local personal and professional linkages.

Crick & Spence (2005), and Vasilchenko & Morris (2011) state that the access to local networks is a matter of luck considering random encounters but that those random encounters are influential to the identification of opportunities. Being embedded in local networks is crucial for identifying opportunities as market knowledge and institutional knowledge are increased which in turn promotes institutional bridging (Peng, 2000; Tracey & Phillips, 2011; Schweizer, 2013).

The cases confirm that this kind of random networking is connected to opportunity identification. Since no expat-preneur knew which company to start when coming here, there were no contacts deliberately established with the specific intention of accelerating the founding of a new venture. This means that if the expat-preneurs would have met someone else or worked with other organizations, they might have a different venture than the ones they are having today. For example, Dan Klick's consultancy job for a power plant entrepreneur was such a random encounter which happened to be influential to the founding of his venture. Also, Johanna created a network to foreign development organizations and local institutions for her thesis but back then had no intention in utilizing these relationships for the creation of a new venture. Similarly, Gabriel's business probably would look different if his father would have had a construction business instead of an entrepreneurship school. Only, Simon was quite independent of local network influences with respect to the identification of the opportunity. While Johanna's and Gabriel's work environment influenced their opportunity identification, Dan and Simon, show that being an employed is not a pre-requisite for founding a venture in a foreign country. So, while the private (family) network influenced the moving to Rwanda, random personal contacts in the local Rwandan network influenced the identification of opportunities.

In order to assess the attractiveness of an opportunity, Dan conducted a formal analysis as part of his consultancy job where he backed up his experiential knowledge with objective knowledge, while the others trusted their senses. Whether assessing the attractiveness of their idea formally or informally, the literature suggests that people with prior entrepreneurial exposure have acquired richer cognitive structures to identify and evaluate opportunities (Baron

& Ensley, 2006; Gruber et al., 2008) or as Dan has put it: entrepreneurs get burned so much that they learn to analyze the risk in a more rapid format.

All expat-preneurs have had relevant entrepreneurial experience prior to entering Rwanda. Gabriel not only started different organizations during his studies but also worked, like Johanna, for the university incubation center. Dan had early meaningful entrepreneurial exposure when internationalizing the production facility of a shoe manufacturing company and building his own investment company in China. And Simon was strongly influenced by his four-month internship experience for the start-up Jumia where he belonged to the first men on the ground in Uganda and gained insights with respect to how to build a company.

Besides entrepreneurial experience, it is argued that in the context of emerging economies weak institutions provide a wider range of opportunities than in developed economies and thus contribute to opportunity identification (Lingelbach et al., 2005; Tracey & Phillips, 2011). Thereby, expat-preneurs deploy institutional bridging strategies to identify opportunities which can only be applied through direct experience of potential markets (Karra et al., 2008; Tracey & Phillips, 2011). Through the deeper understanding of the host environment, the entrepreneur recognizes the mutual influence of cultural values and norms and mediates between the domestic and host country (Tracey & Philips, 2011). Living in the potential market for a significant period allows the entrepreneur to sense opportunities by understanding the institutional context and build alliances with partners (Karra et al., 2008).

The interviewees largely confirm that institutional bridging is a crucial tool for opportunity identification in emerging economies. Gabriel compared the institutional environment with regards to the education system and found that the supportive environment that he had in Sweden during his studies was missing in Rwanda. Simon transferred popular and proven European E-commerce concepts to Rwanda and professionalized services like it is common in Europe. Johanna exploited a niche in a competitive HR market which lied in the ability to truly understand both cultures and bridge between them. Dan is arguably the only one who was not strongly influenced by institutional bridging in terms of identifying an opportunity by mediating between the host country and the domestic environment.

Yet, he benefited from weak institutions in Rwanda as he found that electricity generation run by the government was too expensive and inefficient. Similarly, Gabriel benefited from weak institutions as he took on a job that the government usually oversees. Gabriel's platform Bag innovation would likely have a harder time being market-relevant in Sweden since Sweden

arguably has established a high-quality education system. In these cases, both have benefited from the characteristic of emerging economies in terms of underdeveloped institutions.

According to Lingelbach et al. (2005), the entrepreneur often takes the role of a financial investor managing portfolio risk by operating several different businesses. In fact, many interviewees show such portfolio behavior. Simon started with one platform which he extended to three platforms sensing new opportunities and diversifying risk. Johanna will operate as managing director for a mental health app in Rwanda, and Dan is going to create a clean cooking business. The continued identification of opportunities buttresses their superior knowledge.

## **5.2 Opportunity Development**

This chapter looks at how the interviewed expat-preneurs developed their venture after they identified an opportunity. How did their first steps towards implementation look like? What strategies have been applied to overcome start-up liabilities in a foreign setting? What do the growth strategies look like? The proposition is made that a global mindset, prior entrepreneurial experience, collaborative entrepreneurship, and a social purpose are fueling the development of a new venture in an emerging economy. Direct experience remains crucial with respect to venture growth.

A global mindset has a positive effect on both international networking and knowledge acquisition activities, which in turn have positive effects on the development of international opportunities (He et al., 2020). The interviewees stated that the decision to expand into a specific country is not guided by a pre-established network but by identified market gaps and little competition making a global mindset a prerequisite for further company growth.

The literature has also highlighted the importance of country-neutral market knowledge or internationalization knowledge as the knowledge of how to run a business which is acquired through prior entrepreneurial experience (Delmar & Shane, 2006; Fletcher & Harris, 2011; Fuentes et al., 2010). These individual learnings are manifested as tacit knowledge and difficult to transfer as they include mindset, attitudes, and values (Nonaka, 1994).

However, elements of the respondents' internationalization knowledge could be extracted. For example, the expat-preneurs showed high execution abilities by embracing the mindset of 'just get it done and make improvements along the way'. Dan emphasized on this attitude to get into his first hydropower project, Simon stressed that the website had not to be perfect from

inception as there was little competition and thus time to make improvements. Similarly, Gabriel put light on the importance of being open for feedback and adjusting the business model accordingly over time by being agile. These processes challenge the assumption that one needs to have a perfect product or service from inception for starting a new venture instead it is important to just get started and then soak in experiential knowledge through a trial and error process to further develop the business opportunity.

Another relevant element of the expat-preneurs' internationalization knowledge seems to be the strong focus on the team through which missing technological or market knowledge is grafted. Focusing specifically on internationalization knowledge of the expat-preneurs comes with the proposition that they could have developed any kind of business as they know how to run a business. Dan, for example, has had no energy background and states that the company would not exist if he had not organized a strong team from inception. Similarly, Gabriel has no computer programming background but grafted the needed knowledge among others through network relationships to support organizations. Arguably, his most important acquisition was his Rwandan Co-founder that he met during a networking event. The importance of having an equal business partner in the team from inception is stressed by Simon and Johanna, who indicate that it would have boosted company growth and restricted setbacks. Simon stated that it would have been good to not go through the ups and downs alone while Johanna's company fell apart when she was in Denmark due to a lack of leadership.

Composing the right team is connected to the expat-preneurs networking ability both personal and professional. Accessing human capital can be a matter of luck or happen in a more structured way. While Gabriel found his team members through networking events, Dan composed his team by utilizing the network of the individual he was consulting at that time and running into people that shared the same risk appetite. Similarly, Simon found some of his team members through specific job advertisements and others through personal recommendations from customers.

The ability to network and build strategic partnerships according to the need are highlighted in the literature by the term collaborative entrepreneurship. Collaborative entrepreneurship is especially important in the context of emerging economies in order to overcome start-up liabilities of newness, smallness, and foreignness (Ratten, 2014; Guercini & Milanese, 2016). Unlike the rather random networking process with respect to opportunity identification, the networking process to external stakeholders during the opportunity development process becomes more intentionally managed as links are created for a special purpose (Ratten, 2014).



Collaborative entrepreneurship contains the creation and utilization of opportunities made possible by linkages with individuals, businesses and governments who collaborate to achieve mutually agreed-upon goals (Naude et al., 2011). According to Lawrence & Phillips (2004) definition, actors build networks and alliances through which they manage institutional structures instead of taking existing structures as given.

Taking the definition of Naude et al. (2011) into account, the expatpreneurs have executed collaborative entrepreneurship patterns. Gabriel's individual collaboration with his Rwandan Co-founder, for example, helped him in overcoming liabilities of foreignness. Dan created a private sector association among businesses to overcome liabilities of smallness supporting his interests with more power. Johanna utilized her linkages to high profiled institutions to secure orders for her new venture and overcome liabilities of newness.

The definition of collaborative entrepreneurship by Lawrence & Phillips (2004) as the power to change institutional structures is showcased by Dan and Gabriel. Their value propositions aim to make up for weak government structures and hence shape institutional structures. They contribute to achieving 'mutually agreed-upon goals' with the government in the field of education and power generation. Gabriel strives to improve education digitally so that he can increase the scale of students being positively impacted while still being sustainable by generating profits. Dan incorporated the concept of empowering villages into his business model where he finances free mini grids for villages with no electricity from his profits. While Dan and Gabriel integrated a social value proposition into their business model that fosters greater society benefits rather than pure individual gains (Ratten, 2014) and support the government in their social and economic effort, Simon and Johanna are missing a clear social value proposition other than providing jobs which could also explain why unlike Dan and Gabriel, they have not unlocked (financial) support from foreign development organizations and are more hesitant in such networking efforts.

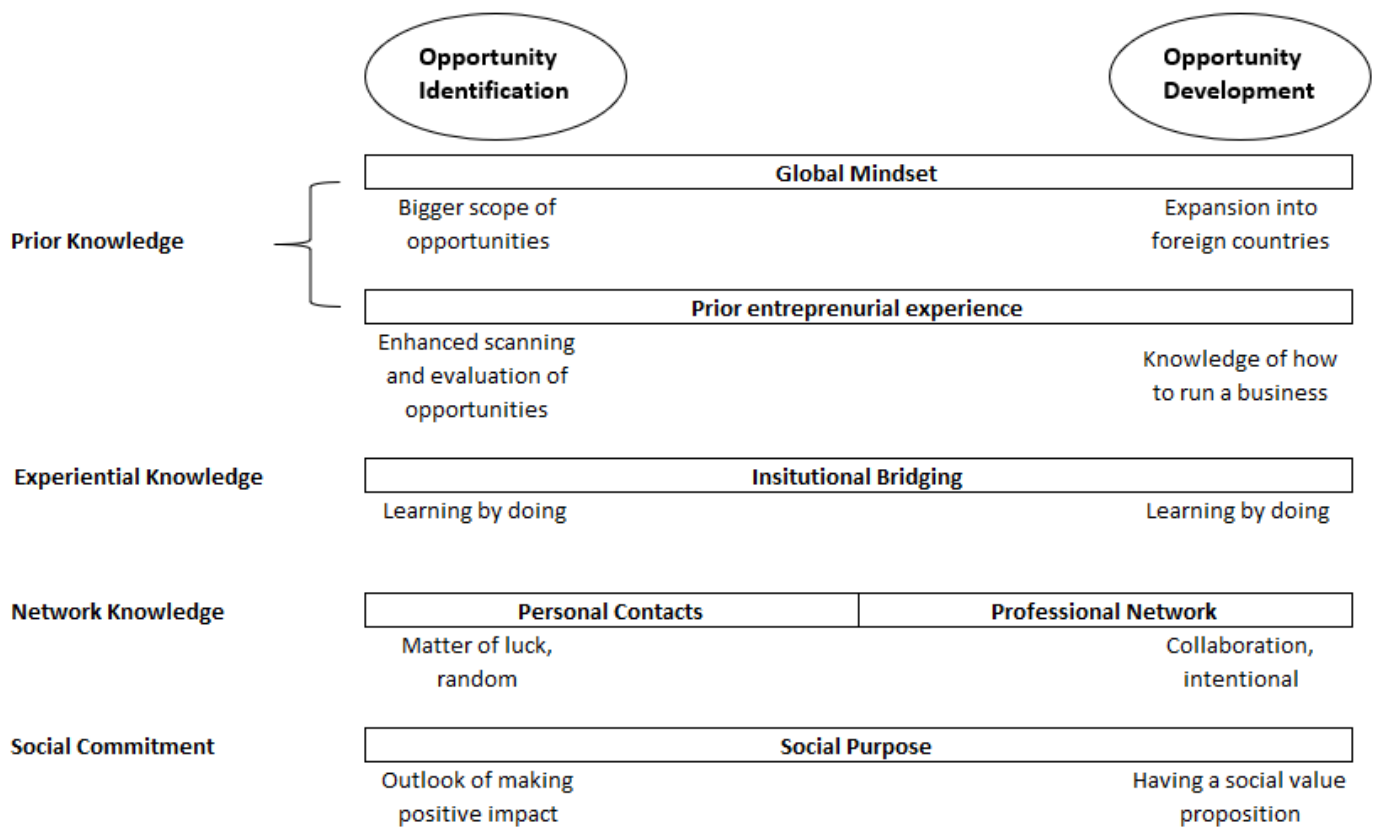
Learning from Gabriel and Dan who both understood the business support environment very well, Johanna, for example, could integrate a free career service at schools for disadvantaged students as a second business stream to be able to attract funding and thereby enable stronger growth for her main business. Moreover, the incorporation of a social purpose also seems conducive to growth in terms of human capital. Dan and Gabriel state that they could attract qualified personnel with a salary below market conditions due to the social vision they share with their employees.

So the social value proposition in the business model as a distinction criteria can offer an explanation why the networking and growth strategy between Dan and Gabriel, on the one hand, and Simon and Johanna, on the other hand, are very different.

While Gabriel's strategy is to participate in as many start-up events as possible and get connected to investors, Simon finances growth only internally through private capital and profits from his business operations. However, the networking strategy might also hinge on additional reasons such as confidence or capital intensity. For example, Johanna states that she was missing the confidence striving for external investment while Dan had no other choice than going for external investment due to the high capital need of his identified opportunity.

### **5.3 Summary**

In the following, the answers of the respondents are analyzed on a meta-level with the goal understand which knowledge expatpreneurs inherit and how they utilize it during the venture process. The interviewees proved that prior knowledge, experiential knowledge, network knowledge, and social commitment are all part of the equation leading to 'expatpreneurship' in emerging economies. These are integral knowledge constituents, but the proliferation of the specific knowledge components differs with respect to the opportunity phase. During the opportunity identification phase a global mindset, for example, not only facilitates the decision of moving into an emerging economy but also leads to an increased scope of opportunities while during the growth phase it triggers expansion into foreign countries.



**Figure 3:** Knowledge components of expat-preneurs during the venture process in emerging economies (own illustration).

Prior entrepreneurial experience during the opportunity identification phase equips expat-preneurs with enhanced scanning and evaluation of opportunities. A global mindset and prior entrepreneurial experience constitute prior knowledge. However, during this phase prior knowledge must be supplemented by experiential knowledge and more specifically by institutional bridging since none of the expat-preneurs knew which company to start prior to their arrival in Rwanda. Random local personal contacts are conducive for institutional bridging while prior personal contacts combined with the outlook of doing good spark moving into an emerging economy.

When all knowledge components work together resulting in the identification of an opportunity, new strategies within the existing knowledge components are needed during the opportunity development phase. Prior knowledge in this phase now results in the knowledge of how to run a business in terms of managing people and mindset, as well as expansions strategies. Experiential knowledge to make learnings by doing does not change with respect to the opportunity stage. However, the network changes as professional networks become more important for attaining finance and other business support, for example from foreign development organizations. Hence, part of the network knowledge during opportunity

development is knowing that a social purpose heightens a company's chance to receive such support. A social purpose in this regard can be a significant growth facilitator.

## **6. Conclusion and Future Research**

### **6.1 Conclusion**

The goal of this paper was to understand how expatpreneurs build ventures in emerging economies in order to answer the research question: What are the knowledge components of expatpreneurs in emerging economies? To better answer this, interviews with four expatpreneurs in Rwanda were conducted next to an extensive literature review. The interviews focused on the raised sub-questions.

The first sub-question aimed at exploring the utilized knowledge components for the identification of international opportunities. It has been found that a global mindset, prior entrepreneurial experience, institutional bridging, personal networks, and a social purpose were all relevant factors contributing to the identification of opportunities.

With regards to the second sub-question as of what knowledge components are utilized to develop an identified opportunity, the knowledge components are very similar while the proliferations of those components are very different. For example, prior entrepreneurial experience contributes during the opportunity identification stage to an enhanced evaluation of opportunities while during the development phase it refers to the knowledge of how to run a business. In contrast to the opportunity identification phase, only the network knowledge component changes as it becomes more professional and intentionally managed.

The interviews supplemented the literature highlighting that social commitment also has a significant impact in the venture creation process of expatpreneurs in emerging economies since it is a driver for settling in a country with weak or underdeveloped institutions and facilitates growth through better access to networks once an opportunity is identified. Moreover, 'expatpreneurship' in emerging economies highlights extensive networking and collaborations as (growth) enablers for international new ventures. The other above mentioned findings were mainly in alignment with the literature and yet gave a deeper understanding on the utilization of knowledge components of expatpreneurs.

### **6.2 Future Research**

The literature generally distinguishes between pre-departure and transitional expatpreneurs but there are even more nuanced ways to distinguish them. Future research could dig deeper into how specific kinds of expatpreneurs in emerging economies differentiate from one

another with respect to the venture process. Moreover, it could be of interest to connect different types of expatpreneurs to cognitive frameworks such as effectuation and causation. Since this research has focused on the relevant knowledge of expatpreneurs, the investigation of cognitive structures in terms of how they do what they do could complement this research and give a more holistic understanding of the expatpreneur. Following an effectuation approach means instead of goals determining the actions, the actions are determining the goals. It implies that direct experiences gained by actions shape the objective of a business (Sarasvathy, 2001). In contrast, with the causation approach, individuals start with an analysis of the firm and its environment followed by a plan that is to be implemented and controlled (Sarasvathy, 2001).

Future research could also focus on investigating the ‘expatpreneurship’ phenomenon in other emerging economies and explore whether the utilization of knowledge components in the venture process is different with respect to the country. In this thesis many knowledge components have been considered raising the question whether certain types of knowledge are potentially more important than others in the venture process of expatpreneurs in emerging economies.

An improved understanding of the international career phenomenon of expatpreneurs can be useful to the development of effective and targeted national policies and practices that provide greater recognition and support for expatpreneurs (Selmer et al., 2018). Given, the positive effects of expatpreneurs to the local economy (Silvanto et al., 2015), it is desirable to attract them. It can also be useful for scholars who are eager to start their own company abroad.

## References

- Acedo, F. J., & Jones, M. V. (2007). Speed of internationalization and entrepreneurial cognition: Insights and a comparison between international new ventures, exporters and domestic firms. *Journal of World Business*, 42(3), 236–252
- Acs, Z.J., Estrin, S., Mickiewicz, T. & Szerb, L. (2018). Entrepreneurship, institutional economics, and economic growth: an ecosystem perspective. *Small Business Economics*, (1):1-14.
- Aldrich, H., and E. R. Auster. (1986). Even dwarfs started small: Liabilities of age and size and their strategic implications. *Research in Organizational Behavior* 8: 165–98.
- Ahlstrom, D. & Bruton, G.D. (2006). Venture capital in emerging economies: Networks and institutional change. *Entrepreneurship Theory and Practice*, 30(2), 299–320.
- Andersson S, Evers N (2015). ‘International opportunity recognition in international new ventures-a dynamic managerial perspective’. *J Int Entrep* 13(3):260-276
- Arenius, P.M. (2002) Creation of Firm-Level Social Capital, Its Exploitation, and the Process of Early Internationalization, Helsinki: Helsinki University of Technology.
- Arenius, P. and D. DeClercq, (2005). A Network-based Approach to Opportunity Identification, *Small Business Economics* 24, 249–265.
- Arentz, J., Sautet, F., & Storr, V. (2013). Prior-knowledge and opportunity identification. *Small Business Economics*, 41, 461-478.
- Atieno, R. (2009). Linkages, access to finance and the performance of small-scale enterprises in Kenya. *Journal of Accounting and Business Research*, 3(1), 33-48.
- Austin, Z., & Sutton, J. (2014). Qualitative research: Getting started. *The Canadian Journal of Hospital Pharmacy*, 67(6), 436-440.
- Autio, E., Sapienza, H. J., & Almeida, J. G. (2000). Effects of age at entry knowledge. Intensity and imitability on international growth. *Academy of Management Journal*, 43(5), 909–924.
- Barkema, H. G., & Drogendijk, R. (2007). Internationalising in small, incremental, or larger steps? *Journal of International Business Studies*, 38(7): 1132–1148.
- Baron, R. A. (2006). Opportunity recognition as pattern recognition: How entrepreneurs “connect the dots” to identify new business opportunities. *Academy of Management Perspectives*, 20(1): 104 –119.
- Baron, R. & Ensley, M. (2006). Opportunity recognition as the detection of meaningful patterns: Evidence from comparisons of novice and experienced entrepreneurs. *Management Science*, 52(9), 1331– 1344.
- Baum, M., Schwens, C., & Kabst, R. (2013). International as opposed to domestic new venturing: The moderating role of perceived barriers to internationalization. *International Small Business Journal*, 31(5): 536–562
- Baxter, P., & Jack, S. (2008). Qualitative case study methodology: Study design and implementation for novice researchers. *The Qualitative Report*, 13(4), 544-559.
- Bell, J. (2005). The Internationalization of small computer software firms: a further challenge to stage theories. *European Journal of Marketing*, 29(8), 60-75.
- Bernadino, S. & Santos, J. (2015) Antecedents of a new social venture in Portugal: The influence of education and professional background. *Review of applied management studies*,13, 122-134.
- Blomstermo, A., Eriksson, K., & Sharma, D. (2004). Domestic activity and knowledge development in the internationalization process of firms. *Journal of International Entrepreneurship*, 239–258.

- Brookfield Global Relocation Services (2015), “Global relocation trends survey report”, Brookfield Global Relocation Services, Woodridge, IL.
- Bruton, G.D., Ahlstrom, D., & Oblój, K. (2008). Entrepreneurship in emerging economies: Where are we today and where should the research go in the future. *Entrepreneurship Theory and Practice*, 32(1), 1–14
- Bryman, A., & Bell, E. (2015). *Business Research Methods* (Vol. 4th). Oxford , UK: Oxford University Press.
- Cao, Z., & Shi, X. (2020). A systematic literature review of entrepreneurial ecosystems in advanced and emerging economies. *Small Business Economics*, 1-36.
- Cappellen, T. & Janssens, M. (2010), “The career reality of global managers: an examination of career triggers”, *International Journal of Human Resource Management*, Vol. 21 No. 11, pp. 1884-910.
- Casillas, J.C., Moreno, A.M., Acedo, F.J., Gallego, M.A., & Ramos, E. (2009). An integrative model of the role of knowledge in the internationalization process. *Journal of World Business*, 44(3): 311-322.
- Cavusgil, S. T., Ghauri, P. N. and Agarwal, M. R. (2002). *Doing Business in Emerging Markets*. Thousand Oaks, CA: Sage.
- Chander, G. N., & Lyon, D. W. (2009). Involvement in knowledge-acquisition activities by venture team members and venture performance. *Entrepreneurship Theory and Practice*, 33(3), 571–592.
- Choi, Y. R., and D. A. Shepherd. (2005). Stakeholder perceptions of age and other dimensions of newness. *Journal of Management* 31: 573–96.
- Coviello, N. E. (2006). The network dynamics of international new ventures. *Journal of International Business Studies*, 37(5): 713–731.
- Coviello, N. E., & Munro, H. (1997). Network relationships and the internationalisation process of small software firms. *International Business Review*, 6(4): 361–386.
- Crick, D., & Spence, M. (2005). The internationalisation of “high performing” UK high-tech SMEs: A study of planned and unplanned strategies. *International Business Review*, 14(2), 167-185.
- Crowe, S., Cresswell, K., Robertson, A., Huby, G., Avery, A., & Sheikh, A. (2011). The case study approach. *BMC Medical Research Methodology*, 11(1), 19.
- Dearie, J. and Geduldig, C. (2013), “More immigration means more jobs for Americans”, *Wall Street Journal*, December 30, p. A17.
- DeJonckheere, M., & Vaughn, L.M. (2019). Semistructured interviewing in primary care research: A balance of relationship and rigor. *Fam Med Community Health*.
- Delmar, F., S. Shane. (2006). Does experience matter? The effect of founding team experience on the survival and sales of newly founded ventures. *Strategic Organ.* 4 215–247.
- Dobrev, S., and A. Gotsopoulos. (2010). Legitimacy vacuum, structural imprinting, and first mover disadvantage. *Academy of Management Journal* 53:1153–74.
- Dyer, W. G., & Wilkins, A. (1991). Better stories, not better constructs, to generate better theory: A rejoinder to Eisenhardt. *Academy of Management Review*, 16: 613-619
- Eriksson, K., Johanson, J., Majkgard, A., & Sharma, D. (1997). Experiential knowledge and cost in the internationalization process. *Journal of International Business Studies*, 28(2), 337–360.
- Eriksson, K., Majkgard, A., & Sharma, D. (2000). Path dependency and knowledge development in the internationalization process. *Management International Review*, 40, 307–328.
- Estrin, S., Mickiewicz, T., Stephan, U., & Wright, M. (2019). Entrepreneurship in emerging markets. In *The Oxford Handbook of Management in Emerging Markets*, (pp. 457). Oxford University Press.
- Etikan, I., Musa, S., & Alkassim, R. (2016). Comparison convenience sampling and purposive sampling. *American Journal of Theoretical and Applied Statistics*, 5(1), 1-4.



- Frag, H., Hommel, U., Witt, P. and Wright, M. (2004). Contracting, monitoring, and exiting venture investments in transitioning economies: a comparative analysis of Eastern European and German markets. *Venture Capital*, 6(4), 257–282.
- Feldman, M. S., & B. T. Pentland. (2003). Reconceptualizing organizational routines as a source of flexibility and change. *Administrative Science Quarterly* 48 (1):94–121.
- Fletcher, M., & Harris, S. (2012). Knowledge acquisition for the internationalization of the smaller firm: Content and sources. *International Business Review*, 21(4), 631–647.
- Forsgren, M. (2002). The conceptual learning in the Uppsala internationalisation process model: A critical review. *International Business Review*, 11, 257–277.
- Franco, M. & Haase, H. (2013) ‘Firm resources and entrepreneurial orientation as determinants for collaborative entrepreneurship’, *Management Decision*, Vol. 51, No. 3, pp.680–696.
- Frishammar, J. & S. Andersson (2009). “The Overestimated Role of Strategic Orientations for International Performance in Smaller Firms,” *Journal of International Entrepreneurship* 7(1), 57–77.
- Fuentes, M., Ruiz Arroyo, M., Bojica, A. M., & Fernández Pérez, V. (2010). Prior knowledge and social networks in the exploitation of entrepreneurial opportunities. *International Entrepreneurship and Management Journal*, 6(4), 481–501.
- Garud, R., Jain, S., & Kumaraswamy, A. (2002). Institutional entrepreneurship in the sponsorship of common technological standards: The case of Sun Microsystems and Java. *Academy of Management Journal*, 45: 196–214.
- George, G. & Prabhu, G.N., (2003). Developmental financial institutions as technology policy instruments: implications for innovation and entrepreneurship in emerging economies. *Research Policy* 32, 89–108
- Given, L. M., (2008). Purposive sampling. In *The SAGE Encyclopedia of Qualitative Research Methods* (Vol. 2, pp. 697–698). Thousand Oaks, CA: SAGE Publications.
- Grant RM. 1996. Toward a knowledge-based theory of the firm. *Strategic Management Journal*, Summer Special Issue 17: 109–122.
- Groh, A. P. & Wallmeroth, J. (2016). Determinants of venture capital investments in emerging markets. *Emerging Markets Review*, 29, 104-132.
- Gruber, M., MacMillan, I.C., Thompson, J.D., 2008. Look before you leap: market opportunity identification in emerging technology firms. *Management Science* 54, 1652–1665.
- Gudmundsdottir, S. (1992): *Transforming knowing into telling: Narratives in pedagogical content knowledge and teaching*. Chester/Liverpool, England.
- Guercini, S., & Milanese, M. (2016). ‘Interaction approach and liabilities: A case analysis of start-up firms’. *Journal of Business-to-Business Marketing*, 23(4), 293–309.
- Gulanowski, D., Papadopoulos, N., & Plante, L. (2018). Role of knowledge in international expansion: Toward an integration of competing models of internationalization. *Review of International Business and Strategy*, 28(1), 25–60.
- Hashai, N. & Almor, T. (2004) ‘Gradually internationalizing ‘born global’ firms: An oxymoron?’, *International Business Review*, 13: 465-483.
- He, C., Baranchenko, Y., Lin, Z., Szarucki, M. & Yukhanaev, A. (2020). From global mindset to international opportunities: The internationalization of Chinese SMEs. *Journal of Business Economics and Management*. 21 (4).
- He, Y., Tian, Z. and Chen, Y. (2007). ‘Performance implications of nonmarket strategy in China’. *Asia Pacific Journal of Management*, 24, 151–69.
- Hoskisson, R. E., Eden, L., Lau, C-M. & Wright, M. (2000). Strategies in emerging economies. *Academy of Management Journal*, 43 (3), 249–267.

- Hsu, D.H. (2007). Experienced entrepreneurial founders, organizational capital, and venture capital funding. *Research Policy*, 36(5), 722-741.
- Huber, G. P. (1991). Organizational learning: The contributing processes and the literatures. *Organization Science*, 2(1), 88-115.
- Huybrechts, B., & Nicholls, A. (2013). The role of legitimacy in social enterprise-corporate collaboration. *Social Enterprise Journal*, 9(2), 130-146.
- Hymer, S. H. (1976). *The international operations of national firms: A study of direct foreign investment*. Cambridge, UK: MIT Press.
- Inkson, K. & Arthur, M. (2001). 'How to be a successful career capitalist', *Organizational Dynamics*, Vol. 30 No. 1, pp. 48-61.
- Inkson, K. & Myers, B. (2003). 'The big 'OE': self-directed travel and career development', *Career Development International*, Vol. 8 No. 4, pp. 170-181.
- International Monetary Fund (2017). *World economic outlook data: April 2017 Edition*
- Johanson M. & Martín Martín O. (2015). The incremental expansion of born internationals: A comparison of new and old born internationals. *International Business Review*, 24, 476-496.
- Johanson, J., & Mattsson, L. G. (1988). Internationalisation in industrial systems – A network approach. In N. Hood & J. E. Vahlne (Eds.), *Strategies in global competition* (pp. 287-314). London: Croon Holm.
- Johanson, J., & Vahlne, J.-E. (1977). The internationalization process of the firm – A model of knowledge development and increasing foreign market commitment. *Journal of International Business Studies*, 8, 23-32.
- Johanson J. & Vahlne J.-E. (2009). The Uppsala internationalization process model revisited—from liability of foreignness to liability of “Outsidership”. *Journal of International Business Studies*, 40(9):1411-1431
- Karra, N., Phillips, N., & Tracey, P. (2008). 'Building the born global firm: Developing entrepreneurial capabilities for international new venture success'. *Long Range Planning*, 41(4): 440-458.
- Kenny, B., & Fahy, J. (2011). Network resources and international performance of high-tech SMEs. *Journal of Small Business and Enterprise Development*, 18 (3), forthcoming.
- Khanna, T., & Palepu, K. (2006). Strategies that fit emerging markets. *Harvard Business Review*, 84, 60-69.
- Kirzner, I. M. (1973). *'Competition and entrepreneurship'*. Chicago, IL: University of Chicago Press.
- Kiss, A.N., Danis, W.M., & Cavusgil, S.T. (2012). International entrepreneurship research in emerging economies: A critical review and research agenda. *Journal of Business Venturing*, 27(2), 266-290.
- Knight, G. A. (2000). Entrepreneurship and marketing strategy: The SME under globalization. *Journal of International Marketing*, 8(2), 12-32.
- Kraus, S., Mitter, C., Eggers, F., & Stieg, P. (2017). Drivers of internationalization success: A conjoint choice experiment on German SME Managers. *Review of Managerial Science*, 11(3), 691-716.
- Laanti, R., Gabrielsson, M., & Gabrielsson, P. (2007). The globalization strategies of business-to-business born global firms in the wireless technology industry. *Industrial Marketing Management*, 36(8): 1104-1117.
- Lawrence, T. B., Hardy, C., & Phillips, N. (2002). Institutional effects of interorganizational collaboration: The emergence of proto-institutions. *Academy of Management Journal*, 45(1), 281-290.
- Lawrence, T. B., & Phillips, N. (2004). From Moby Dick to Free Willy: Macro-cultural discourse and institutional entrepreneurship in emerging institutional fields. *Organization*, 1(5), 689-711.
- Le Mens, G., M. T. Hannan, and L. Pólos. (2011). Founding conditions, learning, and organizational life changes: Age dependence revisited. *Administrative Science Quarterly* 56:95-126.

- Leonidou, L. C., & Adams-Florou, A. S. (1999). Types and sources of export information: Insights from small business. *International Small Business Journal*, 17(3), 30–48.
- Leonidou, L. C., Katsikeas, C. S., & Samiee, S. (2002). 'Marketing strategy determinants of export performance: a meta-analysis'. *Journal of Business Research*, 55, 51–67.
- Lim, D. S., Oh, C. H., & De Clercq, D. (2016). Engagement in entrepreneurship in emerging economies: Interactive effects of individual-level factors and institutional conditions. *International Business Review*, 25(4), 933-945.
- Lingelbach, D., de la Vina, L. and Asel, P. (2005). 'What's Distinctive about GrowthOriented Entrepreneurship in Developing Countries?', Center for Global Entrepreneurship Working Paper 1, San Antonio TX: UTSA College of Business.
- Loane, S., & Bell, J. (2006). Rapid internationalisation among entrepreneurial firms in Australia, Canada, Ireland and New Zealand: An extension to the network approach. *International Marketing Review*, 23(5): 467–485.
- Lu, J., & Beamish, P. (2001). The internationalization and performance of SMEs. *Strategic Management Journal*, 22: 565–586.
- Manolova, T.S., Eunni, R.V., & Gyoshev, B.S. (2008). 'Institutional environments for entrepreneurship: Evidence from emerging economies in Eastern Europe'. *Entrepreneurship Theory and Practice*, 32(1), 203– 218.
- McDougall, P. P., Oviatt, B. M., & Shrader, R. C. (2003). 'A comparison of international and domestic new ventures'. *Journal of International Entrepreneurship*, 1(1), 59–82.
- McGrath R, MacMillan IC. 2000. *The Entrepreneurial Mindset*. Harvard Business School Press: Boston, MA.
- McHenry, J., Welch, D. 2018. Entrepreneurs and internationalization: A study of western immigrants in an emerging market, *International Business Review*, (27)1, 93-101
- McNulty, Y. and Brewster, C. (2017). 'Expatriates: a conceptual research history', in McNulty, Y. and Selmer, J. (Eds), *The Research Handbook of Expatriates*, Edward Elgar, London.
- McNulty Y, Vance C (2017) Dynamic global careers: a new conceptualization of expatriate career paths. *Pers Rev* 46(2):1–18
- Moen, T. (2006). Reflections on the narrative research approach. *International Journal of Qualitative Methodology*, 5, 2–11.
- Nagy, B. G., E. S. Blair, and F. T. Lohrke. (2012). Developing a scale to measure liabilities and assets of newness after start-up. *International Entrepreneurship Management Journal* 10 (2):277–295.
- Naude, W., Szirmai, A., & Goedhuys, M. (2011). *Innovation and entrepreneurship in developing countries*. United Nation University Policy Brief.
- Nonaka, I. "A Dynamic Theory of Organizational Knowledge Creation," *Organization Science* (5), 1994, pp. 14-35.
- Nummela, N., Saarenketo, S., Paavilainen-Mäntymäki, E., Puumalainen, K. (2010). Knowledge and experience in the internationalization of knowledge-intensive firms. In: Smallbone, D.; Leitao, J.; Raposo, M.; Welter, F. (Ed.). *The theory and practice of entrepreneurship* (101–121).
- Ojala, A. (2009). Internationalization of knowledge-intensive SMEs: The role of network relationships in the entry to a psychically distant market. *International Business Review* 18(1), 50-59.
- Oviatt, B. & McDougall, P. (1995). Global start-ups: Entrepreneurs on a worldwide stage. *Academy of Management Executive*, 9(2), 230–243.
- Oviatt, B. & McDougall, P. (2005). 'Defining international entrepreneurship and modeling the speed of internationalization', *Entrepreneurship Theory and Practice* 29(5): 537–553.

- Peng MW. 2001. The resource-based view and international business. *Journal of Management* 27: 803-829.
- Peng MW, Wang D, Jiang Y. (2008). An institution-based view of international business strategy: a focus on emerging economies. *Journal of International Business Studies* (in press).
- Phillips, D. (1997). Telling the truth about stories. *Teaching and Teacher Education*, 13(1), 101-109.
- Prashantham, S., & Young, S. (2011). Post-entry speed of international new ventures. *Entrepreneurship Theory and Practice*, 35(2), 275–292.
- Rasmussen, E.S., Madsen, T.K., & Evangelista, F. (2001). 'The founding of the born global company in Denmark and Australia: Sensemaking and networking'. *Asia Pacific Journal of Marketing and Logistics*, 13: 75-107.
- Ratten, V. (2014), "Encouraging collaborative entrepreneurship in developing countries: the current challenges and a research agenda", *Journal of Entrepreneurship in Emerging Economies*, Vol. 6 No. 3, pp. 298-308.
- Riessman, C. K. (2002). Narrative analysis. In A. M. Huberman & M. B. Miles (Eds.), *The qualitative researcher's companion* (pp. 217–70). Thousand Oaks, CA: Sage.
- Ritala, P., Olander, H., Michailova, S., & Husted, K. (2015). Knowledge sharing, knowledge leaking and relative innovation performance: An empirical study. *Technovation*, 35, 22–31.
- Romanelli, E. (1989). Environments and strategies of organization start-up: Effects on early survival. *Administrative Science Quarterly* 34 (3):369– 87.
- Rugman, A. M., & Verbeke, A. (2004). 'A perspective on regional and global strategies of multinational enterprises'. *Journal of International Business Studies*, 35(1): 3–18.
- Ruzzier, M., Hisrich, R., & Antoncic, B. (2006). 'SME internationalization research: Past, present and future'. *Journal of Small Business and Enterprise Development*, 13(4): 476–497.
- Salkind, N. J. (2010). *Encyclopedia of research design*. Thousand Oaks, CA: Sage.
- Sarala, R. M., & Vaara, E. (2010). Cultural differences, convergence, and crossvergence as explanations of knowledge transfer in international acquisitions. *Journal of International Business Studies*, 41(8): 1365-1390.
- Sarasvathy, S. (2001). 'Causation and effectuation: towards a theoretical shift from economic inevitability to entrepreneurial contingency'. *Academy of Management Review*, 26, 2, 243–88
- Schweizer, R., 2013. SMEs and networks: overcoming the liability of outsidership. *J. Int. Entrep.* 11
- Schweizer, R., Vahlne, J.-E., & Johanson, J. (2010). Internationalization as an entrepreneurial process. *Journal of Entrepreneurial Entrepreneurship*, 8, 343–370.
- Schewns, C., & Kabst, R. (2009). How early opposed to late internationalizers learn: Experience of others and paradigms of interpretation. *International Business Review*, 18, 509–522.
- Sedgwick P. (2013). Convenience sampling. *BMJ*; 347:f6304
- Selmer J, Andresen M, Cerdin J-L (2017). Self-initiated expatriates. In: McNulty Y, Selmer J (eds) *The research handbook of expatriates* pp. forthcoming. Edward Elgar, London
- Senik, C., Scott-Ladd, B., Entekin, L., Adham, K. (2011): Networking and internationalization of SMEs in emerging economies, in: *Journal of International Entrepreneurship*, 9,4, 259-281.
- Shane S., & Venkatraman S. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review* 25: 217–226
- Sharma, D. D., & Blomstermo, A. (2003). The internationalization process of born globals: A network view. *International Business Review*, 12, 739–753.

- Shaver, K. G., & Scott, L. R. 1991. Person, process, and choice: The psychology of new venture creation. *Entrepreneurship Theory and Practice*, Winter: 23-42.
- Shepherd, D.A. & DeTienne, D.R. (2005). Prior knowledge, potential financial reward, and opportunity identification. *Entrepreneurship Theory and Practice* 29(1): 91-112.
- Silvanto, S., Ryan, J. and McNulty, Y. (2015), "An empirical study of nation branding for attracting internationally mobile skilled professionals", *Career Development International*, Vol. 20 No. 3, pp. 238-258.
- Snehota, I. & Hakansson, H. (1995). *Developing Relationships in Business Networks*, Routledge, London.
- Stinchcombe, A. L. (1965). 'Social structure and organizations'. In J. G. March (Ed.), *Handbook of Organizations*, 142-193, Chicago: Rand McNally.
- Thornhill, S., & R. Amit. (2003). Learning about failure: Bankruptcy, firm age, and the resource-based view. *Organization Science* 14:497-509.
- Tracey, P., & Phillips, N. (2011). 'Entrepreneurship in emerging markets: strategies for new venture creation in uncertain institutional contexts'. *Management International Review*, 51: 23-39.
- Tung, R. (2008), "Brain circulation, diaspora, and international competitiveness", *European Management Journal*, Vol. 26 No. 5, pp. 298-304.
- Ucbasaran, D., Westhead, P., Wright, M., & Binks, M. (2003). Does entrepreneurial experience influence opportunity identification? *Journal of Private Equity*, 7(1), 7-14.
- Vance, C. (2005), 'The personal quest for building global competence: a taxonomy of self-initiating career path strategies for gaining business experience abroad', *Journal of World Business*, Vol. 40 No. 4, pp. 374-385.
- Vance, C., & Bergin, R. (2019). *The Social Expat-Preneur: Examining a Growing International Career Model Supporting Global Social Entrepreneurship*. In Iyigun, N. (Ed.), *Creating Business Value and Competitive Advantage with Social Entrepreneurship* (pp. 186-204). IGI Global.
- Vance C, McNulty Y (2014). Why and how women and men acquire global career experience: a study of American expatriates in Europe. *Int Stud Manag Org* 44(2):34-54.
- Vance, C., McNulty, Y., Paik, Y. & D'Mello, J. (2016), "The expat-preneur: conceptualizing a growing international career phenomenon", *Journal of Global Mobility*, Vol. 4 No. 2, pp. 202-224.
- Vance C, Larrieu RJ, Bergin R, Mercado J, Richmond J, Walden M, Reeser C (2017). 'A field exploration of the "expat-preneur" phenomenon'. *Glob Bus Organ Excell* 36(6):34-43.
- Vasilchenko, E. & Morrish, S. (2011). The role of entrepreneurial networks in the exploration and exploitation of internationalization opportunities by information and communication technology firms. *Journal of International Marketing*, 19, pp. 88-105.
- Wadhwa, V., Sexenian, A. and Siciliano, F. (2012), *Then and Now: America's New Immigrant Entrepreneurs*, Kauffman Foundation, Kansas City, MO.
- World Bank (2011). *World Development Indicators*. Washington, D.C.
- World Bank, (2019). *Rwanda Development Indicators*. Apr. 2020.
- Wright, M., Filatotchev, I., Hoskisson, R. E. and Peng, M. W. (2005). 'Strategy research in emerging economies: challenging the conventional wisdom'. *Journal of Management Studies*, 42, 1-33.
- Wright, R.W. and Dana, L.-P. (2003) 'Changing paradigms of international entrepreneurship strategy', *Journal of International Entrepreneurship*, 1: 135-152.
- Yin, R.K. (2003). *Case study research design and methods* (3rd ed.). Thousand Oaks, CA: Sage

- Yin, R. (2009). How to do better case studies. *The SAGE handbook of applied social research methods* (pp. 254–282)
- Zaheer, S. (1995). Overcoming the liability of foreignness. *Academy of Management Journal* 38 (2):341–63.
- Zahra, S. A., Ireland, R. D., & Hitt, M. A. (2000). International expansion by new venture firms: International diversity, mode of market entry, technological learning, and performance. *Academy of Management Journal*, 43(5), 925–950.
- Zahra, S. A. (2005). A theory of international new ventures: A decade of research. *Journal of International Business Studies* 36:20–28.
- Zimmerman, M. A., and G. J. Zeitz (2002). Beyond survival: Achieving new venture growth by building legitimacy. *Academy of Management Review* 27:414–31.
- Zucchella, A., Palamara, G., & Denicolai, S. (2007). The drivers of the early internationalization of the firm. *Journal of World Business*, 42(3), 268–280