

Tightness and Uncertainty Avoidance: the impact on new venture creation

The impact of culture on entrepreneurial processes

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Preface

During the year, and especially last summer, I experienced all the difficulties that come with writing a thesis. In the end I can say this thesis brought me a lot of experience and it feels like a great foundation for starting with my Masters.

First of all I would like to thank my supervisor Martin Stienstra for his recommendation, feedback and guidance during the thesis. Also, my second supervisor: Rainer Harms for his feedback and advice. Furthermore I would like to thank Marc ter Beek who offered me a great help and all the Belgian student entrepreneurs who participated in this research. At last I want to thank my parents and my girlfriend who have been very supportive in difficult times during the research.

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Summary

The main focus of this study is to look into the relationship between entrepreneurial processes and culture. The entrepreneurial process is a part of entrepreneurship and entrepreneurship plays a very core and fundamental role in any economy. Different facets of entrepreneurship have been proven to be influenced by national culture, but research on the influence of culture on entrepreneurial processes are lacking.

A relatively new process theory by Sarasvathy (2001) caused quite a stir. She discovered that there are different types of entrepreneurial processes used and developed a model where she put her findings against each other at the opposite level. She defined these two opposites as causation and effectuation. This model is well suited for both theoretical examination and for practical application which makes it a relevant model for this study.

Hofstede (2001) is one of the pioneers in developing a theory about culture at the country level. Hofstede proposed that cultures can be measured on five dimensions. This study uses the dimension Uncertainty Avoidance to define culture. Uncertainty Avoidance refers to the extent to which people feel threatened by uncertainty and ambiguity and try to avoid these situations. Uncertainty Avoidance on country level is to what extent countries try to cope with uncertainty through the domains of technology, law and religion.

This study is part of the EPICC project where multiple students have tried to find a relation between culture and entrepreneurial processes. The dimension Uncertainty Avoidance has been used before, with mixed conclusions. This motivated to make use of the theory of Tightness – Looseness, which has similarities with the concept of Uncertainty Avoidance, to see which concept is a better predictor for entrepreneurial processes. The differences between Tight and Loose cultures are that in tight cultures there are many rules, norms, and standards for correct behavior and in loose cultures it is the opposite: there are few rules, norms, or standards.

Data has been gathered under 20 Belgium student entrepreneurs. The 20 student entrepreneurs have worked on a case in which they had to put themselves in the role of an entrepreneur who starts up a fictional venture. Therefore the think aloud method was used. This method allows the subjects to think aloud during the process of solving the case. The interviews have been recorded, transcribed and coded. To find out if there is a relation between culture and entrepreneurial processes, data of a different country is used to compare the data obtained from Belgium. Malaysia is used because it is very different to Belgium at the dimension Uncertainty Avoidance and Tightness – Looseness.

Analysis of the results shows little support that culture influences entrepreneurial processes. Uncertainty Avoidance predicted only one out of 3 hypotheses, which confirms earlier conclusions that it might not be a good predictor for causation and effectuation. However, also Tightness turned out not to be a good predictor for entrepreneurial processes. A tentative conclusion can be given that culture influences the entrepreneurial process used by entrepreneurs on one element: Entrepreneurs from a high uncertainty avoiding country rely more on expected returns than entrepreneurs from a low uncertainty avoiding country.

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1. Introduction

Entrepreneurship plays a very core and fundamental role in any economy. Porter describes it as follows: 'Entrepreneurship is at the heart of national advantage' (Porter, 1990, p. 125). Entrepreneurship is important for improving innovations and rivalry. The yearly report by the Global Entrepreneurship Monitor (Xavier et al., 2012) measures national entrepreneurial activity and shows some preliminary evidence that the level of entrepreneurial activity is related to economic growth. Many economists and politicians now note the positive impact of entrepreneurship on the growth of GDP and employment (Carree & Thurik, 2005).

Entrepreneurship as a field of study has grown worldwide. Empirical research has described entrepreneurship from different standpoints (Bruyat & Julien, 2001), for example the entrepreneur, the entrepreneurial venture or the environment. Recently a lot of research has been done on the entrepreneurial processes and Moroz and Hindle (2012) suggest that when studying entrepreneurship, it is most relevant to study the entrepreneurial process as the core unit of analysis, because it is well suited for both theoretical examination and for practical application. For the reason of theoretical examination and practical application this study will focus on the entrepreneurial process.

The entrepreneurial process involves 'all the functions, activities, and actions associated with perceiving opportunities and creating organizations to pursue them' (Bygrave & Hofer, 1991, p. 14). Most research on entrepreneurial process is based on the rational decision making models employed by neoclassical economics where individuals engage in rational goal-driven behaviors when pursuing entrepreneurial opportunities (Perry et al., 2012). Sarasvathy (2001) found that most expert entrepreneurs use different reasoning than that has been suggested by existing research on entrepreneurship and is different with what students are taught in most MBA programs. Sarasvathy (2001) discovered that there are different types of entrepreneurial processes used. Sarasvathy (2001) has developed a model where she put her findings against each other at the opposite level. She defined these two opposites as causation and effectuation. Causation is the process of starting with a clear goal in mind; means that are needed are collected and the goal is tried to achieve in the most optimal way. Effectuation is the process where no pre-determined goals are set. Instead it begins with a set of given means and goals emerge contingently over time (Sarasvathy, 2001).

The process based model about causation and effectuation has been developed by doing research mainly in the United States (Dew et al., 2009; Sarasvathy, 2001). Thomas and Mueller (2000) question the transferability of entrepreneurial research that has been done in the US to contexts where the task and psychic environments may be vastly different and therefore state the importance of examining the relationship between culture and entrepreneurship. Earlier studies have concluded that culture influences different aspects of entrepreneurship (Hayton et al., 2002; Mueller & Thomas, 2001; Stephan & Uhlaner, 2010). But there is still research lacking about what influence culture has on specifically the entrepreneurial processes (Perry et al., 2012). Different cultures may have different preferences in choosing the effectuation or causation approach in creating new ventures. This will be the main focus of this research.

The aim of this research is to explore to what extent the entrepreneurial process is impacted by cultural background. Research about their relation is still lacking. This research is part of the EPICC project (Entrepreneurial Processes In Cultural Context) where multiple theses have

tried to find a relation between culture and entrepreneurial processes. Five theses have used Uncertainty Avoidance as a predictor for entrepreneurial processes with mixed conclusion. Therefore this study is going to use a yet unexplored theory into account to see if it is a better predictor for entrepreneurial processes than Uncertainty Avoidance. Identifying the nature of the relationship between culture and entrepreneurship can provide governments with information necessary for targeted programs intended to motivate new venture creation and thereby increase employment and add to the nation's economic vitality and flexibility (Thomas & Mueller, 2000). The resulting research question is as follows:

To what degree does national culture influence entrepreneurial processes that are used by entrepreneurs?

To answer this question this research will start off with a literature review, which will be done by exploring scientific articles and books on entrepreneurial process and culture. The primary theory of entrepreneurial processes that will be used is the theory by Sarasvathy (2001) on causation and effectuation combined with theory on culture by Hofstede (2001), Taras et al. (2012) and Gelfand et al. (2011). These theories will be discussed in more detail in chapter two. In chapter three quantitative and qualitative research data is collected. This data is gathered through think-aloud verbal protocols, 20 student entrepreneurs were asked to work on a case where they had to develop a fictional company. In chapter four the results of the data will be given. Lastly in chapter five a conclusion with implications for theory and practice will be given and it will provide suggestions for further research.

As mentioned before recently some familiar research about culture and entrepreneurial processes has already been done for the EPICC project in different countries. This study distinguishes itself on the next two points. First, this research is going to use Hofstede (2001) national cultural indices that recently have been updated by using a longitudinal meta-analysis of Hofstede's dimensions by Taras et al. (2012). Second, this study distinguishes itself by taking the theory of Tightness and Looseness into consideration by using the national scores produced by Gelfand et al. (2011). This should lead to a conclusion if this concept is a better predictor for entrepreneurial processes than Uncertainty Avoidance.

2. Literature review

2.1 Entrepreneurial process

As stated in the introduction, entrepreneurship has been recognized as an important element for innovation and is positive related with economic growth. Therefore the need to understand entrepreneurship has become an important element to study (Thomas & Mueller, 2000). A comprehensive definition about entrepreneurship is stated by Shane and Venkataraman (2000): they define the field of entrepreneurship as the scholarly examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited. Second they argue that entrepreneurship does not require, but can include, the creation of new organizations. It should be noted that entrepreneurship is not an occupation, entrepreneurs are not a well-defined occupational class of persons and they may only be entrepreneurs a certain phase during a moment of their career (Carree & Thurik, 2005).

However it is not yet well established what exactly entrepreneurs do and how do they do it. Different theories try to answer these question which have led to a fragmentation of entrepreneurial research (Bruyat & Julien, 2001; Thomas & Mueller, 2000). Gartner (1985) argued that focusing on the entrepreneur is a problem in the study of entrepreneurship, because the entrepreneur is only one dimension of this framework and therefore stated that it is more important to focus on the 'new venture creation'. Sarasvathy (2003) also found answers by not focusing on the commonalities of entrepreneurs, but by looking at the entrepreneurial processes, by finding out if there are any commonalities in the problem solving processes entrepreneurs use. Moroz and Hindle (2012) also argue that a process based view of entrepreneurship is well suited to answer these questions. Moroz and Hindle (2012) suggest when studying entrepreneurship, it is most relevant to study the entrepreneurial process as the core unit of analysis, rather than for example the entrepreneur, the entrepreneurial venture, or the environment, because it is well suited for both theoretical examination and for practical application. Moroz and Hindle (2012) argue that we can only speak of the term entrepreneurship when this involves 'a process that has at its core something simultaneously generic and distinct, we are either talking about an eclectic set of activities that have no mutual coherence or a coherently connected set of activities that could just as well be classified with a label other than "entrepreneurship"' (pp. 781-782). According to Moroz and Hindle (2012) a process being generic and distinct is an important requirement to understand the entrepreneurial process in a comprehensive way for it to be useful to both scholars and practitioners, because else it be could just as well be classified with a label other than "entrepreneurship". After reviewing 32 models of entrepreneurial processes Moroz and Hindle (2012) state that four process-based models qualify for their criteria. One of them is the model of causation and effectuation by Sarasvathy (2001) which according to Moroz and Hindle (2012) qualifies the criteria of being both generic and distinct. They state that Sarasvathy (2001) distinguishes the entrepreneur from the non-entrepreneur by recognizing the use of an effectual logic, which is a process used in general by expert entrepreneurs and distinguishes them from non-entrepreneurs. Moroz and Hindle (2012) note that effectuation at this state might seem too vague and arbitrary to call it a purposeful human action, as they argue that a necessary and sufficient component of any purposive entrepreneurial process is that of planning, i.e. setting and achieving goals which effectuation lacks. Despite this comment the reason for this paper to focus on the theory by Sarasvathy (2001) is because this theory focuses on the learnable and

teachable aspects of entrepreneurship and, in contrast to the other three theories, has direct implications for practice (Moroz & Hindle, 2012).

2.2 Causation and effectuation

Sarasvathy (2001) made her contribution in research of the entrepreneurial process when she was trying to find out what expert entrepreneurs have in common. The intuition based on extant literature suggested there was no such thing, for example studies trying to tie psychological traits of entrepreneurs with firm success did not seem to lead anywhere. But she did find patterns when she studied whether there are any commonalities in the problem solving processes entrepreneurs use (Sarasvathy, 2003).

Sarasvathy (2001) found that most expert entrepreneurs use different reasoning than is suggested by existing research on entrepreneurship and it is different with what students are taught in most MBA programs. These students are taught what Sarasvathy (2001) calls causal reasoning. The foundation of the causation process can be found in much of the existing entrepreneurship literature (Chandler et al., 2011) which has derived from the rational decision making perspectives of neo-classical micro-economics (Stigler, 1952). A causal rationality states that you start with a clear goal in mind and focus on selecting between means to achieve this goal in the most optimal way (Sarasvathy, 2001). She found out however, that expert entrepreneurs use different reasoning than explained above and refers to this as effectuation. A recent study by Dew et al. (2009) concluded that MBA students were almost diametrically opposed compared to the expert entrepreneurs.

Sarasvathy (2008a) uses a practical metaphor to explain the two different approaches. A person who uses the causation approach sees the world as a jigsaw puzzle where all of the pieces are there, but must be assembled. The complete picture, the market opportunity, already exists, therefore entrepreneurship is mainly a task of discovery. A person who uses the effectuation approach sees himself as a patchwork quilt, his task is to develop the opportunity by experimenting and changing direction as new information becomes available. The world is something that is still in the making and the creating part plays a much more essential role in for the entrepreneur instead of discovering.

Sarasvathy (2001) defines causation and effectuation as two opposite entrepreneurial processes. Effectuation does not begin with a clear given goal, instead all entrepreneurs begin with three categories of means: Who they are (traits, tastes and abilities), what they know (education, training, expertise, and experience), whom they know (their social and professional networks). These are the elements that make an entrepreneur do what they do when they have an effectual reasoning. Goals are not fixed or clear from the start but emerge contingently over time from the varied imagination and diverse aspirations of the founders and the people they interact with (Sarasvathy, 2008b).

An important factor to keep in mind is that effectuation is not 'better' than causation. According to Sarasvathy (2001) and Dew et al. (2009) expert entrepreneurs tend to rely more on effectuation than causation on the early stage of a new venture. However Sarasvathy (2008a) states that different approaches may be preferable in different situations and that in real life no entrepreneur use one logic exclusively. Another example is the manner in which the nature works is that many events occur with regular causes that can be analyzed and understood, in this case causation processes are preferably. Other situations are full with contingencies which cannot easily be analyzed and predicted. These contingencies can only be embraced and exploited, why in this case effectuation processes make more sense (Sarasvathy, 2001).

The key differences are as follows (effectuation – causation):

1. Means-driven as opposed to goal-driven action: the key difference here is choosing among means to create a particular effect (causation) versus designing possible effects using a particular set of means (effectuation) (Sarasvathy, 2008a, p. 75)
2. Affordable loss rather than expected returns: Effectuation predetermines how much loss is affordable and focuses on experimenting with as many strategies as possible with the given limited means.
3. Strategic alliances rather than competitive analyses: To reduce or eliminate uncertainty and create entry barriers, effectuators emphasizes alliances and pre-commitments from stakeholders, who are allowed to actively participate in shaping the company instead of choosing stakeholders on the basis of preselected ventures or venture goals (causation) .
4. Exploitation of contingencies rather than exploitation of preexisting knowledge: Effectuators explore contingencies because they may be the source of opportunities for value creation: turn the unexpected into something valuable and profitable. Uncertainty is a resource and a process rather than a disadvantageous state. Whereas causal models try to avoid the unexpected or to achieve predetermined goals in spite of contingencies.
5. Controlling an unpredictable future rather than predicting an uncertain one: Causal reasoning is based on the logic: 'To the extent that we can predict the future, we can control it.' Effectual reasoning is different: 'To the extent that we can control the future, we do not need to predict it.' This last one leans on the fact that entrepreneurs believe that the future is not out there to be discovered, but that it gets created by choices they make. This effectual logic is particularly effective during the introduction of new products in new markets, an area where traditional marketing techniques are ineffective (Sarasvathy, 2001). This is important because this research is focusing on student entrepreneurs where most of them all are in the early stage of entrepreneurship and focusing on new products in new markets.

A last note needs to be made about effectuation: A lot of research has been done about investigating what traits distinguish a successful entrepreneur compared to an unsuccessful entrepreneur and non-entrepreneurs. The effectuation theory however disconnects the success of the individual entrepreneur from the success of the firm he or she creates. Success is not directly opposed of failing, and vice versa (Sarasvathy, 2001).

2.3 Culture

A widely used definition for culture is the one by Hofstede (2001): 'the collective programming of the mind that distinguishes the members of one group or category of people from another' (p. 9). This definition is derived from a more extensive definition by Kluckhohn (1951) who stated that systems of values are a core element of culture. Culture manifests itself in visible elements symbols, heroes and rituals. Symbols are words, gestures, pictures and objects that carry often complex meanings recognized as such only by those who share the culture. Heroes are persons that serve as models for behavior and rituals are collective activities that within a culture are considered socially essential, keeping the individual bound within the norms of the collectivity. Culture determines the uniqueness of a human group in the same way personality determines the uniqueness of an individual. (Hofstede, 2001)

An important element is on what level of analysis the concept of culture needs to be researched. Hofstede (2001) is one of the founders who state that cultures can be identified

on a national scale and was one of the first that created a theoretical model with a proper set of indices that quantitatively described a large set of national cultures. He argues that culture lies in very old roots and his study found mechanisms in societies that permit the maintenance of stability in culture patterns across many generations (Hofstede, 2001). Soares et al. (2007) agree with Hofstede (2001) and note that nations can be used as a proxy for culture since members of a nation tend to share a similar language, history, religion, understanding of institutional systems, and a sense of identity making its use a common approach to operationalize culture. However the work of Hofstede (2001) has been criticized. McSweeney (2002) questions the generalizability of his findings. He claims that Hofstede (2001) made fallacious assumptions that lead to inaccurate empirical descriptions and used statistical manipulation and therefore doubts whether national cultures exist. Hofstede (2002, p. 6) replied to that: 'There is no creative accounting in the way I treated my data, I followed common practice and moreover in the 1980 and 2001 books provided all the data by which others can verify my finding.' Hofstede (2002) admits that nations are not the best units for studying cultures but 'they are usually the only kind of units available for comparison and it is better than nothing'. There are also several practical arguments why countries are the preferred unit of analysis for culture: The nationality of a person can easily be established. Secondly several research has been done concluding that people coming from one country will roughly all have the same values and norms (Dahl, 2004). So far the work of Hofstede (2001) is still widely accepted (Taras et al., 2012; Venaik & Brewer, 2008) and for this research nations will be the unit of analysis. The next element is how to distinguish culture and how to measure this. For this research multiple empirical studies will be used including the one by Hofstede (2001) which will be explained next.

2.4 Dimensions

Hofstede (2001) was the first to supplement a theoretical model with a proper set of indices that quantitatively described national cultures (Taras et al., 2012). His research was created out of collecting data of the large multinational company IBM in 72 countries where respondents filled out over 116000 questionnaires. The analysis focused on country differences in answers on questions about. From the results he identified four dimensions, in which a country can get an index score from approximate 0-100 for each dimension. Later a fifth dimension was added (Hofstede, 2001). Although Hofstede (2001) did not specify the relationship between culture and entrepreneurial activity per se, his culture dimensions are useful in identifying key aspects of culture related to the potential for entrepreneurial behavior (Mueller & Thomas, 2001).

The first of the five dimensions specified by Hofstede (2001) is power distance. Power distance is to what extent different countries handle human inequality differentially. This inequality is usually formalized in boss-subordinate relationships. Power distance is also shown in various intuitions like the family, educational systems, religion and political system. The study suggests that power distances are to a considerable extent societally determined (Hofstede, 2001).

The second dimension of national culture is uncertainty avoidance. Uncertainty avoidance refers to the extent to which people feel threatened by uncertainty and ambiguity and try to avoid these situations. Uncertainty avoidance on country level is what extent they try to cope with uncertainty through the domains of technology, law and religion. Uncertainty avoidance should not be confused with risk avoidance (Hofstede, 2001).

The third dimension of national culture is individualism and collectivism. It is the degree to which individuals are supposed to look after themselves or remain integrated into groups,

usually around the family. Positioning itself between these poles is a very basic problem all societies face (Hofstede, 2001).

The fourth dimension of national culture is masculinity and femininity. This is the degree to what extent sexes have different emotional and social roles. Universally speaking women attach more importance to social goals and men attach more importance to ego goals. In higher masculine countries, values of men and women in the same jobs differed more than in lower masculine countries (Hofstede, 2001).

The fifth and last dimension of national culture is long- versus short-term orientation. The long- versus short-term orientation dimension refers to the extent to which a culture programs its members to accept delayed gratification of their material, social and emotional needs (Hofstede, 2001)

Hofstede (2001) indexed a large set of national cultures on these five dimensions. However, there is growing empirical evidence showing that cultures are changing. This evidence suggests that change is certainly not rapid, but it appears to be occurring faster than expected by (Taras et al., 2012). The data Hofstede (2001) uses for his research has been gathered between 1967–1973. The data is over 40 years old and the fact that culture might be changing is suggesting that indices may not be correct anymore. One could argue why not use the dimensions of the GLOBE study conducted by House et al. (2004), since this study has been done more recently and also takes uncertainty avoidance as a dimension into account. The GLOBE study is much more recent but therefore researchers haven't yet fully analyzed this study and therefore their shortcomings might haven't come to light yet (Venaik & Brewer, 2008). But it makes clear that it is not recommended to completely and solely rely on the indices produced by Hofstede (2001). Therefore this research is going to use national cultural indices that recently have been updated by Taras et al. (2012).

Taras et al. (2012) offer an updated set of national cultural scores along the dimensions of Hofstede's cultural framework. They offer meta-analytic cultural indices that are based on a larger and more representative dataset than that used in Hofstede's or any other culture comparison study. Their study attempts to address the limitations such as the GLOBE study, where numerous countries were represented by only a few dozen individuals and the data represented a single point in time or a period too short to effectively preclude longitudinal analysis. Taras et al. (2012) included data from several decades to enhance representativeness and this new set of national cultural rankings is believed to be more accurate than that offered by Hofstede or other cross-cultural comparison studies.

2.5 Uncertainty Avoidance and previous EPICC studies

Among potential explanatory factors that have been tested to explain differences in entrepreneurship across countries, the Uncertainty Avoidance dimension by Hofstede is a prominent one (Thurik & Dejardin, 2011). Uncertainty Avoidance is a cultural trait closely linked to attitudes of risk and uncertainty and, consequently, to the entrepreneurial propensity within a country (Thurik & Dejardin, 2011). Uncertainty Avoidance has been successfully used in earlier research to make statements about the influence of culture on entrepreneurship (Hayton et al., 2002; Shane, 1993). This study is therefore going to use the Uncertainty Avoidance dimension as a predictor for entrepreneurial processes. However this study does not focus on entrepreneurship as a broad concept but focusses on the entrepreneurial processes. Recently multiple students already have done cross cultural research for the EPICC project trying to find whether the Uncertainty Avoidance dimension by Hofstede (2001) can predict the entrepreneurial process used by entrepreneurs. This has

led to some mixed conclusions. Next a short overview of the previous stated conclusions about the impact of Uncertainty Avoidance on entrepreneurial processes will be given.

- Bulakeri (2013) did cross cultural research between the UK and Turkey. The UK scores low on Uncertainty Avoidance and Turkey scores high on Uncertainty Avoidance, however in 3 out of 4 hypotheses no significant difference could be found whether this had impact on the entrepreneurial process used.
- Krijgsman (2012) showed that Uncertainty Avoidance did influence the use of causation or effectuation where the use of effectuation was higher for the country with a lower score on Uncertainty Avoidance.
- Weynschenk (2012) also accepted her hypotheses, concluding that a lower score for Uncertainty Avoidance leads to more effectual reasoning.
- Mones (2012) compared British students with Dutch entrepreneurs and hypothesized that the British would make more use of effectual reasoning since they have a lower score on Uncertainty Avoidance than the Dutch. However no significant difference could be found.
- Linde (2012) did find a relation between Uncertainty Avoidance and causation and effectuation. She states scoring low on Uncertainty Avoidance leads to the exploitation of contingencies and therefore an effectuation type of process is used.

To sum up, 4 out of 8 hypotheses failed to reject. This means some relation is found between Uncertainty Avoidance and entrepreneurial processes, but it still seems arbitrary. This could be due multiple factors: it could be country specific, it could be because of non-representative sample(s), or it could be that the theory of Hofstede (2001) about Uncertainty Avoidance is not sufficient to predict entrepreneurial processes. How Hofstede defined Uncertainty Avoidance might not be appropriate to measure causation and effectuation. This last factor, despite the use of updated indices, motivates to be more critical on Uncertainty Avoidance by Hofstede as a predictor for entrepreneurial processes. Therefore other empirical research that uses the same concepts needs to be taken into consideration. The Globe study uses the dimension of Uncertainty Avoidance that shows similarities with Hofstede's dimension but there is no data available for Belgium (House et al., 2004, pp. 622-623). Another theory that according to Triandis (2004) shows similarities with Uncertainty Avoidance is the theory about Tightness-Looseness and for which recently an empirical dataset has been presented of 33 modern countries (Gelfand et al., 2011). Using this theory can be useful since it can find out if Tightness - Looseness is a better predictor for entrepreneurial processes than Uncertainty Avoidance. In the next section this theory will be explained more briefly.

2.6 Tightness and Looseness

The classification of a society to be tight or loose is almost a century old, but Pelto (1968) was the first to empirically classify different societies in different classes to understand cross cultural differences. However most research on cultural differences relied upon values to explain cultural differences and it drove the concepts of tightness and looseness to the background, until Triandis reintroduced the dimension of Tightness-Looseness in 1989 (Gelfand et al., 2006).

The differences between tight and loose cultures are that in tight cultures there are many rules, norms, and standards for correct behavior and in loose cultures it is the opposite: there are few rules, norms, or standards. In tight cultures little deviation from normal behavior is tolerated and when deviating severe sanctions are administered, whereas in loose cultures there are unclear norms about social situations and people tolerate deviance

from the norms (Triandis, 1989). Pelto (1968) theorized that there are at least three elements that explain why a culture is tight or loose: differences in kinship systems, differences in degree of dependence on food crops and differences in population density per square mile. He stated that in tight cultures there is a corporate control of property, corporate ownership of stored food and production power, religious figures as leaders, hereditary recruitment into priesthood, and high levels of taxation. Furthermore he theorized that the higher the reliance on food crops and the greater the population density per square mile, the tighter a society is.

Triandis (2004) argued that Hofstede's Uncertainty Avoidance is related to tightness. In cultures with a high Uncertainty Avoidance Index (UAI), people want to have structure, to know precisely how they are supposed to behave and what is going to happen next. Predictability of events is highly valued (Triandis, 2004). Hofstede (2001, p. 181) also classifies loose societies under a low UAI and tight societies under a high UAI. Another study by Harms and Groen (n.d.) also confirms a significant relationship between UAI and tightness.

Gelfand et al. (2006) stated that the concept of Tightness and Looseness showed promise for understanding cultural differences but she concluded there was no insight into how Tightness-Looseness operates in modern nations. Therefore Gelfand et al. (2011) gathered data in 33 nations to illustrate the differences between tight and loose cultures in modern nations. Gelfand et al. (2006) agrees that tight societies are probably higher on Uncertainty Avoidance, but she mentions it is also possible that the converse is true. Therefore a comparison will be made to find out to what extent these both concepts match or mismatch.

Gelfand et al. (2011) proved that tight nations have higher populations density, higher scarcity of natural resources. Tight nations face more natural disasters and have had more territorial threats from their neighbor countries. In societal institutions and practices tight nations are more likely to have autocratic rule that suppresses dissent, less open media overall, more laws and regulations and political pressures and controls for media and less access to and use of new communication technologies. Tight nations also have fewer political rights and civil liberties. There are more police per capita, stricter punishments, and lower volume of crime. Lastly people in tight nations are less likely to participate in collective actions and are more religious (Gelfand et al., 2011).

Although Gelfand et al. (2006) argues that the concept of Tightness-Looseness is not based on values and refers to the concept as unique and complementary to other cultural dimensions, similarities can be seen between Tightness – Looseness and Uncertainty Avoidance. Firstly the ecological factors mentioned above also relate with Uncertainty Avoidance. Hofstede (2001) takes Japan as an example with his high population density and the fact Japan is constantly threatened by natural disasters which have led to one of the highest uncertainty avoiding scoring countries in the world. Furthermore for countries with a higher UAI there is a higher desire for the use of technology, law, and religion. High UAI countries make less use of internet and teletext (i.e. new communications technologies). Countries with a higher UAI have less human rights, higher punished crime rates and lastly people are less likely to participate in voluntary associations and activities (Hofstede, 2001).

Tightness-Looseness is unique and complementary to other cultural dimensions (Gelfand et al., 2006), but compared to Uncertainty Avoidance it is evident to say that these two concepts relate more than they mismatch.

2.7 Hypotheses

The next step is to formulate hypotheses on the expected relationship between culture and entrepreneurial processes. This on the basis of earlier research on the relationship between entrepreneurial processes and culture. As mentioned before, to investigate whether entrepreneurial processes are influenced by culture the dimension Uncertainty Avoidance and the theory of Tightness-Looseness will be used to see which will be a better predictor for causation and effectuation.

The theory by Sarasvathy (2001) uses five elements to define causation and effectuation:

1. Prediction of the future versus Creation of the future
2. Goal-driven versus Means-based
3. Expected returns versus Affordable loss
4. Competitive analysis versus Use of alliances or partnerships
5. Avoid contingencies versus Embrace contingencies

However not all elements are expected to relate with the concepts of Uncertainty Avoidance and Tightness-Looseness. The expectation is that Prediction of the future – Creation of the future, Expected returns - Affordable loss and Avoid contingencies – Embrace contingencies will relate most with culture, which will be explained next.

The cultural dimension Uncertainty Avoidance and the theory of Tightness-Looseness can be associated to entrepreneurial approaches in prediction of the future and creation of the future. Sarasvathy (2001) concluded that effectuators create markets by bringing together enough stakeholders who buy into the idea to sustain the enterprise. The structure of what exactly the enterprise will be is left open, which will be shaped by all stakeholders faced, so the need for prediction is greatly reduced. Entrepreneurs with causal reasoning tend to focus on the predictable aspects of an uncertain future while entrepreneurs with effectual reasoning tend to focus on the controllable aspects of an unpredictable future. Shane (1993) found that uncertainty accepting societies are more innovative than uncertainty avoiding societies. Thus when uncertainty is high the people in this culture tend to have less openness to change and innovation. Also Hofstede (2001, p. 160) state that people are worried about the future and are more resistance to change when uncertainty avoidance is high and therefore be less focused on creation of the future but rather try to predict it. This leads to the following hypothesis:

Hypothesis 1a: In a national culture where uncertainty avoidance is high, entrepreneurs tend to rely more on prediction of the future

According to Gelfand et al. (2011) a tighter nation is more prevention focused, is more concerned with avoiding mistakes and have a higher need for structure. The opposite is true for loose countries. The expectation is that tight countries would try to predict the future which should prevent and avoid mistakes, and prediction is expected to fit better for creating structure. The expectation is that loose nations will rely less on prediction of the future and more on creation of the future. Loose nations will be less focused on prevention, making mistakes is part of life and less structure is needed which gives them more openness to create the future.

Hypothesis 1b: In a loose national culture, entrepreneurs tend to rely more on creation of the future.

Causation is more focused on expected returns. On the opposite effectuation is more focusing on what someone is willing to afford to lose (Sarasvathy, 2001). According to Sarasvathy (2008a) to calculate the expected returns (causal) an estimate has to be made on future sales and possible risks that constitute the cost of capital. To calculate the affordable loss (effectual) on the other hand all that needs to be made is a psychological estimate of the commitment in terms of the worst-case scenario. Sarasvathy (2008a) mentions this is a way to take away the role of uncertainty in early-stage funding decisions.

Uncertainty avoidance is meant to explain how cultures deal with predictability, uncertainty and ambiguity, where a high score of uncertainty avoidance results in the need of explicit scheduling, planning and predictions (Hofstede, 2001). When uncertainty avoidance is high in a national culture, people tend to be focusing much more on estimating future sales and possible risks that constitute the cost of capital (Sarasvathy, 2008a). This causal method is about narrowing down uncertainty, by focusing on expected predictions to avoid uncertainty. Hofstede (2001) state that a national culture with high uncertainty avoidance prefers tasks with sure outcomes. The focus on expected returns therefore seems typical for causal reasoning. This leads to the following hypothesis:

Hypothesis 2a: In a national culture where uncertainty avoidance is high, entrepreneurs tend to rely more on expected returns

It has been concluded earlier that some components of Tightness-Looseness match with the level of Uncertainty avoidance. For loose cultures therefore it can be expected that people tend to be focusing much less on estimating future sales and possible risks that constitute the cost of capital. The expectation is that the reliance will be on affordable loss. Therefore the next hypothesis can be stated:

Hypothesis 2b: In a loose national culture, entrepreneurs tend to rely more on affordable loss

Causal entrepreneurs almost always seek either to avoid the unexpected, the contingencies, whereas effectuation is about exploiting those contingencies (Sarasvathy, 2001). One of the most important findings of Sarasvathy (2001) was that expert entrepreneurs have the ability to turn the unexpected into the valuable and the profitable. The relationship between planning, contingencies and uncertainty is radically rearranged in an effectual logic. Because effectuators often begin with only a very loose notion of their goals, they can make up their plans in an incremental fashion, utilizing uncertainty and contingent information as resources for their goals rather than relying on goals as determining factors of resource acquisition and choice (Sarasvathy, 2008a). However when preexisting knowledge, such as expertise in a particular new technology forms the source of competitive advantage, a causal approach is more favorable (Sarasvathy, 2001).

When linking this with the cultural dimension of uncertainty avoidance, a high score for uncertainty avoidance can be linked to the element of avoiding contingencies. Hofstede (2001) explains that countries with a high score on uncertainty avoidance have difficulties with ambiguity of what the future brings and therefore will try to protect itself from unexpected situations by avoiding contingencies: 'The uncertainty inherent in life is felt as a continuous threat that must be fought', and in contrast to low UAI countries: 'the uncertainty inherent in life is relatively easily accepted and each day is taken as it comes'(Hofstede, 2001, p. 161). This leads to the following hypothesis:

Hypothesis 3a: In a national culture where uncertainty avoidance is high, entrepreneurs tend to be more focused on avoiding contingencies

Tight countries have many clear norms to eliminate stress deriving from uncertainty and loose countries have a much wider range of permissible behavior across everyday situations which in predicted make them more flexible in different situations (Gelfand et al., 2011). Therefore for loose countries it is expected that they will have no problems with surprises and therefore entrepreneurs will welcome contingencies and make it a part of the venture creation process.

Hypothesis 3b: In a loose national culture, entrepreneurs tend to be more focused on embracing contingencies

It is harder to find a link between culture and the element Goal driven – Mean based. Also no connection can be made with Competitive analysis versus Use of alliances or partnerships because the use of alliances or partnerships could be both causal and effectual reasoning. Effectuation emphasizes strategic alliances and pre-commitments from stakeholders as a way to reduce and/or eliminate uncertainty (Sarasvathy, 2001). But Chandler et al. (2011) argue there is some degree of conceptual overlap between the pre-commitments dimension and the causation construct. For example, while obtaining pre-commitments reduces the uncertainty faced by the entrepreneur (effectuation) it is also an activity that can be applied successfully in causation processes in which the involved parties have been clearly identified, the product/service offerings have been specified, and the nature of the relationship has been defined. This suggests that pre-commitments may be part of both processes, rather than distinguishing between them (Chandler et al., 2011). Therefore this element will not be taken into consideration.

3. Methods

To find out if there is relation between culture and entrepreneurial processes, data has been collected in Belgium. The data-collection has been done by collecting think-aloud verbal protocols (section 3.1), in which the sample group is asked to work on a case that deals with entrepreneurial processes (section 3.2). This is transcribed and coded (section 3.3). Then available data from another country is used to find out what the influence of culture is on entrepreneurial process (section 3.7).

3.1 The method

The data-collection is done by collecting think-aloud verbal protocols. The reason to choose for this method is because think-aloud protocols provide a valuable source of data about the sequence of events that occur while the subject (in this case the entrepreneur) is solving a problem, which will lead to a understanding what information a subject will report in any given task situation (Ericsson & Simon, 1981). Another reason to choose this method is to maintain consistency with Sarasvathy (2001). She also used this method to collect data about causation and effectuation processes.

The think-aloud method is an interview method were the subject is asked to think aloud during the interview. Thinking aloud during problem-solving means that the subject keeps on talking, speaks out loud whatever thoughts come to mind, while performing the task at hand. This method is quite useful and one of the simplest ways to find out how an entrepreneur would go through the process of new venture building. Unlike other techniques for gathering verbal data, there are no interruptions or suggestive prompts or questions as the subject is encouraged to give a concurrent account of his thoughts. This avoids interpretation or explanation of what he is doing, he just has to concentrate on the task (Van Someren et al., 1994). This is beneficial in combination with a fictional case instead of obtaining retrospective protocols, because Sarasvathy (2008a) states that otherwise the answers of the subjects may be subject to bias. Retrospective recall allows subjects to make up good stories about how they believe they solve problems. This is a form of hindsight bias: when people consider the likelihood of an event after it has occurred, they exaggerate their likelihood of having been able to predict that event in advance (Arkes et al., 1988). This is even more important because the subjects are entrepreneurs; they tend to be good storytellers (Lounsbury & Glynn, 2001).

The only task for the interviewer is to ensure the session goes well. When silences fall, it is important that the interviewer emphasizes that the subject keeps thinking aloud during all the decision problems, because it can feel unnatural for the subject, especially in the beginning. Before the start of the case, the subjects started with a little exercise to get comfortable with thinking-aloud, which is recommended by Van Someren et al. (1994). This seemed to work well, only sporadically the subjects were told to keep talking out loud.

3.2 The case

In this study the student entrepreneurs were asked to work on a problem solving case with the purpose to identify whether the student entrepreneurs use causation or a more effectuation approach at the start-up and maintaining of a fictional new venture. The objective of the case is to start up a Coffee corner at the subjects their university and to put themselves in the role of the entrepreneur. This case is divided into 10 decision problems, which starts with the orientation and start-up of the company and progresses to a mature phase of the company. The case is originally designed by Sarasvathy (2008a). She began

constructing the research instrument by developing and testing several problems through informal consultations with local entrepreneurs and then conducting a pilot study. Since this study is part of the EPICC Project, the case will be used in different countries all over the world and therefore the case is slightly modified by my supervisors Martin Stienstra and Rainer Harms. In the original case subjects were asked to start a venture in the computer game business. In this case the subjects need to start a Coffee company. The reason to choose for coffee as the product is because coffee is a more universal product than computer games, and thus to maintain consistency, the same case can be used on a global scale. The case can be found in Appendix A.

The subjects were asked to put themselves in the role of an entrepreneur who wants to start a coffee corner at their university supposing they have 5 years of experience working at a coffee corner. The subjects were given a maximum of two hours to complete the case, this turned out to be sufficient.

3.3 Transcribing and coding

All the interviews were recorder and have been transcribed. Transcribing has been done as verbatim as possible. An example of a transcription can be found in Appendix B. After the transcribing process all transcriptions have been coded. This is the process where the qualitative data needs to be quantized so it can be measured. The reason not to code the protocols directly from the recording is because this allows you to revise your coding at a later stadium more easily, if needed. This also gives the possibility for other researchers to examine the coding more easily. The coding was done by using the coding scheme in Table 1. The table consists of five categories that have been determined by Sarasvathy (2008a), either causal or effectual, which have been explained in chapter 2. For the list to be exhaustive ‘no subcategory given’ was added. Every sentence in the transcription is analysed to see whether there are aspects to be found that can be labelled to either one of the six causal or effectual categories. On this basis the frequency can be determined of how many times the subject uses a causal or an effectual reasoning. To see an example of a complete coding see Appendix C.

Causal	Effectual
P-Prediction of the future	C-Creation of the future
G-Goal-driven	M-Means-based
R-Expected returns	L-Affordable loss
B-Competitive analysis	A-Use of alliances or partnerships
K-Avoid contingencies	E-Embrace contingencies
X-Causal (no subcategory given)	N-Effectual (no subcategory given)

Table 1: Six categories, causal opposed to effectual

3.4 Sample

For this research data has been gathered in Belgium and sample data is used that is gathered by another student (this will be explained in more detail in section 3.7). The reason to choose Belgium as the level of analysis is because there is no language barrier and this country has not yet been investigated by other students for the EPICC project. The focus for this study is novice student entrepreneurs who were asked to work on the case during a session of max 2 hours. The reason to choose for novice entrepreneurs is because this is in line with the other research that has been done within the EPICC project. The reason to

choose for student entrepreneurs for the sample group instead of non-student entrepreneurs is threefold: First, student entrepreneurs are easier to find and to approach than non-student entrepreneurs. Connections with universities in are easily made. A lot of universities offer special entrepreneurial programs for example www.studentghentrepreneur.be. Making contact with one of these programs can really create a snowball effect to come in contact with student entrepreneurs. It would be much more time consuming in approaching non-student entrepreneurs, because it is more likely that you have to approach them all separately. Second, the interview can be time extensive, student entrepreneurs are more likely to agree to participate since in general they have more time than non-student entrepreneurs.

The research has been done under 20 Belgium student entrepreneurs using nonprobability sampling. The sample is gathered by making use of snowball sampling. This method might result in questionable representativeness. Babbie (2007, pp. 183-185) states that in this case we must take care not to overgeneralize outcomes from studies that uses these sample methods. However, where it is not possible to use probability sampling, non-probability sampling at least provides a viable alternative that can be used. Student entrepreneurs that started business in all kind of areas were accepted to join. An overview of the subjects' characteristics can be seen in Table 2.

	Male	Female
Gender	16	4
	21-24	31
Age group	18	1
	Business	non-business
Study Background	5	15
	Bachelor	Master
Current study Level	2	18

Table 2: Overview characteristics sample

It was interesting to find out that 15 out of 20 students did not study a business or economic related study. Previous studies done by Sarasvathy (2001) and Dew et al. (2009) about the differences by novice versus expert entrepreneurs were mainly be done under (graduated) MBA students (novice entrepreneurs). They stated that entrepreneurial experts frame decisions using an effectual logic while novices use a “predictive frame” and tend to “go by the textbook, i.e. causal logic. The expectation is that that causal approach indeed counts for novice entrepreneurs with a business related background, but that is only one part of all novice entrepreneurs. Their conclusions therefore may not count for novice entrepreneurs in general with different study backgrounds.

3.5 Remote approach

All of the interviews were taken using a ‘remote approach’. Remote usability testing denotes a situation where “the evaluators are separated in space and/or time from users” (Andreasen et al., 2007). All of the interviews were taken with the use of the software Skype. Skype is a classified and widely used remote usability tool (Christos et al., 2007). Andreasen et al. (2007) presented results from a systematic experimental comparison of three methods for remote usability testing and a conventional laboratory- based think-aloud test. The results show that the remote synchronous method (where the interviewer and interviewee

are separated from space, not time), where Skype was used, is virtually equivalent to the conventional method. The two methods identified almost the same number of usability problems, and test subjects spent the same time completing the tasks. Although the interviews in this research are not usability tests, the conclusions apply the same. Also since the interviews in this research were as well conducted using the think-aloud method.

Since minimum interaction and involvement is required between the interviewer and the interviewee, it makes Skype a useful tool to use to conduct the interviews. The main benefits for this research of using this method is that a) it is less expensive since it reduces travel costs for the interviewer and/or the interviewee, b) it is less time consuming since there is no need to travel, c) it provides more flexibility for planning.

3.6 Dependent and independent variable

The dependent variable that will be studied in this research are entrepreneurial processes. The attributes that are used for this variable are causation and effectuation. These are specified by the six attributes as shown in table 2. For the variable to be useful in research, every observation must be able to be classified in terms of the attributes. Therefore the list has been made exhaustive by adding 'no subcategory given'. Second, attributes composing a variable must be mutually exclusive, so for every sentence the coding can only be assigned to one attribute. In practice this resulted to some discussions. But overall the assigning of the attributes to a text block was clear.

The independent variable that will be studied in this research is the cultural dimension Uncertainty Avoidance by Hofstede (2001). Uncertainty Avoidance is the outlier compared to the other dimensions with taking the updated set of Taras et al. (2012) into consideration, and Belgium is therefore considered to be a uncertainty avoiding country. This will be compared with another independent variable namely the score for Tightness - Looseness indexed by Gelfand et al. (2011). Belgium is considered to be a Loose country.

The control variables used in this research are gender and study background. The reason to choose for gender and study background is because this could have an influence on use of the entrepreneurial process used.

3.7 Analysing data

Next the method for analyzing the data will be described and how to measure the influence of culture. This will be done by comparing the scores with a country that has very different scores for Uncertainty Avoidance and Tightness than Belgium. Therefore country data is going to be used that has been collected by other students for the EPICC project. So far data has been collected under student entrepreneurs in 19 different countries. Ten of these countries are also used in the studies by Taras et al. (2012) and Gelfand et al. (2011). The next step is to see which of the ten countries differ the most from Belgium on the Tightness scale and the Uncertainty Avoidance index. Figure 1 shows the difference between Belgium and the ten countries of the database. The figure shows that Malaysia is the tightest country and differs the most on Tightness compared to Belgium. Malaysia also scores very low for Uncertainty Avoidance, a little less than the Netherlands, but taking both dimensions into consideration it can be stated that Malaysia differs the most compared to Belgium on both dimensions.

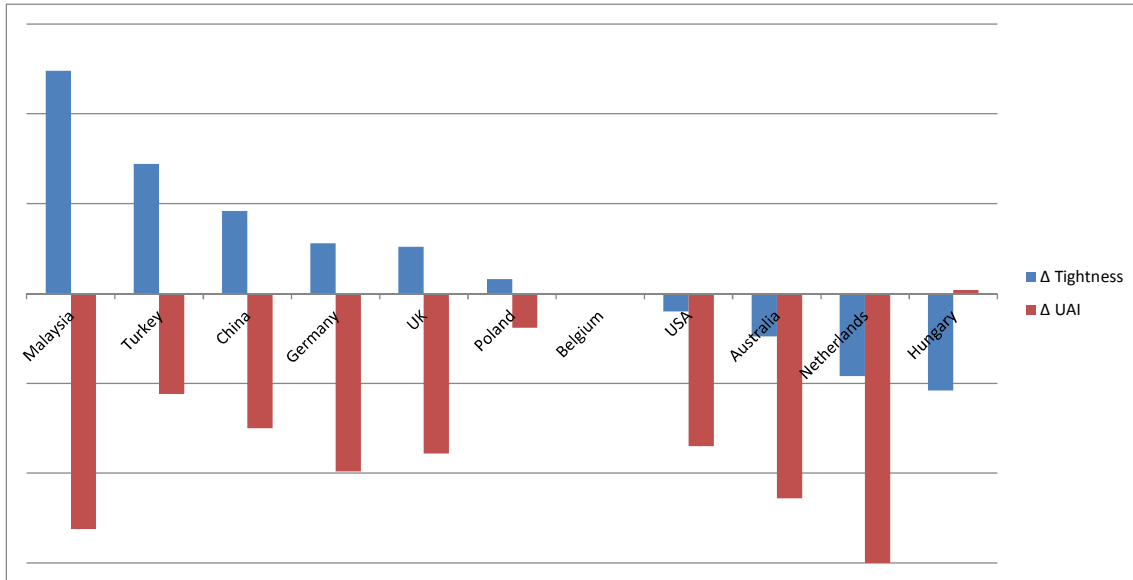


Figure 1: Δ compared to Belgium, UAI scores based on Taras et al. (2012), Tightness based on scores Gelfand et al. (2011)

The scores found on Tightness by Gelfand et al. (2011) next to the UAI score found by Taras et al. (2012) state that in contrary to Belgium, Malaysia is considered to be tight, but not uncertainty avoiding.

Data of both countries will be used and will be statistically tested among the elements on which the hypotheses are built. According to the decision tree by Field (2013) this can be done by either an independent t-test (parametric) or the Mann-Whitney Test (non-parametric). This depends on whether the data is normally distributed. Parametric test assume the data is normally distributed, which is not necessary for non-parametric test. If a parametric test is used and the data is not parametric, then the results are likely to be inaccurate. Testing whether the data is normality distributed, a Kolmogorov-Smirnov test and the Shapiro-Wilk test will be done with SPSS. If the sample data are approximately normal, then the sampling distribution will be also (Field, 2013). Field (2013) mentions that these test have their limitations, especially for large sample sizes, but since for this research a rather small sample size is used, the test should tell if the sample size is normal distributed or not.

Lastly statistical tests will be carried out to see if any control variables may have influenced the results. The control variables that will be used are gender and study background. Therefore the Chi-Square Test could have been used, since it tests the relationship between two categorical variables (Field, 2013). But causation – effectuation will be considered as a continuous variable, since the share between them is used. Therefore the independent t-test will be used.

4. Findings

In this chapter the results of the data of the think aloud protocols will be presented and will be compared with the available data from Malaysia. First a general overview will be given to see the distribution of the use of causation and effectuation in general by the student entrepreneurs. Then the focus will be put on more specific elements of the causation and effectuation processes.

First an overview will be given of much causation and effectuation is used. This will not be presented in absolute numbers, but a weighted average will be calculated of how much which process is used. Absolute numbers would give a biased view of the results, logically because a subject using 100 causation processes over 30 effectuation processes should give the same results as a subject using 10 causation processes over 3 effectuation processes. The next figure will show the overall view of the causation and effectuation processes used of al 20 Belgium student entrepreneurs and 22 Malaysian student entrepreneurs.

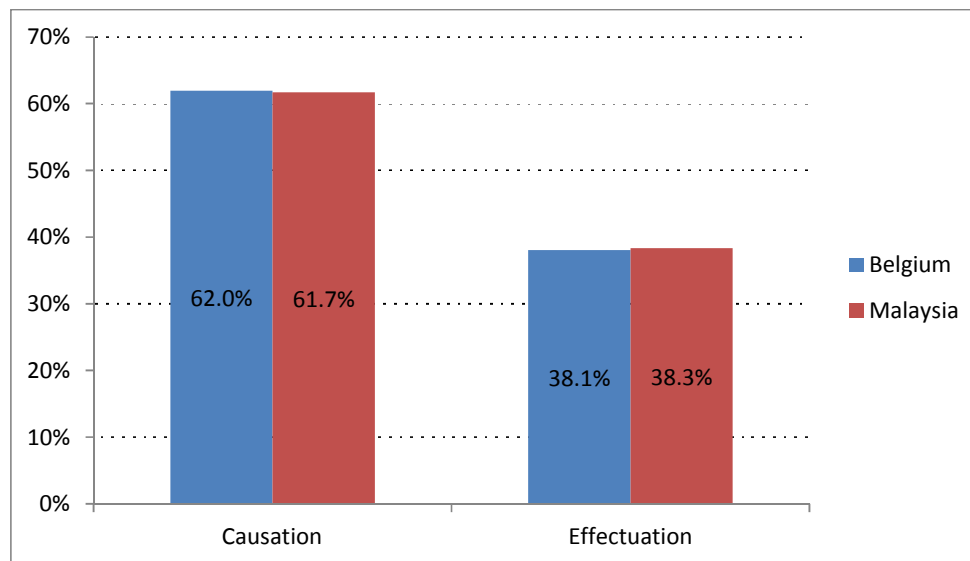


Figure 2: Overall distribution causation – effectuation

It is remarkable to see how similar the distribution is between the two countries. The Belgium and Malaysian student entrepreneurs favor a causal approach over an effectual approach in overall.

More information should provide when looking at what processes used at what moment of the case. The case handles ten decision problems and they all represent a different stadium of the venture, as explained in chapter three. These results should give a closer look at which point Belgium uses a more casual or effectual approach.

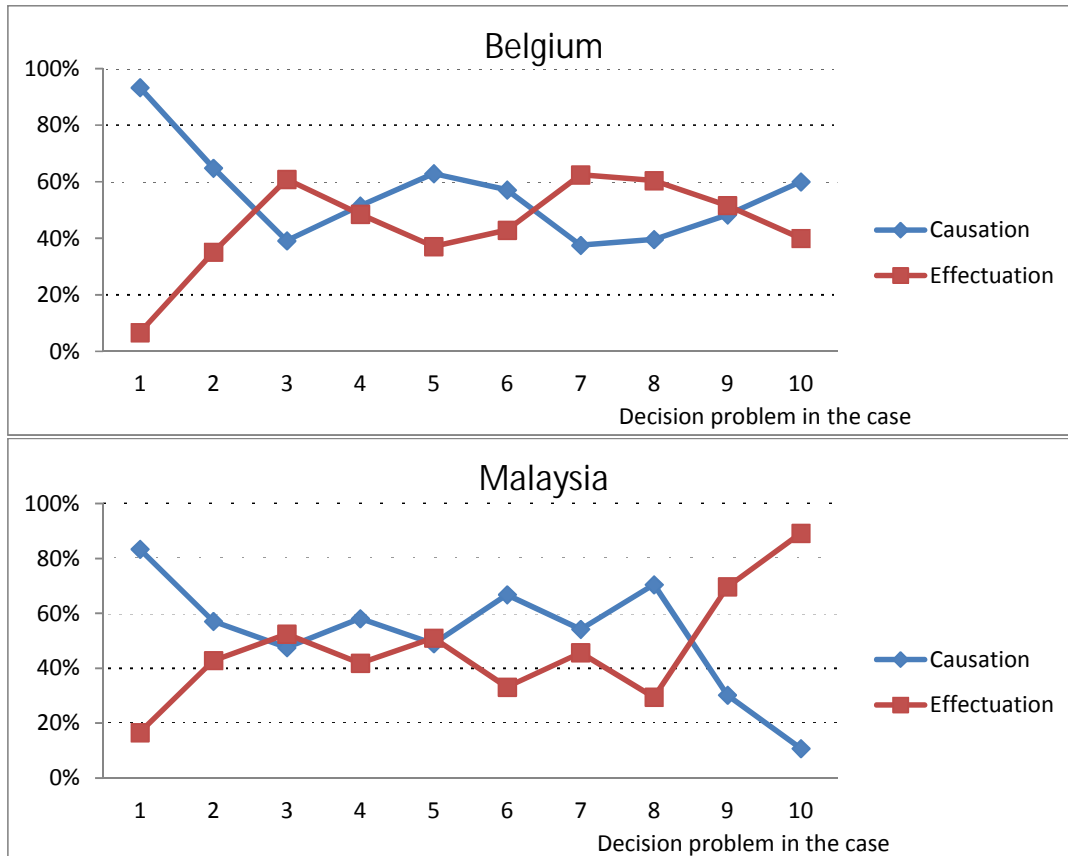


Figure 3: preferred process at different stages of the case

Figure 3 gives a good overview in which stadium of the case what process is used. The figure also makes clear that, besides the outlier from question 1, Belgium entrepreneurs rely on about an identical amount of causation and effectuation, but it depends on what level of venture creation they are in. The horizontal line represents the decision problems from 1 – 10. It can be seen that in 5 out of 10 decision problems (1, 2, 5, 6, 10) the Belgium student entrepreneurs preferred causation over effectuation and 3 times (3, 7, 8) an effectual approach was favored and lastly two times about the same (4, 2). Especially the first two decision problems reveal a strong causal approach. These questions in the case concern about the market identification. For Malaysia it can be seen that it is different from Belgium from problem 7 – 10. These questions in the case concern a further stage of the company.

4.2 Hypotheses analysis

In this section the hypotheses will be statistically tested out and discussed consecutively. This will be done by comparing the scores of Belgium with scores of Malaysia. In opposite to Belgium, Malaysia is considered to be a tight country and scores low on Uncertainty Avoidance.

First every entrepreneurial element per problem area has been summed up to see how often an entrepreneurial element is used per problem area. This has been divided by the total amount of processes used per problem area. The results are shown in figure 4. Then an independent t-test or a Mann Whitney U Test will be used to see if, according to the predictions, there are statistically significant differences in the use of the elements between both countries. To see which test to use a test of normality has been done. If the test is non-

significant ($P > .05$) it tells that the distribution of the sample is not significantly different from a normal distribution and therefore is probably normal distributed. Then an independent t-test will be used. When the sample is not normal distributed the Mann Whitney U Test will be used. When using the Mann Whitney U Test, the most accurate method is to use the Exact test which is applicable for this sample size (Field, 2013). SPSS reports the exact significance for 1-tailed and 2-tailed, but predictions have been made and therefore the outcome of the 1-tailed-significance is relevant (Field, 2013).

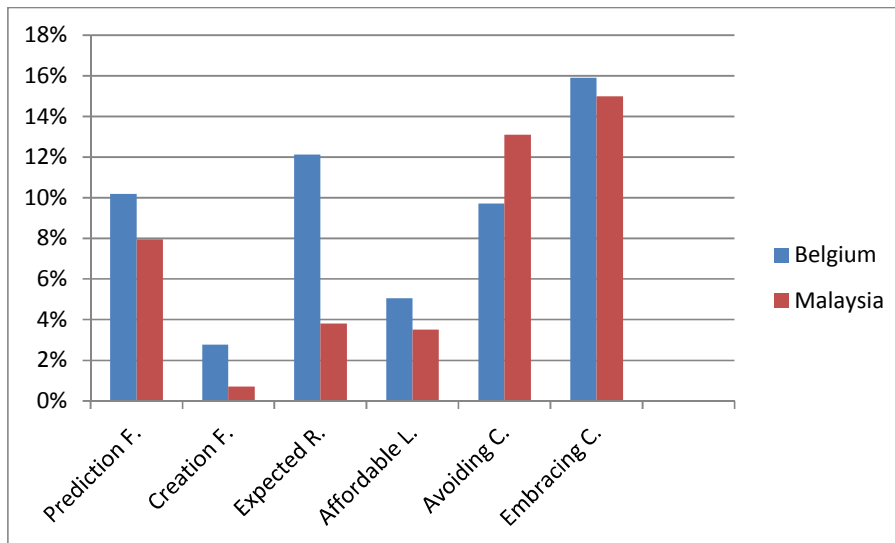


Figure 4: Proportion of the elements used

Hypothesis 1a: In a national culture where uncertainty avoidance is high, entrepreneurs tend to focus more on prediction of the future

The first hypothesis is based on the theory that a higher score for Uncertainty Avoidance will lead entrepreneurs to focus more on prediction of the future. Belgium has a higher score for Uncertainty Avoidance than Malaysia so it is expected that Belgium student entrepreneurs focus more on prediction of the future than Malaysian student entrepreneurs do. Per problem area has been summed up how much the element prediction of the future has been used, and this has been divided by the total amount of processes used per problem area. Figure 4 shows that the Belgium sample focused more on prediction of the future than the Malaysia sample. To see if it is statistically significant first a test of normality has been done. The data of both samples did not significantly deviate from a normal distribution (see Appendix D). Therefore the independent t-test has been used to compare the means. When looking at the statistical analysis in Appendix E a p-value of 0.484 is noted which is higher than 0.05 and therefore has to be concluded that there is no significant difference between the means. The hypothesis is rejected.

Hypothesis 1b: In a loose national culture, entrepreneurs tend to focus more on creation of the future.

This hypothesis was based on the theory that loose nations will be less focused on prevention, making mistakes is part of life, and less structure is needed which gives them more openness to create the future. It is expected that Belgium entrepreneurs would rely more on creation of the future than Malaysian entrepreneurs. Figure 4 indeed shows that Belgium student entrepreneurs did. As shown in Appendix D the sample differs significantly from a normal distribution; therefore the Mann Whitney Test is used. The results in

Appendix E do show a higher mean rank for Belgium (M=12,30) than for for Malaysia (M=8,60), but the scores are not significantly different ($p=.084$). Therefore this hypothesis needs to be rejected.

Hypothesis 2a: In a national culture where uncertainty avoidance is high, entrepreneurs tend to rely more on expected returns

It was hypothesized that entrepreneurs from high uncertainty avoiding nations would rely more on expected returns than low uncertainty avoiding nations. Figure 4 shows that Belgium student entrepreneurs relied more on expected returns than Malaysian student entrepreneurs. When testing for normality, both sample groups did not significantly differ from a normal distribution (Appendix D). The independent t-test (Appendix E) shows that the Belgium student entrepreneurs did significantly rely more on expected returns than the Malaysian student entrepreneurs ($p=0.037$). This indeed means that on the basis of these results a high uncertainty avoiding score will lead student entrepreneurs to focus more on expected returns. This means Belgium student entrepreneurs prefer the causal method by focusing on maximizing potential returns for a decision by selecting optimal strategies and therefore this hypothesis fails to reject.

Hypothesis 2b: In a loose national culture, entrepreneurs tend to rely more on affordable loss
The theory predicted that a loose country would focus more on affordable loss than tight countries. The Mann-Whitney U test is used to test the hypothesis, since both samples differ significantly from a normal distribution (Appendix D). The results in Appendix E show no statistical difference between Belgium (M=10.55) and Malaysia (M=10,45). Therefore no support has been found and as a result this hypothesis has to be rejected.

Hypothesis 3a: In a national culture where uncertainty avoidance is high, entrepreneurs tend to be more focused on avoiding contingencies

This hypothesis is based on the theory that a higher score for Uncertainty Avoidance will lead entrepreneurs to focus more on avoiding contingencies. It is theorized that a country with a high score for Uncertainty Avoidance will have difficulties with ambiguity of what the future brings and therefore will try to protect itself from unexpected situations by avoiding contingencies. However, figure 4 shows that Malaysian student entrepreneurs focused more on avoiding contingencies than the Belgium student entrepreneurs. Looking at the statistical analysis (Appendix E) the Belgium scores (M=9,80) are lower than the Malaysian scores (M=11,20), however the difference is not statistically significant ($p=.315$). This means that it seems that Uncertainty Avoidance does not relate with the entrepreneurial process used by Belgium student entrepreneurs as the theory predicted. Therefore this hypothesis is not supported.

Hypothesis 3b: In a loose national culture, entrepreneurs tend to be more focused on embracing contingencies

The last hypothesis suggests that entrepreneurs in loose nations will be more focused on embracing contingencies than entrepreneurs from tight nations. The expectation is that Belgium entrepreneurs focus more on embracing contingencies than Malaysian entrepreneurs. The theory predicted that loose nations have no problems with an uncertain future and entrepreneurs will welcome contingencies and make it a part of the venture creation process. The results from the K-S and the Shapiro-Wilk test show that both groups do not differ from a normal distribution (Appendix D). The independent t-test (Appendix E) shows a higher mean for Belgium (M=.159) than for Malaysia (M=.130) but is also indicates

that it is not statistically different ($p=.594$). This means that hypothesis 3b is also not supported.

4.3 Control variables

The next step is to find out whether other variables besides culture may have influenced the entrepreneurial process used. As mentioned before it could be expected that entrepreneurs with a business study background would prefer a more casual approach than non-business students. Therefore the variable education background will be tested. As mentioned earlier also 'gender' will be tested as a control variable.

But first it needs to be tested whether the data sample is normally distributed since this is an undelaying assumption in parametric testing that must be true. The results from the K-S and Shapiro-Wilk test can be seen in Table 3. If the test is non-significant ($P>.05$) it tells that the distribution of the sample is not significantly different from a normal distribution and therefore is probably normal distributed. In this case both the Kolmogorov-Smirnov and the Shapiro-Wilk test show a value of $p>0.05$ which indicates that the distribution is probably normal distributed.

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Share causation (%) total	,153	20	,200 [*]	,907	20	,056

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

Table 3: Tests of normality

Now it is clear the sample is distributed normally, we can use the independent t-test to find out whether the variables 'study background' and 'gender' are related with the amount of causation or effectuation used. The independent t-test compares the means between two unrelated groups on the same continuous, dependent variable. For the first test the dependent variable will be "the share of causation used" and the independent variable will be "gender", which has two groups: "male" and "female". Table 4 shows the group statistics. We see that the group of 44 subjects contains 34 male and 8 female participants. The mean is been given and it shows that the men used 62,2% of the time a causal reasoning versus the women who used 59,6% of the time a causal reasoning. Table 5 shows the information whether this is due chance or that it actually depends on gender. First needs to be determined which row needs to be looked at: Equal variances assumed or Equal variances not assumed. This can be done by using the information from the Levene's test. A Levene's test is similar to a t-test in that it tests the hypothesis that the variances in the two groups are equal (Field, 2013). If the Levene's test is significant at $p \leq 0.05$, it suggests that the assumption of homogeneity of variances has been violated. If Levene's test on the other hand has a p value of ≥ 0.05 it is non-significant, then it can be assumed that the variances are roughly equal and therefore assumed (Field, 2013). In this case the Levene's test is non-significant since $p=0.280$ which is greater than 0.05 and means the variations (i.e. the standard deviations from table 4) are roughly the same and therefore we should read the statistics in the row labeled Equal variances assumed. When looking at this row, it can be seen that the significance is 0.472, which is greater than 0.05 and therefore can be concluded that there is no significant difference between the means of male and female. Or

what the number literally means: With a confidence interval of 95% it can be said that in 1000 samples 472 samples would produce the same results, so it means these results are a chance finding. Therefore it can be stated that being male or female does not significantly affect the amount of causation or effectuation used: the variables are unrelated.

Group Statistics

Sex	N	Mean	Std. Deviation	Std. Error Mean
Share causation (%) total Male	34	,6224	,09938	,01704
Female	8	,5956	,06288	,02223

Table 4: Group statistics

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower		Upper
Share causation (%) total	Equal variances assumed	1,201	,280	,725	40	,472	,02680	,03695	-,04787	,10147
	Equal variances not assumed			,957	16,441	,353	,02680	,02801	-,03246	,08605

Table 5: Influence 'gender' on causation and effectuation

For the next test it will be checked if there is a relation between the independent variable "study background" and the dependent variable "the share of causation used". "Study background" has two groups, named "business" and "non-business". The results can be found in Appendix F. The table shows a p-value of 0.562 which is again higher than 0.05 and therefore has to be concluded that there is no significant difference between the means of a business study background or a non-business study background. Therefore it can be stated that study background does not significantly affect the amount of causation or effectuation used. These variables are also unrelated.

5. Discussion, limitations and conclusion

5.1 Discussion and limitations

The main goal of this thesis was to find out if there was a relationship to be found between national culture and entrepreneurial processes with the focus on causation and effectuation. The analysis of the results shows that both Belgium and Malaysian student entrepreneurs prefer causation over effectual processes. Hypotheses are formulated on the more specific aspects of causation and effectuation. They were divided into a and b to distinguish the predictability of two concepts for the construct culture: using the concept of Uncertainty Avoidance, and using the concept of Tightness-Looseness. The results of the hypotheses should give an indication if Uncertainty Avoidance or Tightness-Looseness is a better predictor for causation and effectuation. As discussed in the literature review, earlier EPICC studies using the Uncertainty Avoidance dimension as a concept for culture has led to mixed conclusion which motivated for this study to bring the dimension of Tightness-Looseness into play. However, 3 out of 3 hypotheses for Tightness – Looseness are rejected and 2 out of 3 for Uncertainty Avoidance. On the basis of this result it can be concluded that Tightness – Looseness is not a better predictor for entrepreneurial processes. But a few caveats should be made.

In this research has been concluded, that the concepts that are used to define Tightness-Looseness, corresponds largely with the concepts that define Uncertainty Avoidance. It is possible however, that on the elements the two concepts do not match, are responsible for the difference in outcome than was expected. Therefore the hypotheses might have relied too much on the fact that Tightness-Looseness is similar to Uncertainty Avoidance and thus wrong predictions could have been made for Tightness-Looseness. Therefore more research needs to be done on the relation on the concepts of Uncertainty Avoidance and Tightness-Looseness.

Another point for discussion is the representativeness of the Belgian sample group. Firstly the sample size (N=20) does not leave much room for slack, but the biggest problem for the sample group to represent all the student entrepreneurs of Belgium, is that the sample group consist of Flemish student entrepreneurs only. Walloons have been contacted, but due the use of snowball sampling no Walloons eventually made it to the sample group. One might argue that Walloons and Flemish differ a lot culture wise, but on the other hand Hofstede mentions that diversity exists within every country but they all possess collective characteristics. As he notes: 'Every Belgian students knows a famous citation from Julius Caesar in his book on the Gallic War, that states that of the three Gallic tribes, the Belgians were the bravest' (Hofstede, 2001, p. 13). However, a sample that consisted of both Flemish and Walloons could have been considered as more representative.

There are also some limitations for the data from the Malaysian sample group. Just like Belgium, Malaysia is divided into two parts and the Malaysian sample group consisted only of student entrepreneurs from 1 part. Second, the Malaysian subjects had to think aloud in English, and since it is not their own native language this could have let to different results (Linde, 2012).

Another point that might limit this research is that the coding method used for this research always leaves some room for subjectivity. A thought expressed by a subject can be interpreted differently by different persons, which can lead to a different assigning to one of the categories defined by Sarasvathy (2001). Although the assignment to a category may be

part of discussion; it is less difficult to determine if it belongs to a causation process or an effectuation process.

5.2 Conclusion

Lastly the research question needs to be answered: To what degree does national culture influence the entrepreneurial process used by entrepreneurs? On the basis of the results the research question can be answered with a tentative conclusion: Culture does not seem to influence the entrepreneurial processes used by entrepreneurs on five elements defined by Sarasvathy (2001): Prediction of the future, Creation of the future, Affordable loss, Avoiding contingencies and Embracing contingencies. Culture does influence the entrepreneurial process used by entrepreneurs on one element defined by Sarasvathy (2001): entrepreneurs from a higher uncertainty avoiding country rely more on expected returns than entrepreneurs from a lower uncertainty avoiding country.

To answer the research question a distinction has been made between two theories for culture to predict the entrepreneurial process. On the basis of the results it can be concluded that Uncertainty Avoidance Index by Hofstede (2001) is a better predictor for entrepreneurial processes than Tightness-Looseness index by Gelfand et al. (2011), since one hypotheses for Uncertainty Avoidance could be accepted and non for Tightness – Looseness. However, only one element was predicted correctly by Uncertainty Avoidance. This also confirms earlier conclusions that Uncertainty Avoidance might not be a good predictor for causation and effectuation either.

With these results, this study makes two contributions for causation – effectuation research. First of all, this report introduces Tightness – Looseness as a dimension for culture to measure causation and effectuation. It showed however that at this stadium the Tightness – Looseness dimension is not a better predictor for causation and effectuation. Second, the results found in this report show that entrepreneurs in a high uncertainty avoiding country rely more on expected returns than entrepreneurs from a low uncertainty avoiding country.

5.3 Recommendations for further research

Culture is a construct that for this research has been conceptualized in Uncertainty Avoidance but due earlier mixed conclusions, the concept of Tightness-Looseness has been introduced to define culture as well since it showed a lot of similarities with Uncertainty Avoidance. For this research Tightness-Looseness did not turned out to be a better predictor for the entrepreneurial process. As discussed in the previous section further research should focus on more on the differences of the two concepts that might have led to the different results.

In this research, culture turned out to be influencing only one element of causation and effectuation. As Sarasvathy (2001) mentions, effectuation and causation are processes that are used in various proportions in various cases and situations. Therefore the suggestion is that next research on causation and effectuation should be more specific on the elements of causation and effectuation, and should be more situation specific centered.

Lastly the recommendation is to differentiate the sample. For this research and for the other EPICC researchers, data is mainly gathered under novice entrepreneurs. Although this is important for consistency, it makes sense to expand the research to expert entrepreneurs from different countries, since the original research by Sarasvathy (2001) has been done under expert entrepreneurs and this could provide a different picture.

6. References

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Appendix A

De case

Introductie

In dit experiment gaat u tien beslissingsproblemen oplossen. Deze problemen komen voort uit de context van het opzetten van een nieuw bedrijf met een denkbeeldig product. Een meer gedetailleerde beschrijving van dit product volgt na deze introductie.

Voordat u zich in de productbeschrijving en de problemen gaat verdiepen vraag ik u om enige mate van creativiteit. Zie uzelf in de rol van de hoofdondernemer die het bedrijf opzet. U heeft erg weinig geld om het eigen bedrijf te starten, maar u heeft 5 jaar ervaring op het gebied van koffie verkoop.

Beschrijving

Sinds enige tijd heeft u lopen denken aan het starten van een eigen koffiecorner op uw universiteit. Uw inspiratie kwam voort uit het feit dat u als student op het moment dat u een verse bak koffie wilde hebben, dit niet mogelijk was. U hield niet van de automatenkoffie die aanwezig was in de gebouwen van de universiteit. U moest voor deze kwalitatief mindere koffie een bedrag betalen wat niet in relatie stond met wat u voor dat geld mocht verwachten. U weet wat er wel mogelijk zou kunnen zijn omdat u al 5 jaar ervaring heeft in het werken in een koffiecorner in het dorp waar u oorspronkelijk vandaan komt.

U zag dat er andere koffiecorners bestonden die erg succesvol waren, maar die waren vaak gerelateerd aan erg dure franchiseconcepten. Daarom heeft u bedacht dat het mogelijk moet zijn om een eigen koffiecorner te beginnen. U heeft in diverse media gezien dat er een groeiende vraag is naar koffie in uw thuisland.

U hebt alle mogelijke voorzorgsmaatregelen op het gebied van intellectueel eigendom geregeld. De naam van uw koffiecorner is Koffie B.V.

Probleem 1; marktidentificatie

Voordat we gaan kijken naar gegevens over de markt wil ik u vragen de volgende vragen 1 voor 1 te beantwoorden:

1. **Wie zouden potentiële klanten kunnen zijn voor uw koffiecorner?**
2. **Wie zouden uw potentiële concurrenten kunnen zijn?**
3. **Welke informatie zou u uit willen zoeken over uw klanten en concurrenten?
Maak een lijstje van vragen die u in dit kader zou willen stellen.**
4. **Hoe zou u deze vragen beantwoord willen zien? Wat voor soort marktonderzoek zou u willen uitvoeren?**
5. **Wat denkt u dat de groeimogelijkheden zijn voor dit bedrijf?**

Probleem 2; het beschrijven van de markt

Bij dit probleem wordt u gevraagd een paar beslissingen te maken ten aanzien van de marketing.

Op basis van secundaire informatiebronnen (publiek toegankelijke marktrapporten etc.) schat u dat er 3 segmenten zijn die geïnteresseerd zouden kunnen zijn in uw koffi corner;

<u>Segment</u>	<u>Geschatte totale omvang</u>
Studenten	40.000
Medewerkers universiteit	20.000
Bezoekers (op jaarbasis)	10.000

- Een schatting van koffie-verkoop op jaarbasis in uw thuisland komt uit op €448 miljoen.
- Een schatting van speciale koffie verkoop op jaarbasis is €100 miljoen.

In beide gevallen is er een verwachte groei van minimaal 5% per jaar voor de aankomende 5 jaar.

De volgende resultaten volgen uit eerstehands (direct) marktonderzoek door uzelf.

Vragenlijst 1 – Een online vragenlijst, verstuurd per e-mail aan studenten, medewerkers en bezoekers (met toestemming) bevatte vragen gericht op het achterhalen van de mate van interesse voor de koffi corner. Tevens werd gevraagd, op het moment dat aangegeven werd dat er interesse voor was, welke prijzen men bereid was te betalen voor een kop koffie. In totaal vulden 500 van de 1000 mensen die gevraagd waren de enquête in.

Resultaten:

<u>Bereid te betalen(€)</u>	<u>Studenten (%)</u>	<u>Medewerkers (%)</u>	<u>Bezoekers (%)</u>
0,50 – 0,75	52	26	45
0,75 – 1,00	30	38	32
1,00 – 1,25	16	22	15
1.25 – 1,75	2	9	8
1,75 – 2,50	0	5	0
<hr/>			
Totaal	100	100	100

Vragenlijst 2 – Papier vragenlijsten, uitgedeeld gedurende lunchpauzes.

<u>Bereid te betalen(€)</u>	<u>Studenten (%)</u>	<u>Medewerkers (%)</u>	<u>Bezoekers (%)</u>
0,50 – 0,75	65	21	51
0,75 – 1,00	25	49	42
1,00 – 1,25	10	19	7
1.25 – 1,75	0	8	0
1,75 – 2,50	0	3	0
<hr/>			
Totaal	100	100	100

Vragenlijst 3 – Een focusgroep van medewerkers, anders dan diegenen die meededen aan de online en papier vragenlijst werd gevraagd mee te doen met het onderzoek.

De medewerkers van de universiteit die mee hebben gedaan met het focusgroep-onderzoek vonden het plan van de koffi corner erg interessant. Zij gaven echter aan dat het scala aan koffies wellicht moest worden uitgebreid en dat ze in dat geval bereid waren €1,50 of meer te betalen. Met het huidige aanbod zouden ze €1,00 - €1,25 uit willen geven, maar dan werd er

wel verwacht dat er een bonussysteem ingevoerd zou worden waarbij consumenten konden sparen voor kortingen na een x-aantal koppen koffie te hebben gekocht.

Zowel bij het onderzoek tijdens de lunch als bij de focusgroep waren de reacties ten aanzien van de koffiecorner erg positief en enthousiast. Beide partijen gaven goede feedback op specifieke componenten om tot verbeteringen te komen. De medewerkers zijn in het bijzonder geïnteresseerd in het uitbreiden van het aanbod bovenop de reguliere koffies. Ze geven aan dat er meer diversiteit nodig was als men het product bij hen aan de man wilde brengen. Ze gaven daarnaast ook aan dat er bedrijven waren die wellicht reclame op mokken konden plaatsen waarvoor dan korting kon worden bedongen.

Marketing

Op basis van alle marktonderzoek dat u uitgevoerd heeft komt u tot de volgende kosten om uw product verder in de markt te zetten en naamsbekendheid te geven;

Internet €200 meteen te voldoen + €25 per maand daarna
Kranten Relatief goedkoop – maar kosten voor deze reclames kunnen oplopen tot €500 per stuk
Bioscoop €2000 tot 4000 per maand, en €1000 voorafgaand te betalen
Reclame op de lokale TV €5000 tot 10.000 voorafgaand te betalen
Bij directe reclame elders (denk aan kantines, het uitdelen van aanstekers met de naam van de koffie corner, etc.) betekent dat u verkopers moet trainen.

Concurrenten

Geen van de vier onderstaande potentiële concurrenten verkoopt goedkope kwaliteitskoffie op uw universiteit danwel in het centrum van de stad. U bent uniek ten aanzien van dat concept.

Bedrijf	Algemeen prijsniveau per kop koffie	Omzet	Waar?
Starbucks	€ 3,00	€6.5 miljard	Grote steden / wereldwijd
Kaldi	€ 2,00	€225 miljoen	Grote steden / Europa
Simon Levelt	€ 2,50	€130 miljoen	Grote steden / Europa
Douwe Egberts winkel	€ 2,00	€25 miljoen	Grote steden/ Nederland

Deze bedrijven hebben een netto opbrengst van 25% op hun verkopen.

In dit stadium wordt u gevraagd om de volgende beslissingen te maken (denk er daarbij aan om hardop te blijven praten);

- 1. Aan welk marktsegment / segmenten wilt u uw product gaan verkopen?**
- 2. Welke prijs wilt u op het product plakken?**
- 3. Hoe wilt u aan het door uw gekozen segment / segmenten gaan verkopen?**

Probleem 3: Salaris

U bent het bedrijf begonnen met erg weinig geld. De voornaamste manier van adverteren is 'face-to-face' promotie. U bent zes maanden bezig met marketing-activiteiten om uw product in de markt te zetten. U heeft de prijzen van uw product gezet op het laagste segment (zoals aangegeven in de vragenlijst); 0.50 – 0.75 euro. U heeft gemiddeld 3000 klanten per maand. Op basis van diverse suggesties die u van klanten heeft gekregen denkt u dat u ook speciale koffies zou kunnen gaan verkopen in het prijssegment 1.25 – 1.50 euro. Dit zou voornamelijk kunnen als u het interieur van de koffiecorder zou herontwerpen waarbij u het meer 'cachet' zou kunnen geven.

U heeft uw laatste spaargeld ingezet en uw limiet van uw creditcards gebruikt om er voor te zorgen dat u voldoende koffies op voorraad heeft. U heeft dat ook nodig om mee te doen aan een wedstrijd waar 'architectuur ontmoet catering' het thema is. Deze wedstrijd zal zorgen voor veel publiciteit.

U heeft vier medewerkers – en u heeft geen geld meer om de komende salarisuitbetaling voor elkaar te krijgen. U schat in dat u 30,000 euro nodig heeft om de eerstkomende drie maanden te overleven en om een super cool concept voor een nieuwe koffiecorder te bedenken op basis waarvan u mee kan doen met de wedstrijd. U heeft vier opties;

1. Lenen van de ouders van uw vriend(in) – zij zijn niet erg rijk, maar kunnen waarschijnlijk wel 30,000 euro regelen als het nodig zou moeten zijn.
2. Lenen van oude vrienden die u kent van de universiteit en van uw oude bijbaan.
3. Uw ouders overtuigen van het feit dat ze een extra hypotheek op hun woning nemen.
4. Uw medewerkers overtuigen dat ze over 3 maanden uitbetaald zullen worden.

Welke van deze opties kiest u? Waarom?

Probleem 4: financiering

Uw nieuwe concept van de koffiecorner heeft de eerste prijs gewonnen bij de wedstrijd 'architectuur ontmoet catering' in de categorie 'beste nieuwkomer'. Dit heeft er toe geleid dat grote koffie-leveranciers zoals Nestlé Netherlands B.V. gevraagd hebben naar mogelijkheden om het concept verder op de markt te zetten. Dit zou veel media attentie krijgen. U schat in dat het verder ontwikkelen van dit concept zo'n zes maanden zou moeten gaan duren en vervolgens drie maanden om het via drie grote kanalen bekendheid te geven – Internet, landelijke kranten en landelijke tv. De koffie zal worden geprijsd op €1,90 per kop. Dit is de prijs in de nieuwe koffiecorner. U schat dat u €150.000 nodig heeft om quitte te draaien (ten tijde van het derde kwartaal van het tweede jaar). Hierbij zitten de kosten inbegrepen voor verbetering van het nieuwe concept, het aanstellen van excellente (ondersteunende) medewerkers, het trainen van de verkopers en een enorm grote advertentie campagne via internet, kranten en tv.

U schat in dat de verkoopcijfers voor de aankomende vijf jaar als volgt zullen zijn (u bent aan het begin van het eerste jaar);

	Jaar 1	Jaar 2	Jaar 3	Jaar 4	Jaar 5
Verkopen	€100.000	€150.000	€300.000	€500.000	€1 M
Winst	€< 0	€20.000	€40.000	€200.000	€300.000

U heeft drie financieringsopties;

Optie 1; een durf-investeerder met een focus op startende ondernemingen in de catering en aanpalende terreinen is bereid de €150.000 te financieren voor een belang van 48% van de aandelen

Optie 2; een vriend van de familie die veel ervaring heeft in de catering industrie is erg gretig om een vennootschap aan te gaan met u – voor een belang van 33% in het bedrijf. Hij heeft €150.000 beschikbaar maar wil wel een basis salaris van €40.000 per jaar. Hij gaat akkoord met een basissalaris van €30.000 euro per jaar voor de eerste twee jaar. U kunt goed overweg met deze man, u respecteert hem en u heeft geen negatieve gevoelens jegens hem.

Optie 3; u kunt doorgaan met het bedrijf op basis van de huidige financiering – resulterend in een significant langzamere groei.

Welke optie kiest u? En waarom?

Als de durf-investeerder ook akkoord gaat met een aandeel van 33%, welke optie zou u dan kiezen?

Probleem 5; leiderschap en visie

U heeft de financiering gevonden en u heeft een contract getekend met twee grote koffieleveranciers om uw koffiecorner te promoten. U heeft nieuw personeel aangetrokken en bent in een nieuw bedrijfspand gaan zitten. Een locale krant is bezig met een serie over lokale ondernemers en wil een artikel over u schrijven. U beseft zich dat dit artikel een cruciaal moment zou kunnen zijn in de ontwikkeling van uw bedrijf en u ziet dit als een mogelijkheid om de wereld (en uw nieuwe personeel) te laten zien wat uw toekomstige ideeën zijn. De serie artikelen is erg succesvol en wordt routinematig opgepikt door landelijke kranten. Een van de succesfactoren is de krantenkop, bestaande uit een slogan waarin de visie van de ondernemer ten aanzien van waar het bedrijf in 2013 zou moeten staan, tot uiting komt. Er zijn een aantal mogelijkheden voor deze slogan;

1. Starbucks is het verleden – Koffie B.V. is de toekomst.
2. We azen erop minstens duizend medewerkers te hebben in 2015.
3. De snelst groeiende koffie cateraar.
4. Investeer in Koffie B.V. – geniet van Nederlandse traditie.

Welk van bovenstaande slogans kiest u? Waarom? Als u niet kan kiezen uit bovenstaande slogans en u heeft uw eigen ideeën voor een alternatief, wees vrij om dat te doen.

Probleem 6; herontwerpen, deel 1

U bent bijna aan het eind van uw vijfde jaar en u bent er maar net in geslaagd om quitte te draaien (veel later dan verwacht). U heeft uw deuren geopend naar alle drie klant segmenten (studenten, medewerkers en bezoekers). Verkopen, alhoewel stabiel en continu zijn behoorlijk vlak. U begint te twijfelen hoe u uw doelen om te groeien kunt behalen. U besluit een serieus marktonderzoek uit te voeren om uit te vinden hoe u de verkoop omhoog zou kunnen brengen. U organiseert een bijeenkomst met een focusgroep waarbij potentiële en bestaande klanten zijn opgenomen. Het grote probleem blijkt de grote 'split' te zijn tussen reguliere koffie en meer gespecialiseerde producten.

Meer dan 90% van de deelnemers in de focusgroep vinden het reguliere product interessant. Maar als speciale koffies worden bekeken blijkt er een groot verschil in opinie te zijn. De deelnemers die in eerste instantie meer gebruik maken van reguliere koffie blijken bijna nooit gespecialiseerde koffies te kopen en vragen zich openlijk af waarom dat 'elite spul' er überhaupt is. Diegenen die meer geïnteresseerd zijn in de speciale koffies richten zich eigenlijk helemaal niet op reguliere koffies en vinden dat deze reguliere koffies de sfeer naar beneden haalt.

Hoe reageert u op deze feedback?

Probleem 6; herontwerpen deel 2

U gaat terug naar het begin en denkt na over een concept waarbij u voor beide partijen een oplossing zou kunnen vinden. U vindt deze in een concept met de huidige reguliere koffi corner samen met een nieuwe winkel. Het huidige concept zal meer gericht zijn op de meer reguliere koffies. De nieuwe winkel zal gericht zijn op meer exclusieve koffies en thee. Bij de meer exclusieve koffie kunt u denken aan Aziatische, Latijns-Amerikaanse en Afrikaanse koffiesoorten. In totaal zouden dat 20 verschillende soorten zijn. De thee is verkrijgbaar in 15 verschillende soorten.

Daarnaast zijn in de nieuwe winkel een breed scala aan gebakjes en exclusieve cupcakes verkrijgbaar. Vervolgens zijn er ook mogelijkheden boeken te lenen, kranten te lezen en hebben klanten toegang tot gratis draadloos internet.

U bent van plan om in de reguliere koffi corner 5 types reguliere koffie te verkopen. Te denk valt aan cappuccino, espresso, etc., en daarnaast 5 reguliere theesoorten, zoals China Blossom en Rooibos. Verder een beperkt aanbod aan donuts en muffins.

U start met het uitwerken van het idee van de meer exclusieve winkel door 15 verschillende koffies en 10 theesoorten aan te bieden, met een iets beperkter aanbod in de gebakjes & cupcakes dan uiteindelijk de bedoeling is. Samen met gratis kranten en gratis draadloos internet is dat wat u aan de focusgroep laat zien. Het blijkt dat de exclusieve winkel met veel enthousiasme wordt ontvangen en mensen zijn bereid 2 tot 2,5 keer zoveel te betalen als wat eerder werd gevraagd.

Een van de vereisten echter is dat u de uitbreiding moet maken die u in gedachten had (15 soorten thee, 20 soorten koffie, de boeken, de kranten en gratis draadloos internet). U moet besluiten of u deze grote verandering in het concept daadwerkelijk wilt doorvoeren of dat u zich gaat richten op 1 van de 2 concepten. Als u wilt uitbreiden dan zijn de kosten minimaal €200.000 met daarnaast nog een aparte marketing-campagne.

Jaar	1	2	3	4	5	6	7	8
Verwachte verkoop (€M)	0.10	0.50	1	6	12	18	24	30
Daadwerkelijke verkoop (€M)		0.14	0.48	0.84	2.8	4.2		

Welke van de 2 alternatieven (focus op 1 van de 2 doelgroepen, danwel beide doelgroepen bedienen) kiest u? En waarom?

Als we aannemen dat u gekozen heeft voor het concept van de uitbreiding (beide doelgroepen bedienen), dan dient u nu uit de volgende 3 opties te kiezen;

1. U laat het herontwerp binnen het eigen bedrijf uitvoeren; verwachte kosten; €250.000
2. U laat het ontwerp over aan een ander bedrijf in uw thuisland; verwachte kosten €200.000
3. U laat het ontwerp over aan een ander bedrijf in het buitenland; verwachte kosten €100.000

Welke optie kiest u? En waarom?

Probleem 7; Groei van het bedrijf, deel 1

U bent bijna aan het eind van het zesde jaar. U heeft nu 2 typen bedrijven ondergebracht onder Koffie B.V.

1. Gewoon Koffie (verkoop tussen de €1,00 en €5,00 pp) waar u een beperkt aantal 'standaard' soorten koffie en thee verkoopt met daarbij een beperkt aantal donuts, cupcakes en chocolade.
2. Exquise (verkoop tussen de €5,00 en 10,00 pp) waar u het 'complete scala' aanbiedt.

Het aantal verkooppunten en daarmee het aantal nieuwe managers is op 20 uitgekomen, daar waar het er origineel 3 waren. U bent nog steeds bezig om het aantal verkopers uit te breiden en daarnaast ontwikkelt u een nog betere versie van Exquise om de rijkere buurten in uw stad te kunnen bedienen. Jan van Zomeren, een prima verkoper (voorheen actief in de verkoop van de reguliere koffie) die het verkoopteam vanaf de eerste dag geleid heeft, is niet in staat gebleken zich aan te passen aan de nieuwe ontwikkelingen. Hij is duidelijk niet de persoon om de nieuwe Exquise winkels te leiden. Hoe gaat u om met deze situatie?

Jaar	1	2	3	4	5	6	7	8
Verwachte verkopen (€M)	0.10	0.50	1	6	12	Herziene versie		
Daadwerkelijke verkoop (€M)	0.14	0.48	0.84	2.8	4.2	6	12	20
						8.6		

Zou u hem;

1. Ontslaan?

2. Een nieuwe manager boven hem aanstellen om het verkoopteam te leiden? Zo ja, zou u voordat u dat doet met Jan overleggen? Hoe zou u dit nieuws aan hem brengen?

Voel u vrij om uit te weiden over hoe u met deze situatie om zou gaan.

Probleem 7; groei van het bedrijf, deel 2

Alhoewel uw bedrijf al enige tijd aan het groeien is, probeert u toch de ‘ondernemerschapscultuur’ binnen het bedrijf levend te houden. U begint echter te merken dat uw partner meer en meer het idee uitbeeldt van een meer “zakelijke ambiance” – lange vergaderingen, ingewikkelde organisatietabellen, dure accountants, consultants om “het marktpotentieel te optimaliseren”, enzovoort. Als u daarover met hem in gesprek raakt dan merkt u dat hij denkt dat de tijd aangebroken is voor een meer zakelijke aanpak. Deze meer professionele aanpak zou zelfs goed zijn voor het bedrijf an sich.

Jaar	1	2	3	4	5	6	7	8
						Herziene versie		
Verwachte verkoop (€M)	0.10	0.50	1	6	12	6	12	20
Daadwerkelijke verkoop (€M)	0.14	0.48	0.84	2.8	4.2	8.6	20	27.5

Hoe zou u met deze situatie omgaan? Denkt u dat het tijd wordt voor Koffie b.v. om meer ‘zakelijk’ te gaan?

Probleem 8; aanstellen professioneel management

U bent aangeland in het 8e jaar. Het gaat uitstekend. De groeicijfers zijn beter dan de oorspronkelijke doelen en het marktaandeel wordt groter. Uw verkopen zijn €27,5 miljoen en u voorziet een groei van 25% per jaar voor de aankomende 3 jaar.

Jaar	1	2	3	4	5	6	7	8
						Herziene versie		
Verwachte verkoop (€M)	0.10	0.50	1	6	12	6	12	20
Daadwerkelijke verkoop (€M)	0.14	0.48	0.84	2.8	4.2	8.6	20	27.5

Het advies van de Raad van Bestuur van Koffie B.V. is om professioneel management aan te stellen om het bedrijf te runnen opdat u zich kunt richten op de groei en het bedenken van nieuwe strategische initiatieven. Gesteld dat u al een drietal 'high potentials' voor ogen heeft uit te nodigen voor een interview voor de positie van 'Chief Operating Officer' (COO), hoe zou u dit interview voorbereiden?

Geeft u aub de type vragen die u zou stellen, de interviewtechnieken die u zou gebruiken en kritische onderwerpen die u aan de orde zou stellen tijdens het interview.

Probleem 9; goodwill

U wordt gevraagd bij het hoofd van een school in de binnenstad die samenwerkt met 10 andere scholen zoals de hare. Zij geeft aan dat zij denkt dat Exquise een perfecte leeromgeving zou kunnen zijn voor haar studenten binnen de opleiding 'Catering'.

Zij vraagt of u samen met een aantal zeer enthousiaste onderwijzers een basis lespakket zou willen ontwikkelen voor de studenten zodat ze in Exquise zouden kunnen werken. Dit project betekent niet alleen een investering van €100.000 voor aanpassingen binnen uw bedrijf, maar ook een redelijke portie van uw tijd gedurende een periode van 6 maanden en daarnaast wordt uw aanwezigheid gevraagd bij minstens 10 colleges per jaar voor minimaal enkele jaren. N.B.; uw verkopen zijn op een niveau van 27,5 miljoen euro per jaar en u voorziet een groeipercentage van 25% voor de aankomende 3 jaar.

Neemt u het initiatief voor dit project?

Zo niet, waarom niet?

Indien 'ja', zou u dan:

- 1. Het project doneren?**
- 2. Het voor de kostprijs verkopen? (€100.000)**
- 3. Het voor een gangbare marktwaarde verkopen?**

Waarom?

Probleem 10; exit

U bent nu in het 10e jaar aangeland. Exquisite is een groot succes en mede dank zij uw nieuwe doelgroepen strategie groeit Gewoon koffie ook naar behoren. U heeft 3 andere catering concepten opgekocht en u maakt een omzet van €38 miljoen. U schat in dat u binnen 1 jaar €70 miljoen omzet zal maken.

Op dit moment zijn er 2 mogelijke richtingen;

Richting 1:

Uw accountants en andere financiële experts denken dat het een goed moment is om het bedrijf naar de beurs te leiden. De IPO aandelenmarkt (nieuwe aandelen) is in opkomst en catering past daar prima binnen. Zij schatten dat de eerste prijszetting van 2 miljoen aandelen op €30 per aandeel zal worden gezet. In totaal heeft het bedrijf 12 miljoen aandelen.

Richting 2:

Starbucks komt naar uw kantoor en doet een bod op uw bedrijf. Het blijkt dat ze besloten hebben om zich meer in het luxere segment te gaan begeven en ze hebben besloten dit te doen door het opkopen van andere bedrijven. Ze zien uw bedrijf als een prima optie voor deze strategie en ze bieden u €300 miljoen.

Jaar	1	2	3	4	5	6	7	8	9	10
						Herzien concept				
Verwachte verkoop (€M)	0.10	0.50	1	6	12	6	12	20	30	45
Daadwerkelijke verkoop (€M)	0.14	0.48	0.84	2.8	4.2	8.6	20	27.5	38	70

Welke van bovenstaande 2 richtingen kiest u? En waarom?

Dank u voor uw medewerking; u krijgt nu nog een beperkt aantal vragen n.a.v. deze case

Appendix B

Think - Aloud verbal protocol – subject X – 17-08-2012 – EPICC Project

Tijmen de Wit Protocol leader (in red) and Interviewee Name Interviewee - subject (in black)

stands for the subject reading the text in the case out loud

Probleem 1

CASE

Wie zouden potentiële klanten kunnen zijn voor uw koffiecorner?

Dat lijkt mij logisch voor een koffiecorner op een universiteit, dat zijn de professoren en voornamelijk de studenten.

Wie zouden uw potentiële concurrenten kunnen zijn?

Dat is punt 1 voornamelijk de koffiezetapparaten die er staan, dus gewoon de apparaten waar je geld in gooit en er een kop koffie uitkomt. Onrechtstreeks is dat natuurlijk ook mensen die een thermos koffie van thuis meenemen. Ik ken er bij mij op school niet heel veel maar ze zullen er altijd zijn die koffie meenemen.

Welke informatie zou u uit willen zoeken over uw klanten en concurrenten? Maak een lijstje van vragen die u in dit kader zou willen stellen.

Vragen aan klanten lijkt ten eerste van belang zijn jullie bereidt om op de universiteit koffie te kopen in een koffiecorner voor een iets hogere prijs dan de automaten maar van betere kwaliteit. Hoeveel willen jullie geven voor een kopje en hoeveel kopjes zouden jullie er per dag willen drinken. En aan de concurrenten mocht er echt een rechtstreekse concurrent zijn op de universiteit reeds, dan zou ik vragen hoeveel kopjes verkoopt u per dag. Prijs en dergelijk zullen daar wel duidelijk te zien zijn. Ik denk dat de voornaamste vragen zijn.

Hoe zou u deze vragen beantwoord willen zien. Wat voor soort marktonderzoek zou u willen uitvoeren?

Ik denk omdat we te maken hebben hier met een universiteit dat een online marktonderzoek het eenvoudigste zal zijn. Wordt nu toch heel veel online gewerkt op universiteiten dus lijkt me zeer eenvoudig om online een korte enquête te laten invullen door de mensen, en voor de concurrent zou ik rechtstreeks op de concurrent afstappen en luisteren hoeveel verkoopt u en de prijzen daar bekijken.

Wat denkt u dat de groeimogelijkheden zijn voor dit bedrijf?

Dan denk ik in eerste instantie zoveel mogelijk klanten op deze universiteit naar u krijgen en mocht het dan een groot succes zijn misschien naar andere universiteiten en eventueel zelfs wel gewoon een nieuwe koffiecorner starten buiten de universiteit, want daar heb ik al vrij veel ervaring in heb ik begrepen. Ik denk dat dat de groeimogelijkheden zijn. Voornamelijk naar andere universiteiten.

Probleem 2

CASE

Aan welk marktsegment/ segmenten wilt u uw product gaan verkopen?

Het lijkt me nu duidelijk aan de hand van de gegevens dat de koffie voornamelijk zal verkocht worden tegen een zeer lage prijs dus we moeten dan toch mikken op een groot marktsegment. We spreken over jaarlijks ongeveer 40.000 studenten en 20.000 medewerkers dus 60.000 mensen. We moeten vooral mikken op low cost en ik denk dat we op een universiteit zeker de studenten op een low cost moeten mikken.

Welke prijs wilt u op het product plakken?

Laat ik even terug scrollen. Bij de concurrentie is de goedkoopste kop koffie wel 2 euro en de meesten willen maar tot 1 euro betalen, dus het lijkt mij het meest logische, mochten we de prijs rond de 75 naar een euro plaatsen, of mochten we het programma uitbreiden dan naar de 1,50. Dan is natuurlijk 65% van de studenten wil maximaal 75 cent betalen voor een kop koffie, maar de vraag is natuurlijk willen betalen en zullen betalen is altijd een groot verschil. En in vergelijking met de concurrentie lijkt mij 75 cent heel weinig vergeleken met de concurrentie dus ik zie toch tussen de 75 en de euro plaatsen en dan zullen misschien minder studenten de koffie kopen maar medewerkers zijn al bereid om meer te betalen en als ze naar de concurrentie gaan zijn ze minstens 2 euro kwijt dus ze moeten dan wel naar ons komen als ze een goede kop koffie willen. Dus ik zou de prijs op 1 euro zetten.

Hoe wilt u aan het door u gekozen segment / segmenten gaan verkopen?

Ik denk dat dat redelijk duidelijk, dat gewoon mensen langs komen en een kop koffie vragen uiteindelijk. Op eigen initiatief, niet dat ik rond ga lopen met een karretje en vragen wie wil er een kop koffie. Daar zullen te hoge personeelskosten aan verbonden zijn. Tegen zo'n low cost zal personeel zeer moeilijk te betalen zijn. Dus ik zou gewoon de koffi corner openen en mensen naar de koffi corner laten komen.

Probleem 3

CASE

Welke van deze opties kiest u en waarom?

Dat is ineens een zeer moeilijke vraag. Ik ben persoonlijk altijd zeer sterk tegen het mengen van privé en zakendoen. Dus zeker opties 1 2 en 3 zijn al volledig voor mij persoonlijk uit den boze. Optie 4 uiteindelijk ook want ik vind een medewerker moet altijd betaald worden. Hij doet zijn werk onmiddellijk dus hij zal uiteindelijk ook snel mogelijk zijn geld moeten krijgen. Dan moet ik kiezen voor de minst erge optie. Dat is kiezen tussen de pest en de cholera. We moeten er toch voor zorgen dat het geld terugverdiend wordt, dan lijkt mij als de ouders van de vriendin het geld kunnen regelen zonder daar in erge bochten te hoeven te wringen, lijkt mij optie 1 de minst erge. Zeker optie 3 en 4 zou ik sowieso al niet doen. Medewerkers moeten betaald worden en extra hypotheek op een woning in ruil voor een zaak die nog niet zo goed draait zou ik toch zeker optie 1 nemen.

Probleem 4

CASE

Welke optie kiest u en waarom?

Optie 1 lijkt mij niet zo opportunistisch want een belang van 48% in de aandelen in ruil voor een eenmalige investering lijkt mij zeer groot. Vooral als we kijken dat we vanaf jaar 4 al meer winst hebben dan die eenmalige investering. Dan lijkt mij optie 2 logischer om te doen. Een belang van 33% in een bedrijf wil zeggen dat 1 op 3 van de vriend van de familie is. We kunnen het goed vinden met hem. 30.000 lijkt mij een normaal salaris voor bedrijfsleider.

40.000 dat begint wel maar dat is toch niet om te zeggen van hij gaat met al het geld lopen. Uiteindelijk 2x 30 na 5 jaar heeft hij wel meer uit de koffiecorner gekregen dan hij erin heeft gestoken, maar hij zal hoogstwaarschijnlijk meewerken, hij zal mee in de vennootschap stappen. En optie drie voor een lagere groei dan lijkt het met toch beter om voor optie 2 te kiezen. Een kleiner deel van de taart is voor mij maar de taart wordt veel groter.

Als de durf-investeerder ook akkoord gaat met een aandeel van 33%, welke optie zou u dan kiezen?

De durf investeerder heeft natuurlijk geen salaris, dat is gunstig. Maar dan heb ik natuurlijk wel direct 1 medewerker minder. Een goeie medewerker vinden is natuurlijk altijd moeilijk. Dus het lijkt mij dan nog steeds het meest logisch om voor optie 2 te kiezen omdat we dan een extra medewerker hebben, een vennoot in de vennootschap, waar ik het goed mee kan vinden, dus dat zal waarschijnlijk ook zeer goed werken in het bedrijf zelf. Dus vandaar lijkt mij optie nog steeds de meest oppertune optie.

Probleem 5

CASE

Welk van bovenstaande slogans kiest u? Waarom? Als u niet kan kiezen uit bovenstaande slogans en u heeft uw eigen ideeën voor een alternatief, wees vrij om dat te doen.

We spreken hier natuurlijk over een krantenkop, dus dat is niet meteen een promotiecampagne. Optie 4 klinkt me meer als een reclame slogan en de andere drie, ik denk dat voor een krantenkop optie 1 zeer mooi is. Omdat een krant geeft natuurlijk altijd, zal altijd objectieve informatie moeten geven en als de krant aangeeft dat wij de toekomst zijn en Starbucks het verleden dan denk ik dat dat hele mooie reclame kan zijn.

Probleem 6

CASE

Hoe reageert u op deze feedback?

Nou ik vind de feedback eigenlijk vrij logisch. Mensen zijn automatisch altijd op 1 product gericht. En de mensen die gewone koffie drinken zullen geen elite drinken. Mensen die de speciale koffie drinken zullen minder snel een gewone koffie drinken maar mogelijk moet daar wel een actie gevoerd worden om de speciale koffies te promoten. Die brengen dan meer geld in het laatje. Het lijkt mij ook mogelijk de mensen die nu de reguliere koffie drinken eventueel via een spaaractie, dus koop 10 dat soort koffie en krijg 1 speciale koffie gratis. Om zo de speciale koffies te leren kennen. De mensen die speciale koffies drinken kennen waarschijnlijk de gewone koffie maar andersom is dat denk ik niet zo. Ik denk dus dat we zo de omzet kunnen laten stijgen om gratis een speciale koffie te geven aan klanten die nu reguliere koffie drinken om zo mogelijk meer speciale koffie te verkopen.

Probleem 6 deel 2

CASE

..Dus we spreken dan over een groeiende verkoop naar 30 miljoen in jaar 8, en nu zitten we sterk onder de verwachte verkoop van 4,2 miljoen ipv 12 miljoen.

Welke van de 2 alternatieven (focus op 1 van de 2 doelgroepen, danwel beide doelgroepen bedienen) kiest u? En waarom?

Het uitbreiden kost 200.000 euro wat uiteindelijk niet zo veel is van de verkoop. We hebben nu een verkoop van 4,2 miljoen dus 200,000 daarvan is ongeveer een 5 procent als ik goed

kan rekenen. Dus 5 % van de verkoop in verbouwing om een nieuw concept te lanceren dat dan wel 2 tot 2,5 keer zoveel betaald lijkt mij een niet zo'n grote investering om wel veel winsten te kunnen halen mochten we succesvol zijn. Want als mensen 2 tot 2,5 keer bereid zijn om te betalen dan de huidige prijs dan denk ik wel dat dat een mooi doelpubliek is. Ik zou beide zaken openen, dus de reguliere is er nu toch, dus als we met de kosten van 200.000 de nieuwe winkel kunnen openen en mensen zijn bereid om 2 tot 2,5 keer zoveel te betalen dan lijkt het mij mooi deze twee winkels naast elkaar te hebben en uiteindelijk collega's te zijn ipv concurrenten.

Als we aannemen dat u gekozen heeft voor het concept van de uitbreiding (beide doelgroepen bedienen), dan dient u nu uit de volgende 3 opties te kiezen;

1. U laat het herontwerp binnen het eigen bedrijf uitvoeren; verwachte kosten; €250.000
2. U laat het ontwerp over aan een ander bedrijf in uw thuisland; verwachte kosten €200.000
3. U laat het ontwerp over aan een ander bedrijf in het buitenland; verwachte kosten €100.000

Welke optie kiest u en waarom?

Ik denk als ons eigen bedrijf gekwalificeerde mensen heeft om het uit te voeren dan denk ik wel dat het eigen bedrijf dit het beste kan aanpakken. Dat is dan wel 2,5 keer zo duur als door een bedrijf uit het buitenland. Maar als we het volledig zelfstandig doen dan wordt ons concept volledig doorgevoerd en de mogelijkheid bestaat als we outsourcen naar een ander bedrijf in het binnenland of eventueel in het buitenland dat ons concept verloren gaat en ik denk dat het herontwerp vooral het concept naar voeren moet brengen en daarom zou ik het wel degelijk binnen het eigen bedrijf uitvoeren om er zeker van te zijn dat het concept tot zijn recht komt.

Probleem 7

CASE

Zou u hem ontslaan? Een nieuwe manager boven hem aanstellen om het verkoopteam te leiden? Zo ja, zou u voordat u dat doet met Jan overleggen? Hoe zou u dit nieuws aan hem brengen? Voel u vrij om uit te weiden over hoe u met deze situatie om zou gaan.

Het lijkt mij moeilijk om Jan zomaar te ontslaan. Hij is blijkbaar niet in staat geweest om zich aan te passen aan de nieuwe ontwikkelingen. Dus ik denk dat ten eerste met Jan gepraat moet worden wat nu eigenlijk het probleem is en of hij zelf ook daadwerkelijk een probleem ziet. Sowieso als hij het exquise niet goed leidt zal hij eventueel terug moeten gaan naar de reguliere koffie. Of een andere taak krijgen maar hij zal sowieso exquise niet meer mogen leiden. Om zo maar een nieuwe manager boven hem aan te stellen lijkt mij zeer grof maar er zal wel een verplaatsing moeten komen voor hem als hij zijn taak niet goed doet. En een gesprek met hem zal moeten uitwijzen of hij het ziet zitten om terug in de verkoop te komen van de reguliere koffie wat hij excellent deed. Of hij moet zich mogelijk nog kunnen aanpassen voor de exquise.

Probleem 7 deel 2

CASE

Hoe zou u met deze situatie omgaan? Denkt u dat het tijd wordt voor Koffie b.v. om meer 'zakelijk' te gaan?

Wel als ik die verkoopcijfers zie, 20 miljoen en 27,5 miljoen, lijkt het mij toch logisch om zeker professioneel met de koffiecorner om te gaan. Je ziet het zeer vaak bedrijven die zichzelf voorbij groeien. Bedrijven die sneller groeien dan ze verwachten. Die zelfs sneller groeien dan dat het uitkomt en op zelfde basis blijven werken die dan over de kop gaan en dan failliet gaan. Dus lijkt het mij logisch om u te laten assisteren door eventueel wel door accountants en consultants. Om professioneel met het bedrijf om te gaan moet natuurlijk het imago van het bedrijf moet hetzelfde blijven. Goede koffie met daarbij alle nodige extra's. Maar als management of als leiders van het bedrijf moet daar toch zeer zakelijk mee omgegaan worden. We spreken nu niet meer over een koffiecorner met een omzet van 100.00 euro. Maar we spreken nu over 27,5 miljoen en er is veel geld om zo maar te verkwisten. Dat is een heleboel geld. En ik denk dat slecht management dat geld heel snel kan op doen. Dus vandaar mijn keuze.

Probleem 8

CASE

Geeft u aub de type vragen die u zou stellen, de interviewtechnieken die u zou gebruiken en kritische onderwerpen die u aan de orde zou stellen tijdens het interview.

We zijn nu eigenlijk gewoon een sollicitatie gesprek aan het voorbereiden. De type vragen zullen ten eerste zijn of de persoon die zich aanbied of hij zich kan vinden in ons concept. Dus de ene tak de gewone koffie en de andere tak de exquisite koffie. Dat zou vraag 1 zijn of hij zich daarin kan plaatsen. De volgende vraag is natuurlijk wat hij van plan zou zijn mocht hij zelf strategische keuzes mogen maken om met het bedrijf te doen. Ik begrijp dat hij de operating officer is dus hijzelf zal geen veranderingen moeten doorvoeren. Maar er is altijd leuk om mensen te vragen wat zij aan het concept zouden veranderen. Zelfs al mogen ze dat niet doen. Natuurlijk gewoon de vraag of hij gekwalificeerd is om COO te zijn. Heeft hij daar ervaring mee en welke referenties heeft hij. Dat spreek uiteindelijk voor zich. Ik denk dat dat ongeveer het wel zal zijn. Zo top of the head vragen zo te zeggen die belangrijk zijn. Ik denk dat vooral belangrijk is voor een COO dat hij achter het concept kan staan om zo de mensen de mensen goed te leiden en bedrijf goed te leiden.

Probleem 9

CASE

Neemt u het initiatief voor dit project?

Natuurlijk als bedrijfsleider is dit project zeer time consuming. Zes maanden een groot gedeelte tijd kwijt zijn en maandelijks toch een college moet geven waarbij je toch een halve dag verliest. Dat lijkt mij al veel om in 1 project te investeren qua tijd. Natuurlijk is er nu een COO aangesteld dus het bedrijf zal wel blijven draaien. Maar ik denk dat dit initiatief wel zeer mooi is maar om het volledig zelfstandig als bedrijfsleider te doen lijkt mij dit iets te time consuming.

Probleem 10

CASE

Welke van bovenstaande 2 richtingen kiest u en waarom?

Dus ofwel ik blijf het bedrijf zelf leiden en ga ik naar de beurs ofwel verkoop ik het bedrijf voor 300 miljoen en kan ik gewoon stoppen met zaak voeren en rusten. Dit zijn natuurlijk

twee compleet andere richtingen. Ik denk dat als ik nu voor mezelf spreek na 10 jaar in de bedrijf gewerkt te hebben zal ik wel, mocht Starbucks het concept blijven aanhouden maar ik veronderstel van niet, denk ik dat richting twee wel ideaal zou zijn. Ten eerste voor persoonlijke zekerheid, dus we hebben dan 300 miljoen min wat belasting eraf hopelijk 100 miljoen over. En dat is toch al een persoonlijk een zeer stevige basis om het persoonlijk leven gemakkelijk te houden en daarna kan er altijd nog een nieuwe onderneming gestart worden. En met de capaciteiten die we hebben en de omzet die we nu al halen kan een nieuw bedrijf worden gestart en kan dit bedrijf zichzelf leiden of laten leiden door Starbucks. Dus ik zou voor optie 2 kiezen omdat dat ten eerste al zekerheid biedt en ten tweede om nieuwe avonturen te kunnen beginnen.

Appendix C

EPICC – Coding scheme

Causal	Effectual
P-Prediction of the future	C-Creation of the future
G-Goal-driven	M-Means-based
R-Expected returns	L-Affordable loss
B-Competitive analysis	A-Use of alliances or partnerships
K-Avoid contingencies	E-Embrace contingencies
X-Causal (no subcategory given)	N-Effectual (no subcategory given)

	Causal	Effectual
Problem 1	12-13 P1: market segmentation 16-19 B2: competitive analysis 18-19 P3: prediction people bring coffee 22-25 X4: market analysis 25-27 B5: competitive analysis 31-33 P6: prediction what will be most easy 34-35 B7: competitive analysis 38-40 G8: zoveel mogelijk klanten, doel 41-42 P9: prediction growth to other universities	
Problem 2	49-52 G10: goal driven aim for low cost big segment 55-56 B11: competitive analysis 56-57 R12: pricing based on expected returns 58-59 Z13: emphasizes on price data 60-62 B14: competitive analysis 63-64 P15: prediction low price more customers 69-70 R16: Expected returns: financials needed to reach a goal	
Problem 3	77-78 X17: against mixing private and business	82-84 L18: Takes credit only if it is affordable loss
Problem 4	92-93 R19: decision based on expected returns 98 R21: Calculates expected returns	97 L20: salary is affordable loss 99-100 A22: vennootschap 105-110 A23: emphasizes the importance of a good partnership
Problem 5	120-121 B24: uses competition	
Problem 6	120 X25: does not question feedback 127-129 P26: prediction consumer taste 131 R28: 'geld in het laatje'	130 E27: Goes beyond feedback to improve coffee shop 131-133 E29: invents bonus system to

	134-135 R30: expected turnover 145-147 Z31: emphasis on sales numbers 149-150 R32: decision based on expected returns 150 G33: Sees goal 168 G36: does not want to deviate from goal	improve sales special coffee 153-154 A34: prefers alliance 164-165 M35: Use of means
Problem 7	195-196 P37: predicts professionalism	182 E38: different task 199-200 A39: use of professional assistants 204-205 M40: what do I know
Problem 8	222-224 X44: COO has to fit in existing concept	214 A41: asks opinion 217 A42: asks opinion strategic decisions 221 M43: experience
Problem 9	230-235 X44: no use of given opportunities	
Problem 10	246-247 R45: calculates expected returns	249-250 C46: want to start new ventures, takes lead in events

Appendix D

Tests of Normality^a

Belgium	Kolmogorov-Smirnov ^b			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
P_Prediction	,242	10	,100	,882	10	,137
C_Creation	,262	10	,049	,844	10	,050
R_Expected	,194	10	,200 [*]	,880	10	,132
L_Affordable	,299	10	,012	,598	10	,000
K_Avoid	,285	10	,021	,765	10	,005
E_Embrace	,186	10	,200 [*]	,926	10	,413

*. This is a lower bound of the true significance.

a. Country_ID = Belgium

b. Lilliefors Significance Correction

Tests of Normality^a

Malaysia	Kolmogorov-Smirnov ^b			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
P_Prediction	,187	10	,200 [*]	,920	10	,360
C_Creation	,240	10	,109	,838	10	,041
R_Expected	,219	10	,191	,876	10	,117
L_Affordable	,256	10	,063	,721	10	,002
K_Avoid	,254	10	,067	,844	10	,049
E_Embrace	,244	10	,094	,873	10	,108

*. This is a lower bound of the true significance.

a. Country_ID = Malaysia

b. Lilliefors Significance Correction

Appendix E

Hypothesis 1a:

Group Statistics					
	Country_ID	N	Mean	Std. Deviation	Std. Error Mean
P_Prediction	Belgium	10	,10196622	,091917685	,029066924
	Malaysia	10	,07953603	,037669915	,011912273

Independent Samples Test											
		Levene's Test for Equality of Variances		t-test for Equality of Means							
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
										Lower	Upper
P_Prediction	Equal variances assumed	2,618	,123	,714	18	,484	,022430194	,031413187	-	,043566463	,088426851
	Equal variances not assumed			,714	11,940	,489	,022430194	,031413187	-	,046051275	,090911663

Hypothesis 1b:

Ranks				
	Country_ID	N	Mean Rank	Sum of Ranks
C_Creation	Belgium	10	12,30	123,00
	Malaysia	10	8,70	87,00
	Total	20		

Test Statistics ^a	
	C_Creation
Mann-Whitney U	32,000
Wilcoxon W	87,000
Z	-1,406
Asymp. Sig. (2-tailed)	,160
Exact Sig. [2*(1-tailed Sig.)]	,190 ^b
Exact Sig. (2-tailed)	,169
Exact Sig. (1-tailed)	,084
Point Probability	,006

a. Grouping Variable: Country_ID

b. Not corrected for ties.

Hypothesis 2a:

Group Statistics					
	Country_ID	N	Mean	Std. Deviation	Std. Error Mean
R_Expected	Belgium	10	,12118026	,104846710	,033155441
	Malaysia	10	,03818148	,033899594	,010719993

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper	
R_Expected	Equal variances assumed	16,639	,001	2,382	18	,028	,082998775	,034845394	,009791318	,156206232
	Equal variances not assumed			2,382	10,861	,037	,082998775	,034845394	,006184974	,159812576

Hypothesis 2b:

Ranks				
	Country_ID	N	Mean Rank	Sum of Ranks
L_Affordable	Belgium	10	10,55	105,50
	Malaysia	10	10,45	104,50
	Total	20		

Test Statistics ^a	
	L_Affordable
Mann-Whitney U	49,500
Wilcoxon W	104,500
Z	-,040
Asymp. Sig. (2-tailed)	,968
Exact Sig. [2*(1-tailed Sig.)]	,971 ^b
Exact Sig. (2-tailed)	,995
Exact Sig. (1-tailed)	,498
Point Probability	,027

a. Grouping Variable: Country_ID

b. Not corrected for ties.

Hypothesis 3a:

Ranks				
	Country_ID	N	Mean Rank	Sum of Ranks
K_Avoid	Belgium	10	9,80	98,00
	Malaysia	10	11,20	112,00
	Total	20		

Test Statistics ^a	
	K_Avoid
Mann-Whitney U	43,000
Wilcoxon W	98,000
Z	-,529
Asymp. Sig. (2-tailed)	,597
Exact Sig. [2*(1-tailed Sig.)]	,631 ^b
Exact Sig. (2-tailed)	,631
Exact Sig. (1-tailed)	,315
Point Probability	,026

a. Grouping Variable: Country_ID

b. Not corrected for ties.

Hypothesis 3b:

Group Statistics					
	Country_ID	N	Mean	Std. Deviation	Std. Error Mean
E_Embrace	Belgium	10	,15907855	,138373398	,043757510
	Malaysia	10	,12989484	,099188658	,031366208

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
E_Embrace	Equal variances assumed	2,492	,132	,542	18	,594	,029183704	,053838264	-,083926293	,142293700
	Equal variances not assumed			,542	16,317	,595	,029183704	,053838264	-,084768338	,143135745

Appendix F

Group Statistics

Study_Background	N	Mean	Std. Deviation	Std. Error Mean
Share causation (%) total Business study	18	,6075	,10589	,02496
Non-business study	24	,6246	,08459	,01727

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Share causation (%) total	Equal variances assumed	,930	,341	-,585	40	,562	-,01718	,02938	-,07656	,04220
	Equal variances not assumed			-,566	31,787	,575	-,01718	,03035	-,07902	,04466