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Why Successful Entrepreneurship Depends on Strong Networks

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Entrepreneurs pursue opportunities beyond the resources they currently control. Their ability to succeed often depends on the people and organizations they can reach through their networks.

From a practitioner's viewpoint, networking is a useful tool for entrepreneurs who wish to enlarge their span of action and save time. Admonitions to "network," however, may not be enough. Networking may be time-consuming and fruitless and leave potential partners highly frustrated.

From a theoretical point of view, it thus becomes necessary to specify the conditions under which networking contributes to business effectiveness, and to link it to the contingencies facing firms.

In an executive forum (Dubini and Aldrich, 1991 (https://www.researchgate.net/publication/228314339_Personal_and_Extended_Networks_Are_Central_to_the_Entrepreneurial_Process)), we proposed a way of generating networking strategies for entrepreneurs. First, we introduce general network concepts by considering personal networks; thus, we take the role set of individual entrepreneurs as the unit of analysis. Second, we discuss the aggregation of personal networks into extended networks, which in turn can be analyzed within firms (intra-firm relations) or between firms (interfirm relations).

We define entrepreneurship by following Howard Stevenson's famous definition (Gartner and Baker 2010, Sinoway 2012): the process by which people pursue opportunities without regard to the resources they currently control. Networks are patterned relationships between individuals, groups and organizations.

Entrepreneurs, in contrast to managers, thrive on unsettling and turbulent conditions. Their greatest gains are made when discontinuities and gaps appear in society's economic fabric, making traditional modes of doing business or traditional products and services obsolete.

Even under normal conditions, hidden opportunities for linking new products or services to untapped markets may be available, if only entrepreneurs could find out where they are. Mobilizing resources to pursue opportunities requires entrepreneurial contacts, knowledge and confidence. Mobilizing resources also involves asking others to raise money, labor and effort for a venture with an uncertain future.

Entrepreneurship is thus inherently a networking activity.

The organization and management theory literature usually makes a sharp distinction between individuals, organizations and environments. These units are demarcated by assuming strong breaks between each, with people acting "within" organizations, and organizations acting "within" environments.

By contrast, a network approach emphasizes the threads of continuity linking actions across a field of action that includes individuals, organizations and environments as a totality. Organizations exist within environments, and environments are in organizations, penetrating them through the personal networks of boundary spanners and other members.

Even though "networking" is used as a verb, network concepts themselves depict only a static pattern of relations. Adding **entrepreneurship** to the equation compels theorists to include **process** in their framework, as entrepreneurs and firms pursue

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opportunities opened to them, or withheld, because of their network positions.

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