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The Efficient Process of Acquiring a Pilot Customer

An Insight Into the Pilot Customer Acquisition Process for Nascent Entrepreneurs, Located at Schools of Entrepreneurship

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AIM OF THE THESIS

The aim of the master thesis is to investigating how nascent entrepreneurs, located at Schools of Entrepreneurship (SE) work in the process of initiating Business-to-Business (B2B) relationships with potential pilot customers.

- The thesis will be conducted by the completion the following points:
- A review of the current literature.
- An empirical study of how nascent entrepreneurs, located at SEs initiate B2B relationships with potential pilot customers.
- An analysis of the empirical findings with use of the literature found.
- Propose a framework for how nascent entrepreneurs located at SEs initiate B2B relationships with potential pilot customers.
- Conclusion and implications.

PREFACE

This thesis is written by three students at the Norwegian School of Entrepreneurship at the Norwegian University of Science and Technology, and constitutes the master assignment in the subject "TIØ4945 - Innovasjon og entreprenørskap, masteroppgave". The purpose of this thesis is to investigate how nascent entrepreneurs, located at Schools of Entrepreneurship, initiate B2B-relationships with potential pilot customers, in an efficient manner. This thesis will examine how this process can be efficient. The literature review in this thesis was conducted during the autumn of 2014, which served as the project assignment in "TIØ4530 Innovation and Entrepreneurship." The authors have also prepared for this thesis through a term paper in "TIØ4535".

The authors wish to especially thank their supervisor Lise Aaboen for her perseverance, insight and support throughout the autumn of 2014 and spring of 2015. She has spent many early mornings and late nights providing the authors with valuable feedback, which has been crucial for the progress and direction of the work. The authors wish to express gratitude towards all respondents participating with information and their experiences with the nascent startups, the Schools of Entrepreneurship and their insights on an efficient process. The Department of Industrial Economics and Technology Management at the Norwegian University of Science and Technology supported this thesis financially. This was of great value to the authors, as it provided the opportunity for the authors to travel abroad to conduct the interviews essential for this thesis. The authors also wish to thank Stine Mari Sørensen and Aurora Klæboe Berg for reading through this thesis and providing the authors with an essential external viewpoint. Finally, a big thanks goes to Eivind Sæter, who has finalized the visualization of models.

ABSTRACT

The purpose of this thesis is to examine how nascent entrepreneurs, located in Schools of Entrepreneurship, pursue the process of initiating Business-to-Business relationships with pilot customers and how this process can be conducted efficiently. Acquiring a paying customer is the goal of many startups, and involving a pilot customer may be the first step in this process. This step is therefore of crucial importance for the startups (Jack, 2005), and is one of the greatest challenges (Aaboen, Dubois and Lind, 2011), due to the little research on the subject today (Aarikka-Stenroos and Halinen, 2007), the authors have decided to research the purpose as their master thesis.

Three research questions have been designed to fulfill the purpose. The first one examines how a nascent entrepreneur initiates Business-to-Business relationships with potential pilot customers. The second concerns the location of the nascent startup and examines how the connection to the School of Entrepreneurship affects the process of initiating relationships with pilot customers. The third and last research question examines the characteristics of an efficient process when acquiring a pilot customer. The literature study by Hetzel, Neergård and Sørensen (2014) provides the current theory with a new model to the process of acquiring a pilot customer. This thesis is partially based on that model, as the authors wish to examine if the theoretical model is representative for nascent startups located at Schools of Entrepreneurships.

This thesis has been carried out by two data collection methods, using the theoretical framework of Hetzel, Neergård and Sørensen's (2014). The second method consists of interviews. The content from the theoretical framework is partially derived from the project assignment in "TIØ4530 Innovation and Entrepreneurship" which was conducted during the autumn of 2014. Additional literature needed to answer the purpose has been acquired through searches in "Web of Science". The interviews were conducted in the spring of 2015 at two Schools of Entrepreneurship in two different countries. The respondents had one of the following three roles in the School of Entrepreneurship, staff, mentor or nascent entrepreneur, which is a student at the School of Entrepreneurship. Respondents were chosen to gain a broad overview of the School of Entrepreneurship to fulfill the purpose.

The results of the analysis provides a foundation for an updated model on the process when acquiring a pilot customer, which is shown through the first research question. Through analysis on the second research question, the authors received results showing that the third actors are not actor-based, but rather actions-based. This is due to several third actors providing the nascent entrepreneurs with the same actions. The analysis shows that the main characteristics of an efficient process is using one's network and being highly assertive.

This leads to the discussion on relationship management, network overload, learning through iterations and third actors influencing the process. The discussion shows that relationship management consists of being active and building one's network continuously, handling

network overload through strategic dormant phases, focusing on highly assertive tasks and acquiring pilot customers based on quality, rather than quantity. Learning through iterations showed that the nascent entrepreneurs must go through a learning process to find third actors who can actually be involved in the process and the mentoring function being the most important one. Actions are presented as far more important than the actors performing them and, the nascent entrepreneurs should focus on the actions, not actors.

The thesis provides several implication for the nascent entrepreneurs, the staff, the mentors and the pilot customers. The main implication lies in the nascent entrepreneurs receiving essential information on how to make the process towards a pilot customer efficient, with especially focus on network management and being highly assertive. The staff will receive information on improvements in the structure and management of the School of Entrepreneurship, such as creating a new process for the mentor allocation. The study does however show that there is still room for improvements in the theoretical area on the nascent startups located at Schools of Entrepreneurships, how third actors affect the process when acquiring a pilot customer and how a nascent entrepreneur can execute this process efficiently. The authors therefore recommend further research on efficiency to be based on a new model presented in this thesis. In this way one can validate if the new theoretical model on an efficient process is representative for the nascent startups located at a School of Entrepreneurship.

SAMMENDRAG

Formålet med denne oppgaven er å undersøke hvordan vordende entreprenører ved entreprenørskoler initierer bedriftsrelasjoner med pilotkunder på en effektiv måte. Å skaffe en betalende kunde er et mål for mange oppstartsbedrifter i tidlig fase, og å involvere en pilotkunde kan være det første steget i denne prosessen. Dette kan være avgjørende for oppstartsbedriften (Jack, 2005), og er en av de største utfordringene for unge oppstartsbedrifter (Aaboen, Dubois og Lind, 2011). Grunnet lite forskning på temaet i dag (Aarikka-Stenroos og Halinen, 2007), bestemte forfatterne å undersøke det nevnte formålet i deres masteroppgave.

Tre forskningsspørsmål har blitt utformet for å svare på formålet. Det første undersøker hvordan en ung oppstartsbedrift initierer bedriftsrelasjoner med potensielle pilotkunder. Det andre omhandler omgivelsene til oppstartsbedriften, og undersøker hvordan entreprenørskolen påvirker prosessen for å initiere relasjoner med pilotkunder. Det tredje og siste forskningsspørsmålet undersøker karakteristikkene ved en effektiv prosess for å skaffe en pilotkunde. Et litteraturstudiet av Hetzel, Neergård og Sørensen (2014) presenterer en modell for initiering av bedriftsrelasjoner med pilotkunder. Masteroppgaven er delvis basert på den nevnte modellen, for å undersøke om den er representativ for oppstartsbedrifter ved entreprenørskoler.

Masteroppgaven har blitt til gjennom intervjuer og det teoretiske rammeverket til Hetzel, Neergård og Sørensen (2014). Det opprinnelige teoretiske rammeverket ble utarbeidet i en prosjektoppgave i "TIØ4530 Innovasjon og Entreprenørskap", høsten 2014. Søk i "Web of Science" har tilført ekstra litteratur som var nødvendig for å svare på formålet. Intervjuene ble gjennomført våren 2015 ved to entreprenørskoler i to ulike land. Respondentene var tilknyttet entreprenørskolene som stabsmedlemmer, mentorer eller vordende entreprenører. Sistnevnte er studenter ved entreprenørskolen. For å oppfylle formålet er det nødvendig med ulike synspunkt, og respondentene ble valgt for å gi en bred oversikt over entreprenørskolen.

Analysen av det første forskningsspørsmålet gir fundament for en oppdatert modell på prosessen for å involvere en pilotkunde. Analysen av det andre forskningsspørsmålet viser at tredjeaktører ikke er aktørbasert, men heller handlingsbasert. Dette kommer av at flere tredjeaktører hjelper unge oppstartsbedrifter ved å gjøre de samme handlingene. Analysen viser også at hovedkarakteristikkene til en effektiv prosess er å bruke ens nettverk samt å opptre på en pågående måte.

Dette leder til en diskusjon om forvaltning av relasjoner, læring gjennom iterasjoner og tredjeaktørers påvirkning på prosessen. Diskusjonen viser at relasjonsforvaltning består av å være aktiv; å bygge nettverk kontinuerlig; å håndtere nettverksbelastninger gjennom strategiske pauser i relasjonsbyggingen; å være selvsikker, og å involvere pilotkunder basert på kvalitet, i stedet for kvantitet. Læring gjennom iterasjoner viser at gryende entreprenører må gå gjennom en læringsprosess for å finne tredjeaktører som faktisk kan involvere seg i prosessen. Mentorfunksjonen er presentert som den viktigste funksjonen hos tredjeaktører, men de fleste gryende entreprenørene ved Universitet 1 er kritiske til mentorene de er involvert med gjennom entreprenørskolen. Forfatterne har funnet at handlinger er langt viktigere enn aktørene som gjennomfører disse, og at gryende entreprenører bør fokusere på handling, ikke aktører.

Oppgaven leder til implikasjoner for både gryende entreprenører, stab, mentorer og pilotkunder. Hovedimplikasjonen for gryende entreprenører er å motta essensiell informasjon om hvordan man kan gjøre prosessen mot en pilotkunde effektiv, med spesielt fokus på relasjonsforvaltning og selvsikkerhet. Staben vill motta informasjon om forbedringer i struktur og ledelse av entreprenørskolen, som å skape nye prosesser for mentortildelingen. Studien viser at det fortsatt er rom for forbedringer i teorien om gryende oppstartsbedrifter ved entreprenørskoler, hvor tredjeaktører påvirker prosessen mens man skaffer en pilotkunde, gjerne på en effektiv måte. Forfatterene vil derfor oppfordre til videre forskning på effektivitet basert på den nye modellen skapt av forfatterene. På denne måten vil man kunne validere om den nye modellen for en effektiv prosess er representativ for gryende oppstartsbedrifter ved entreprenørskoler.

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1. INTRODUCTION

This thesis aims to explore how nascent entrepreneurs, located at Schools of Entrepreneurship, initiate relationships with pilot customers. Finding and developing customer relationships is one of the greatest challenges for startups, this is why pilot customer relationships is an important research subject (Aaboen, Dubois and Lind, 2011). The startup's first customer can generate financial resources (Aaboen, Dubois and Lind, 2011). Thereby, initiating relationships with potential customers is an activity with crucial importance for a nascent startup (Jack, 2008). An important factor is that this process does not happen in isolation, as third actors play a vital role in the initiation process. However, there is lack of information regarding third actors and their influence on the initiation of pilot customer relationships (Aarikka-Stenroos and Halinen, 2007). This gap in the entrepreneurial literature needs to be filled, to be able to understand who the SE third actors are, and how they influence the growing number of university-based startups. Information about these subjects is important from the entrepreneur's perspective as well. Entrepreneurs searching for customers must know how they should act to initiate business relationships (Holmen et al., 2005).

According to Aarikka-Stenroos (2008), initiation is a vague phase with interruptions and unpredictable shifts. This leads to challenges when investigating how the nascent entrepreneurs can be efficient in the process of initiating Business-to-Business (B2B) relationships with potential pilot customers. First, there are challenges tied being a startup and initiating business relationship (Aaboen, Dubois and Lind, 2011). According to Aaboen, Dubois and Lind (2011), one of the greatest challenges for a startup is to find and develop customer relationships. This might derive from the fact that relationships are built on the capabilities of both parties (Turnbull, Ford, Cunningham, 1996). In contrast to established firms, startups tend to be small (Jack, 2005). Traditionally, startups have few resources, due to the liabilities of newness and smallness (Elfring and Hulsink, 2003 and 2007; Hite, 2005; Witt, 2004). This is also the reality for the nascent startups and therefore the understanding of their potential customer is vital (Davis and Olson, 2008). Secondly, there might be challenges tied to third parties affecting the relationship process, for instance regarding alignment of interests among the involved parties (Boni and Emerson, 2005). Finally, it can be challenging to research an efficient initiation process, as individual skills and cultural settings may influence the outcome of the process (However, Witt, Schroeter and Merz, 2008).

1.1 Structure of the thesis

This thesis explores the research subject through the following chapters: Method, Theory, Results, Analysis, Discussion, Conclusion, Implications and Further Research. The Introduction, will present the purpose of this thesis, address the definitions of keywords, as well as challenges tied to the purpose. From there, three research questions will be presented. The chapter ends with the Contribution. When referring to a specific nascent entrepreneur the entrepreneur will be presented as NE with its specific letter, the mentors will be presented as M and staff as S. When referring to “the authors” it is the authors of this thesis (Hertzel, Neergård and Sørensen).

1.2 Purpose

The purpose of this thesis is to explore how nascent entrepreneurs, located at Schools of Entrepreneurship, pursue the process of initiating Business-to-Business relationships with pilot customer, in an efficient manner.

The case of examination is the process taking place between the nascent entrepreneur and the potential pilot customer, from the nascent entrepreneur's point of view. However, as this process does not happen in isolation, the authors seek to understand how third actors influences the case, as well as being located at a School of Entrepreneurship (SE). The literature review by Hetzel, Neergård and Sørensen (2014), concluded that there is a deficiency in the research of SEs. Examining how the actors involved in the SE influence the nascent startups and their relationships with potential pilot customers, will provide a holistic understanding of the complete process from initiation of relationship to agreement. To fulfill the purpose, the authors wish to explore how the process of initiating pilot customer relationships are performed and how it could be performed efficiently. An *efficient process* refers to resources based on materials, energy and time, spent in the best possible way (Merriam-Webster, 2015). This is done while cultivating new contacts among previously unreached people, in order to acquire first pilot customer Efficiency is according to Kunøe (2014), using a minimum amount of resources. This corresponds with Merriam-Webster’s definition, as startups have scarce resources and limited time as well as a liability of newness (Slotte-Kock and Coviello, 2010). The lack of literature and frameworks on how to make the process of initiating pilot customer relationships efficient (Hetzel, Neergård and Sørensen, 2014) is also discussed by Kunøe (2014). He expresses that “the magic formula on how to achieve efficiency (...) is not yet found” (p. 24).

This thesis focuses on the *entrepreneur*, a person characterized by how he or she is doing new things, or established activities in a new way (Schumpeter, 1947). Further on, there is specifically focus on entrepreneurs in emerging startups with more than one individual entrepreneur. According to Wagner (2007), a *nascent entrepreneur* is trying to start an independent firm on her/his own. In this thesis, students at SEs are referred to as nascent entrepreneurs, however, these do in most cases not start their firms individually. The authors have chosen to expand Wagner's description to *nascent startups*, whereby the nascent startup is a recently established firm that may have several entrepreneurs. The nascent startup has not reached a positive monthly cash flow and in difference with established firms, the nascent startup does not have an existing customer base (Davis and Olson, 2008). This is why *pilot customers* are presented in this thesis. Pilot customers are customers taking part in a test before the product or service of the startup is widely introduced to the market (Chevrier, 2003). Pilot customers often have a close relationship with the startup and there are often perks involved, both for the pilot customer and the startup. The startup gains valuable information in order to tweak and adapt the product or service before it is launched, while the pilot customer often receive a discounted price and a first mover advantage (Blank and Dorf, 2012).

This thesis seeks to examine the beginning of *Business-to-Business (B2B) relationships* between the nascent startup and the pilot customer. B2B-relationships happen between two companies, and involves activity links, resource ties and actor bonds (Håkansson and Snehota, 1995). Chorev and Anderson (2006) found that a customer relationship is a crucial success factor for startups. The *initiation* of a relationship is the first phases in the life cycle of a business relationship. According to Edvardsson, Holmlund-Rytkönen and Strandvik (2007), initiation starts when companies recognize each other and ends when a business agreement is reached. The end of initiation is thereby the start of relationship development. Holmen et al. (2005) found that very little attention has been paid to the beginning of B2B-relationships, and claimed that relationship initiation is an important issue worthy of more, explicit consideration. The challenges presented above, tied to initiating B2B relationships with potential pilot customers, leads to the author's first research question:

RQ 1: How does a nascent entrepreneur initiate B2B relationships with potential pilot customers?

A *third actor* is an external person, organization, artifact or a community that affects the initiation process by sharing information and relations, decreasing distance, establishing trust and lubricating the process. A third actor may have twelve different roles, including scout, awareness builder, need creator, access provider, accelerator, advocate seller, matchmaker, trust builder, evaluation assistant, expectations builder, risk reducer and provider of concrete evidence (Aarikka-Stenroos, 2011). To understand the role of third actors in relationship initiation by nascent firms, the authors have chosen to study nascent entrepreneurs located at *SEs.*

SEs are educational programs at universities, offering their students a strong infrastructure and range of resources, enabling them to successfully launch their businesses. The purpose of the schools is to champion ideas into viable investment opportunities through a combination of venture development and entrepreneurial training. The schools promote the responsible utilization and commercialization of primarily university-based research ideas (Lundqvist and Middleton, 2008). There is a need for research on how closeness and knowledge within a SE underpins successful networking. Especially as obstacles to successful networking within an incubator may arise (Cooper, Hamel and Connaughton, 2012). The relevance of third actors in relationship initiation is recognized as important. Yet, the subject has rarely been studied (Aarikka-Stenroos, 2011). There are very few studies concerning SEs and the potential difficulties and strengths tied to running a nascent startup from a SE. The challenges presented above, tied to Schools of Entrepreneurship as third parties in initiation, leads us to the author's' second research question:

RQ 2: How does the connection to a School of Entrepreneurship affect the process of nascent entrepreneurs initiating relationships with pilot customers?

The chain of association between initiation of the relationships and entrepreneurial success is blurred (Aarikka-Stenroos, 2008). This might challenge the investigation of even the most efficient process. However, Witt, Schroeter and Merz (2008) claim that the process from initiation to success depends on the entrepreneurs' networking abilities and on the cultural settings. To understand how the nascent entrepreneurs can be efficient in the process of initiating relationships, specific factors will be investigated during the work of this thesis.
The authors want to investigate factors contributing to the most *efficient process* among nascent entrepreneurs located at SEs, when initiating business relationships. An efficient process refers to: "The ability to do something or produce something without wasting "materials, time or energy" (Merriam-Webster, 2015). The abilities to capture resources and connect with customers can be enhanced by a *network,* consisting of actors and connections between these actors (Witt, 2004). By using its network, a firm can improve efficiency (Anderson, Dodd and Jack, 2010; Burt, 1993; Davidsson and Honing, 2003; Slotte-Kock and Coviello, 2010). The challenges presented above, tied to an efficient process from initiation to acquiring a pilot customer, leads us to the authors' third research question:

RQ 3: What characterizes an efficient process when acquiring a pilot customer?

The contribution

This thesis highlights the importance of initiation of business relationships, an issue that has been overlooked in previous literature (Holmen et al., 2005). As this is an essential phase of a startup, the initiation phase will be examined through interviews with nascent entrepreneurs that are in the process of initiating business relationships with pilot customers. This way, the authors will provide a new insight to the initiation of relationships between nascent startups and pilot customer. Startups must know how they can act to initiate business relationships (Holmen et al., 2005). In addition, this thesis will provide nascent entrepreneurs with qualitative information regarding acquiring their first pilot customer. There is little research on third actors, and it is especially interesting to examine the SE as a third actor as they influence the nascent entrepreneurs. Therefore, the SE as a third actor and how the nascent startups are affected by being located at a SE will be examined.

This thesis provides both managerial and practical implications for the staff and mentors. They will, get a greater overview of how the SE and the actors associated with the SE, affect the nascent entrepreneurs process of acquiring a pilot customer. With the new theoretical overview, the staff and mentors will also have the opportunity to see which actions need to be focused on when mentoring the nascent entrepreneurs as well as when creating the educational curriculum and courses. The staff and mentors have an influence on how the nascent entrepreneurs work and want the best for the startups located at the SE. With the new theoretical framework, the mentoring and educational courses work towards an efficient process. It is relevant for the staff, as well, to be able to gain knowledge about how the nascent entrepreneurs perceive the program and involvement of the different actors. This thesis will prove useful to the industry and established firms engaged in the role as a pilot customer/future pilot customer as they can with the theoretical model support the nascent entrepreneurs and contribute to the process being efficient.

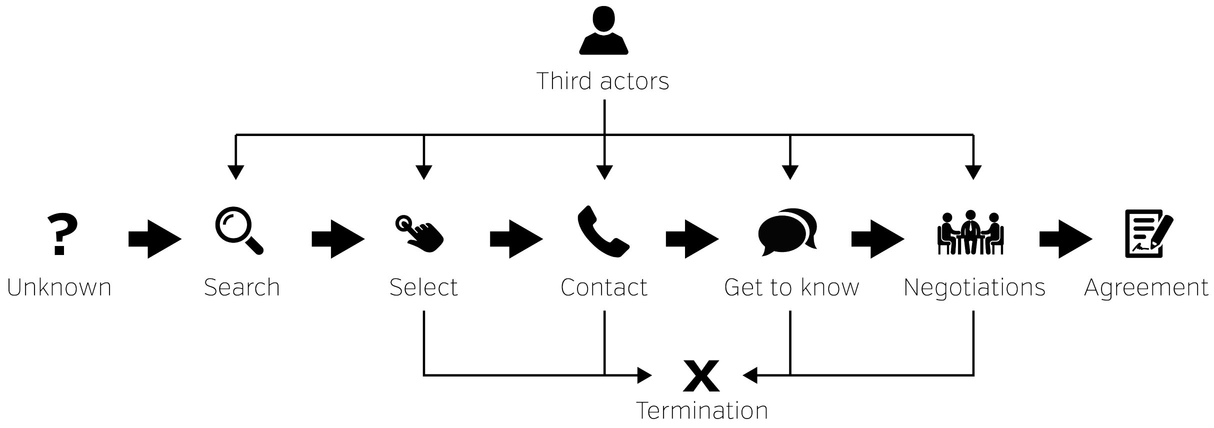
This thesis will provide theoretical implications to the SE literature. Not only for the nascent entrepreneurs and startups, but to the SE staff and mentors, with how they can improve how they are working today. The main theoretical implications lie in the process of acquiring a pilot customer and how that process can be efficient, as there is little literature on the subject today. This thesis provides practical implications for the nascent entrepreneurs and their startups in regards of now having the opportunity to look at and use a model before, and when in the process of acquiring a pilot customer. By having access to a new theoretical model on the subject, the nascent entrepreneurs will have the opportunity of executing the process of acquiring a pilot customer in an efficient manner. In this way, they might be able to acquire more pilot customers while still being located at the SE, and will then have a greater ability to grow as a startup after graduation from the SE.

2. METHOD

This chapter will focus on the research design. Here, qualitative research and the use of case method will be discussed. Qualitative research will cover how the authors conducted the interviews, the criteria for the interview subjects and data analysis. The chapter also presents critique of the method, reflections and a summary.

2.1 Research design

In this thesis, qualitative research is used to understand how nascent firms located at SEs pursue the process of acquiring a pilot customer, and how it can be executed efficiently. This is to reveal what is unique about the nascent startups emerging at SEs, and to go in depth by obtaining a large amount of details about a few actors (Dalland, 2007). A qualitative study allows "researchers to more closely capture individuals own subjective experiences and interpretations" (Graebner, Martin and Roundy, 2012, p.278), as they are able to express themselves in their own words. The authors have chosen to use a case study approach in the qualitative research, as it enables the researchers to answer "how" and "why" types of questions (Yin, 2003), while taking into consideration how a phenomenon is influenced by its context (Baxter and Jack, 2008). In addition, case studies can provide a many-sided view of a situation and its context, which is very welcomed when studying a phenomenon that lacks research (Halinen and Törnroos, 2005). When determining that the research questions are best answered using a qualitative case study, the case and its boundaries must be determined (Yin, 2003). The case in this thesis is the process of initiating a relationship with a pilot customer. It is initiated by the nascent entrepreneur, and proceeds as an interaction between the startup and the potential pilot customer. The authors have chosen to examine the initiation process as a phenomenon influenced by third actors. The case is visualized in Model 1, starting with "Unknown", where the startup and the potential pilot customer do not know each other, moving on to "Search" "Select", "Contact", "Get to know", "Negotiations" and ending with an "Agreement". It is also possible to terminate a relationship. The phenomenon is explored through the processes of ten different nascent startups, represented by nascent entrepreneurs, providing a qualitative understanding of case variations. The phenomenon is thereby examined with regards to efficiency. This is done from different point of views, through nascent entrepreneurs, mentors and staff, to get a broad understanding of the case.



Model 1: Visualization of the Case

As mentioned in Chapter 3, the "magic formula" for how to achieve efficiency has not been discovered. Still, there are several ventures that succeed in executing a good and efficient process (Kunøe, 2014). These findings can provide knowledge of which factors that affected the process. This is the reason for why the authors have decided to conduct interviews; discovering what is understood as an efficient process, and to examine some common features among those ventures. These features will be analyzed and put into a new model for an efficient process towards a pilot customer. The exploratory case study is used, as the phenomenon has no clear, single set of outcomes (Yin, 2003).

2.2 Planning data collection

To answer the research question, it was crucial to investigate nascent startups located at SEs, as these may differ from nascent startups located outside of the SE, especially with regards to the several actors involved in the SE. Based on this, semi structured interviews with staff, mentors and nascent entrepreneurs located at two different European SEs was planned and an interview guide was written, on basis of the main topics (see appendix 1). In the guide, the authors gave the respondents an opportunity to draw their own models and to draw on already existing models. This is to visualize certain actors and processes.

The two SEs studied in this thesis were chosen due to their similarities in founding year, student enrollment, study program, startup facilitation and alumni connection. The authors decided to obtain in-depth qualitative information about two schools, rather than grasping the surface of several institutions. Two similar SEs is desirable in the thesis, as the authors have chosen an explorative case study and wish to find out as much as possible about one process. When comparing findings from two similar SEs, there will be a better foundation for explaining the process which takes place inside these SEs. The authors have interviewed respondents in relatively similar surroundings to obtain as many viewpoints as possible in one case. However, the findings will only be valid for SEs working in the same way as the two chosen SEs. The authors defined that the nascent entrepreneurs should fit the following criteria to assure that they could provide information to the research questions:

1) The startups they work in are in an early phase, with maximum six team members to assure that it is a nascent startup.
2) The startups they work in have been initiated at the university and are still in active collaboration with the academic community. The authors wish to focus on SEs, as there is fairly little research in this area.
3) The startups they work on are in the process of identifying, connecting or closing an agreement with a paying pilot customer. All three stages of the process should be represented by nascent startups to provide information about how the process is perceived from different standpoints.
4) The nascent startups are working on technical solutions, hardware or software, which is the main focus at the two chosen SEs.
5) They have a B2B sales model, as this is more relevant than Business-To-Customer (B2C) when talking about pilot customers.

Yin (2003) and Stake (1995) state that one should also consider what the case will not consist of. Therefore, this thesis will not cover follow-up and maintenance of a B2B-relationship, just the process up to the acquisition of a pilot customer. Further on, the thesis will not take into account type of industry, product, business model or which marked the nascent entrepreneurs is going into.

To answer the research questions, there is need for information about direct experiences and best practice. The authors wanted to interview staff and mentors as well as entrepreneurs, to get a variety of viewpoints of the best practice and to listen to those who teach the students about the best practice. Thereby, from each university, five nascent entrepreneurs, at least two members of the staff and two mentors were asked for an interview, resulting in 19 respondents. The ten nascent entrepreneurs (NE) each represent their own nascent startup, so the thesis consists of empirical findings from ten different nascent startups. The reason for this is the need for a broad scope to be able to see what an efficient process is. One will not be able to see this with only one nascent startup as it would then be a case specific result.

2.3 Executing data collection

The data was collected as semi-structured interviews. According to Cohen and Crabtree (2006), semi-structured interviews are best used when one only will interview the subjects one time and when there will be several interviewers present to collect the data. The academics also discuss the fact that the process of the semi-structured interview gives the interviewers a clear set of instructions and are preceded by observation, informal and unstructured interviewing. This is to allow a development of an understanding of the topic. The authors developed three themes of the interview, which correlate with the three research questions, as presented in Chapter 1.

The first topic dealt with the process of initiating a B2B relationship with a potential pilot customer. Here, the authors wanted to understand how the nascent entrepreneurs are working on this, how the process was planned, and if the actions reflected the plan. The second topic concerns the SE as the location. The authors wanted to know how being linked to such an environment affects the initiation of B2B relationships with potential pilot customers. It was interesting to examine more closely actors affiliated with and related to SEs during the networking process, with focus on the actual relationship initiation. The third and last topic consisted of questions regarding best practices in the initiation process. The analysis of this topic may lead to new ideas on how to improve the efficiency of the initiation phase, for example how mapping one's network can make the process go faster. The authors would like to obtain knowledge on which factors the nascent entrepreneurs use to make the process of acquiring a pilot customer efficient. These three topics are quite broad and the research material is quite extensive, as 19 respondents have given their thoughts of each topic. However, the topics are related and dependent on each other and thereby, the authors of this thesis have chosen to complete the research of all three topics.

The exact questions asked in the interviews differed from interview to interview. The interviews were performed at meeting rooms or office spaces that were familiar to the respondents, as the rooms were inside the SE. At least two of the authors attended the interviews, one was responsible for asking questions from the interview guide and the other(s) asked follow up questions or took notes about the interview setting or quotes of particular interest. This follows the structure of Dalland (2007). The distribution of tasks between the authors facilitated a holistic understanding of the interview.

For all the interviews in SE2, the authors were placed at the same side of a round table, with the respondent on the other side of the table, facing the door. During the interviews in SE1, the respondent and the interviewers were seated in a circle. The respondents were offered a cup of coffee or a glass of water and they were informed that the interview would be of maximum one hour. They were informed that the interview was intended for research purpose, that all data and sensitive information would be anonymized. All respondents were given blank sheets, a pen and the opportunity to draw as an answer to certain questions, as drawing is a interview technique where is can be easier to highlight differences (Askheim and Grenness, 2008). Almost all respondents revealed a surprised reaction to this task. This corresponds with Askheim and Grenness (2008) theory stating that respondents often are skeptical to drawing exercises. The respondents drew their own models, some also drew on the existing models, to providing several explanations of the process, understanding the respondents experiences and viewpoints by allowing both lingual and visual explanations. This enabled the interviewer to dig deep into the research question, without having to ask the same questions every time, as each drawing was unique. The interviewers asked the respondents to describe experiences, thoughts and reviews of a situation to gain a greater insight to the issue.

2.4 Presentation of the respondents

The cases are separated as either nascent entrepreneurs, mentors or staff. All interviews involve only one respondent. The nascent entrepreneurs have been provided with a number combined with NE for Nascent Entrepreneur, to separate them from the descriptions of nascent entrepreneurs in general, and to keep the anonymity of the respondents. Specific nascent entrepreneurs being respondents are referred to as NEs from this chapter. Table 1 explains whether or not the respondent is a founder, and how many pilot customers the startup of the nascent entrepreneur has. All nascent entrepreneurs are between 24 and 31 years old. Two of the respondents are women, eight are men. There is a wide range regarding the number of acquired pilot customers, four have zero pilot customers, while one has acquired eighteen pilot customers. It is important to note that the nascent entrepreneurs search for different types of pilot customers, which may express variations in the process towards a pilot customer.

Nascent Entrepreneur	**School of Entrepreneurship**	**Founder**	**Pilot customer**
1	1	Yes	1
2	1	Yes	0
3	1	Yes	0
4	1	Yes	2 (potential)
5	2	Yes	0
6	2	Yes	1
7	2	Yes	0
8	1	No	1
9	2	Yes	18
10	1	Yes	1

Table 1: Overview of the nascent entrepreneurs interviewed

The interviews with mentors (M) and staff (S) are presented to separate the interviewed actors from the general actors affiliated with a SE. The mentors and staff are given a number to separate them and keep them anonymous. Table 2 present the mentors and staffs current position and whether or not they have any practical entrepreneurial experience. The respondents are between 30 and 52 years old.

Mentors and staff	**SE**	**Employed as**	**Practical entrepreneurial experience**
S1	2	Director, founder	Yes
S2	2	Staff	Yes
S3	1	Director and founder	No
S4	1	Staff, project leader	Yes
S5	2	School manager	No
M1	2	Business coach	Yes
M2	1	Professor	Yes
M3	1	Mentor	Yes
M4	2	Staff, startup incubation	Yes

Table 2: Overview of the mentors and staff interviewed

The combination of respondents from nascent entrepreneurs, staff and mentors from two different SEs provide enough information for the authors to be able to explore the cases, answer the research questions and fulfill the purpose of the thesis. The reason for this is because the authors will then have interviewed both the nascent entrepreneurs who works with the startup on a daily basis, the mentors who support the nascent entrepreneurs when working in their startup and the staff who compile the startup activities with educational material and courses. The authors will then gain a nuanced view on the process towards a pilot customer, how the nascent entrepreneurs work with them and how the mentors and staff affect this process in regards to mentoring and educational material. Pilot customers are not interviewed, as their starting point when entering a relationship with another business differs from the process of a nascent entrepreneurs, who also lack time and resources. In addition, this thesis concerns how the nascent entrepreneurs may acquire pilot customers through third actors and the focus is on the activities performed by actors affiliated with the SE, or activities that takes place within the SE sphere. The pilot customer's process is not the scope of the thesis.

2.5 Data Analysis

Transcribing the qualitative interviews was based on the structure from Dalland (2007), starting with transcribing the interview word-for-word. When one transcribes an interview there will always be some aspects that will be lost, for instance the voice's nuances, gestures in the subject's face and body language (Dalland, 2007). This risk was lowered by having one of the authors present at the interview taking notes. After an interview is transcribed, Dalland's (2007) first phase consists of reading the whole transcription to gain an overall sense of the interview. Then, the interview should be divided into natural parts, based on content. This will be a documentation of the relationship initiation process from awareness to agreement signed. The third phase consists of pinpointing the factors that facilitates efficiency in the different parts of the process created in phase two. The content then needs to be seen in light of the research question before the most important elements in the interview are bound together to fit the purpose of the thesis (Dalland, 2007).

All of these phases were followed by the authors during the analysis. In addition, the authors analyzed drawings of processes and structural maps of actors involved in the SE. These drawings created by the respondent were viewed in light of the transcriptions and the verbal findings were added to the drawings. The drawings were compared with each other and simplified, aiming to create a general model. Some of the verbal statements may have been expressed by several interview subjects and those were therefore seen as having more heaviness. This is often used during the analysis and discussion, showing that several respondents agreed with each other. This was also used actively to show a variety of statements regarding other topics. The interviews will be kept until the end of the project, as they will be a valuable tool, in case one loses the overview (Dalland, 2007). The interviews will be combined with theory by comparing the models from theory and the author's literature review with the data acquired in the interviews conducted. The respondents will be given a chance to validate their quotes and the conclusions drawn upon these (Bryman, 2012).

2.5.1 Theoretical framework for data analysis

The literature review by Hetzel, Neergård and Sørensen (2014) is the starting point of the analytical framework. The purpose of the literature review was to evaluate and obtain an overview of the current research, literature, methodological and theoretical contributions on the subject. In this thesis, the authors seek to create a model of how an efficient initiation process towards a B2B pilot customer should be conducted. The analytic framework of Hetzel, Neergård and Sørensen (2014) was utilized when creating the research question. The literature review is important when building a model, as concepts and domains must be defined and relationships must be explained to predict the occurrence of specific phenomena. After the prediction, it is time to gather evidence to see if the phenomena occurs (Wacker, 1998) which is what the authors have conducted. The qualitative gathering of evidence are deduced from the literature study aiming to answer the purpose of *"how can nascent entrepreneurs, located in schools of entrepreneurship be efficient in the process of initiating B2B-relationships with potential pilot customers, in an efficient manner?"*

2.6 Literature acquisition

The literature acquisition followed the structure of Dalland (2007), starting with the curriculum in the course "TIØ4345". Literature referrals, relevant sources and keywords used were used, in addition to literature tips from supervisor Aaboen. Assuring that the authors obtained access to as much relevant literature as possible, the authors did the literature acquisition independently, sharing a platform of relevant keywords and performed structural searches. The most important keywords were: entrepreneur, startup, nascent, initiation, process, business relationship, network, emerging firm, success and B2B. The authors used the database Web of Science, due to its academic credibility, as well as recommendations from the course "TIØ4535". Citations were interpreted an academic credibility, but the authors took into account when the article was written and if the citations spoke well about the findings. Appendix 2 shows the articles and chapters the authors decided to read, based on the searches in Web of Science. Not all articles and chapters in Appendix 2 has been used in the thesis. The authors has focused on literature answering the purpose or research questions of the thesis and therefore decided to eliminate the theory read that did not help to fulfill the purpose.

2.7 Reflection on method, limitations and critique

Guba (1981) describes different criteria for trustworthiness and these consist of credibility, transferability, dependability and confirmability. There are two ways of looking at these, either through a rationalistic or naturalistic way. The authors have chosen a qualitative method, which is preferred by naturalists. The design was not wholly described in advance but rather changed throughout the process. This is because the setting was not in a laboratory, as the rationalists prefer, but rather in the respondent's environment. The authors have credibility in the findings, as the respondents were interviewed in their own environment, as described above. The interview guide (Appendix 1) was thoroughly designed to make sure the authors received the whole picture of the respondent's story. Transferability concerns having a degree of similarity between two contexts and that the findings have an applicability in other contexts as well (Guba, 1981). The authors do have some transferability in their method since there were several (nineteen) interview respondents. When interviewing several respondents who have different views on one subject, one can create a model which can in some degree be applicable in other contexts (Guba 1981). The only exception here is that not all nascent startups will have the same process and that not all SEs are constructed in the same way.

Dependability concerns being able to track variance; that the findings are consistent and can, if needed, be repeated (Guba, 1981). The author’s method is dependable and the findings can be repeatable. This is because a semi structured interview method was used so the framework can be taken back to the nascent entrepreneurs. The authors performed the same interview technique on all respondents. The nascent entrepreneurs also talked about their process and how they work with their startup and this is information which will not change in the future. However, the only risk is that the same nascent entrepreneurs may in the future have more information on their process as they have worked more with their startup. Therefore, there is a risk that the answers to the questions asked in the thesis can be slightly further developed in the future.

Confirmability concerns that the interviewer has not let their own predispositions or interests play a role in the findings, that there is a degree of neutrality in the findings (Guba, 1981). The authors have confirmability in some degree. The interview questions were not leading when thinking of the author’s point of view on the subjects, but the interview technique can have been in some degree leading. When asked about the model of the SE actors, the respondents have mostly agreed with the roles already part of the model. This may be related to the interviewing techniques used. The respondents answered questions on specific actors’ involvement in the SE, and thereby drew their own model before they were presented the theoretical model. The consensus with the model may be interpreted as a result of the interviewer asking leading questions, leading the respondent into a train of thought that is not necessarily cohesive with the actors they would have mentioned if asked more freely. Some theories state that one answers questions differently when obtaining hints, compared to when one only needs to recognize and react to memories (Askheim, 2008). However, consensus with the model of affiliated actors may also be viewed as an indication that the model is covering the most important actors, and that the SE-model is a good structural model of the actors involved in the SE.

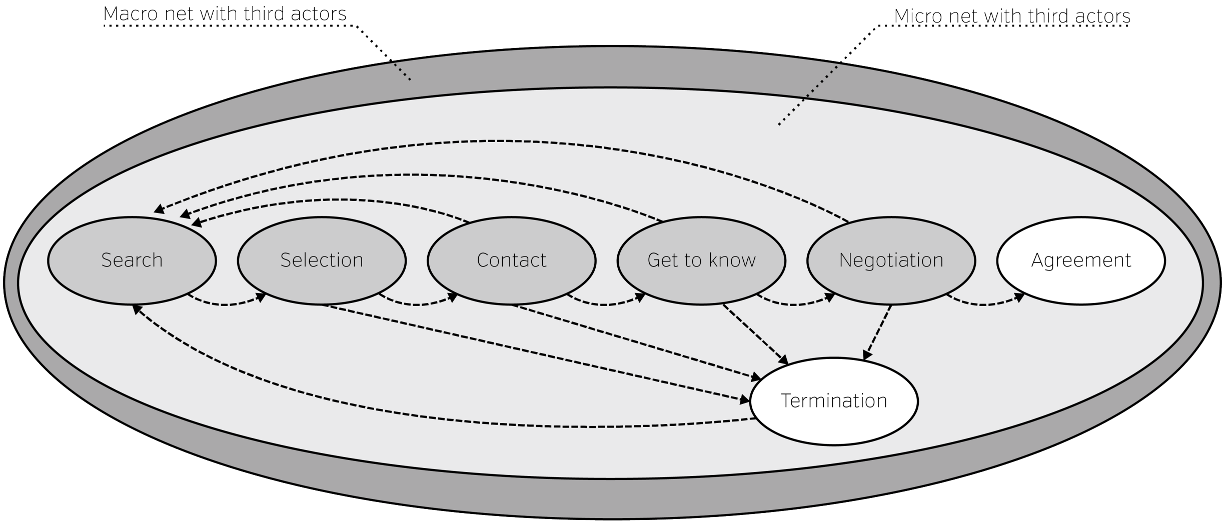
In the interviews, the authors see in hindsight that there were asked too many questions, many of them which did not contribute to the purpose of the thesis. However, this did not result in the authors missing out on information, rather that the database of information became too extensive.

The authors only accessed literature databases belonging to NTNU. This means that the authors may have missed relevant research and literature on the field that NTNU does not have access to. In cases where the authors found relevant articles which NTNU does not have access to, measures were done to try to obtain them in other ways. An example of this is the doctoral thesis of Aarikka-Stenroos, which the authors got directly from Aarikka-Stenroos herself. The authors have interpreted several citations as an academic credibility. It is however, important to take into consideration that older publications will have more citations than newer publications, since they will have been available to the public for a longer period of time. In addition, it is important to take into account the critique of articles, as negative publicity also leads to more citations. Many citations does not necessarily mean that the article brings up correct findings.

To gain a better understanding of the respondents history it could have been useful to collect any available log-data, as well as supplements the interviews with log books and online logbooks if available. This could have helped the authors to gain a better understanding of the work conducted and supplement what has been said during interviews, in case some details are forgotten. Interviewing several nascent entrepreneurs individually from one nascent startup could have provided the authors with a broader viewpoint on each startup, in addition to having a more equal distribution between male and female. Since the thesis will examine the network preparation phase related to acquiring the first pilot customer, the authors understand that the nascent startups in the mentioned universities may not have come far enough along to achieve a pilot customer. Lastly, the authors have a timeframe for writing the thesis, starting in January 2015 and finishing in June 2015.

3. THEORY

In this chapter, relevant theory from the literature review by Hetzel, Neergård and Sørensen (2014) will be presented in order to fulfill the purpose and answer the research questions. Topics being mentioned more than others have been collected in Table 3, revealing that there is little theory combining nascent entrepreneurship and pilot customer acquisition processes. Thereby, to fulfill the purpose and research questions, the authors will first look at what the theory says about sales, the networking approach to entrepreneurship, the process of acquiring a pilot customer and third actors affecting this process. Model 2, The process of initiating a pilot customer relationship (Hetzel, Neergård, Sørensen, 2014) is used as a foundation when examining the process of acquiring a pilot customer.



Model 2: The process of initiating a pilot customer relationship

3.1 Overview of the applied literature

Table 3 presents the main topics that are in the applied literature. The articles are gathered on the basis of the literature review by Hetzel, Neergård and Sørensen (2014). Appendix 2 presents the full table used in the literature review. In addition to the articles from the literature review, new and relevant articles are taken into account. These are included in the table below. Table 3 shows that some themes are discussed more frequently than others, the most common topics being startup, entrepreneurship and network.

Theme	# of articles
Startup	30
Entrepreneurship	34
Entrepreneurship education	12
Sales	6
Pilot customer	1
Initiation	16
Business relationships	18
Network	37
Method	7

Table 3: Main topics in the applied theory

Table 3, Main topics in the literature review, show that a large amount of literature chosen by the authors is linked to startups and entrepreneurship. This is a good indication that the theories are relevant when studying nascent entrepreneurs located at SEs. This is in contrast to the fact that no articles concern pilot customers, which is an important keyword in the research purpose. The lack of literature regarding pilot customers could have been a result of mismatched searches, however, it seems apparent that the few results are a consequence of absent literature on pilot customers. The table reveals a theoretical weight on networks over relationships. This may be a weakness of the literature review, as the thesis addresses the process of initiating business relationships, and not networks in general.

3.2 Sales theory

The main reason why businesses fail is due to “lack of sales” (Schiffman, 2007). In most sales, nothing can take place unless you are able to get the first appointment. No matter how well you sell, if you can not get a meeting, you are not going to sell. To become a successful salesperson, you therefore have to develop a solid base of prospects (Schiffman, 2007). One way to look at sales is as a series of clauses, each of which moves the opportunity to the next phase. The most important claus comes early in the sales cycle, when one asks a new business for a meeting (Boyan, 1989). The first impression the potential customer receives of a venture is essential and the one contacting the potential customer is dependent on achieving a good first impression (Baron and Tang, 2008). This can take place during a *cold call*. A cold call is a telephone call soliciting business made directly to a potential customer without prior contact or without a lead (Merriam-Webster, 2015), and plays a large part in successful prospecting. Cold calling is the best and most economical way to develop prospect on an ongoing basis (Schiffman, 2007). When collecting many prospect during cold calling, this can be the input in a *sales funnel.* A sales funnel and an efficient process may be perceived as two opposing procedures, however they are both important practices when answering the purpose of this thesis. The sales funnel (Dalrymple, Cron & DeCarlo, 2004) illustrates the sequential narrowing of a field of possible customers from unqualified opportunities (leads), the largest pool, to qualified opportunities (suspects). The narrowing continues to the best few (prospects), and ends, by implication, with closed customers, which is the smallest pool (Cooper and Budd, 2006). An example of this would be a startup who contacts 50 prospects, meets with 20 and gets an agreement with five. This means that the startup may have to contact several potential pilot customers that get terminated later in the process. Although the sales funnel concept is rarely mentioned in academic literature, it is well known in the business world (Cooper and Budd, 2006). According to Roff-Marsh (2004), and as illustrated by the sales funnel itself, companies should treat the sales process like a production process, a series of tightly coordinated activities that deftly convert raw materials (i.e. leads) into finished goods (i.e. closed sales).

3.3 The network approaches to entrepreneurship

The entrepreneur can benefit from actively building a network. Burt (1993) divides the benefits of networks into control and information benefits. Through a well structured network with as few redundant relations as possible, the entrepreneur will be able to take advantage of this information and control, the best possible ways of achieving competitive advantages and increased opportunities of getting fast sales (Shane and Cable, 2002). Opportunities spring up everywhere, new institutions and projects, recently established funding initiatives and emerging markets. The information benefits of a network defines who knows about these opportunities and when they know about them. Players with a network optimally structured to provide these benefits enjoy higher rates of return to their investments, as such players know about and have a hand in, more rewarding opportunities (Burt, 1993). Slotte-Kock and Coviello (2010) suggest that the entrepreneur should develop a diverse network to be able to overcome the liability of newness as well as pressure from competitors. Having a diverse network will result in the entrepreneur gaining access to a broader scope of knowledge and experience, in different types of markets.

According to Brüderl and Preisendörfer (1998), "the network approach to entrepreneurship" is an important theoretical perspective on entrepreneurship. This approach involves hypothesis tied to the founding of teams and startup success. First, the network approach presumes that resources, activities and support, tied to networks are heavily used to establish new firms. This is the network founding hypothesis. Second, a network success hypothesis, assuming that entrepreneurs with a broad and diverse social network who receives a large amount of support from their network, are more successful. According to Witt (2004), the rationale behind the network success hypothesis is the theory of socially embedded ties.

Brüderl and Preisendörfer (1998) presented "the network approach to entrepreneurship". However, within the network approach, there are two different perspectives called *the social network perspective* and *the business network perspective* (Slotte-Kock and Coviello, 2010). In the following subchapters, networking theories linked to both perspectives will be presented to gain an overall, fundamental understanding of networks. At first sight, it may seem as if social network theories are most suited to answer the research scope, due to the focus on social ties between actors and the entrepreneurs personal relations. However, the thesis examines the establishment of business relationships, as an ongoing network management. Thereby, the overall focus is the business relationship perspective.

3.3.1 The social network perspective

According to Thornton et al. (2011), social networks are defined by links between actors. The underlying idea of this perspective is that the entrepreneurs themselves hold some of the resources necessary to create a business, but they also need complementary resources which they can obtain through contacts. In the social network perspective the formation and dissolution of ties between actors are used to measure changes in the network. The focus is to understand structural characteristics like network size, density and the position of actors in the network, to understand the influence of structural change (Slotte-Kock and Coviello, 2010).

3.3.1.1 Network ties

Studying networks on an individual level focuses on the relationship or ties of the entrepreneur with other individuals and organizations (Hite, 2005). It is the network tie which "can provide the conduits, bridges and pathways through which the firm can find and access external opportunities and resources" (Hite, 2005, pp. 113). This means that a firm's network can influence the success of a startup. Based on the importance of the network ties, Hite introduces a critical challenge for the entrepreneur, which consists of understanding and managing the evolution of the ties as well as understanding the effects they have on the startups strategies. According to Elfring and Hulsink (2003 and 2007), both strong and weak ties are equally important for a firm in an emerging phase. A firm's weak ties are essential when the firm is searching for information and opportunities, while the strong ties are important as they provide legitimacy and give trusted feedback to the firm. One thing to consider for an emerging firm when it comes to network ties is the potential for network overload (Elfring and Hulsink, 2003 and 2007). This can occur if a firm has too many weak ties to manage, since this type of tie is more difficult to manage than strong ties, as they are more time-consuming.

3.3.1.2 Networking for nascent entrepreneurs

"Maintaining the social relationship often becomes the most important concern, superseding even economic concerns" (Hite, 2005, pp. 114). The social relationships are a category of ties that enable exchange and influence economic choices. The reason for this, according to Hite (2005), is because people the entrepreneur has a close relationship to, are more likely to influence decision making than those who are unknown to the entrepreneur. Jack, Dodd and Anderson (2008) express that new business ties are established through the entrepreneur's personal relationships or existing network ties. In contrast to other types of ties, these are built on the foundation of trust and relational contracting, taking into account the entire relationship as it has developed through time. It is important for an emerging firm to manage these relationships thoroughly, as they can influence strategic choices. Jack, Dodd and Anderson (2008) claim that networks represent and create the whole entrepreneurial environment, and the process of networking is an enactment of this unique entrepreneurial condition. Cooper and Park (2008) argue that the environment of the entrepreneur has a fundamental impact upon the entrepreneur's opportunity recognition.

Throughout the last years, nascent entrepreneurs have had the possibility to use social networking sites, such as Facebook, to build their network. Wahid and Indarti (2014) researched whether online social capital had an impact on business success among nascent entrepreneurs. Their research revealed that entrepreneurs used Facebook to facilitate contact with already strong ties and people with similar interests. It is revealed that the online social capital was very important to the entrepreneurs success as well. However, the entrepreneurs could not rely on this networking alone and should not neglect offline networking opportunities. Combining the offline and online networking can provide new possibilities for the nascent entrepreneur (Wahid and Indarti, 2014).

3.3.1.3 Networking as a process

Jack, Dodd and Anderson (2008) present a lifecycle approach to nascent startups, consisting of three phases, pre-start-up, establishment and growth. The phases will also be presented in this subchapter to explain the networking process of a nascent firm. The networking process for emerging firms is more difficult than for established firms. This is due to the fact that newer firms are less likely to be seen as a potential tie in another firms network. Hoang and Antoncic (2003) discusses the role of networks through a model with three stages. The first stage will be presented here, as it is the only stage relevant for the initiation stage.

According to the framework of Jack, Dodd and Anderson (2008), the beginning of the networking process is a pre-start-up phase, where ties to other actors are built upon a history of previous conditions, including personal relations. They claim that entrepreneurs will focus on accessing resources through close social relations, but developing new ties in this phase as well. This is in accordance with Hoang and Antoncic (2003), stating that the key activities in the first stage is to identify contacts that can be of value to the firm when starting out. New contacts are identified and pre-existing contacts who can be relevant are contacted. Leung (2003) also discusses that the entrepreneur will, in the emerging phase, recruit from their own social networks. These are two different logics, but they both contribute as a whole. Due to the previously mentioned liabilities of an emerging firm, the networking process will often start with the entrepreneur contacting their family and friends as pre-existing contacts. Hite and Hesterly (2001) discuss the importance of family members and friends of the entrepreneurs in the emerging firm, as studies have shown that entrepreneurs leverage these ties early in the process. The academics also mention that research has found that the average age of business owners is greater than those of employees. Age can also be important since the person will throughout his or her life obtain network ties from different areas, like work, family activities and involvement in associations (Renzulli, Aldrich and Moody, 2000).

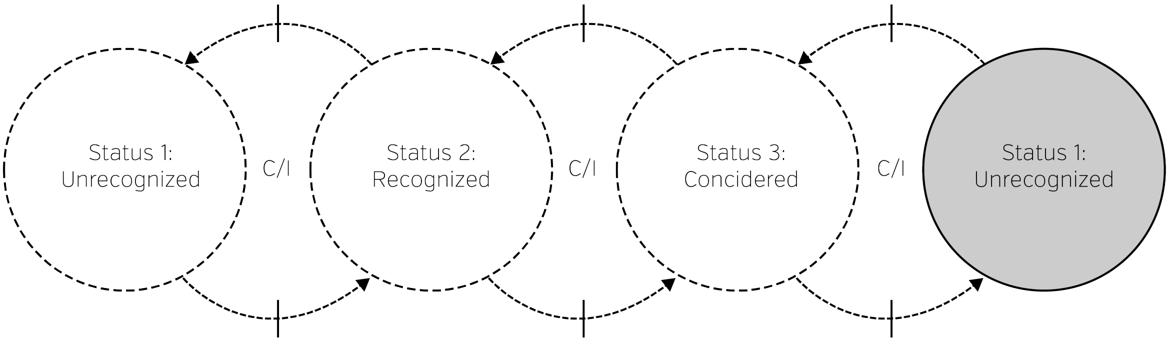
3.3.2 The business network perspective

The business network perspective sees a network as a multiplex adaptive systems where the actors are involved in ongoing network management simultaneously. This perspective focuses on how to establish, build, maintain or change relationships to create a position within the network. Another focus area is on how relationships change and why change occurs (Slotte-Kock and Coviello, 2010). In contrast to the previous paragraphs, presenting the structure of networks, this sub-chapter presents networking as a process. The initiation phase of the networking process is described in detail, as this lays the foundation of the analytical framework.

3.3.2.1 The importance of exploration

The focus on networks in previous subchapters explains how the numerous connections are beyond the control of nascent entrepreneurs (Granovetter, 1973). However, to fulfill the purpose, it is important to address the actual relationship process, from initiation to development. Ritter et al. (2004) defines a business relationship as: *"A process where two firms or other types of organizations form strong and extensive social, economic, service and technical ties over time, with the intent of lowering total costs and/or increasing value, thereby achieving mutual benefit"* (p. 176). Initiation of relationship is important when a startup is entering a market and building its customer base (Aarikka-Stenroos, 2008). In the beginning of a developing relationship, an exploration happens between the parties (Dwyer, Shurr and Oh, 1987). This exploration can be seen as a search and trial phase of relational exchange, where the potential partners consider obligations, benefits, burdens and the possibility of exchange. Attraction is understood as the initiation phase of the exploration. Even though the concept of attraction was mentioned in the buyer-seller relationship literature in the 1980's, it has rarely been used to explain the initiation of business relationships. In recent literature, Mortensen (2012) argues that a deeper understanding of attraction would benefit business relationship research. His literature review on the attractiveness in business relationships, revealed that attraction has been used to explain the initiation and development of dyadic business relationships. Edvardsson et al. (2008) revealed that relationships form in many ways and efforts to develop relationships are more likely to fail, than succeed.

The proceeding and ending of initiation is unpredictable. It could last for more than a year and pause, despite ongoing activities without reversing or ending the relationship as it does not develop in a certain manner. However, there are three distinct positions in the relationship initiation process which differ in terms of closeness to a business agreement. These statuses, in contrast to phase or stage, do not presume a certain speed or order. Instead, the statuses highlights how the process may linger without moving forward or backwards. The statuses with increasing likelihood of leading to a business agreement is "unrecognized", "recognized" and "considered". The initiation of a relationship may both start and stop in each status. Edvardsson et al (2008) defines the unrecognized status as the situation when the parties do not know each other. The recognized status appears when there is awareness, either one-sided or two-sided.



Model 3: The initiation process by Edvardsson et al. (2007)

In contrast to the theory of attraction, but in accordance with the statuses of Edvardsson et al (2008), Turnbull, Ford and Cunningham (1996) argue that there are no clear stages of relationship development. This is why it is so difficult to define the initiation process. Aarikka-Stenroos (2008) compared the understanding of the initiation phase in the relationship development literature, the seller perspective and the buyer perspective. She found that existing relationship models includes the initiation as a phase, stage, state or status, but seldom focus on the essence of the phase. This might be a consequence of the fact that initiation of business relationships is a blurred phase (Holmen et al., 2005). However, understanding the initiation phase can help firms to facilitate the process, for instance when a startup starts to build its customer base (Aarikka-Stenroos, 2008).

3.3.2.2 Stages versus states

It is important to note that initiation of relationships is the early part of the relationship development. The fruitful development takes place after the initiation is completed. According to Batonda and Perry (2003), there are two rivaling theories for business relationship development called States Model and Stages Model. The stages theory proposes that a relationship develops in sequential stages where one stage must be completed to enter the next stage (Ford, 1980). Prior research suggest to synthesize stages models into five stages, beginning with “Searching”, “Starting”, “Development”, “Maintenance” and finally “Termination” (Batonda and Perry, 2003). However, the stages models has been subject for criticism due to a linear and rigid process, not including the complexity of business networks. Maybe most important research shows that relationships do not develop in irreversible stages. Some relationships goes into a “dormant” stage and then goes back to the starting or development stages (Polonsky et. al., 2010). To address the challenges and shortcomings of the Stages Model, States Models is described by Batonda and Perry (2003). The discrete stages are replaced with states that the relationship may be within. The relationship is able to take a step further, backward, or jump between states. This means that the relationship may go from dormant or terminated to active and developing again (Batonda and Perry, 2003). Unlike earlier work, the only assumption made regarding progression is that dyads move from being “new” toward being “inert” (Ford et al, 1998). One can conclude that the revised model of relationship evolution is based on the idea of a beginning which may progress to different states of relationship development, which may be reiterated in whichever sequence over time and the relationship may end with being inert and eventually cease to exist (Holmen, et.al, 2005).

3.3.2.3 Relationships as a competitive advantage

Achieving sales as a startup is a critical measure of success. Customer relationships are cited as a key driver of sales and are found to be more valuable than a networks in itself (Davidsson and Honing, 2003, Chorev and Anderson, 2006). Thus, the ability to develop and manage relationships can be viewed as a core competence of a firm (Ritter et al., 2004). This means that if a firm has this core competence, it can be seen as a competitive advantage over other firms. Ritter et. al (2004), discusses the fact that a firm's relationships is one of the most valuable resources one possesses. A firm should actively work on creating relationships and maintaining them, as 60 percent of partnerships fail (Ritter et al, 2004). This can be linked to both the sales funnel (Dalrymple, Cron and DeCarlo, 2004) and learning. Aaboen, Dubois and Lind (2013) explain how the first efforts to interact with a customer can be viewed as part of a learning process. Wickham (2004) mentions learning as a resource. This means that a startup can throughout their learning process acquire more resources. This customer interaction may result in suggestions to how knowledge can be used to develop new products or other customer relationships.

3.4 Third actors affecting the initiation process

According to Aarikka-Stenroos (2011), a third party can be a single person, an organization, an artefact, or a collective of third actors, like a community (Aarikka-Stenroos, 2011). According to Aarikka-Stenroos and Halinen (2007), previous experiences may be crucial when creating new relationships. Experience may be attained through direct experience from trying oneself, or indirectly by listening to, and comparing others' experiences (Silverman, 2000). The third actor extends an influence on relationship initiation by sharing experiential information about business actors and by mediating contacts with others. According to Aarikka-Stenroos (2011) the main tasks of a third actor in an initiation process is to share information and relations, decrease distance between the actors, establish trust and lubricate the initiation process.

Aarikka-Stenroos and Halinen (2007) identified twelve different third actor roles that are active in the initiation of business relationships in professional service industries. These are the scout, awareness builder, need creator, access provider, accelerator, advocate seller, matchmaker, trust builder, evaluation assistant, expectations builder, risk reducer and provider of concrete evidence. The function as a *scout* may be tied to the very first part of the initiation process, providing meaningful information to the startup from outside of the organization. The *awareness builder* identifies different options for the startup, creating awareness between startup and pilot customer through reputation, reference works and referrals. As the pilot customer does not always know their need, a *need creator* may have an important function to help recognize the need. Aarikka-Stenroos and Halinen (2007) suggest that a third actor may function as a need creator, through arousal and definition of need. Another function of the third actor is visible through the role as *access provider,* where the third actor may aid the startup to access the pilot customer. Being an *accelerator* is another role of the third actor, where the function is to accelerate the initiation process. The respondents of Aarikka-Stenroos and Halinen (2007) suggest that referrals can accelerate the initiation phase. The sixth role of the third actors is the role as an *advocate seller,* providing credibility as independent experts. Third actors being *matchmakers*, identifies suitable parties and bring them together. This may happen through referral actions, introductions and creation of reputation. The eighth role presented by Aarikka-Stenroos and Halinen (2007) is *trust builders,* which offer independent trustworthiness. One of their respondents explain how this is executed through referrals, as they value recommendations higher than references. The ninth role is the *evaluation assistant,* providing experience before an agreement or purchase. *Expectation builders* may build and clarify client expectations and the *risk reducer* may reduce risk through information. Finally, the *provider of concrete evidence* provides tangible examples and illustrates benefits. None of these twelve roles are clear-cut, and they may function together (Aarikka-Stenroos and Halinen, 2007).

3.4.1 The School of Entrepreneurship and its affiliated actors

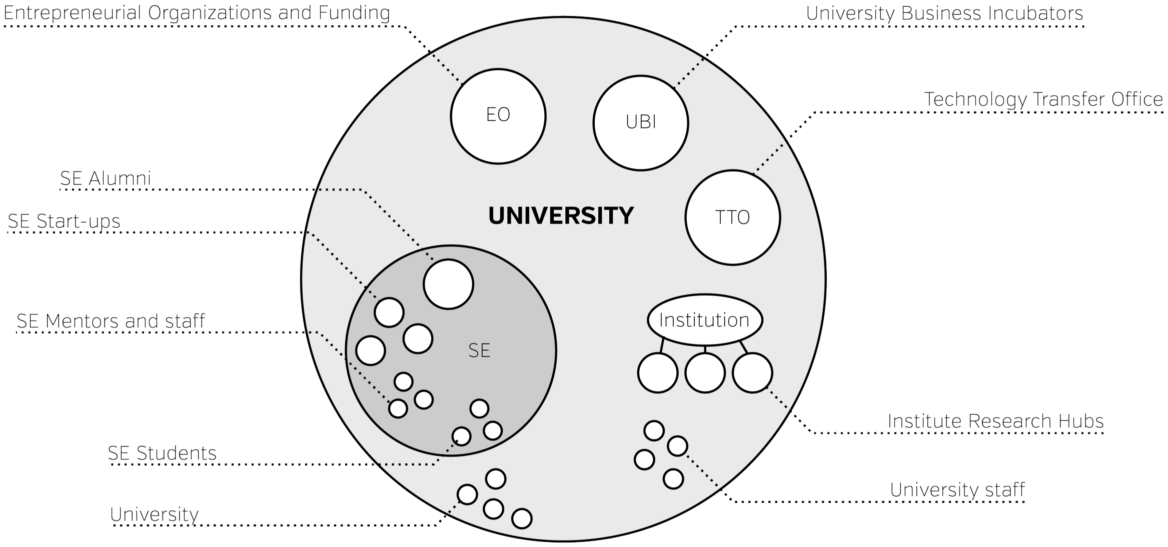
In this sub-chapter the structure and function of a SE is presented. This sub-chapter provides a theoretical foundation to RQ2 by providing a theoretical explanation of the uniqueness of the SE as a startup location. The chapter also outline a theoretical explanation to how the SE and its affiliated actors may affect the nascent entrepreneurs when initiating pilot customers.

3.4.2 The entrepreneurship education

The number of university-based startups is rapidly growing and there has been a recent development of education within entrepreneurship (Siegel and Phan, 2005). Charney and Libecap (2000) found that the number of entrepreneurship educations have increased, just like the resources put into entrepreneurship educations at universities (Rasmussen and Sørheim, 2006). In order to learn the practice of entrepreneurship, individuals must engage in entrepreneurial processes in order to gain experiential knowledge (Middleton et al, 2014). Therefore, entrepreneurship education emphasizes *learning by doing*, and stimulate entrepreneurship by facilitating new venture creation. This type of education involves, according to Blenker et al. (2008), a pedagogical approach which differs from the well-known teaching forms in universities. Cope and Watts (2000) argues that in order to learn entrepreneurship, one have to practice it. Learning by doing relies on a well developed network to be able to create ideas in addition to having access to mentors and funding (Rasmussen and Sørheim, 2006). The involvement of external resources is perceived as contributing with up to date and real life experience for the students, while at the same time enabling access to additional networks for further entrepreneurial development (Middleton, 2014). Research by Gordon, Hamilton and Jack (2012) demonstrate how entrepreneurial education may have a dramatic impact on entrepreneurs and their startups. The entrepreneurs they interviewed experienced increased confidence and a learning process regarding delegation and business management. According to Cooper and Park (2008), university education is crucial to the development of entrepreneurial capital. The entrepreneurs located at SEs gain entrepreneurial capital through course-specific knowledge and through the degree in itself, increasing their employment opportunities.

3.5 The function of the actors affiliated with the School of Entrepreneurship

Model 4, The environment of a SE (Hetzel, Neergård and Sørensen, 2014) serves as an explanation of different roles present in the SE sphere and the university sphere, that may affect the relationship between a nascent startup and a pilot customer.


Entrepreneurial Organizations and Funding
University Business Incubators
Technology Transfer Office
EO
UBI
UNIVERSITY
TTO
SE Alumni
SE Start-ups
SE Mentors and staff
SE
Institution
Institute Research Hubs
SE Students
University staff
University

Model 4: The environment of a SE

Model 4, includes Entrepreneurial Organizations (EO), University Business Incubators (UBI), Technology Transfer Offices (TTO), Institute Research Hubs (IRH), university students and staff and of course, the SE itself, including students, the nascent startups, alumni, staff and mentors. University staff and students are simplified, as they in reality are involved in all parts of the university this has also been done to multiple institutes and faculties, now belonging to one general category called Institution (Hetzel, Neergård and Sørensen, 2014). Model 4 is created from a micro- and macro net perspective, which includes several focal actors, other actors and outer boundaries (Halinen and Törnroos, 2005). It is challenging to find the network boundaries and separate the content from context (Halinen and Törnroos, 2005).

Within the SE micro net, there is access infrastructure and mentors facilitating entrepreneurial activity (Rasmussen and Sørheim, 2006). The staff, mentors, alumni and the nascent startups are identified as micro net actors. This correlates with Rothaermel et al. (2007) including faculty, network and founding team as one of the main themes involved in creation of new firms. Research by Wahid and Indarti (2014) characterized nascent entrepreneurs as young (average of 28 years old), with a high educational background and good experience with computers and internet. A typical university entrepreneur, on the other hand, is described as older and rather more scientifically experienced than the average entrepreneur (Siegel and Phan, 2005). Few founders create their startup on their own (Renzulli, Aldrich and Moody, 2000). Still, Witt (2004) found that all empirical studies on the network success hypothesis, focused on the evaluation of *individual entrepreneur's* network. This is a major shortcoming in most network studies (Witt, 2004). Thereby, *teams of entrepreneurs* are visualized in the model by including the nascent startups. As actors often retain a representational role over time (Halinen and Törnroos, 1998), the personnel and students of the SE remain in the network of the SE as long as they have weak ties to the micro net.

Model 4 illustrates that the university that acts as a macro net, influencing activity through national or institutional actors (Hetzel, Neergård and Sørensen, 2014). Among the actors in the macro net, Rothaermel et al. (2007) mentions investors (EO) and TTOs as key actors, as well as technology and external conditions as key terms. Hetzel, Neergård and Sørensen (2014) transformed the term technology into the actor Institute Research Hubs. External conditions involves everything happening outside the macro net, including politics and regulations. An entrepreneurial university has alliances with other institutions which have different competences (Blenker et al. 2008). Thus, the macro net may act as a communication channel between nascent startups and the industry. As the networking may be challenging for emerging firms, Hite and Hesterly (2001), recommend startups to join closed, cohesive networks with accessible resources due to mutual identification and trust.

3.5.1 The specific actors in a School of Entrepreneurship

Do third parties of nascent entrepreneurs take the form as people, organizations, artefacts, or a collective of third actors? According to Hetzel, Neergård and Sørensen (2014), staff might be both individuals and collectives of third actors. The alumni is explained as a community acting as a collective of individual third actors, or potentially an organization in itself. The SE may affect the process as a whole organization, or as a brand, being a symbol of the organization's performance (Aarikka-Stenroos, 2011). The SE can be a third actor as well, as an artefact by being a reference site or presenting entrepreneurial awards. Based on the theory of Aarikka-Stenroos (2011), the SE is a third actor as it shares information and relations, creates access to networks and connects unconnected actors (Hetzel, Neergård, Sørensen, 2014) Compared to the findings of Smilor and Gill (1986), this is related to two entrepreneurial benefits, namely heightening credibility and access to entrepreneurial networks. Other than the statement of the presence of actors within the SE by Hetzel, Neergård and Sørensen (2014), there is no theoretical description of the individual persons or artefacts within the SE sphere. However, the SE and the university, as organizations and third actors, may be viewed in light of McAdam and Marlow (2008), where the association to a university is beneficial in networking activities due to the university reputation and brand. The roles as awareness builders, accelerators, trust builders, evaluation assistants, expectations builders, risk reducers and providers of concrete evidence might fit the descriptions of the SE and the university. According to Aarikka-Stenroos (2011), the roles as awareness builders, matchmakers, trust builders, evaluation assistants and risk reducers are especially closed linked to initiation through reducing uncertainty and distance between the startup and the potential pilot customer. There is no literature describing how the SE or its actors may affect the initiation process in a negative manner (Hetzel, Neergård, Sørensen, 2014)

3.6 Efficiency

Having an efficient process refers to using a minimum amount of resources, such as materials, energy and time (Merriam-Webster, 2015 and Kunøe, 2014). Efficiency goes hand in hand with learning, as it is expected that one improves the way one executes tasks (Knuøe, 2014). The abilities to capture resources and connect with customers can be enhanced by a *network,* consisting of actors and connections between these actors (Witt, 2004). By using its network, a firm can improve the efficiency (Anderson, Dodd and Jack, 2010, Burt, 1993, Davidsson and Honing, 2003, Slotte-Kock and Coviello, 2010). Witt, Schroeter and Merz (2008) claim that the process from initiation to success depends on the entrepreneurs' networking abilities. With this in mind one can interpret the statement as with good networking capabilities, one can have an efficient process. It is therefore natural to examine what networking means to a nascent entrepreneur, since one will only acquire a network if one networks.

3.7 Summary of theory

Firstly, general sales theory and the sales funnel are presented, as a first layer of theory, important to answer the purpose of this thesis. Thereafter, the main theories presented lies within the networking approach to entrepreneurship. The network approach presume that resources, activities and support tied to networks are heavily used to establish new firms (Brüderl and Preisendörfer, 1998). Within the network approach, there are two different perspectives called *the social network perspective* and *the business network perspective* (Slotte-Kock and Coviello, 2010). According to Thornton et al. (2011), social networks are defined by links between actors. The entrepreneurs themselves hold some of the resources necessary to create a business, but they also need complementary resources which they can obtain through contacts. The business network perspective sees a network as a multiplex adaptive systems where the actors are involved in ongoing network management simultaneously (Slotte-Kock and Coviello, 2010). After examining the process, the third actors affecting the process are presented as they are, according to Aarikka-Stenroos and Halinen (2007), essential in relationship initiation. Aarikka-Stenroos and Halinen (2007) identified twelve different third actor roles that are active in the initiation. The theory is wrapped up with a presentation of the SE and the function of the actors affiliated with the school.

The social- and business network perspective will serve as important foundation in the theoretical framework, especially when answering RQ 1: How does a nascent entrepreneur initiate B2B relationships with potential pilot customers? Theory about the SE and the third actors affecting the process will be used as theoretical framework to answer RQ 2: How does the connection to a School of Entrepreneurship affect the process of nascent entrepreneurs initiating relationships with pilot customers? And finally, the framework consists of theory on the sales funnel and efficient process, which may lead to an answer to RQ 3: What characterizes an efficient process when acquiring a pilot customer? Together, these research areas constitutes the theoretical framework, which will be used in the analysis to answer the purpose.

4. RESULTS, THE SCHOOL OF ENTREPRENEURSHIP AND ITS AFFILIATED ACTORS

This chapter presents the SE based on the statements from the respondents. Thereby, potential third actors are identified, presented through their function in the SE. As no SEs are identical, the specific actors and general functions will be presented.

4.1 Definition of a School of Entrepreneurship

The SE is explained as "the elite initiative of University 1 on student driven entrepreneurship (...) so I absolutely believe University 1 would be a poorer university without the SE" (S4). In this sub-chapter, the SE will be presented through its core activities and main actors. Even though the SEs are most known for its startup activity (S5), the education in itself has a high priority. The education has a responsibility to educate the students as entrepreneurs, including a preparation for startup-life after graduation (S5). The SEs that are presented in this thesis was founded upon two different reasons. S2 from SE2 recognized a gap in between research and development in the university sphere, wanting to develop and commercialize the university research. SE1 recognized a gap in supply and demand for student driven entrepreneurship activity: "Among other things, it was more and more requested by students (…) that we should have a specific master in this topic" (S3).

4.1.1 Interdisciplinary student environment

The nascent entrepreneurs at the SE have a variety of educational backgrounds: "You don't have to have economic background to be here, so you can come from every track" (NE9). This interdisciplinary approach is valued among the nascent entrepreneurs: "They come from *everywhere*! And that is the fantastic part of the SE" (NE10). To get enrolled, the nascent entrepreneurs have to qualify through both grades, motivation letter and an interview: "I think that is one of the strengths of the SE" (S4). The student environment at the SEs are unique and is characterized by the respondents as an open environment where knowledge is shared, both related to the startups and on school courses. The environment is further characterized as filled with motivated and engaged nascent entrepreneurs. They have a motivation to create a startup and the driving force is mirrored by this: "We work so that we are here until 5-6am every day (...) we keep (the SE) alive at night" (NE10). The strong driving force and social characteristics corresponds with the enrollment criteria the staff has: "Social skills and driving forces are important" (S1). The student environment is described as "almost too good sometimes" (NE6), referring to the good social environment sometimes getting in the way of school and startup work.

4.1.2 Startup development

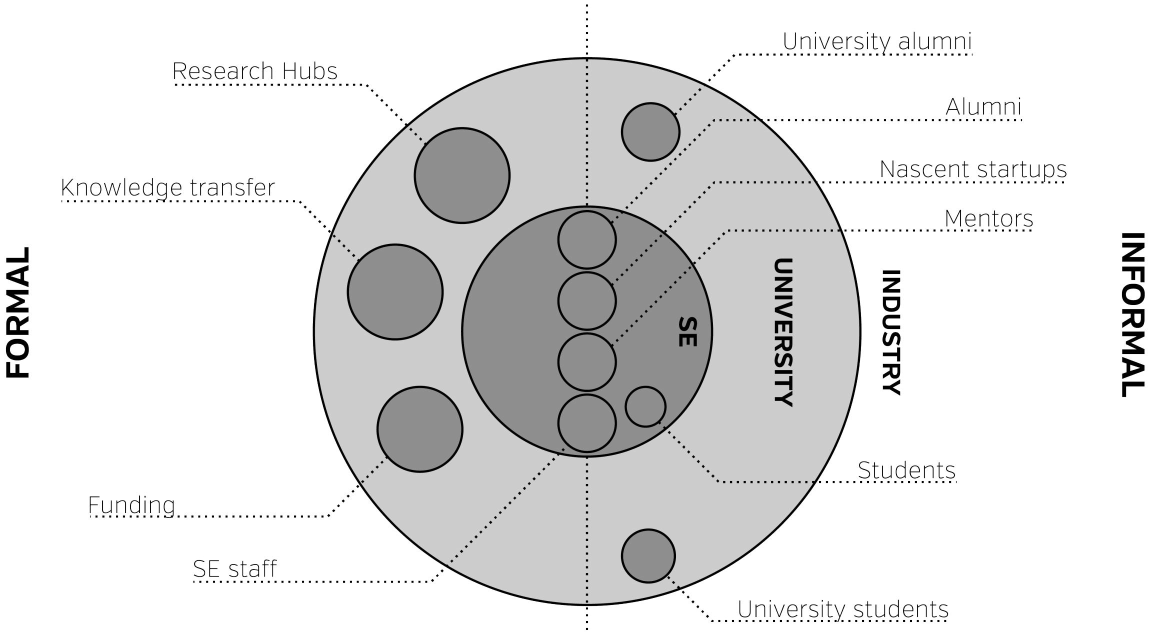
The startup development within the SE may be explained as an incubation, and in one of the SEs the incubator is clearly separated from the education: "The business development responsibility lies within the incubator" (S5). SEs have several similarities with business incubators, who exist to encourage people to start their own business, and to help young firms survive and grow. An incubator consists of office space, active management, access to finance, advisors and new markets (Aernoudt, 2004). Especially University Business Incubators (UBIs) have similarities with SEs, as this is the universities adopting an entrepreneurial role in spreading knowledge. It varies from SE to SE how much of a direct impact the business incubators have on the nascent entrepreneurs: "The incubator is much closer to the SE here. It`s actually started from the SE and takes ownership in the ventures. Its an incubated part" (S5). There are, however, incubators that are outside the university sphere and a valid option for the nascent entrepreneurs exiting the university. When asked about these incubators, NE8 expressed that they did not think about these actors at all (NE8).

4.2 Respondents reactions to Model 4 "The environment of a SE"

This sub-chapter presents the reactions from the respondents when shown Model 4. The respondents were asked to comment on what they saw, as well as to draw changes they would have made to make the model fit their understanding of a SE. The respondents were generally quite satisfied with the model: "I think most of the things here make sense" (NE6). "The thing that I want to say is that it is a very neat and good model as I read it now" (M2). "No, it is not much to change, really" (NE3).

In the model, the lack of an industry connection was frequently mentioned. The industry may be described as the most important link to the university and the overall objective with the education (S8). eighteen respondents viewed the model, and exactly half of them explained that they thought the industry should be a part of the model (S2, M2, S4, M4, NE1, NE3, NE4, NE6, NE8). Structure was also frequently discussed. Nine respondents explained that the alumni should move half-way or completely out of the university sphere (M2, S3, S4, NE4, NE5, NE7, NE8, NE9, NE10). There were various reasons behind these statements: "Because they do not go here any more. They do not have student emails. They take no orders from the university. There is no legal connection" (NE10). Six respondents (M1, M4, S3, S5, NE7, NE5) mentioned a strong link between the SE and the UBI, and S5 stated that the UBI is part of the SE. Among other structural changes, NE3 pointed at the possibility to place the mentors outside of the university sphere: "I cannot decide whether they should be outside the SE or outside the university" (NE3). S3 also mentioned the possibility to move the mentors and to separate mentors from staff, as they are two different roles. Further on, S5 underlined the importance of university students not enrolled in the SE, as these become valuable team-members in many nascent startups. Finally, SEs interact with actors with no connection the university. These actors can be both consultants, innovation hubs and the industry with different companies (NE2, NE4, NE6). These may act as idea providers, customers, guest lecturers or mentors. S4 explained the importance of the external focus: "So it is important to get that you actually talk to the surroundings, that it is not just internally at the University 1 that stuff happens" (S4).

The results from the interviews explain how the affiliated actors may be explained as formal, institutional actors, or informal, personal actors. In Model 5, the actors from Model 4 is still present, with one exemption. UBIs have been removed, as it can be explained as a function performed by the SE (S5). The function of the SE staff is presented by the respondents as being a facilitator of education and startup development. This function is thereby included in the role of the staff. UBIs having the function of facilitating startup development after SE graduation is removed from the model as well, as the model seeks to represent actors affiliated with the SE and the startups currently located within the SE sphere. The inner circle represent the SE sphere and the outer circle represent the university sphere. The line in the middle represent a separation between the informal actors and the formal actors. Instead of being structured as an actor based model, the actors at the SE may be structured with regards to their function or actions within the SE environment. This is an important new direction, as it is made clear in the interviews that the functions could be performed by several different actors, like with the example of the TTO.



Model 5: The SE and its affiliated actors

In the next chapter the different functions associated with the SE will be presented. These are the function of administering the SE, the function of mentoring the nascent entrepreneurs, the function of the alumni, the function of knowledge transfer management, the function of providing the entrepreneurs with new research and the function of a funding organization. This sub-chapter ends with two revised models explaining the function of the different actors, and how these may be explained as formal or informal actors, located in the SE sphere, university sphere or industrial sphere.

4.3 The function of administering the SE

This sub-chapter presents the role of administering the SE, including administrative staff, professors and teachers, as well as the different functions these roles may have. The facilitation of school work is understood as their main activity (NE5 and NE9) and this is thereby presented first. Thereafter the chapter presents how the staff is facilitating startup activity. The startups claim to have relatively little contact with their staff at the SE and even less contact with the staff of the university, not related to the SE: “Some know that we exist, but others are ignorant. The average is probably little informed” (NE3).

4.3.1 Facilitating Startup Activity

Several of the nascent entrepreneurs have expressed their interpretation of the function of the staff. However, administering the SE seems to be a blurry function with several activities performed by several roles. While the *founders* of the SEs are described as administrative facilitators, some of the nascent entrepreneurs struggle to understand the function of the *faculty staff*: “Who knows what they actually do?” (NE3). The role of the staff is in most interviews described as “facilitating school work” (NE9). In addition, the staff is involved in facilitating startup life.

Several of the nascent entrepreneurs, for instance NE9, explains a certain distance between startup and staff: **“**The university staff are not that involved in the actual startup”. NE2, NE3, NE4 and NE10 agrees: “The first year at the SE they were a lot more involved” (NE2). NE2 describes here how the staff engaged more in the nascent entrepreneurs before the team formation. “They stop by every now and then, but could perhaps have had a little more pressure (to be involved)” (NE2). From this statement, it seems as NE2 wants the staff to be more involved. NE4 on the other hand, expresses how the low involvement is connected to an independent learning process: “It is a learning process. You should learn a lot yourself.” This is in addition underlined by NE3, stating: “You notice that it is rolling by itself at the SE because you take action, work on what you think is right and talk to alumni to get tips and tricks” (NE3). NE7, on the other hand, describes the staff as a whole, having mostly an academic function by giving advice on theoretical matters and written work and academic projects: “They are never actually involved with anything else in the projects” (NE7). The statement from NE7 is in accordance with NE6, explaining how the staff are closely linked to academic work and that the faculty staff seldom check in on the nascent entrepreneurs (NE6).

NE3 describes how they may seek advice and help from other roles than the staff. In other words, helping the nascent entrepreneurs succeed is not the main task of the staff. The main objective of the staff may be described as to “pull the strings” (NE3). This seem to be in accordance with the statements from NE1: “In the beginning they were very good at leading us in the right direction (...) they are good at involving us in events and stuff that happen in the system of the SE” (NE1). Although maybe a small part, incubating the nascent startups is one of the functions of the staff, according to S5. The staff facilitates startup activities and SE advertisement in media channels, which has an indirect positive effect on the nascent entrepreneurs, as they will get access to events, competitions, resources and network. This function is in addition described by the nascent entrepreneurs, NE8, stating that most people have a “*fantastic* impression of the SE” and that this may affect the nascent entrepreneurs in the networking process due to the accumulated trust: “They are on a general basis excited when you contact them on behalf of the SE” (NE8). From the statements of NE8 and S4, it seems as though the staff has direct communication with external actors and that they have less focus on the nascent entrepreneurs in the SE. This means that administering the SE is a blurry function with several activities performed by several roles. The SE staff includes both the founders of the SE and the faculty staff, consisting of affiliated professors and other academic roles. The main functions of the staff as a whole is facilitating school work and facilitating startup activity.

4.4 The function of mentoring

In this sub-chapter, mentoring through formal and informal roles will be presented, to explain the relationship between nascent entrepreneur and third actors functioning as mentors. Many of the nascent entrepreneurs present their formal mentors as their board of advisors. The informal mentors may be explained more as an experienced buddy, an acquaintance who guides you in the right direction.

4.4.1 Formal mentoring

Formal mentors, also called advisors or business coaches, are either employed by the SE or are external mentors acquired independently by the nascent entrepreneurs themselves, with no other connection to the SE or incubators (NE3, NE5, NE6). However, the formal role as a mentor can in addition be held by other actors such as alumni, staff and research hubs (NE3, NE4). It is often the external mentors, chosen by the nascent entrepreneurs themselves, who have the most impact, as these often are more relevant than for example the mentors handed by the SEs. This is explained by NE3 and NE1: “We get less help from the mentors handed to us by our SE, but we have also asked for less help, as we need a different capacity and [he/she] does not know exactly where to get involved” (NE3).

The main tasks of the formal mentors consists of guiding the nascent entrepreneurs, pushing them when it's needed and let them take use of the mentors network. They also “attend meetings, answer questions, join in on workshops, participate in discussions and help with strategic plans” (NE4). Most startups put a great focus on the enormous help they get from the network of their mentors: “The best thing we have gotten from our mentor is to use his/hers network” (NE8).

4.4.2 Informal mentoring

Mentoring may in addition take place in an informal way. This seem to be quite similar to the formal mentoring, but the actors may be less involved, or have less compulsory activities than the formal mentors. This is mentioned particularly by NE10, explaining the role as a SE buddy for other nascent SE entrepreneurs. This kind of buddy-mentoring is tied to the student environment at SEs and to peer-to-peer relationship. The informal mentors are typically actors related to the SE, as fellow nascent entrepreneurs or alumni. The nascent entrepreneurs at the SE may reach out to informal mentors themselves. Other actors that may act as informal mentors are alumni, or employees at incubators, research hubs and funding organizations.

This means that the mentors may be described as formal and informal. Formal mentors may be separated into internal and external mentors based on how they are connected to the SE, where the external is found and chosen by the startup itself, while the internal mentors are connected to the SE. Examples of the formal, internal mentors are business coaches and advisors hired by the SE. Informal mentors have less compulsory activities than the formal mentors, and are often characterized by student-to-student mentoring or actors that are less involved from alumni or SE-affiliated organizations.

4.5 The function of the alumni

The SE alumni are people who have been through the university program of a SE, who stay connected with the SE after graduation (S2 and S5). This means that they have been students at the SE program, but in addition have experience from the business community, either through being employed in a business or having continued with the startup from the SE. University alumni are external to the SE environment, but may have some of the same functions as SE alumni, and are therefore presented after the SE alumni.

4.5.1 Alumni as dedicated experts

The alumni are described as “invaluable” (NE8) and “very important” (NE4). This is because the alumni know the situation of the nascent entrepreneurs, trying to create a startup. According to NE10, the alumni network “has experts on everything”. These former students are willing to help the nascent entrepreneurs with their projects (NE8). They are characterized as dedicated people who try hard to help, if they have the knowledge to do so (NE4). One explanation of their dedication is their former experience, having been through the SE-program, gaining reflections upon that process (NE6). This means that the alumni can reflect upon the decisions and roads they went down and mentor the nascent entrepreneurs on what they think is the best road.

However, the alumni role can be interpreted to be dependent on the individual needs and enthusiasm to keep this relationship active. Even though not all use the network on a regular basis, there are some joint activities, as workshops and networking events, between the nascent entrepreneurs at the SE and the alumni network as a whole. The activities differs among the schools; SE1 has one event every year while SE2 has one event every week. The attendance on the events are larger for SE1, but SE2 has more regular meetings. The alumni also come in as guest lecturers (S5) in connection with the school courses. Among those who actively use the alumni, functioning as informal mentors there is a nuance on how often this communication takes place. SE1 has a Facebook page where alumni are invited to join to connect with the nascent entrepreneurs. NE3 makes use of alumni “often” and explains that they “are very involved if you come with questions to them” (NE3). This can be interpreted as the alumni only helping the nascent entrepreneurs if they are confronted with questions from the nascent entrepreneurs. This interpretation corresponds with the statements from NE10. Their alumni coach “is so busy”, but on the other hand the nascent entrepreneur “is busy as well”.

The SE alumni have been through the university program of a SE and stay connected with the SE after graduation. They are described as invaluable dedicated experts having a mentoring function. The connection is often facilitated through the SE and the frequency of communication differs. The university alumni external to the SE is also a valuable network, yet connection is not facilitated. The network of university alumni seem to be little used by the nascent entrepreneurs.

4.6 The function of peer-to-peer exchange of experience

In this sub-chapter, nascent entrepreneur- entrepreneur relationships will be presented. The relationships may exist due to social connection, a mutual need for others skillset, the wish to gain knowledge from lessons learned, as well as the benefit of a shared network. This sub-chapter presents relationships with different types of startups, including nascent entrepreneurs, alumni startups and startups not related to the SE community.

4.6.1 Nascent entrepreneurs connecting with nascent-, alumni- and external startups

It varies whether the nascent entrepreneurs have a close collaboration with other nascent entrepreneurs or not. In some cases, nascent entrepreneurs are purely involved on a social level: "We have someone we talk a bit with. (...) and then there is basically a whole bunch of other startups that we in reality communicate very little with" (NE10). NE2, on the other hand, collaborates quite much with other startups, defining it as “help”: “Yes, we have received a lot of help from NE10 [and two other nascent entrepreneurs] (NE2). Startup to startup communication might take place spontaneous and informal, as it often is apparently similar to connection with friends. When describing the objective for their communication with other startups, NE10 emphasizes the social connection: “It is always nice to meet other people than the two you are connected to absolutely all time” (NE10). Social, informal connection seem like an important startup-to-startup communication within the SE, which is underlined by NE3 and NE9: “We are one big group and we talk about you know similar things we do” (NE9). “You tend to get tips and tricks by sitting and talking and having endless conversations” (NE3). Alumni startups seem to be a valuable source of experience and knowledge transfer for nascent entrepreneurs. The knowledge transfer from alumni startups is apparent in NE1, which has received help from one alumni startup in particular, located abroad, in order to prepare if they end up in the same situation. NE1 describe volunteer communication with an alumni startup. NE4, on the other hand, has been involved with two alumni startups through their mentors. Some entrepreneurs describe a vital relationship with startups located outside of the SE environment (NE7 and NE10). Others have no relationship with startups outside the SE, such as NE3. And then there are those having trouble defining startup-to-startup relationship: “I wouldn't say we have a *relationship* with other incubators. (...) but we meet startups that are located at other incubators” (NE6).

Nascent entrepreneurs may have relationships with startups currently at the SE, alumni startups or startups outside of the SE environment. The objective of having a peer-to-peer relationship is mainly exchange of experience, but the social connection is also mentioned as very valuable. The communication often takes place spontaneous and informal. The function of exchanging experience with peers is highlighted as important by both startups and staff and mentors, who might facilitate some of the connections.

4.7 The function of knowledge transfer management

The two entrepreneurial universities that are included in this thesis, have two different ways of transferring knowledge into commercialization projects. While SE1 has their own Technology Transfer Office (TTO) that focus on commercialization of university technology, SE2 seems to cover these functions by several actors.

4.7.1 Transferring knowledge through different actors

At SE2, the actors are not necessarily associated with the role of knowledge transfer and one respondent (NE5), did not suggest any specific actors when asked about the role. From this, the authors may ask whether the entrepreneur has any information at all about this function and who that might fill this role at the university. Another respondent (NE9) also stated that they did not have any technology transfer center, however, it was suggested that the SE in itself and its incubator were the actors having this role: “I think that is what we try to do here. They try to seek out researchers from SE2 that you know to pitch their idea if they feel that the possibility of commercialization but are not up to the task themselves on the business part” (NE9).

The relationship between the startups and the university agency working with knowledge transfer is very varied. While some often work with them, others do not. NE4 expresses how the relationship might be problematic, even though they provide the startups with resources for free: “TTO does have the rights to the early research results that has emerged, but we do not use these results” (NE4). Both NE3 and NE4 have expressed a negative attitude toward the technology transfer office, by stating that “TTO has tried to meddle” (NE3) and “we’ve had one meeting and we do not want any more” (NE4). Other startups refer only to positive experiences of collaboration with actors responsible for knowledge transfer. NE1 expresses how the startup has gained all rights to their technology even though the technology initially was university IP. This respondent shows that the startup and the knowledge transfer actor might have a successful and natural cooperation where the startup receive a lot of help from the knowledge transfer actor: “We have had a great cooperation with TTO. They have helped us right from the start.” (NE1).

The results show how the different SEs have two different knowledge management strategies, but moreover that the function of knowledge transfer management is present. While the SE1 has their own Technology Transfer Office (TTO), the SE2 seem to cover these functions by several actors.

4.8 The function of providing new research

Providing new research and in-depth knowledge about a topic, is performed by research hubs either within or external to the university. Within the university, these hubs are linked to institutes as they employ scientists. Research hubs external to the university, might be other public research institutions, or it may be linked to independent research organizations (NE3 and NE4). The research hubs have both a mentoring role and can be idea providers to the SE. The hubs can be located both internal in the university sphere or outside it. The internal hubs are a structure based on university staff where areas of strength are put together (S2 and S5), like research groups who are specialized on one field (NE10). The university staff gives the startups help through conversations and meetings (NE7). According to NE6 they come to the SE and present their ideas.

The external research hubs are an external community for one type of venture. The SE receives ideas from the hubs (NE9) and in return, the nascent entrepreneurs "provide idea valuation to them" (S2). This is true for NE3 and NE4 as well, as both uses technology and ideas from an external, independent research organization. Startups interviewed that are not related to external research have less contact with the research hubs (NE5 and NE6). The amount of contact depends on how research intensive the project is (NE10).

This shows that providing new research and in-depth knowledge about a topic, is performed by research hubs either within or external to the university. The research hubs have both a mentoring role and are idea providers to the SE. In return, the nascent entrepreneurs provide idea valuation to the hubs.

4.9 The function of funding organizations

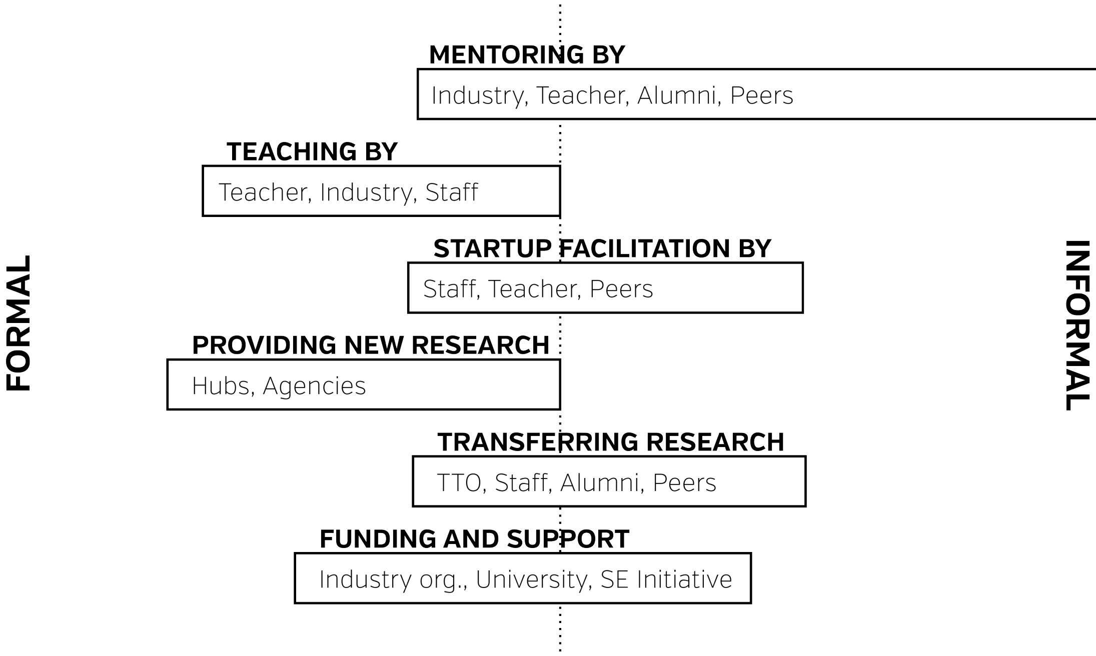
Achieving economical resources is a challenging tasks for the nascent entrepreneurs at the SEs (S5) and according to the interviews, the startups utilizes funding organizations who are both within and outside the university sphere. The nascent entrepreneurs arrange meetings with funding opportunities and involve themselves in funding-events (NE6 and H). "We knock on their doors" (NE6). Funding organizations can be diversified both as student driven and institution driven (S3).

There are opportunities to receive small seed funding from organizations within the university even before the startup has executed an early proof of concept. This is the type of funding which is of easiest reach and the one possibility most startups mentioned to have tried to take advantage of. This needs to be applied for, like most other funding opportunities. More than half of all startups interviewed explain that they have made use of these funding opportunities. This type of funding organization is "invaluable (…) in the first phase" (NE8). In addition, the startups often take part in different types of competitions where one can win prize money to the startups activities (NE5). These competitions may happen both internal or external to the university sphere. NE5 describes an action-oriented competition aiming at calling customers: "We got funding from the competition, we actually won everything." Outside the university sphere, there are several more funding opportunities, but these are usually harder to get a hold of. This is interpreted through the fact that more startups had received funding from inside the university sphere than outside. The funding is used for concept development (NE5).

This shows that economics are a challenging subject for startups and the nascent entrepreneurs utilizes funding organizations who are both within and outside the university sphere. The funding can be separated into two broad categories, one before early proof of concept and one during proof of concept and during commercialization phase. More than half of all startups interviewed had made use of the early phase funding opportunities, and the funding organizations were described as “invaluable (…) in the first phase” (NE8).

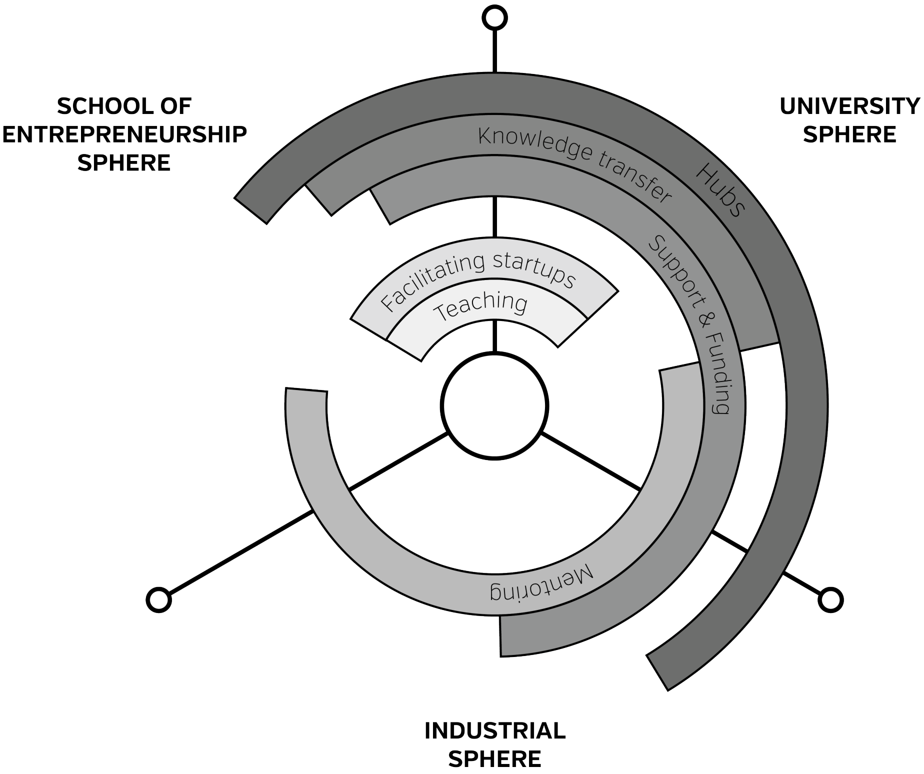
4.10 Revised Models

In the following, Model 6, the actions within the SE, are depicted. The model visualizes how individual actors may perform a variety of actions, and that several actors perform the same actions. This indicates that actors in themselves are not important from a nascent entrepreneur’s perspective. However, their function and actions have an imporrtant impact. These actions, withdrawn from the empirical data, are mentoring, facilitating startup development, facilitating education, providing new research, transferring new research, and finally funding and support, which was mentioned as invaluable (NE8). The line in the middle visualizes the separation between informal and formal. The separation is not clear cut, as for instance the staff describe their connection with the startups as both formal (S2) and informal (S1).


MENTORING BY
Industry, Teacher, Alumni, Peers
TEACHING BY
Teacher, Industry, Staff
STARTUP FACILITATION BY
Staff, Teacher, Peers
FORMAL
INFORMAL
PROVIDING NEW RESEARCH
Hubs, Agencies
TRANSFERRING RESEARCH
TTO, Staff, Alumni, Peers
FUNDING AND SUPPORT
Industry org., University, SE Initiative

Model 6: Action based model of the actors affiliated with the SE

The following Model 7 is a further development of Model 6, explaining how the different actions are connected to either the SE, the university or the industry. This is a specification from Model 5 or 6, where the industry was not mentioned. In Model 7, the industry is included as the empirical data underlines the industry's importance for the nascent entrepreneurs. The SE sphere in Model 7 equals the micro net in Model 5, and the university sphere equals the macro net. Model 7 also describe which actions are most important to the nascent entrepreneurs when searching for a pilot customer relationship, starting with teaching and facilitating startups as the core activity within the SE, building upon that with mentoring, startup facilitation from entrepreneurial organizations and funding organizations. Acquiring new knowledge through hubs and knowledge transfer is also mentioned, however, this is more related to the startup development than the actual pilot customer relationship, and may have a more indirect influence.



Model 7: Function and location of affiliated actors of the SE

Summary of findings in the School of Entrepreneurship and its affiliated actors

This chapter shows how the different actors affiliated with the SE may fit into a model of the SE. The results from the interviews demonstrate that administering the SE is a blurry function performed by various roles in the staff and members of the faculty. However, the main functions of the staff as a whole are to facilitate school work and startup activity. Mentors are separated into formal and informal, where the formal ones may be divided yet again into internal and external. These subcategories are a result of different ways of being introduced (formal, internal mentors are often facilitated by the SE), as well as different ways of staying in touch. Alumni are described as invaluable experts, due to their former experience. The SE alumni connection is facilitated by the SE. Contact with university alumni external to SE is not facilitated, but university alumni may also prove as valuable business relations even though they are seldom or never used by the respondents. Exchanging experience with peers in other nascent startups is viewed as important by both nascent entrepreneurs and employees at the SE. Communication is often spontaneous and friendly, but may also be facilitated by the SE.

Regarding the institutional actors affiliated with the SEs, the function of knowledge management is handled in different ways at the two SEs and the understanding of the function and involved roles are very varied. The function of providing new research are covered by research hubs at both universities. And the function of providing funding are separated into two major offers, well known and recognized as important by nascent entrepreneurs from both SEs. As a result, a new model has emerged, where the different actors may be separated into formal and institutional roles, or informal and personal roles.

5. RESULTS, CURRENT PROCESS

This chapter will cover the different nascent entrepreneurs ` current processes. Each process starts with a description of the case and ends with a model summarizing the process. The function of this chapter is to help fulfill the purpose and answer RQ1, which concerns how nascent entrepreneurs initiate B2B relationships with potential pilot customers. All the third actors the nascent entrepreneurs have used are mentioned in the individual interviews, whereas the third actors not used are not mentioned. An example of this are “other startups”. Several nascent entrepreneurs mentioned that other nascent entrepreneurs in their SE had been very helpful in a social way, but have not had any significant impact on the company's process towards a pilot customer.

5.1 The presentation of the nascent entrepreneurs current process

The following sub-chapter will present the nascent entrepreneurs current process, as described in the interviews.

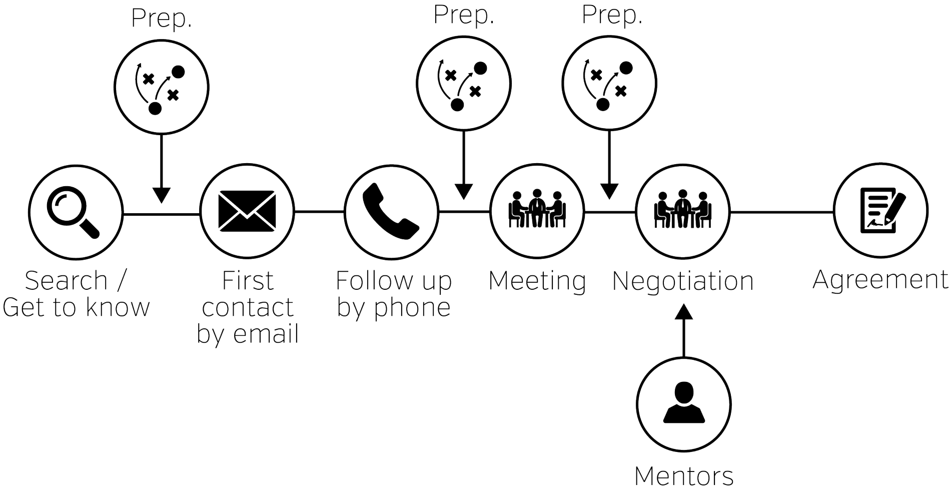
5.1.1 Nascent Entrepreneur 1

NE1 has a strong focus on researching the potential pilot customer before she/he starts the initiation process, which have led them to have already two pilot customers at the time of the interview. The research includes reading about the potential pilot customer online, where both articles found on Google and company information on LinkedIn are studied. Their thoroughness on this point is shown by their detailed research on specific people in the organizations: “We try to find specific names in the different companies so we later can find them on LinkedIn and read about their background” (NE1). They start the initial contact preferably by email, to then follow up with a phone call. This gives the startup information on how to continue the dialogue and push further if no contact is obtained. In their quest for their current and largest pilot customer, both email and phone was used in the start phase: “We had structured a good email where we tell our story, and then we follow up with a phone call”. They work a lot with how they should communicate with the pilot customer and whom in the organization they would wish to talk to. In addition, they researched the pilot customers values and found that one of their pillar values is innovation and environment, further they used this in their sales pitch to match their product with the pilot customers needs. This is a long process, according to NE1, and there has been much back and forth. The more they have got to know their pilot customer, however, the easier it have been to communicate with them. Their bond has grown stronger and communication has become easier and more efficient.

NE1 had at the time of the interview acquired a pilot agreement with two customers. They found it extremely helpful to get feedback from someone who actually knows the market they are entering. Currently they stay in touch with their pilot customers by phone and emails and meet frequently when something needs to be discussed. When it comes to funding, they have received funding from funding organizations within the university sphere, in addition to one outside.

For further work on contacting potential pilot customers, NE1 has a list over all the companies they have contacted and a list with companies they would like to contact. However, this list changes as time pass, after feedback from people they are in contact with: “There more contact you have with potential customers, the more understanding you get, and the more you manage to go down the right path”.

The startup has several mentors, one assigned by the school, which they used in the start but didn't feel they got much out of. However, the team has acquired one mentor by themselves, which they have had daily contact with. Lawyers associated with the SE has been of great help during negotiations with their potential partner. The staff have in addition, helped them move in the right direction, they were good at involving the startup in suitable events that take place in the SE environment. NE1 has in addition contacted the alumni network through Facebook when they have needed specific expertise on their field of work. In addition to this, NE1 has been in contact with many external actors, investors and partner abroad.



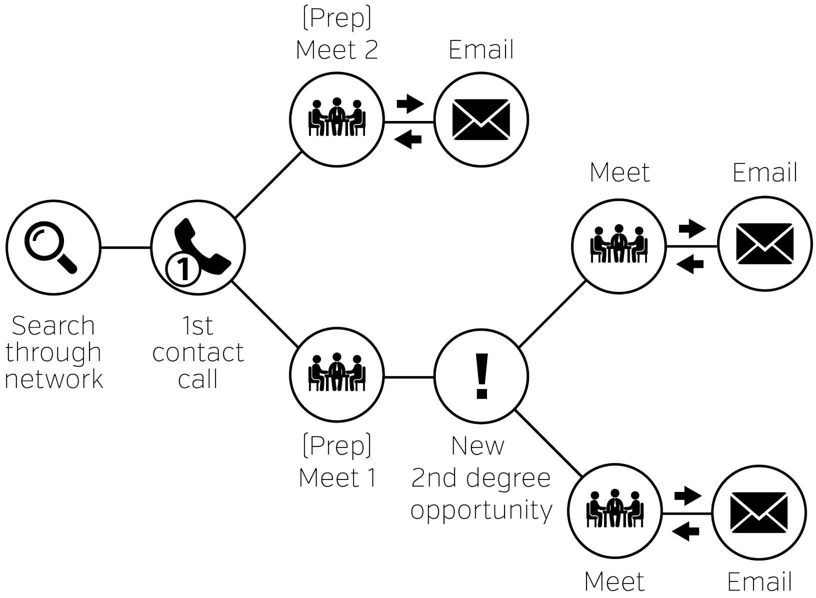
Model 8: Current process NE1

5.1.2 Nascent Entrepreneur 2

NE2 has from the very start utilized their network. They looked at people in their network and contacted the ones they believe could help: “We basically just met them and took it from there, there was not a lot of planning in advance as the person we were meeting was a good friend and that make the process much smoother, as we could leave out the formalities” (NE2). They managed to get in touch with a potential pilot customer through their network, which again led to two other potential pilot customers.

At the time of the interview, they did not have a clear deal with a pilot customer, but they had two potential pilot customers and a close partnership in sight. The collaboration with the partner is a really good deal for NE2, as they get much more visibility. “The value for us is within PR, our partner is really good at promoting themselves and we will in addition get access to all of their research.” When it comes to the process of acquiring their two specific potential pilot customers, there has been, as mentioned, a lot of coincidences that have led NE2 in the right direction. They got to know one of the pilot customers through their network at the university: “The founder went to this school previously and one of our founders used to work a little bit with [him/her] and help [him/her], so [he/she] has been a breach as [he/she] has a huge network and is really good at networking.” The second pilot customer NE2 acquired was also through their existing network:” It was an ex of our co-founder who works in this media house, so we have gotten great use of [his/her] exes, and that's great.” NE2 called their contact, set up a meeting and then their contact in the media house pitched the business idea to two different potential pilot customers, so the nascent startup acquired the pilot customers through this media agency. This is a different way to go, with both advantages and disadvantages: “This is an advantage because the media house has a really close connection with these big customers we could only dream of having, but then again things can happen that we have no control of.” In the view of this fact, NE2 wish to be the first degree contact instead of the second degree contact in further pilot customer relationships. NE2 almost acquired a deal with a big company, but it went sour the last minute, as it didn’t get approved on a European level.

NE2 was originally handed a mentor from the SE, but has not used this mentor much. The mentor “probably has many things [he/she] could help with, but a need for the competences just wasn't there at the time.” However, they met another mentor connected to the SE abroad, that was very eager to join in as a mentor for their team: “When you meet a person who is really interested in what you're doing, the chemistry between you immediately grows.” This mentor first was their unofficial mentor and then later their official mentor, after approval from the SE. In addition, NE2 has utilized the competences of the lawyer connected to the SE. This mentor has been very eager to help out, which makes it a lot easier to ask for help. NE2 meets both their mentor and their lawyer at least once a month. One team member in the startup has also been really good at contacting alumni and especially the “buddy”, handed by the SE. Regarding funding, NE2 have received money from several funding organizations and are in the process of applying for soft money at other organizations.



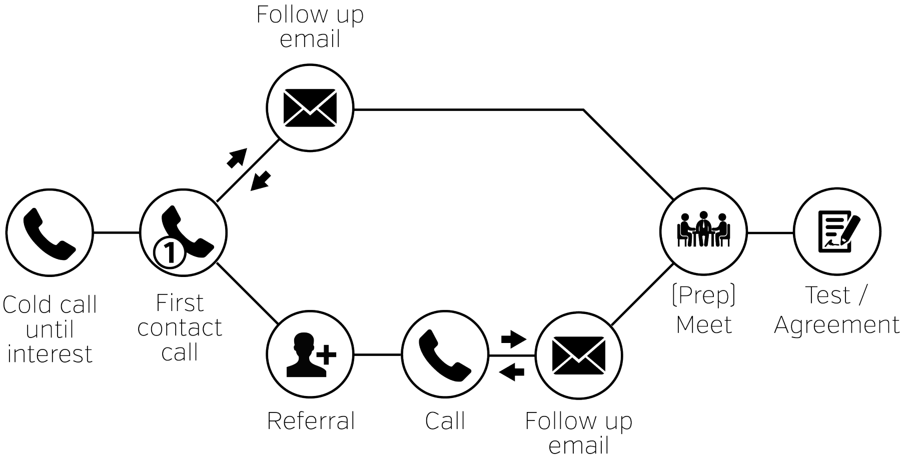
Model 9: Current process NE2

5.1.3 Nascent Entrepreneur 3

NE3 has a very straight forward process. They start the initiation process by calling the potential pilot customers and follows up with a couple of emails: “We contacted all of them ourselves. One of our pilot customers we already had contacted during the research phase, while the two others we just called and nagged on until they wanted to meet us.” The amount of phone calls and emails varies from pilot customer to pilot customer: “There can be a lot iteration in the start, you call and email x-number of times before you meet, and then you go back to the phone and email again before a new meeting” (NE3). NE3 explains how the nascent entrepreneurs are “pushed forward” by the staff, through “acid tests”. These tests aim to map the potential of an idea and the staff urges the nascent entrepreneurs to call as many potential customers as possible (NE3). Thereby, they didn't find their pilot customers just by luck: “We had to call a whole lot. Some seem more interested than others, and then you just push until you get through.” One of their pilot customers they obtained through another potential pilot customer: “The person we talked to in the first company wanted to get involved but didn't have the possibility, so [he/she] gave me the name of someone they had a good relationship with.” With their biggest pilot customer, the startup first called several leaders in the company who confirmed the problem and in the end this led them to a manger: “When we got in touch with the right person, we could discuss more specifically what we could do together.” They had the possibility of testing and further obtained a contact person in the company.

After they have established contact, the pilot customer has become much more available: “If they don't answer an email we just call them immediately.” With their other pilot customer, NE3 also used the pilot customers network to get to the right person. They first spoke to a leader who was against the collaboration, but didn't give up and called someone in a different division who found their product useful. This other department got them in contact with a business developer, which again led them to a manager. They then met with the customer and agreed on a partnership: “At their office we also met the [man/woman] who said no to us in the very beginning and [he/she] looked very confused. There is always a way in!” (NE3). For further contact with new pilot customers, NE3 does not have a strategy yet, but they know they want to contact companies with a strong capital and companies they know need their product and can experience the biggest changes when using their product.

When it comes to the third actors involved in their process, NE3 has been very independent. The mentor handed to them by the SE has almost not been involved: “The mentor is support for a team with good moral and good mood, so there is not much [he/she] can do for us.” However, the team have talked to several external mentors. These are idea providers who have helped with questions regarding the technology and a school professor who have helped them find someone to write a thesis about their technology. The SE staff has been helpful as project managers, to help write applications. Soft money wise, the startup has gotten support from funding organizations at the university. The institute of the school has also provided some soft money for smaller travels, while other research hubs at the school has helped with the technology.



Model 10: Current process NE3

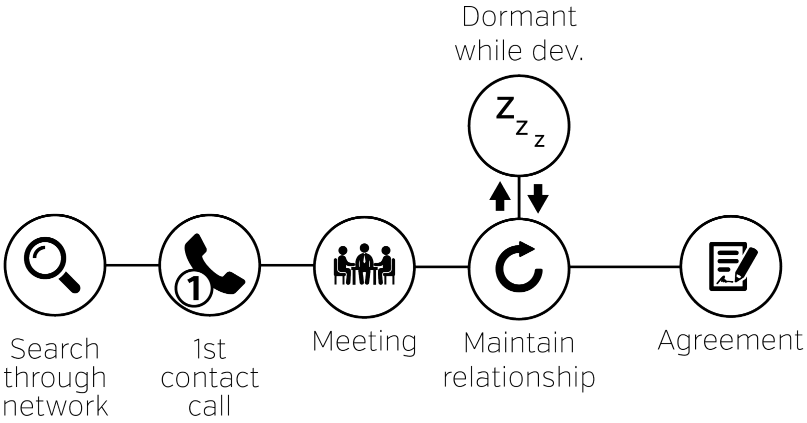
5.1.4 Nascent Entrepreneur 4

NE4 have experiences that the process goes much faster if you know someone influential in the potential pilot company. They got in touch with their potential pilot customer quite fast, as they knew the customer from before, all they had to do was to call, without much preparation: “We knew them already, so it was quite easy, we just picked up the phone and called.”

At the time of the interview, NE4 had three pilot customers who are waiting to be signed. One of the pilot customers was acquired randomly, they had been working with the CEO at a different project and when they met [him/her] again at a networking event, [he/she] showed great interest in being a pilot customer. The other pilot customer was acquired through the leader of a funding organizations they obtained support from and the last one they also had worked with earlier at a different project and contacted the person in the company they had close contact with already. As NE4 knew two of their pilot customers from previous collaborations, it was quite easy for them to initiate contact: “We just picked up the phone and called them.” There was little to no preparation before making the first calls. As mentioned, the network of NE4 has been a very valuable asset in finding pilot customers: “Our network have meant everything, it is what have made us come this far. Not money, but network.” For a longer period, NE4 continued working actively on expanding their network further, but now they try to have a clearer strategy on who's worth collaborating with and who's not. At the time of the interview they keep in touch with one of their pilot customers on a daily basis while the two other they speak with every month, helping them to understand what the customer wants and how they should develop their product so the customer will want to buy it in the end.

Regarding third actors affecting their process, mentors have meant a great deal to NE4. Their greatest resource have been external mentors they have found on their own: “One of our mentors is very motivated and full of knowledge and we have met with [him/her] an endless amount of times.” Other external mentors are professors at the university and CEOs of relevant technology companies. They have gotten in contact with these people through their main external mentors and meet with their mentors weekly. The external mentors are extremely important, in their own words: “They are there whenever we need them, they answer questions, attend meetings, creative workshops and help them develop their product in the right direction."

In addition to their external mentors, NE4 has in addition been handed an internal mentor from the SE, but has not gotten much use of the mentor: "The mentor has told us [he/she] can not contribute with much as [he/she] thinks our project is too complex, [he/she] is scared of saying something wrong." The lawyer connected to the SE has been useful from time to time. Alumni have also been involved, mainly through the alumni site on Facebook and have been very eager to help as soon as they believe they can come with something useful: "We are very happy with their motivation and willingness to help."



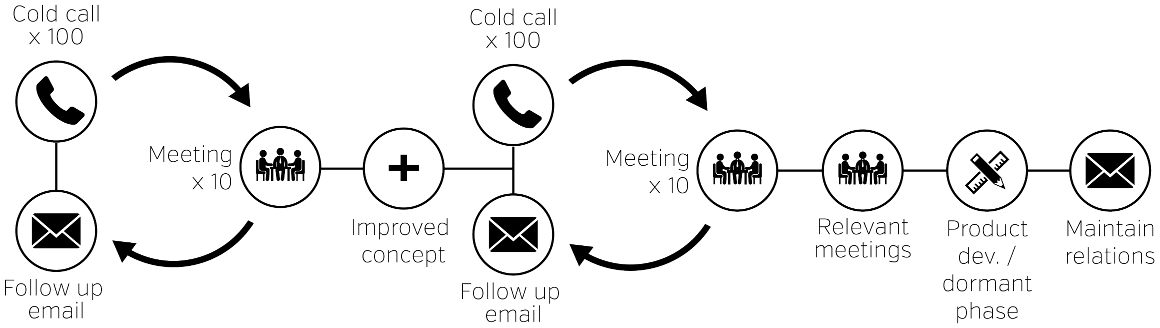
Model 11: Current process NE4

5.1.5 Nascent Entrepreneur 5

NE5`s quest for a pilot customer started with a cold call competition held by their SE. As a result of the cold calling the startup booked many meetings, without having extensive knowledge about their own technology. Due to their lack of knowledge, the nascent entrepreneurs learned a lot from their meetings, and want back to improve their concept before having new meetings: "We start to understand who is the customer that we want and is best and some of them are the ones that usually do pilot test with us" (NE5). This process iterated till they had a product the customers were happy with. Then came the technical verification and then the pilot test.

At the time of the interview, NE5 was waiting for their product to be developed so they can sign a deal with a pilot customer they have found. They started off very offensive with cold calling, when searching for a pilot customer: "We called hundreds of potential customers, after that we sent emails back and forth and finally, had meetings to see what the potential customers thought about our product." They then did a second round of cold calls with more follow up emails and meetings. It was these meetings that led them further along the road, to relevant pilot customers: "It was them that said: you can try it here and here. We did not really have to ask about it, it was more that they wanted to try it and then we said like sorry we do not have the product yet, but when we have we will be calling you." NE5 currently stays in touch with these customers, so they can start a collaboration with pilot tests when they have the product ready. They are in contact with some of them quite often, while others less: “Before Christmas we send them all an email and said thank you for the time so far and we will be in contact.” During the test period of the product, some of the potential pilot customers where in a dormant phase: “We test with some of them and some of them we test in standby mode” (NE5).

Regarding third actors affecting NE5`s process of acquiring a pilot customer, the mentor provided by the SE have been a great resource and meet with the NE5 every week: “[He/she] has been really good help for the financial parts and also the group coaching.” NE5 has gotten support from the staff in terms of advice as well: “They are like the big brother, they know what is best for us and tell us what we have to do, but they will not do it for us. We have to do everything.” In addition, they receive support from and incubator outside of the SE who has shares in the nascent startup, but have found this help less useful, as their support at the SE is so strong. As of soft money, they have won a startup competition and are currently applying from soft money from an external funding organization.



Model 12: Current process NE5

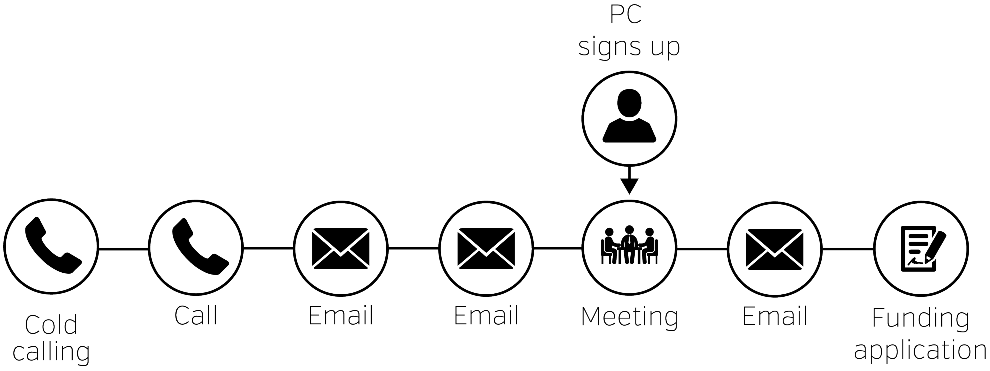
5.1.6 Nascent Entrepreneur 6

NE6 started the process with cold calling. They asked about needs and quickly got a positive response as it was a clear need from the beginning. As of the time of the interview, NE6 had one pilot customer who was “very important to them”.

As mentioned, the acquisition of this pilot customer took place quite fast after a round of cold calls: “We found this application (...) and we realized that it’s good to have your potential customers onboard. And at that point of time, we had only made a phone call to them. So when we presented that as sort of a possibility (…) we hadn't even met them”. They told [him/her] about their plans and asked about the needs of the pilot customer. The boss was very interested and it was a clear need from the beginning. Even though this process was quite unplanned, NE6 managed to get the pilot customer on board: “We did made it! We made them sign up for a working load of a big amount of money, after the first meeting.” They booked a meeting over email and went to meet the pilot customer where they tried to, *as smooth as possible*, to include the *wish* to get them on board. During this meeting, they explained everything in detail to then get a standing yes and promise of commitment from the boss. However, the meeting was not only luck, the meeting was planned very well and a good description of their intentions was sent out prior to the meeting by email. The email was made very thoroughly, with the logos from the incubator and SE, explaining how they had received soft money earlier in order to gain their trust. Between the meeting and writing the application, the NE5 emailed and called the pilot customer a couple of times: “Just to make sure that, we asked them to sign up for a project that would cost a lot.” NE6 wrote an application as fast as they could, and sent it to the pilot customer for their feedback. Their response was much better than expected: “And they said: ‘Yeah, this sounds nice, we'll of course sign up, no problem, it's an important area to us’.”

NE6 interacts with their pilot customer on a weekly basis. Their communication has changed from more fussy in the start to more streamlined in direct as time has passed and they have gotten to know each other better: “Since they are very important to us, we try to be as politically correct as possible. Sort of being very thankful for their, or appreciating their resources that they spend on us.” They now have several interaction surfaces, more people involved both from NE6 and from the pilot customer. The nascent startup has plans for further pilot customers, but has had a hard time finding time to contact them: “We try to call new customers all the time, but it is hard to find the time to do that, though. We struggle a bit with that.” This is both from a general time-perspective, but from the fact that it takes time to the relationship with the pilot customer they already have, as well.

As for third parties involved in the process of acquire a pilot customer, NE6 has had great use for the mentor handed to them by the SE whom they meet weekly: “Coming in as a consultant working for, or with us. [He/she] has a great industry knowledge, knows a lot of good people and has a good perspective on everything.” In addition to their mentor at the SE, NE6 has a close relationship with their “alumni-coach”, an alumni found by the nascent entrepreneur: “I text [him/her] sometimes and send [him/her] emails and things, so it doesn't really *feel* like the distance is that long. But it would have, of course, been *a bit* easier if we would have had [him/her] here, but it's not an issue really for us.” The staff are also there to guide the startup along the way and answer questions: “we have the possibility to ask the staff a lot of questions. And we do. I'm sometimes accused for being more over here asking questions than working really.”



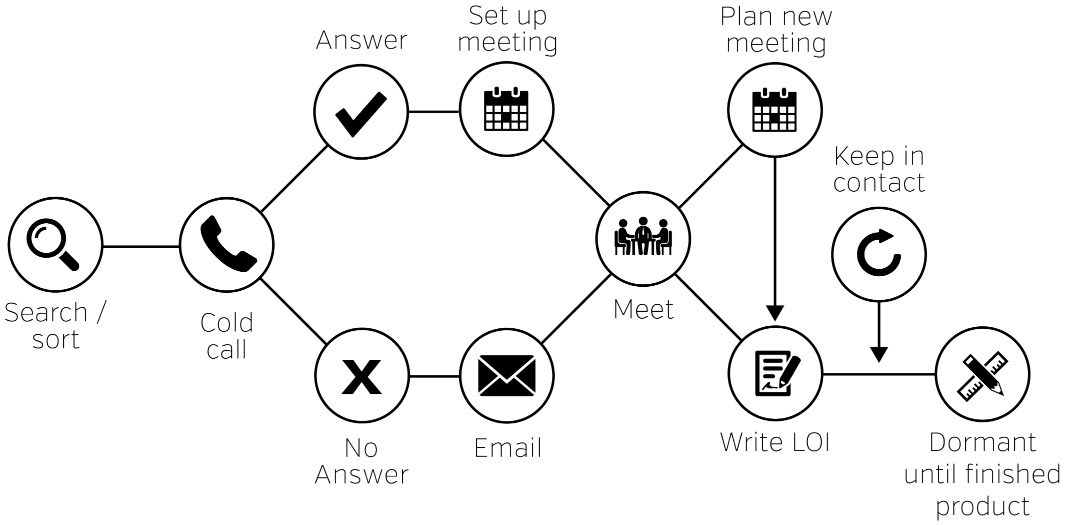
Model 13: Current process NE6

5.1.7 Nascent Entrepreneur 7

For NE7 it is very important to let the potential pilot customers know where they are in the process and be very open: “It is important tell them who and where you are and what you want to be” (NE7). “We don’t want to force them or us into something, we want them to be our pilot customer because they want to and need to” (NE7).

At the time of the interview, NE7 did not have any pilot customer, but they did have potential pilot customers in sight which they have been in contact with. However, these potential pilot customers needed the product right away, NE7 will not be able to deliver yet as the product is fully developed. As they finish developing the product, they try to keep in touch with their potential pilot customers: “We have met one of them about three times now and we are probably going to meet them a few more times over the next couple of months. We like to keep some contact with them, but as long as we haven’t started developing anything we try to keep contact a bit low.” As for now, they are currently trying to acquire someone that wants to do exactly what they want to do when developing the product, so they can start working with a pilot customer immediately. The potential pilot customers they have found so far are often startups, which they find in incubators and contact right away: “We often call them at first and then try to meet them as soon as possible. We are often really open about where we are in the process.” NE7 has a practice where they call first and never email: “We call first and they will answer, and then email them directly after. The next day you go to their office and do different ways instead of annoying them by calling them fifteen times.” When scheduling a meeting, the nascent entrepreneur always try to do this over phone: “Sometimes they, which I hate, don’t want to schedule a meeting over the phone, they want instead to send an email and set up a time. Then they are so slow with answering that email so that it goes back and forth. So I try to be pretty harsh to set up a meeting. Sometimes it doesn’t work.” In the meetings, NE7 always tries to be two people: “Often you hear different things and also in some cases to show a bit strength, so you don’t show up alone as a student.” Sometimes they schedule a new meeting right away and sometimes they put them on hold: “We say that we will call when that happens or that happens.” The next step would be to get a letter of intent and then set up regular meetings every week or every month to try to develop the product together: “We don’t want to set anything in stone to early since we don’t know their requirements from day one.” NE7 has a great focus on the fact that they don’t want to force a pilot customer into something, they want them to be a pilot customer, as they want to and need to.

As for external parties affecting the process of acquiring a pilot customer, several people has been involved. First of all is the mentor given to the NE2 by the SE. The mentor helps them with anything they wish: “[He/she] is whatever we want [him/her] to be, so we can for example ask to get feedback. Sometimes [he/she] can be critical: ‘You suck guys, what are you doing?’, and other times [he/she] can be encouraging.” NE7 also tries to meet people wherever they are, and especially people who has studied at the SE earlier, who are in the same geographical area. The staff of the SE are mostly involved during school related task to the project: “They are never actually involved with anything else in the projects, so it is more like they have a class in the morning and we do a task related to our project and they give us feedback.”



Model 14: Current process NE7

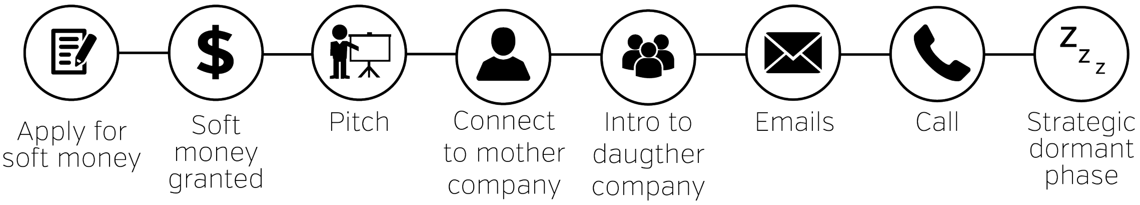
5.1.8 Nascent Entrepreneur 8

The process of NE8 differ itself from the others, by actually starting with applying for soft funding through a funding organization at the university. During an event held by the funding organization, the nascent startup pitched their concepts and sparked interest in the audience. The process has been slow, but this has been necessary to be able to present their concept in a good way.

NE8 has one pilot customer at the time of the interview and they found this pilot customer, as mentioned, through a soft money organization at the university. They applied and was granted soft funding and was thereafter invited to several networking event organized by this soft money organization, where they were able to present and pitch their product as part of this soft money organizations family. During the first pitch, a person from a leading energy company became fascinated by their product and went to see the startup at the event, after the pitch was over. At the next networking event a month later they were introduced to the CEO of the company who also showed great interest in their product.

Their contact person in this firm whom they met during their first pitch also brought the information about the startup along to the rest of the employees in the company. In addition to wanting to be pilot customer, the company put NE8 in contact with two daughter companies who could help out in the development phase. NE8 tries to do the communication with their pilot customer by phone whenever possible, instead of sending an email: "I love discussing things over the phone because then you get an instant connection and you get to formulate yourself in so many ways." The startup also plans to use their current pilot customer as a reference when trying to acquire more potential pilot customers. They have started to make a list of companies they wish to contact, but it is far from complete.

NE8 has one main mentor, provided by the SE and NE8 are very happy with the mentor: "A fantastic recourse." NE8 has had great help of their mentors network: "The network is the best thing we have gotten from the mentor so far", but [he/she] is also helpful in team related challenges and how to work in a team most efficiently. NE8 has not searched for any eternal mentors as of the time of the interview. In addition to their mentor, NE8 has used one of their "buddies" in the alumni group, provided by the SE when starting at the program: "It's very easy to just pick up the phone and ask my buddy a question."



Model 15: Current process NE8

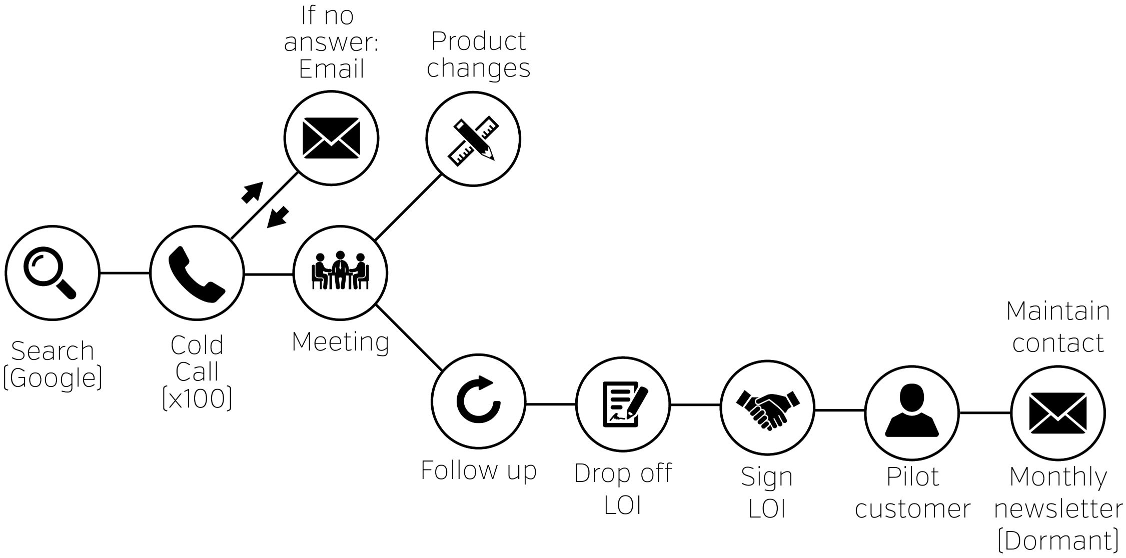
5.1.9 Nascent Entrepreneur 9

NE9 started their initiation process with cold calling: "We randomly just googled clothing stores and made a long list of potential pilot customers and started calling" (NE9). Even though they called companies right off the bat in the beginning, they make it clear that this process has changed over time, and that they now have a bigger focus on the questions they are asking during the first phone call.

NE9 started with having a couple of ideas and changing strategies quite a bit in the beginning. It was cold calling and meeting with potential pilot customers and talking to people who got them on the right track and finally on the right idea: "Sometimes things sound logically in your head and when you present it but then when you actually talk to customers or potential customers they are not as enthusiastic as you are and often have very valid concerns." At the time of the interview NE9 has found their product and have an oral pilot customer agreement with eighteen local stores, where six letters of intents are already signed. Their goal is to get as many test customers as possible. NE9`s goal with the testing is to find out whether the project is possible: "This local aspect provides enough value to get enough stores onboard and get users to find it valuable and we have like a billion other ideas on fun things we can do, but it is the development of it is now what constraints us." The pilot customers they had at the time of the interview, they found through cold calling and "randomly googling local clothing stores"; just making a list and starting to call. Their strategy has been to go for the smaller stores as they are easier to get in touch with and then work their way up to the bigger store chains.

NE9 has never used email as the first contact point, only calling, but has followed up with emails after phone calls. However, emailing is not their preferred tool as a follow up: "Even as a follow up people do not respond, people are lazy bastards, we are priority 500 so if we do not call them directly then yeah it takes very long." Even though they started their process cold calling and still prefer this method, NE9 has become much more structured in terms of the questions they ask over time and used the "SPIN" method to ask the right questions, which stands for situation, problem, implication and need: "We put together the spin questions in order to get the right answer and get the customer talking." Nowadays they prefer these SPIN questions first, then make the cold call and then book a physical meeting preferably during that same phone call. After the meeting they drop of the letter of intent and then get it signed: “So far its been this unstructured, that we were in the city anyways so we might drop of the letter of intent physically and then we could have a small chat and show our faces.” As of the time of the interview, they maintain the contact with their current pilot customer where they naturally have more contact with some than others: “One of our pilot customers is just very interested in everything we do and is always searching for new solutions so [he/she] is very helpful and we contact [him/her] more than other people.” The following month after the interview NE9 plans to send out a newsletter to their pilot customers in order to let everyone know they are still working on the product and will be in touch soon.

Regarding third actors affecting their process, NE9 had a mentor handed to them by the SE which they meet with biweekly, but they do not feel they receive as much at of it as they could: “[He/she] is quite unstructured as a coach but we talk to [him/her] and bounce ideas. [He/she] helps us out in some ways but we are mostly being our own coach.” This mentor is very focused on budgeting and obtaining capital, which is a bit early for this nascent startup, who is in the product development phase. NE9 says they haven't gotten use of the staff or the alumni, but ask other startups in the SE for advice at times: “We ask each other for advice, mostly about the financing and software development as we don't have a software developer on our team.”



Model 16: Current process NE9

5.1.10 Nascent entrepreneur 10

When looking for potential pilot customers, NE10 has a strategy of getting in touch with the decision makers at first hand: “Primary directors, but if we can't reach them we go for the other staff” (NE10). Their strategy is to go for a “champion” in each potential pilot company: “A champion is an employee we have managed to convince in such a degree that they will preach our mission internally” (NE10).

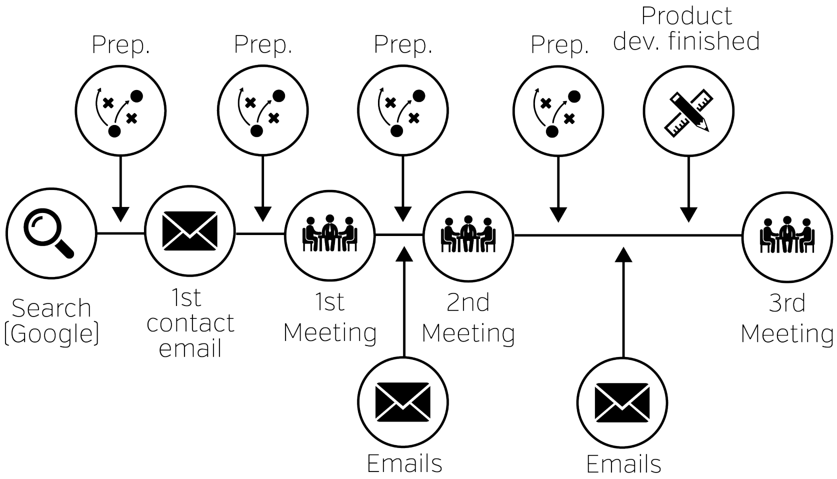
At the time of the interview, NE10 did not have a pilot customer but if they manage to get soft money, they will most likely have one. NE10 found this potential pilot customer by a coincidence. They googled their industry, and the woman that popped up first works for their potential pilot customer. NE10 had heard of the company before as they had written a school assignment about the company. They decided to send an email: “I sent her a to-the-point email, where I got to the point in three sentences and sent it away.” After sending this email they received an email shortly after, where the potential pilot customer agreed to meet with them. NE10 prefers email over phone calls: “Even though the SE is all about call, call, call, we are more email. First of all because we are better at it, second because we believe it's quicker and easier and third because we forget things when we call.”

They then went to the meeting and presented their idea with all types of designs and drafts they had. Instead of holding a ten-minute pitch, NE10 held a pitch on over an hour, to make it the base of the conversation: “We did slide by slide on the PowerPoint, and talked with our potential pilot customer in between the slides to boost the discussions.” The customer really liked it and they listened to what [he/she] had to say and made her draw on their drafts: “We had prepared so much in advance of that meeting, we were so ready, we wanted [him/her] to feel like [he/she] owned the product and get ownership to what [he/she] helped us with.”

As of the time of the interview, they have had a couple of meetings with their potential pilot customer and are planning to have a third meeting in a couple of weeks. At this third meeting, they want their product to be ready: “We want to show the pilot customer that we can do this, that we can program what we need to.” NE10 want the whole entrepreneurial team to attend meetings: “We are a very complimentary team. It doesn't look like it from the outside, as all of us are technical, but we think in very different ways.” In between the meetings they keep in touch by email and have “tried to keep the same good tone”. So far they have only had meetings to “boost” the collaboration, but their goal is to meet with this potential pilot customer every third week and learn as much as they can about the company by talking to the staff. That way, NE10 can manage to see how they can improve the potential pilot customers current solutions by observation and learning. In the drawing below, the bombs symbolizes different factors who slowed down the process, such as schoolwork and the stars are the “process-boosts”, such as answers to important emails and good meetings.

NE10 has a list of potential pilot customers they wish to contact in the near future: “We have plenty of leads from earlier on and we need to get it down in a structured way.” NE10 is structured and has all meeting summaries lined up in “wiki”: “I care extremely much about structure and I want everything in one place so I can use one second to find documents I`m looking for.”

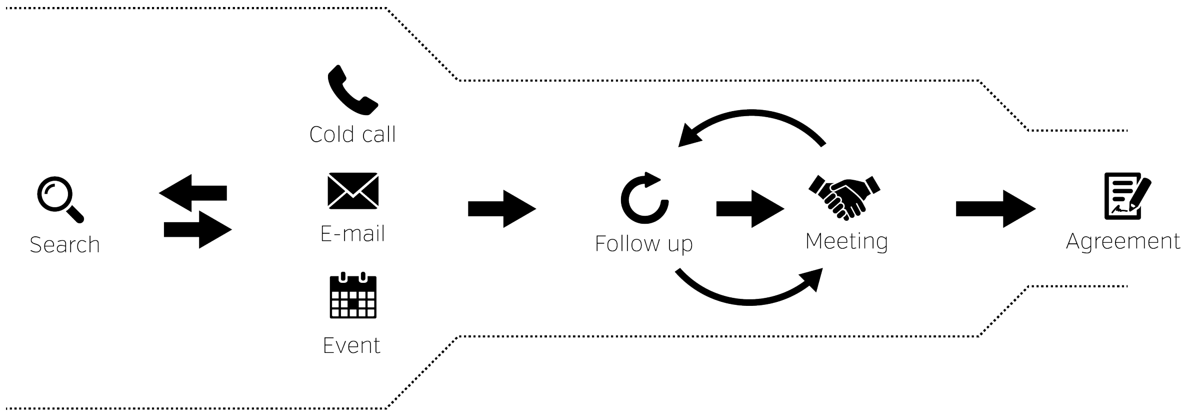
Regarding third actors affecting the process, the startup has two mentors. One of them they met abroad and the other was given to them by the SE. The mentor from the SE has not been very useful for the nascent entrepreneurs: “[He/she] doesn't understand our product. When [he/she] meets us [he/she] forgot everything we talked about last meeting, which is very demotivating.” Because of this, NE10 tried to avoid contact with this mentor. However, the mentor they found abroad has been very helpful to their progress: “[He/she] has been exactly what we needed [him/her] to be, [he/she] has experience from our sector and gets us.” The startup has meetings with their external mentor weekly, where [he/she] preps them for meetings and help them succeed in acquiring a pilot customer: “We wouldn't have gotten this far without the help.”



Model 17: Current process NE10

5.2 Summary of findings in current process

Through the ten interviews with the nascent entrepreneurs, the authors have summarized their actions towards acquiring their first pilot customer in the model below, Model 18, The current process of acquiring a pilot customer. Even though there are great differences between the different respondents, some similarities can be found. The process starts with search, then continues with first contact. The first contact is performed either as a cold call, an email, or by attending an event. The process continues with a follow-up either through communication on phone or email, before setting up a meeting. Between follow up and meeting there are often several iterations. The process is ended when the parties know each other and are ready to sign an agreement. During the process, some of the startups enter a strategic dormant phase to further develop their business idea. Model 18 is designed as a funnel, where contact is made with many potential pilot customers at first. The amount of candidates is narrowed down as the process continues and moves towards an agreement. Thus, each narrowing involves termination of several potential pilot customers the nascent entrepreneurs do not deem qualified for an agreement. The natural elimination caused by the funnel approach results in an acquisition of pilot customers based on quality, rather than quantity.



Model 18: The current process of acquiring a pilot customer

The following table, Table 4, shows a summary of the authors´ findings on what actions the respondents mention doing in their current process. As shown in the table, few startups focus on research before first contact and emailing as a first contact, while it is common to use one's network and cold-call as first method of contact. The findings below will be further analyzed in Chapter 7.

	NE1	NE2	NE3	NE4	NE5	NE6	NE7	NE8	NE9	NE10
Focus on research before first contact	x						x			x
Use network	x	x	x	x	x			x		x
Iteration			x		x				x	
Email as first contact	x									x
Cold call as first contact		x	x	x	x	x	x		x	
Follow up	x	x	x	x	x	x	x		x	x
Focus on preparation	x					x				x
Maintain relationship	x	x	x	x		x	x	x	x	x
Dormant phase					x		x	x	x	
Face-to-face meetings	x	x	x	x	x	x	x	x	x	x

Table 4: Actions in the current process

5.3 The nascent entrepreneurs opinions on their own process

There are a couple of nascent entrepreneurs who are happy with their current process (NE6, NE8, NE10). They expressed their process to be efficient taken the circumstances with development time (NE8) and the fact that they are students in addition to entrepreneurs into account (NE10). For the most part, the nascent entrepreneurs are happy with parts of their process, like for example cold calling as a method of getting in touch with your potential pilot customers: “I think I like cold calling, it is not hard for me to pick up the phone if I have a question” (NE6). “I would definitely use cold calling again. But probably a little bit more structured than what we have done so far” (NE9).

However, most of the nascent entrepreneurs the authors interviewed are not happy with their current process and sees much room for improvement (NE1, NE2, NE3, NE4, NE5, NE7, NE9). They are eager to learn from their mistakes (NE2) and can clearly see that their process has not been efficient and what should have been executed differently: “We have been very inefficient. We have not followed up as we should and things have taken way too long” (NE4). “We will learn from our mistakes, next time we will have a much closer bond to the potential pilot customer and don't let middle-men get in the way of our control, which makes us less efficient” (NE2). In the next chapter the many ways of getting to a more efficient process will be presented.

6. FINDINGS, EFFICIENT PROCESS

The following chapter will cover the findings on what the nascent entrepreneurs themselves characterize as an efficient process, reflections on other processes that are effective, and their comments on the theoretical model for obtaining a pilot customer, Model 2, Process of initiating a pilot customer relationship.

6.1 Presentation of the nascent entrepreneurs conception of an efficient process

In the following chapter, the nascent entrepreneurs conception of what an efficient process is, is presented.

6.1.1 Nascent Entrepreneur 1

NE1 described an efficient process as a method where everyone is included and sitting together in the same space when working: “It makes it easier to take decisions right away when they are needed." Another characteristic of an efficient process according to NE1, is taking advantage of one’s network: “It makes it easier to call (...) when you know someone who knows someone."

6.1.2 Nascent Entrepreneur 2

NE2 described an efficient process as one where a startups network is used. NE2 has had great experience with this, especially when booking the first customer meetings.

6.1.3 Nascent Entrepreneur 3

Regarding an efficient process, NE3 stated that: “It’s all about how direct you are." The phone call is very important: “If you first have them on the phone, it is hard for them to hang up on you." NE3 characterized efficiency by the use of network: “There is always someone who can put you in contact with someone." However, one has to iterate to be able to get all the information one wants, and through feedback you learn: “To find the customers value propositions (...) you have to go back and forth a lot” (NE3).

6.1.4 Nascent Entrepreneur 4

NE4 characterizes an efficient process as one who has a short time from concept to an agreement with a pilot customer: “I think the reality for most startups is (...) using their network first." A startup should, according to NE4 also search outside their personal network to reach the best potential pilot customers.

6.1.5 Nascent Entrepreneur 5

An efficient process is characterized as one where there is an iteration process, according to NE5: “I think this is how you get forward." NE5 expressed that by using the network, one can take a shortcut to “contact". It is also possible for the potential pilot customers to contact the nascent entrepreneurs.

6.1.6 Nascent Entrepreneur 6

An efficient process “starts off with a phone call". It then continues on with a follow-up email and then into a meeting where the potential pilot customer will sign up for the project. Taking advantage of the startups network was important for an efficient process for NE6, it “being good and helpful (...) to get help from people who have been in that very same position before". NE6 mentioned that an efficient process consists of being productive in the school work, by having one day for school work a week. In that way focus can be 100 percent on the startup activities the rest of the week.

6.1.7 Nascent Entrepreneur 7

Being visible for potential pilot customer is what NE7 expressed to characterizes an efficient process through fairs and conventions. Talking with potential pilot customers face-to-face is also mentioned: “Often they ask us to send an email, but we try to set up a meeting." One thing a one can do to make their process more efficient is to take advantage of the alumni, as they are easiest to reach.

6.1.8 Nascent Entrepreneur 8

NE8 stated that: “You have to get them excited." If the potential pilot customer is excited about the product then the process can go faster, they are wanting the product as much as the nascent entrepreneurs. NE8 used NE3 as an example of an efficient process where the nascent entrepreneur goes out and starts the process of acquiring potential pilot customers before the technical development has finished. Using one’s network was also mentioned as a characteristic of an efficient process and NE8 found their pilot customer through being active in using their network.

6.1.9 Nascent Entrepreneur 9

Cold calling represents an efficient process, according to NE9: “Just start calling." “Try to get a yes under the call.” Being direct can help to make the process more efficient by already from the first contact communicate your intentions with the phone call. Taking advantage of the one’s network can also help in making the process efficient. In addition, if you have a starting point the process will get more effective: “It’s less of a cold call." “I think it is important to (...) find out what type of customer (...) and then make a list of potential leads and then (...) rank them." NE9 therefore expressed that there should be some pre-work before a nascent entrepreneur starts to contact potential pilot customers.

6.1.10 Nascent Entrepreneur 10

NE10 mentioned NE3 as a good example of a nascent startup which has had an efficient process in finding their pilot customers: “They have pilot customer lined up if their product get finished." “They contacted the pilot customers quickly in the process." This can be interpreted as NE10 believing an efficient process of being direct and assertive. Network is mentioned as something that can make the process more efficient as well.

6.2 Presentation of the mentors and staffs conception of an efficient process

In the following chapter, the mentors and staffs conception of what an efficient process is, is presented.

6.2.1 Staff 1

S1 expressed that being a student in itself is efficient and compared being a student to being explorative, curious and open to new insights: “We have seen that our student are not typical entrepreneurs. They keep a more explorative identity, and making them more into innovators than only being entrepreneur in the traditional sense." According to S1, changing and adapting are the characteristics of an efficient process. Being able to iterate was also mentioned when describing an efficient process, as well as taking advantage of the startups network.

6.2.2 Staff 2

S2 expressed that an efficient process is characterized by reaching out to potential pilot customers early on, between the concept is created and the product is to be developed: “I think there has to be a little bit of an initial understanding." The contact should be executed through a phone call, “you need to be talking to the person, rather than emailing.” Staff 2 supports the nascent entrepreneurs in achieving an efficient process by having courses early on that emphasize the importance of reaching out early to potential pilot customers. S2 expressed that the staff should “be kicking the students in the butt” to get them started, by emphasizing contacting pilot customers, and the business advisor should be ‘on’ the nascent start-ups all the time to reach out to customers.

6.2.3 Staff 3

S3 expressed that an efficient process starts out by calling: “Always call, it is wise.” As it is easier to reject an email than when you can hear someone's voice. One needs to be active in the start, “get out and talk to people.” It is important for the nascent entrepreneurs to be aware that the process will not be linear, you will have to go back some phases and iterate, they have to be aware that the process will not be same all the way.

6.2.4 Staff 4

S4 only works with administrative tasks and did not, in a result of that, not know anything about the process towards a pilot customer.

6.2.5 Staff 5

An efficient process was according to S5 all about “input, and then going back. New input and going back, and new action.” An efficient process is one where a startup iterates between different phases and learns while experiencing them. S5 stressed the fact that a startup needs to know what they want from a pilot customer and should therefore do some work before contacting the potential pilot customers.

6.2.6 Mentor 1

An efficient process, was according to M1, characterized by being assertive and going out from day one searching for potential pilot customers. M1 strongly expressed that the startups should acquire potential pilot customer before one has a need for a pilot customer. M1 expressed that too many feel the urge to work more with their technical development before acquiring potential pilot customers, and feels that this is not right: “No, no, pick up the phone today." It is thus important to be active and daring, reaching out to potential pilot customers from day one: “It’s more comfortable to take the product development path, it’s not as scary, but it is better to focus on the customer."

6.2.7 Mentor 2

M2 expressed that sending out an email as the first contact will make the process more efficient. This is for the reason that the potential pilot customer will then have something to look at when you first take the telephone conversation to them. The nascent entrepreneurs should develop and redevelop the concept in parallel to the pilot customer acquisition process through an iterative process. Characterizations of an entrepreneur who is efficient is being open and dynamic during the whole process, being able to think differently and tackle difficulties along the way without standard solutions. As one moves through the pilot customer acquisition process, one learns and this should be emphasized through an iteration and learning process, according to M2.

6.2.8 Mentor 3

A characteristic of an efficient process was according to M3, being able to be perceived as important and interesting: “When you get them interested, then the rest will be easy.” Sending out an email before calling is positive, because the potential pilot customer will then have a chance to be informed before the phone call comes: “I would not call anyone cold.” To make the process even more efficient, one should try to visit the business and work on building a large network. One should also iterate on the contact, going out there and being active.

6.2.9 Mentor 4

“Call first, then run out.” An efficient process was characterized by M4 as being active, “we don’t build strategies, we just pick up the phone and get on with it”. The efficient process starts out by calling first before heading out to meet the potential pilot customer face-to-face. One should always start with cold calling: “To use email for the first contact, absolutely no (...) it’s a waste of time." For the idea and concept creation, M4 expressed that people use too much time on the phase: "But this is something one learns when one is out and meeting customers."

The following table shows a summary of the authors´ findings on what the respondents expressed are actions that when executed will contribute to an efficient process. As one can see, there are four actions which are mentioned often by both the nascent entrepreneurs, mentors and staff; using one's network, being highly assertive, iterating and meeting the potential pilot customer face to face. These findings will be further analyzed in Chapter 7.

	Use network	**Highly assertive**	**Iteration**	**Email**	**Cold call**	**Learning**	**Meeting**
NE1	X			X			X
NE2	X				X	X	X
NE3	X	X	X		X		X
NE4	X				X		X
NE5	X		X		X		X
NE6	X				X		X
NE7	X	X			X		X
NE8	X	X	X		X		X
NE9	X	X			X		X
NE10	X	X		X			X
S1	X		X				X
S2		X			X		X
S3		X	X		X	X	X
S4							
S5	X	X	X		X		X
M1		X				X	X
M2		X	X	X		X	X
M3	X	X	X	X			X
M4		X			X	X	X

Table 5: Actions in an efficient process

6.3 Respondents reactions to Model 2

In the following chapter, all respondents reactions to Model 2 is presented.

6.3.1 Technical development

Technical development should also be mentioned between "contact" and "agreement" (NE9). M3 expressed that one should adapt the product along the process: "I think it is a sales process, and technical development happens along the way."

6.3.2 Iteration

S1, S3, S5, NE8, M4 and NE3 wanted to see an iterative model where the startup is learning from experience: "The entire venture creation phase (...) is a very iterative process" (NE3), where one goes one step forward, where one finds new information which can mean that they will have to go one step back again. S3 emphasized that the learnings from one experience will affect how the nascent entrepreneur reacts when starting the process over again (S3).

6.3.3 Dormant Phase

NE2, S5 and S1 addressed a lack of a dormant phase in Model 2, and the importance of thinking about what characterizes a dormant phase, namely it being “strategic". This means that the actions together with a pilot customer is put on hold on purpose, due to certain circumstances, such as technical development before an agreement is signed.

6.3.4 Search, selection

M1 expressed that a plan should be made before starting to search and contact potential pilot customers. NE3 agreed: “It’s important that you are prepared for the first phone call." When contacting the first potential pilot customer, persistence is important, according to NE3: “There is always a way in (...) don’t terminate because of a phone call." S1, S3, M2, NE3, NE9 stated that “Search” and “Selection” is the same thing, that through the first contact one will have a feeling whether or not one wants to continue on with a collaboration or not. NE3 further explained that “Selection” should come after “Search” and “Contact". This is for the reason that one will have difficulties taking a decision on whether or not to continue with the process if one has not spoken to the potential pilot customer.

6.3.5 Negotiations

Regarding model 2, NE8 and NE9 did not see the need for a “negotiations” phase as their collaboration with their pilot customer concerns testing the product, not selling it. NE1 however, expressed that the “negotiation” phase is more a phase of opportunity recognition between the two parties rather than a negotiation based on economics. S5 and S2 mention that the “negotiation” phase takes place all along, “everything is negotiations (...) and it is constantly ongoing”.

6.3.6 Agreement/Termination

NE2 expressed that it should be possible for the parties to terminate an agreement after it has been signed, for example if milestones are not met. NE4 mentioned that there should be some follow-up after the agreement has been signed. NE10 wanted to change “termination” to pivot, as NE10 expressed that one can always find something to solve for a business.

6.4 Summary

First, the actions contributing to an efficient process in the respondents views were presented. What stood out, is that using your network, being assertive, iteration and meeting people face to face were all actions the respondents valued for a more efficient process. When examining Model 2, the respondents had mixed feedback. Search and selection should be together and there should be more focus on dormant phases, iteration and technical development. The overall feedback was that the model was very representable as it was.

7. ANALYSIS

In this chapter the theoretical framework will be used to analyze the findings. First, the two empirical and theoretical initiation process models are analyzed. Thereby, the SEs influence on the nascent entrepreneurs process of acquiring pilot customers are analyzed. Finally, the analysis shows four overarching characteristics of the process when acquiring a pilot customer. These are presented, and the analysis is wrapped up with a summary.

7.1 Analysis of the initiation process models

In this sub-chapter, the empirical initiation process model, Model 8, will be viewed in light of the theoretical initiation process model (Model 2). Then, this model will be analyzed with regards to efficiency, based on theory and the view of the respondents.

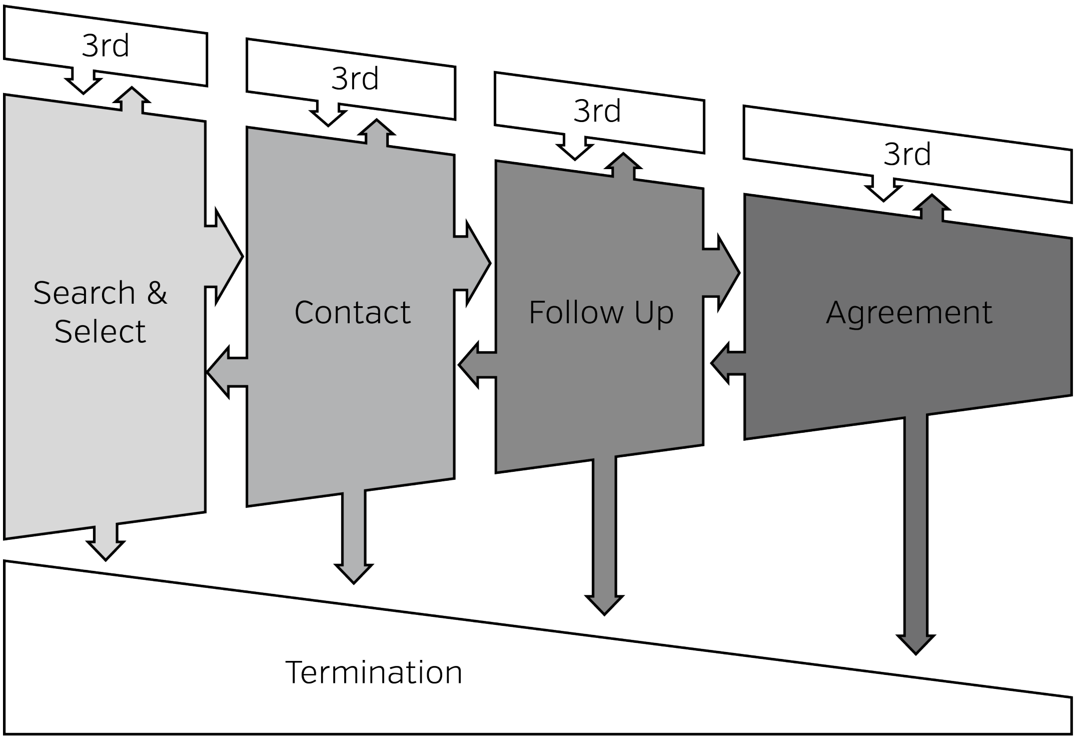
The empirical findings revealed ten different, current processes of reaching a pilot customer. The authors have summarized these current process in Model 8. Edvardsson et al (2008) and Turnbull et. al (1996) argue that there are no clear stages of relationship development. This is reflected in Model 8, as some of the stages float into each other. Aarikka-Stenroos (2008) found that existing relationship models include the initiation as a phase, stage, state or status, but seldom focus on the essence of the phase. Missing the essence of a stage might be a consequence of the blurriness of the initiation (Holmen et al., 2005). The similarities between the theoretical Model 2 (Hetzel, Neergård and Sørensen, 2014) and the empirical Model 8, is mainly the stages, as both processes start with search, and after search and selection comes first contact. Both models include termination, visualized as a step in Model 2 and as a narrowing in Model 8. Other than these three similarities, the models are quite different from each other, event though they describe the same process. These differences are presented in Table 6:

Model 17: The current process of acquiring a pilot customer	**Model 2: Process of initiating a pilot customer relationship**
Based on qualitative interviews	Based on literature
Time and effort based, funnel model	Time based, linear model
Search and selection stages are merged	Search and selection stages are separate
Contact form is specified as cold calls, emails and events	Contact form is not specified
The mid stages are follow up and meetings	The mid stages are get to know and negotiation
There are iterations and learning between each stage	Going back from each stage is an option
Third actors are specified at each step	Third actors are generally mentioned

Table 6: The empirical Model 8 viewed in light of theoretical Model 2

When examining the empirical model in light of the theoretical model, one of the main findings is the amount of details. The empirical model, (Model 8), has a lot more details than the theoretical. This is natural, as the nascent entrepreneurs have been describing specific, everyday tasks. The theoretical model, on the other hand, is based on generalistic theories. These theories do not focus on startups located at SEs initiating pilot customer relationships, and the theoretical model is thereby not that applicable when explaining these startup's processes. This is linked to the lack of research on the topic. The detailed findings can thereby function as an important difference in the discussion, as these might be the ones separating the nascent entrepreneurs from other entrepreneurs external to the SE. The stage "Follow up" (Model 8) instead of "Negotiation" (Model 2) is an example of how the existing theory does not fit the reality of startups located at SEs, as nascent entrepreneurs seldom do financial negotiations (M3). Follow up, on the other hand, is crucial, as "nothing can happen unless you are able to get that first appointment" (Shiffman, 2007). The follow up can also be explained as an "exploration", as discussed by Dwyer, Shurr and Oh (1987). Actions related to this phase will be analyzed with regards to efficiency. As some nascent entrepreneurs like to attend meetings without planning in advance, as "learning will come at the meeting" (NE7), other spend hours preparing meetings with their mentors (NE10). Some also describes going back and forth between stages, until their product is improved (NE3, NE5). These actions will be further analyzed as assertiveness and iterations.

The empirical Model 8 is designed as a funnel, visualizing contact with many potential pilot customers, and narrowing down the number of connections as the process moves towards an agreement. This is supported by the "sales funnel" by Dalrymple, Cron and DeCarlo (2004), illustrating the sequential narrowing of a field of possible customers. Their funnel starts with unqualified opportunities, narrows down to qualified opportunities, thereby to the best few, and in the end to closed customers (Cooper & Budd, 2006). Thus, the detailed information about each step may provide new knowledge to startups located at SEs. Combining the theoretical model with the specific knowledge about the nascent entrepreneurs' process, results in Model 19:



Model 19: Analysis of the initiation of a pilot customer relationship

In this model, "Search and Select" are the same starting point. The merging of "Search and Select" was argued by NE3 and NE1, among other nascent entrepreneurs. The wish to merge different stages may be explained by the fact that they are blurry, as described by Aarikka-Stenroos (2008). "Search and Selection" is thereby followed by "Contact", "Follow Up" and "Agreement". Third actors affect the different stages, and there is a possibility to move back from each step. It is also possible to terminate the relationship. The model is built on the notion of the "sales funnel", where it is assumed that the nascent entrepreneur have to search for, and contact, several potential pilot customers to end up with one agreement. Termination is an option in all steps of the process and is therefore, represented as a funnel in its own.

This analysis proves that the details in the empirical findings is of great relevance when describing the initiation process of nascent startups located at SEs. It seems like the theoretical model is too general to describe the nascent startup's process. This may be linked to the lack of theory on nascent startups and nascent entrepreneurs located at SEs and their process of initiating pilot customer relationship. Model 19 will be analyzed further together with the findings of an efficient process, aiming to explain how the process can be efficient.

7.1.1 Model 19 in an efficient perspective

Based on the lack of literature and frameworks on how to make the process towards a pilot customer efficient (Neergård, Hetzel and Sørensen, 2014), it is relevant to analyze the findings on what an efficient process is. Since this thesis concerns an efficient process towards a pilot customer, the authors wish to find out how a nascent entrepreneur can be efficient when using Model 19. "Search and Selection" is analyzed further, along with the specificity of "Contact".

Personal traits and actions such assertiveness, iterations and having a dormant stage is also further analyzed to explore efficiency in the process.

7.1.1.1 Search and selection

This sub-chapter analyzes the importance of identifying potential pilot customers, and the means to do so. Jack, Dodd and Anderson (2008) claim that entrepreneurs will focus on developing new ties in the first phase. The findings show that all nascent entrepreneurs mention search before first contact. They explain that existing network ties, such as mentors, are used whenever possible (NE2, NE4, NE10). This is in accordance with Hoang and Antoncic (2003), stating that the key activities in the first stage is to identify people that can be of value to the firm, and to contact relevant pre-existing contacts. The nascent entrepreneurs explain that they search and select interchangeably online, using both Facebook, LinkedIn and articles found on Google (NE1, NE10). This builds up under Wahid and Indarti's (2014) research, revealing that entrepreneurs use Facebook to facilitate contact with already strong ties and people with similar interests and that online social capital is important to entrepreneurs success. Most of the nascent entrepreneurs have used social media in order to research or get in touch with somebody in their network or second degree network. In this sense, social media may function as a third actor in it self, this is however beyond the scope of this thesis, as it only examines third actors affiliated with the SE. NE3 is critical to the use of online networking: "It looks like everything is supposed to go through Facebook and that sucks". This is supported by Wahid and Indarti (2014), warning entrepreneurs not to rely on online networking alone. NE3s statement diversifies from the rest of the nascent entrepreneurs, that do not hesitate to use social media as a networking channel.

Thus, nascent entrepreneurs *explain that they search and select interchangeably when using online networking channels. Hoang and Antoncic (2003) explain this as a period of identification. It could be discussed if social media can act as a third actor in itself, this is however not discussed further due to the scope of this thesis. The use of social media as networking channels to reach third actors is however an important topic that will be discussed in Chapter 8, Discussion.*

7.1.1.2 Method of first contact to potential pilot customer

The empirical findings provided details that may explain the specific process of the nascent startups located in SEs. This sub-chapter analyzes why a certain method of first contact is chosen, and how the method may affect the initiation process. The findings reveal that there are two main methods of first contact with a potential pilot customer. Two of the nascent entrepreneurs prefer using email as a mean of creating first contact (NE1, N10), while eight of the nascent entrepreneurs prefer calling. Sending an email enables the entrepreneur to explain why the potential pilot customer has been contacted: "Sending an email first will make the phone call easier" (NE1). The email may awaken the person's curiosity and function as a reference point when calling (M2 and M3). The other method of first contact is cold calling, which concerns calling to businesses without having had any contact beforehand. Some nascent entrepreneurs may have executed initial research on the business before the cold call: "Be prepared for the call and understand who you are calling" (NE3). Cold calling corresponds with being highly assertive, as it is used to reach out to potential pilot customers from day one (NE3). This is encouraged by both SE1 and SE2, arranging competitions and "acid tests" where cold calling is the main action (NE3): "One of the first activities from the faculty was a cold calling competition" (NE9). This is underlined by M1 and M4 stating that nascent startups do not need to work extensively with the concept before reaching out to potential pilot customers: "Just pick up the phone and get on with it" (M4). The findings show that companies are not good with answering emails and one faces the risk of the company not responding at all: "It's much easier to decline an email than it is to decline a person who calls you over the phone" (S3). When calling, the entrepreneur will know for sure if the recipient has received the information or not. According to Schiffman (2007), cold calling is the best and most economical way to develop prospect on an ongoing basis, often with little preparation in advance.

Thus, the first contact is characterized by both culture and personal traits, as cold calling and assertiveness is favored by the staff at the SEs. This may be a result of their theoretical knowledge, as Schiffman (2007) claims cold calling to be the most economical way to connect. Cold calling tied to assertiveness will be discussed further below.

7.1.1.3 The function of being highly assertive

Being assertive is already mentioned as a personal trait leading to actions supported by the SE staff. This sub-chapter explores how this trait may affect the process of initiating pilot customer relationships. When asked to mention a startup which they believe had an efficient process towards a pilot customer, several nascent entrepreneurs mentioned the nascent startup of NE3. NE3 has two pilot customers, without having a product finished. They "are precautionary. Without having developed something, they started to look for pilot customers" (NE8). This is categorized as being highly assertive: "They have pilot customers lined up if their product becomes ready" (NE10). From these statements, highly assertiveness is explained as a positive trait towards an efficient process. Being highly assertive enables the nascent startup to develop the product together with the pilot customer and adapt the product to the end users if the contact is completed before product development. M3 states: "It is the person who receives the product and uses it that feels it is valuable". For that reason, M3 states that one should develop the product together with the pilot customer, to avoid inefficiency if the pilot customer suddenly proclaims that "no, this is not how we want it". NE3 chose to conduct the first contact with the pilot customers through a cold call, which strengthens the fact that cold calling contributes to an efficient process. Creating a concept or product draft before an agreement had been made, is mentioned as well: "There has to be sense of a concept, before they go out to a customer" (S2). NE10 claims that "the pilot has to believe in you", which can be easier if it takes place through accomplishments of milestones together with the pilot customer. The finding of nascent entrepreneurs being highly assertive corresponds well with the findings of the characteristics of nascent entrepreneurs at the SE as social and hard workers, as presented in Chapter 4.

The example of NE3 shows that pilot customers may be acquired before the product is developed. This is linked to being highly assertive. Developing the product together with a pilot customer may prove the quality of the pilot customer, which is important to understand whether or not the initiation process has been efficient.

7.1.1.4 Iterations as part of the process

Iterations are frequently mentioned in the results as an important part of an efficient process, and is thereby analyzed in this sub-chapter. Having a process where one iterates is seen as an important characteristic in receiving a pilot customer: "You have to iterate a lot, with meetings and cold calls" (NE5). The finding show that iteration takes place in the first three stages, "Search", "Selection" and "Contact". To iterate in these stages mean that one does the phases several times. A reason to iterate, both within and between relationships, is that one might not receive the information or the collaboration which is best for the nascent startup with the first potential pilot customer contacted. Then one will need to do the process again. This corresponds with the social network perspective, as the networking process for emerging firms is more difficult, due to the fact that they lack visibility and have an uncertain future (Hite and Hesterly, 2001). There is therefore a risk involved when developing a network tie with a nascent startup. This can be a reason for why one needs to iterate, as they actually do have trouble reaching out to potential pilot customers with their liability of newness and therefore need to repeat the process several times. Iteration will therefore be a natural process for a nascent startup and its entrepreneurs. Iteration is more than just the startup having trouble reaching out, but it also consists of an important part, which is learning. S5 and M4 stressed this point, that one will learn during the iteration stages and use that experience when reaching out to the next potential pilot customer. The more one iterates, thus larger one's network becomes.

Hoang and Antoncic (2003) mention that when starting a networking process, one will take pre-existing contacts into consideration as well. Another possibility is to iterate within a business, contacting several different employees to get what you want. When taking iteration as a part of the process into consideration, one can compare the findings to the critique of the stage model, completed by Polonsky et al. (2010), stating that the stage model is linear, rigid, and not including the complexity of the business network. When seeing how important the business network is for the nascent entrepreneurs, one can see that a stage model as a pilot customer acquisition process will not be appropriate to use. Iterations, on the other hand, may make the process less linear, as one can then take a step further, backward or jump between phases (Batonda and Perry, 2003).

The analysis proves that iterations are strategically important from an empirical perspective, leading to efficiency through learning by doing. Iterations should therefore be part of the nascent entrepreneurs' *process of initiating pilot customer relationships.*

7.1.1.5 Strategic dormant stage during the process

This sub-chapter analyzes the strategic use of a dormant stage, as dormant stages are not included in Model 2, but frequently mentioned in the empirical data. Several of the nascent entrepreneurs are in dormant stages during their current process of initiating pilot customer relationship. NE5 is in “standby mode” until their product tests are done, NE9 send out monthly newsletters to keep their pilot customers up to date while they are in a dormant phase, and NE7 put them on hold and call their potential pilot customers when something relevant takes place (NE5, NE9, NE7). The nascent entrepreneurs are in this way maintaining the relationship even though it is not moving anywhere. This is something executed on purpose, a *strategic dormant phase*: “We want to wait” (NE7). Edvardsson et al. (2008) express that an initiation of a relationship can pause, despite ongoing activities and this corresponds well with the findings from NE7. Edvardsson et al. (2008) express that a relationship does not develop in a certain manner, which support the statement from S3 that no process will be the same and it is therefore not possible to make a stage model (Batonda and Perry, 2003) with sequential stages (Ford, 1980). When the startups want to get out of the dormant stage, third actors could accelerate the process. Aarikka-Stenroos and Halinen (2007) suggest third actor roles that might fit the dormant phase of the initiation process. The SE as an organization may function as an *accelerator*. It can also function as an *advocate seller,* providing credibility as independent experts, or as a trust builder, as the SE has built trust through several years of communication with the industry (NE8).

These findings indicates that some nascent entrepreneurs gather several pilot customers, keep them purposely on hold, and thereby use them whenever they need to. Thus, the strategic dormant phase is a quiet phase for the pilot customer, but an active phase for the startup. When wanting to move forward, third actors may be important accelerators. The findings may be linked to the question of efficiency in terms of quality or quantity in relationships.

7.2 How the SE provides the nascent entrepreneur with a network

This sub-chapter seeks to analyze how the SE affect the nascent entrepreneurs network in the process of acquiring a pilot customer. Seven out of ten nascent entrepreneurs have focused on utilizing their network from the very beginning and before first contact. Some already have a direct link to a potential pilot customer (NE2, NE4), while others develop their network using mentors and social media (NE10). It is evident that third actors may facilitate the process of acquiring a pilot customer. Slotte-Kock and Coviello (2010) suggest that the entrepreneur should develop a diverse network to access knowledge and experience in different types of markets. This is highly cohesive with the results from the interviews, where lessons learned and knowledge transfer are mentioned as the main functions of all the actors involved in the SE. The results regarding startup facilitation within a SE seem to correlate very well social network perspective as described by Thornton et al. (2011). The main message is that entrepreneurs need some complementary resources from others to succeed.

An important theoretical focus is strong and weak ties, briefly mentioned in the results by NE8, explaining how trust in ties may be used in valuable business relationships, by leveraging "direct links (...) whether it is the faculty or others" (NE8). In addition, S3 and several nascent entrepreneurs mention the growing number of valuable "friends" of the SE. This is in accordance with Hite (2005), stating that the startup can access resources through network ties. Relationships between two SEs may be an example of strong ties, trying to learn from and inspire each other, "enabling the students to benefit from both environments" (S1). S3 describes the relationships with other SEs as very important as well and thereby, explains how other international relations not tied to other SEs may be more weak, but still important regarding learning opportunities: "And then we have, a bit more in the periphery, but still, in (Asia) … the international network is quite important" (S3). The findings correlate with Elfring and Hulsink (2003), claiming that both weak and strong ties are important for a startup and that weak ties may be upgraded to strong ties, if this is seen as needed (Elfring and Hulsink, 2007). The findings are in addition underlined by Cooper and Park (2008), arguing that the environment of the entrepreneur has a critical impact on the entrepreneurs opportunity recognition. Actors affiliated with the SE does influence the nascent entrepreneurs opportunity recognition, both in terms of ideas (S1) and funding opportunities (NE6 and NE8).

Nascent startups have the liability of newness (Elfring and Hulsink, 2003; Elfring and Hulsink, 2007; Hite, 2005 and Witt, 2004). Due to this liability, the initiation process will often start by contacting family and friends (Hite and Hesterly, 2001). This corresponds with the findings, were the alumni is often mentioned. Former students are referred to as friends (NE10), that are heavily used when networking (NE7), as they "have been in that very same position before" (NE6). Alumni and peers are mentioned together with other close connections such as university staff, students, researchers, co-workers and friends. However, NE4 warns startups of just using their current network as a source to receive contacts: "It might not happen that your network contains the best pilot customer you could have had" (NE4). This can be interpreted that using your network is very important, but it should not be the only one a startup uses, due to the risk of missing opportunities. Using existing networking ties is also connected to the entrepreneurs networking capabilities (Witt, Schroeter and Merz, 2008). Being assertive might be one of these, and will be further discussed in the next chapter.

The results describe how the SE provide the nascent entrepreneurs with a diverse network of strong and weak, international and national ties. By sharing these bonds, the SE acts as a third actor, based on the definition by Aarikka-Stenroos (2011). It is a risk that the nascent entrepreneurs end up using existing close connections instead of widening their network. This will be discussed further.

7.3 Relationship management

This sub-chapter analyzes the importance of relationships and the risks of network overload.

A firm's relationships is one of the most valuable resources one possesses (Ritter et. al, 2004), and a network can lead to competitive advantage (Shane and Cable, 2002). All findings point towards this, as none of the nascent entrepreneurs interviewed believed they would have been where they are today without their relationships. Using networks to acquire contacts and introductions is the most mentioned characteristic of an efficient process by the nascent entrepreneurs. The resources saved for this factor is represented in time: “The network can shorten the path” (NE9). NE4, NE5, NE8 also mentioned that one could skip some of the phases in the process. The findings corresponds with Anderson, Dodd and Jack (2010), Davidsson and Honing (2003) and Slotte-Kock and Coviello (2010). By using one’s network one can improve the efficiency, and make the startups more successful (Brüderl and Preisendörfer, 1998; Hite, 2005). There are however some risks of acquiring a pilot customer and one of them concerns network overload. Network overload can come through too much focus on networking (Elfring and Hulsink, 2003 and 2007). Network overload can occur if a firm has too many weak ties to manage, since this type of tie is more difficult to manage than strong ties, being more time-consuming. This has happened to several of the nascent entrepreneurs, having many leads but no time to follow up (NE1, NE2, NE10). NE7 is the exemption, maintaining relationships with eighteen pilot customers. Managing relationships successfully is thereby a core competence of NE7s startup, according to Ritter et al. (2004).

Thus, relationship management may lead to both startup success and networking overload. Relationship management is therefore of crucial importance to the nascent entrepreneur, and will be discussed with regards to internal and external factors that might affect the process of initiating pilot customer relationship.

7.3.1 Personal traits affecting relationship management

This sub-chapter analyzes how personal traits may affect the initiation process. Being assertive represents being confident in one’s actions and being direct in communication with potential pilot customers. The authors interpret being highly assertive as starting to take initiative towards acquiring a pilot customer early in the startups life. Thus, being assertive in regards to finding a pilot customer concerns being visible to the potential pilot customers from day one. The findings from the nascent entrepreneurs show two opposites regarding how assertive the startups are when finding pilot customers. Either the process of acquiring a pilot customer is started early or late, by highly or less assertive nascent entrepreneurs. Regardless of method, the goal of the first contact is to get a meeting with the potential pilot customer. There is correspondence between the staff and the entrepreneurs on this, where all nascent entrepreneurs mention it as important as well as M1, M2, M3, M4, S2, S3 and S5. This strengthens the analysis that a meeting is important for an efficient process: “I speak early about meeting customers, that is the first thing you should do” (M4). “Just do it” (NE3), is a *highly assertive* statement, referring to reach out to potential pilot customers from day one of a startup's life. NE9 is a good example of a nascent entrepreneur which has been highly assertive, booking 30 meetings on one of the first days at the SE. NE3 is another example, acquiring a pilot customer long before their product is developed. As a contradiction, NE4 states: “Depends very on the idea, is it very technical?” (NE4). This could be interpreted as if there is a long technology development cycle, then one might want to wait to acquire a pilot customer. This statement is categorized as *less assertive*, since the nascent entrepreneur will put the process of acquiring a pilot customer on hold until the product has been developed some more. Thus, the highly assertive nascent entrepreneurs reach out to pilot customers immediately, while less assertive nascent entrepreneurs may await contact.

Thus, the nascent entrepreneurs need a diverse network, and should not restrict themselves to only use their existing network. Still, close connections are heavily used by nascent entrepreneurs *in the beginning of the process of acquiring a pilot customer. Being assertive implies that the nascent entrepreneurs takes initiative in the initiation of a pilot customer relationship early on, which is an attitude that is linked to efficiency. On the other hand, networking overload may be a result and a concern for startups lacking time and resources to manage several ties. Relationship management is important for startups, as a networking process may lead to both quality and quantity.*

7.4 Third actors influencing the process towards a pilot customer

This sub-chapter analyzes the twelve third actor roles by Arikka-Stenroos and Halinen (2007) with the findings. When comparing the theory with the empirical findings, there are several discrepancies. First of all, the twelve third actor roles by Aarikka-Stenroos and Halinen (2007) do not fit the findings, due to the focus on nascent entrepreneurs initiating relationships with pilot customers, in contrast to ordinary seller-buyer relationship. Staff, mentors, peers, alumni, the SE, and individual third actors representing the industry are mentioned as third actors. Thereby, the third actors are mentioned as both individuals, organizations, artifacts and collective of third actors, correlating with Aarikka-Stenroos (2011). This thesis does not examine the customer's experience of the relationship and thereby, both evaluation assistants, expectation builders, risk reducers and providers of concrete evidence were found to be less relevant.

Relevant third actor roles	**Performed by whom**	**Performed as these actions**
Scout	Staff, funding organizations	Provide information (NE1, S4)
Access provider	Mentors	Sharing of networks (NE8, M3)
Awareness builder	Mentors, staff, funding organizations	Sharing of networks (NE8)
Match maker	Mentors and funding organizations	Sharing of networks (NE8)
Trust builder	Staff, mentors, SE organization	Sharing network (NE8)
Accelerator	Staff, mentors, SE organization	They “pull the strings” (NE3) and push the entrepreneurs (S2)
Risk reducer	Staff, mentors and SE organization	Providing information resulting in learning (S3)
Advocate seller	Staff, funding organizations	Marketing (S4)

Table 7: Relevant third actor roles within the School of Entrepreneurship

According to Table 7, the eight relevant roles are performed by staff, mentors, the SE as a whole organization, or funding organizations. Providing information, sharing network, pulling the strings and pushing the entrepreneurs through the process, is one of the main actions of the third actors (NE1, NE3, NE8, M3, S2, S3, S4). People functioning as mentors and staff are the most important actors, being involved as all eight roles. Facilitating learning by doing and start-up activity is presented as the most important function of both mentors and staff, influencing the entrepreneur's skills and actions, and thereby also their process of initiating a pilot customer relationship. According to Rasmussen and Sørheim (2006), learning by doing requires mentors and funding. NE5 and NE3, on the other hand, explain that acquiring mentors is the result of a learning process. This disagreement with Rasmussen and Sørheim (2006) is underlined by the fact that several of the nascent entrepreneurs do not make use of the mentors the SE has found for them, and thereby have to learn how to get mentors involved.

Thus, eight of the twelve third actors proposed by Aarikka-Stenroos and Halinen (2007) seem to be relevant for the nascent entrepreneurs. People functioning as mentors and staff seem to be the most important persons, especially as they facilitate learning by doing, influencing the entrepreneur's skills and actions. However, NE3 and NE5 argue that the desired mentors come as a result of a learning process, and these opposites needs further elaboration. As one person may fill several third actor roles, it is necessary to focus on actions rather than actors, as the actors are the same.

7.5 Actions instead of actors

This sub-chapter analyzes how the different actors affiliated with the SE can be transformed into different roles. From the empirical results, it became evident that the actors affiliated with the SE were not important in themselves, but rather the actions they performed. This is still applicable when combining the results with theory, as the third actor roles are difficult to separate into certain actors. It is easier to explain how the different actors perform third actor actions. Based on the analysis of the theoretical roles by Aarikka-Stenroos and Halinen (2007) and the empirical results on nascent entrepreneurs, the following third actor actions are important when initiating a pilot customer relationship.

Action	**Performed by (actor)**
Preparing the nascent entrepreneur before each phase in the process	Mentoring function
Pushing the nascent entrepreneur forward, accelerating the process	Mentoring function and staff facilitating nascent startup activity
Sharing network with the nascent entrepreneur, creating access, awareness and matching	Mentoring function and staff facilitating nascent startup activity
Educating the nascent entrepreneurs, developing their skills and confidence	Staff and mentoring function
Accelerating the process by "pulling the strings"	Staff
Providing information about things outside the SE sphere	Staff
Helping the nascent entrepreneurs by providing skills and advice	Mentoring function
Providing the nascent entrepreneurs with answers to questions	Mentoring function and all affiliated actors

Table 8: Actions performed by actors

The table shows that the mentoring function which is most important for the nascent entrepreneurs in regards to providing actions in the process when acquiring a pilot customer. The actions can be summarized based on the table, as one can see four main actions that are provided to the nascent entrepreneurs by the actors. These are preparing, pushing, pulling and sharing. Preparation of the startups in the process, pushing them to execute the process, pulling strings to help the startup and sharing which is the most extensive action. Sharing consists of sharing one's network, knowledge (education and learning), information and sharing one's opinions on questions from the nascent entrepreneurs.

Thus, the findings focus on action, not actors, and explain how mentoring third actors prepare and push the nascent entrepreneurs, pull the strings, and share information to make the nascent entrepreneurs' *process of initiating pilot customer relationships more efficient.*

7.6 Four overarching characteristics of the acquisition process

The analysis shows four overarching characteristics of the process when acquiring a pilot customer.

The authors have chosen to call the first overarching characteristic for network management. This consists mainly of how the nascent entrepreneurs manage their network by taking advantage of it, building it while at the same time extending beyond it and making sure not to miss opportunities. Network management consists of making sure not to go into network overload as well, and if this occurs, going into a dormant phase with the potential pilot customer.

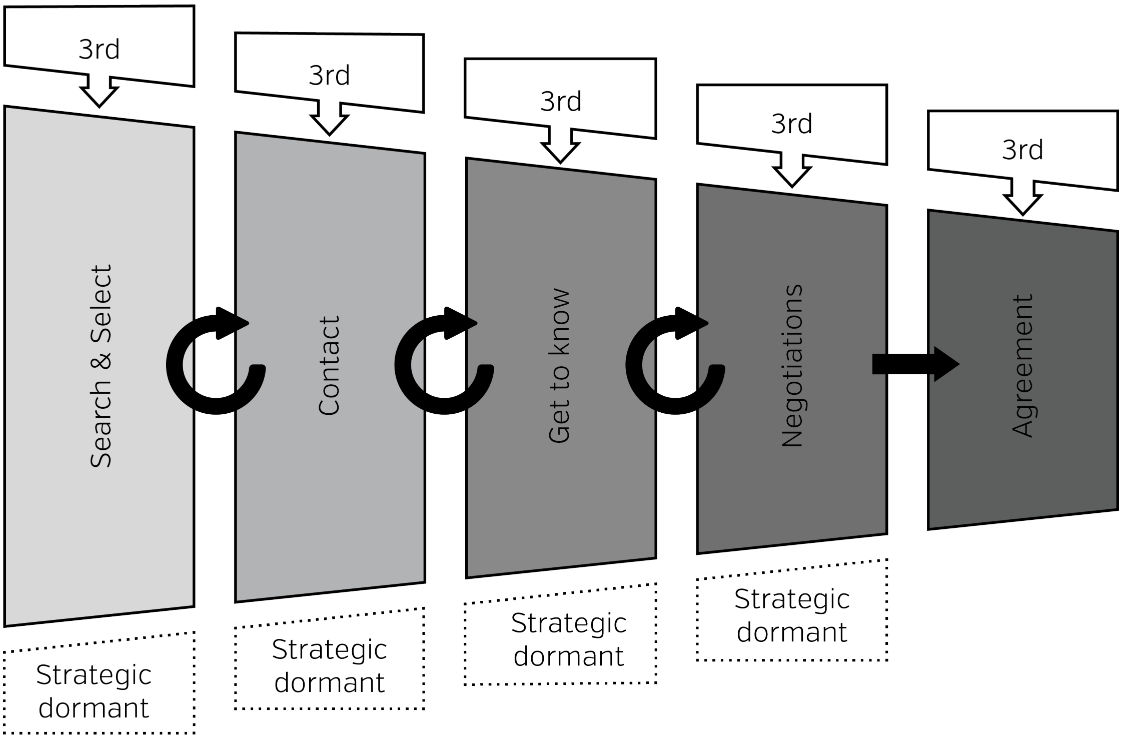
The second characteristic is called being assertive and consists of starting the pilot customer acquisition process from day one of the nascent startup's life. This means that the product development will be done together with the pilot customer, creating a product adapted to the future users. The highly assertive nascent entrepreneur uses cold calling as a method of first contact and has a goal of meeting the potential pilot customer in a physical meeting.

Learning is the third characteristic and consists of the learning process of the nascent entrepreneurs. This function comes mainly from the action of mentoring and through performing the iteration process. Learning also takes place from one acquirement process to another, as the nascent entrepreneur learns throughout every acquirement process [he/she] goes through.

The last overarching characteristic concerns third actors, that they are not actors, but rather actions. This is because the analysis showed that several actors had the same actions towards the nascent entrepreneurs and startups. Another characteristic which was found, but is not overarching is that the nascent entrepreneur should make sure that the efficient process does not just result in a quantity of pilot customers. Rather, it should result in pilot customers with quality, in terms of being an active pilot customer taking part of the startups technical development.

7.7 Summary

Model 2, Process of initiating a pilot customer relationship, does not cover an efficient process. Since there is little to no theory on what an efficient process towards a pilot customer is, the authors have created one. Based on the findings from the interviews analyzed with current literature on the subject, the authors have created Model 20, Acquiring pilot customers efficiently for nascent startup located at SEs. This model is based upon the four overarching characteristics. The main differences from the Model 2: Process of initiating a pilot customer relationship (Neergård, Hetzel and Sørensen, 2014), is that "Search" and "Selection" have been merged into one phase. The main reason for this is due to the fact that several interview subjects felt that these two actions are correlated and performed simultaneously, as the findings show. Another part of the first phase is preparation before the "Contact" phase. The iteration has been added, represented by the circles between the phases. This means that the nascent startup might iterate in one phase, but have a goal of reaching the next phase, represented by the arrow. A strategic dormant phase is included beneath each phase, as the nascent entrepreneurs can choose to go into the phase or not. Termination has been removed due to the fact that the sales funnel in itself represents a termination process. Negotiations is still present, as the main feedback from the respondents was that negotiations is a part of the process. The "3rd" may be interpreted as both actors and actions, as the thesis concludes that actions are more relevant than actors. Both are kept, however, because the nascent entrepreneurs will use actors to fulfill the actions.



Model 20: Acquiring pilot customers efficiently for nascent entrepreneurs located at SEs

7.7.1 The research questions

The thesis has three research questions and the analysis has resulted in the following:

RQ 1: How does a nascent entrepreneur *initiate B2B relationships with potential pilot customers?*

The first research question of this thesis concerns how nascent entrepreneurs initiate relationships with potential pilot customers. Through the analysis, several similar characteristics have been found on what actions takes place in such a process. The existing network is used whenever possible and actions are focused on instead of actors. Most of the nascent entrepreneurs start with search and continues with first point of contact, using either phone or email. They then continue with a follow-up in order to schedule a meeting, where the two parties get to know each other. Between the first and following meetings there is contact via email and phone. Some of the nascent startups are in a dormant phase between meetings and agreement, as they are waiting for their product to be developed, while other have signed several letters of intent. There are variations amongst the nascent entrepreneurs how much time they use on preparation and how much they use third actors for help in the process.

RQ 2: How does the connection to a School of Entrepreneurship affect the process of nascent entrepreneurs initiating relationships with pilot customers?

Through the analysis it has become evident that the SE affect the process of initiating pilot customer relationships. The relevant roles are performed by staff, mentors, the SE as a whole organization, or funding organizations. In addition, people functioning as mentors and staff are the most important actors. Providing information, sharing network, pulling the strings and pushing the entrepreneurs through the process are the main actions of the third actors. In the analysis, facilitating learning by doing and startup activity is presented as the most important function of both mentors and staff, influencing the entrepreneur's skills and actions, and thereby also their process of initiating a pilot customer relationship. Another aspect of the third actors influencing the process is social media, functioning as a new channel to reach third actors. Social media may fit the description of a community (collective of third actors) or an organization, as described by Aarikka-Stenroos (2011).

RQ 3: What characterizes an efficient process when acquiring a pilot customer?
The third research question of this thesis concerns the characterizations of an efficient process when acquiring a pilot customer. Through the analysis, several characteristics have been found on an efficient process when acquiring a pilot customer. Using networks to acquire contacts is the most mentioned characteristic of an efficient process. However, too much focus on networking may lead to network overload. Another characteristic of an efficient process is being highly assertive, which entails reaching out to potential pilot customers from day one. This entails working on technology development together with the pilot customer. In other words, the nascent startup should acquire pilot customers before the technology has been developed as this will contribute towards an efficient process. In addition, iterating both within and between phases has been found to be a characteristic of an efficient process, as it facilitate learning by doing. Learning by doing is an important aspect of the process, as it influences the entrepreneurial skills, and thereby the assertiveness of the entrepreneurs as well. Last, the analyses brings forward the possibility of strategic dormant phases, as part of an efficient process.

8. DISCUSSION

In this chapter, the research questions are combined with the purpose of the thesis. The purpose is to explore how nascent firms, located at SEs pursue the process of initiating a B2B relationship with a pilot customer, in an efficient manner. The research questions do not answer the whole purpose of this thesis. Therefore, the following chapter will address the purpose, through discussion of the findings in the analysis that are not addressed by the research questions. The main subjects concerns how the nascent entrepreneurs manage their relationships, learn through iterations, and how they are affected by third actor's actions.

8.1 Managing the relationships

It is evident that relationships are crucial for nascent entrepreneurs, however, managing relationships may be difficult and network overload may occur (Elfring and Hulsink, 2003 and 2007). In this sub-chapter, the challenges tied to relationship initiation from a nascent entrepreneurs perspective will be discussed. Network overload might be a consequence of poor relationship management and is discussed in detail. Finally, the road to an efficient initiation process as an entrepreneur is discussed.

8.2 Handling challenges in the initiation process

The analysis highlights several challenges for the nascent entrepreneurs trying to initiate a pilot customer relationship. The first challenge which emerges is the challenge of reaching potential pilot customers, meaning that the nascent entrepreneurs need to make use of weak ties. The challenge of not relying on the current, social network, is thereby discussed in this sub-chapter, to examine how nascent entrepreneurs *can improve relationship management.*

The nascent entrepreneurs are enrolled in the SE with different backgrounds, networks and experiences (NE10, S4). This provides the nascent entrepreneurs with an already established wide social or business network, which is a different precondition than the nascent entrepreneurs not enrolled in an SE. The nascent entrepreneurs should not restrict themselves to only using their current network, as this can lead to lost opportunities outside their current network (NE4). Social connections may be linked to the age of the entrepreneur. Renzulli, Aldrich and Moody (2000) state that age is important, as the entrepreneur's network will grow through involvement in work, family and associations as years go by. This corresponds with the findings from the nascent entrepreneurs, as the nascent entrepreneurs are young and dependent on close relations in the beginning of the relationship initiation. The average age of the nascent entrepreneurs is 26, which correlates with findings of Wahid and Indarti (2014), interviewing nascent entrepreneurs at the average age of 28 years old. The authors consider it likely that young nascent entrepreneurs may miss out on opportunities due to the high dependency on close contacts, rather than going far beyond one's existing network.

The age of the nascent entrepreneurs and their network size is relevant, as these two factors can influence their use of networking channels. The empirical findings matches the theory, as entrepreneurs use social media as a tool in the process of acquiring a pilot customer, especially in the early stages of search and contact. From the author's perspective, is seems that the young nascent entrepreneurs supplement their small network with taking advantage of social networking, through for example LinkedIn. The findings of Wahid and Indarti (2014) explain that online social capital may be important to entrepreneurs success. However, the entrepreneurs could not rely on this networking alone. NE1, NE3 and NE4 mentions the Facebook page where they interact with alumni. They all seem to agree that this enables connection with dedicated mentors: "We are very happy with their motivation and willingness to help" (NE4). NE3, however, reacts negatively to the notion that "everything is supposed to go through Facebook" (NE3). The different views related to using social media might be connected to personal traits of the nascent entrepreneur, as NE3 is perceived as a highly assertive entrepreneur. It may also be linked to age, as NE3 is one of the oldest entrepreneurs interviewed. The connection between age, personal traits and use of network will not be debated any further.

What is important is the correlation between theory and empirical data, showing that online social capital may not lead to initiation of new relationships, but it may be important to bond with already strong ties (Wahid and Indarti, 2014). This explains how online social capital leverages the social network of the entrepreneur. This may not be enough to acquire a pilot customer, though. Regardless of the starting point, the SE forces their students to have an external focus through cold calls (S4). This may be a first step towards a business network. In addition, the SE provides their students with existing business and social networks, as they in addition connect the nascent entrepreneurs with mentoring roles (Chapter results). This thesis does not decide which business or social network perspective is the most valuable for nascent entrepreneurs. The network founding hypothesis by Brüderl and Preisendörfer (1998), assumes that entrepreneurs who receive a large amount of support from their social network are more successful. The findings of this thesis, however, show that the social network needs to create business network ties. This provides the entrepreneur with new business connections, and the entrepreneur may discover new business opportunities outside their current network (NE4). It is therefore important to have both type of networks for a nascent entrepreneur, which is facilitated by the SE.

The implications for the nascent entrepreneur is to focus on assertiveness, and to act on the importance of reaching outside already existing network ties. Bonding with strong ties must not get in the way of actions with weak ties.

8.2.1 The challenge of network overload

The second challenge is that nascent entrepreneurs may struggle to find a balance between the number and the quality of the network ties. In this part of the discussion it will be discussed whether or not it is more efficient to initiate relationships with many potential pilot customers than with few. The challenges tied to maintaining a relationship initiation process over time will also be discussed.

NE1, NE2 and NE10 express that they have too many leads to be able to follow up all of them in the matter they wish. Compared with the literature of Hite (2005) it seems to have an element of developmental challenge in it as well, as they discuss the challenge of understanding and managing evolution of the ties. The question of whether the process then is efficient comes up. As a startup one does not have many resources (Slotte-Kock and Coviello, 2010), including human resources. For this reason it can be difficult for a startup to have an efficient process when some potential pilot customers are in a non-strategic dormant phase. They will then pause the development of the relationship as they do not have enough resources and as a result, the process will take longer and the startup will most likely use more energy on it.

On the other hand, there are examples of startups who have managed this successfully. Theory that states that firms who can develop and manage relationships successfully have a competitive advantage over other firms (Ritter et al., 2004), it is possible. NE7 managed to maintain their relationships with all eighteen pilot customers. This is in contrast to NE1, NE2 and NE10, as they expressed that they were not able to maintain the relationships will all potential pilot customers. The former is, in relation with the latter, executed based on time efficiency, as the same email can be sent out to all parties. With NE7's example in mind it is still possible to be efficient when having few human resources. The authors interpret this in a way that even though network overload should be avoided, it is possible to overcome the challenge in some way if it occurs. This can be done by taking advantage of a strategic dormant phase, as the situation then might be perceived by the potential pilot customer as a natural phase. Another way to overcome network overload, as interpreted by the authors, can be to focus on efficiency based on quality and not quantity. This means focusing on the quality of the pilot customers and not just focusing on acquiring a large number of pilot customers. By using a funnel approach, the nascent entrepreneur will have the opportunity to verify the pilot customer quality, as those interpreted as low quality will not be included in the further acquiring process.

The implications for the nascent entrepreneur is to use the funnel approach to receive pilot customer based on quality. People functioning as mentors may support the entrepreneur to move efficiently through the process, to avoid network overload. Another aid is to use a strategic dormant phase, as a natural pause in the networking activity.

8.3 Learning through iteration and third actor influence

In this sub-chapter, learning by doing will be discussed together with initiation and third actor influence. These will be discussed in terms of the overall success factor tied to learning and iterations, and specifically regarding method of first contact and the first meeting between the nascent entrepreneurs and the pilot customer. Lastly in this sub-chapter, the dependency between learning processes and mentors, will be discussed.

8.3.1 Learning by doing as the entrepreneurial success factor

Based on the results and analysis, it seems like the functions of staff and mentors are the most important function, due to the facilitation of learning by doing. The aim of this sub-chapter is *to discuss the relation between learning and iteration, as this may have a huge impact on the entrepreneur's process of acquiring a pilot customer.*

Learning is an important factor which can contribute positively to an efficient process. Among the nascent entrepreneurs, only NE9 explained how they currently use learnings from one process when starting the process of acquiring a new pilot customer. NE2 mentioned this as a desired action when being efficient, as well as M2, M4, S3 and S5. An interesting aspect was expressed by S3, defining learning as an iterative process, using the knowledge one has learned by implementing it in other processes. And iteration was, in comparison to learning, frequently mentioned in the interviews. *All* nascent entrepreneurs conduct iteration in their current process of initiating a pilot customer relationship. Iteration is thus a recurring action for startup activity. Still, only NE3, NE5, NE8, M2, M3, S3 and S5 expressed iterations lead to efficiency. On one hand, the process will be executed several times, resulting in more time spent on the process. When comparing this with the definition of an efficient process, it does not correlate with being efficient. This might mean that iteration does not contribute to an efficient process when acquiring a pilot customer. On the other hand, the majority of staff and mentors (S1, S3 and S5 and M2 and M3) express that iteration is a contributor to an efficient process. The authors questions whether it might be since when iterating within and between relationships, the startup will thoroughly go through the phases. In this way, the startup will be more certain when starting a new phase and can be perceived as more professional by the pilot customer. When iterating between contact and meeting, the nascent entrepreneurs can be more certain that they have found the right pilot customer as well. Iterations are not that efficient in the short run, as one uses more time on the different phases. In the long run, however, it will be efficient.

Since the thesis examines the whole process, and not the single phases being efficient in themselves, the authors conclude with iteration being a contributor towards an efficient process when acquiring a pilot customer. The nascent entrepreneur will in the end gain more, in terms of efficiency, on using more time with iterations than not performing it. It is, however, important to remember that the iterations are valuable due to the learning conducted in each iteration. An example of this is the cold calling. The nascent entrepreneurs had to conduct the phone calls as a part of their education, but learned through this that the process was efficient and decided to implement it into their startups activities. NE6 explained that he/she learned how to perform cold calls by simply doing it, and he/she quickly experienced the learning curve (NE6). In this way, all the nascent entrepreneurs use what they have learned to improve actions continuously. The authors believe that it is unfortunate that the nascent entrepreneurs do not mention learning in their current process or as a contributor towards an efficient process, as a lot of information will disappear if there is no focus on learning. Nascent entrepreneurs should therefore focus more on learning and actively use it in their process.

8.3.1.1 The Method of first contact

As described in Chapter 5, there are two methods of first contact. The use of email in the current process is mentioned by two nascent entrepreneurs (NE1 and NE10). This can be interpreted as being a more seldom way of contacting a pilot customer, since only two out of ten nascent entrepreneurs use this method of contact. For an efficient process NE1 and NE10 mentioned sending an email to contribute to an efficient process. This can be interpreted as the nascent entrepreneurs believing their method of first contact is efficient. The reason for sending an email is that the business has something to relate to and to possibly view when the phone call takes place at a later time. There were also two mentors (M2 and M3) who expressed that sending an email is the most efficient way of first contact. In this case there is correspondence between the nascent entrepreneur and the mentor, as they all belong to SE1. This can be interpreted as the mentors having an influence on the nascent entrepreneurs method of first contact, especially for NE1 who has M2 as a mentor. Based on this, one can conclude that sending an email as a method of first contact does not contribute towards an efficient process, based on the respondents.

On the other hand, the results also show a second method of first contact through cold calling. All nascent entrepreneurs except NE1 and 10 (who prefer email) conduct cold calling in their current process. The authors conclude that the main reason for this might be due to the influence on the third actors, mentors and staff. There is almost consensus between the mentors and staff on using cold calling as the method of first contact, as all except M2 and M3 expressed it being a contributor to an efficient process. Due to the high number of mentors and staff believing in this method, it is possible to interpret that their beliefs are transmitted to the nascent entrepreneurs and their nascent startups. This can be interpreted even though the staff do not affect the daily activities of the nascent startups. This is because the staff affect the educational program and it is in these programs that the nascent entrepreneurs encounter cold calling as first method of contact, through cold calling competitions and market tests. This can mean that startups are compelled to cold call during the first weeks at the SE, and experience that cold calling is the most efficient method. Aarikka-Stenroos and Halinen (2007) state that it is rare for B2B-relations to be initiated through direct contact or cold calling. This is not in accordance with the authors findings, but based on this discussion, one can conclude that cold calling as first method of contact does contribute towards an efficient process.

8.3.1.2 Meeting the potential pilot customer

In the nascent entrepreneurs current process, there is consensus between all respondents on the action of meeting the potential pilot customer in a physical meeting. The authors perceive that all nascent startups have a goal of booking a meeting with their potential pilot customers as a result of the first contact, regardless of preferred method. It is clear that meeting a potential pilot customer contributes towards an efficient process when acquiring a pilot customer. The reason for this is that all respondents mentioned meetings as an efficient factor. For example, communication when meeting a business face-to-face is easier, compared to an email or a phone call. When meeting face-to-face, the nascent entrepreneur and the potential pilot customer will be able to start the process of getting to know each other. A good connection is important when wanting to create a long-term relationship together. An exception to this is NE4 who expressed that they did not have a meeting with their pilot customer as all communication went through phone calls and emails. This can be compared to the action of maintaining the relationship, something all except NE5 mentioned in their current process and follow-up. This is also something all nascent entrepreneurs except NE8 mention as important. The authors suggest that having a meeting makes it easier to maintain a business relationship.

From this sub-chapter it is evident that learning and iterations are related. How they are connected, is another topic. According to the theoretical and empirical data in this thesis, initiation and learning by doing may be dependent on each other in two different ways. Rasmussen and Sørheim (2006) state that initiation is facilitated by third actors through learning by doing. The findings in this thesis, however, show that startups must go through learning by doing to acquire third actors that actually involve in their relationship initiation process with potential pilot customer. These two viewpoints may lead to important implications for the nascent entrepreneurs, and are discussed in the following chapter.

8.3.2 Learning facilitated by third actors, or used to involve third actors

According to the analysis, the learning process may be dependent on mentors. However, the desired mentors may also come as a result of a learning process. These opposites will be discussed in the following chapter, as both learning and cooperation with mentors is important in the relationship initiation process. Learning by doing relies on a well developed network to be able to create ideas in addition to having access to mentors and funding (Rasmussen and Sørheim, 2006). The function of mentoring is described as "invaluable" in the findings, and the analysis proves that mentoring is the most important action in the SE sphere. In the nascent entrepreneurs current process of initiating pilot customer relationships, the mentors are mentioned with regards to both the start and the end of the process, and several nascent entrepreneurs have had great use of their mentors´ network when searching for potential pilot customers. This correlates with the findings of Rasmussen and Sørheim (2006). In addition, the nascent entrepreneurs mentioned that the mentors are very active before "sealing the deal", helping with preparations before negotiations, meetings and legal agreements. The findings show that all nascent entrepreneurs use third actors directly or indirectly when trying to initiate a pilot customer relationship. Seeking advice, gaining knowledge and obtaining referrals are just some examples of natural processes involved when wanting to acquire a pilot customer. From the authors' perspective, it seems unnatural, hard and inefficient to manage this process individually. In fact, within the SE sphere, this might be impossible, due to obliged courses, supervision by staff and co-working with peers, all affecting the nascent entrepreneurs and thereby also the process. In this way, the findings seem to correlate with Rasmussen and Sørheim (2006), learning by doing may be facilitated by mentoring, funding and a well developed network. However, iterating as a part of the learning process is not mentioned by Rasmussen and Sørheim (2006), who rather focus on the importance of mentors functioning as role models and providing the nascent entrepreneurs with education, real-life up-to-date experience and access to networks.

From theory and empirical data discussed above, the authors perceive it as evident that the beginning of the relationship initiation may be linked to third actors facilitating startup activity and entrepreneurial education through learning by doing. The findings of the thesis, however, provides another explanation to learning by doing, describing it as a way to reach desired third actors. In other words, learning by doing may be a means to involve third actors that can help nascent entrepreneurs in the process of acquiring pilot customers. Thus, the findings tied to the actor of mentors show that their initial mentors may not be the ones that help them initiate pilot customer relationship.

The staff proves as an example of actors functioning as mentors, facilitating learning by doing and startup activity. On one hand, the staff lead the nascent entrepreneurs in the right direction (NE1), facilitating learning through iterations, as with the "acid tests" (NE3). On the other hand, NE2 and NE10 claim that the staff is little involved with the nascent startups. However, the absence of staff is also explained as a means for learning, as low involvement leads to an independent learning process where the nascent entrepreneurs have to take action, doing what they think is right (NE3, NE4). This is tied to the explanation of the learning process as a means to involve the desired third actors, as several nascent entrepreneurs from University 1 express that they have received little support from their mentor, assigned from the SE staff. On the other hand, the same nascent entrepreneurs express a positive attitude towards mentors they have acquired by themselves. All nascent entrepreneurs interviewed from University 2 were satisfied with their mentor assigned from the SE staff. University 1 differs from University 2 as the formal mentors given from the SE staff do not work with the nascent startups on a daily basis and they do not receive any ownership in the startup. The authors question whether the reason for the poor collaboration can be that the mentors do not receive any ownership in the nascent startups or that they do not sit with the nascent entrepreneurs on a daily basis. They are, however, not volunteers, as they are hired by the university. Only one (NE8) expressed a positive collaboration with the mentor received from the SE staff. This corresponds with theory, stating that there might be challenges based on alignment of interests among involved parties (Boni and Emerson, 2005). The alignment of interest can in the case of University 2 be the shared ownership, creating motivation within both the mentor and the SE to develop the relationship. A complete different approach is to seek for mentors that volunteers to help, as this is the case with the mentors the nascent entrepreneurs have found themselves.

This sub-chapter has discussed how mentors not automatically are dedicated helpers, and that the desired mentors may come as a result of an iterative learning process. The implications for the nascent entrepreneurs is to have a critical attitude towards people having the roles of mentors, as these have to really function as mentors to lead the entrepreneur into an efficient process. Actors, their function and actions will be further discussed in the next chapter.

8.4 Actions are more important than actors

In this sub-chapter, third actors influencing the process is discussed with regards to their actions. The nascent entrepreneurs own actions are also discussed, as personal traits, such as assertiveness, may lead to certain actions influencing the initiation process.

8.4.1 Actions are important, actors are not

Regarding startup facilitation within a SE, the analysis shows that action is far more important than the actors performing them, and this will be discussed in this sub-chapter. One example is the peers of the nascent entrepreneurs, functioning as mentors within the SE environment. In their role as peers, they may hinder the process of acquiring a pilot customer, as the social environment supersedes the focus on the nascent startup (NE6, NE10). When functioning as a mentor, on the other hand, the peers fulfill the role as network ties, providing the nascent entrepreneur with complementary resources (Thornton et al. (2011). NE2 and NE3 has received help, tips and tricks from peers through sharing. Sharing information is one way of lubricating the initiation process, characterize the peers as a third actors influencing the initiation process (Aarikka-Stenroos, 2011).

Actions superseding actors may also be explained through the use of mentors hired by the university. In the SE1, several nascent entrepreneurs expressed discontent of their formal mentors, handed to them by the SE. NE10 claimed that their mentor never understood their business idea, and the mentor of NE3 did not know how to get involved. It is evident from the results that actions matter, roles do not. Both NE10 and NE3 found mentoring through other actors than their formal mentors. This may be viewed as a learning by doing process resulting in desired mentors. Struggling to keep the mentor involved may result in a loss of valuable time, and it can affect the team spirit in a negative manner (NE10). The authors do not think that this is the recipe for an efficient pilot customer acquisition, according to the definition of efficiency depending on time and resources.

Other actors that are not important in itself, but in the actions they perform, is the staff. In their role as staff, they may affect the pilot customer relationship initiation in both positive and negative manners. NE10 explained how the process of acquiring a pilot customer was hindered by the amount of school work and compulsory assignments handed by the staff. Through pushing the entrepreneurs and pulling the strings, however, the staff perform third actor actions. These actions may have a positive influence on the entrepreneur, affecting confidence and entrepreneurial skills.

The authors interpret the actor/action difference to be a learning process in the form of a spiral. First the nascent entrepreneurs learn through interaction with the provided actors from the SE as well as through initial relationships, what actions are needed in the initiation phase of a startup. After the actions have been identified, other actors that can provide these same actions are identified by the nascent entrepreneurs. This will again most likely lead to the identification of new actions.

The implications for the nascent entrepreneur is to focus on the actions instead of the actors, as it is the actions that are important to focus on. This may implicate that help can be received from any actor, as long as the action is helpful for the nascent entrepreneur.

8.4.2 Certain personal traits leads to certain actions

In this sub-chapter, the authors discuss whether certain personal traits can lead to certain actions, building upon the analyses, where personal traits is presented as a factor in the method of first contact. Acquiring a pilot customer depends on the entrepreneurs´ networking abilities, as mentioned by Witt, Schroeter and Merz (2008). While most of the nascent entrepreneurs at the SE naturally are quite outgoing and takes a challenge, there are many different personalities at the SE (NE10). The findings show that the nascent entrepreneurs can be categorized into highly or less assertive. The highly assertive nascent entrepreneurs reach out to pilot customers immediately, while less assertive nascent entrepreneurs may await contact. The authors see that the findings correlate with the definition of efficiency, as the nascent entrepreneurs being highly assertive takes actions that results in less resources spent. Another example can be seen in the method of first contact as the individuals who are outgoing and social will often choose cold calling, while introverts probably will choose emailing in order to be control and be less exposed. The preparations after first contact very from just doing it, to preparing each detail. This phase may be influenced by third actors. Assertiveness is supported by mentors and staff at both SEs as well, and this corresponds with Witt, Schroeter and Merz (2008) claiming that the process from initiation to success depends on the cultural setting. Even though the staff and mentors might advice on one method, the nascent entrepreneurs often do what they feel most comparable with, as seen in the example of NE10.

From this sub-chapter it is evident that personal traits, such as being assertive, affects the process and lead to certain actions. This may have implications for the SE when enrolling and interviewing new SE candidates and for nascent entrepreneurs when choosing their team-members.

8.4.3 Certain actions leading to efficiency

As seen in the analysis, several actions lead to efficiency, and these will be discussed in this sub-chapter. Startups do not often have an existing customer base (Davis and Olson, 2008) and due to this, the startup can have positive effects of being highly assertive. By developing the product together with a pilot customer, both can speed up the process, as the nascent startup will develop what the customer wants (NE3). When comparing the current process with the efficient process on the action of being highly assertive there are inequalities present. All nascent entrepreneurs are highly assertive in their current process and the inequality is presented through a 50/50 division between the nascent entrepreneurs opinion on whether the action is efficient or not. NE3, NE7, NE8, NE9 and NE10 mention it as being an efficient process. This means that NE1, NE2, NE4, NE5 and NE6 do not express that being highly assertive contributes to an efficient process. One reason for this can be that the nascent entrepreneurs want to execute due diligence and create a plan before contacting the potential pilot customers, this is the reality for NE1. The rest of the nascent entrepreneurs (NE2, NE4, NE5 and NE6) might believe that starting to contact potential pilot customers from day one can be a chaotic approach.

All nascent entrepreneurs mention that they are highly assertive, but do not recognize it as being efficient, is interpreted by the authors to be due to the influence of mentors and staff. As presented in the findings, the staff and mentors influence the nascent entrepreneurs directly by facilitating the highly assertive task of reaching out to potential pilot customers from day one, as described by six of the nascent entrepreneurs with cold calling competitions and the "acid tests". These two actions can be compared with being highly assertive since the nascent entrepreneurs are reaching out to potential pilot customers without having developed their technology fully (or for many, not at all). This interpretation fits well with the findings from staff and mentors, all except S1 mention the action of being highly assertive as a characteristic of an efficient process. The authors interpret this to be the reason for why the staff organizes the highly assertive tasks during the first weeks the nascent entrepreneurs are present at the SE. Based on the numerous amount of nascent entrepreneurs, mentors and staff who mention that being highly assertive contributes towards an efficient process, the authors have defined the action as being a contributor towards an efficient process. On the other hand, it was concluded that sending out an email is not efficient. All nascent entrepreneurs *have* to execute the action of contacting potential pilot customers from day one, but whether they chose the most efficient method is up to them.

The implications for the nascent entrepreneur is to keep focusing on being assertive whenever possible, as it will give positive returns to their startup, for the reason that assertiveness result in actions that can lead to efficiency.

8.4 The main actions of the third actors

In this sub-chapter, the authors argue that the nascent entrepreneurs *can greatly benefit from all of the roles within and close to the SE sphere.* The different roles affect the nascent entrepreneurs, through events, facilitation of startup activities, providing knowledge and support, as well as building the brand of the university and the SE. All of these activities can be of great importance to the process of initiating relationships with pilot customers. The understanding of the implications of being a third actor may affect people that are interested in having a third actor role. Facilitating relationship initiation between a nascent startup and its pilot customer requires more than being connected to the startup in itself. The authors believe that this should be underlined when hiring mentors and staff at the SE, to assure that they know what they are signing up for and that they have time to fulfill their duty as formal mentors. Issues that arise when mentors and other actors fail to understand the anticipations tied to the third actor role are discussed in the next chapter.

In this sub-chapter it is evident that the different roles affiliated with the SE affect the startup and their process of initiation relationships. This is done through events and facilitation of startup activities, by providing knowledge and support and building the brand of the SE.

8.5 Do the nascent entrepreneurs conduct an efficient process?

In this sub-chapter, the authors will discuss whether or not the nascent entrepreneurs *are conducting an efficient process, based on the efficiency factors found in the analysis.*

As presented in the introduction, the authors wish to explore how the process of initiating a pilot customer relationship can be performed efficiently. Aarikka-Stenroos (2008) mentiones that there are challenges when investigating how the nascent entrepreneur can be efficient in the process of acquiring a pilot customer. Throughout the thesis, the authors have arrived at what an efficient process when acquiring a pilot customer is. The summary of the findings of actions in the nascent entrepreneurs' current process and what contributes to an efficient process is presented in Table 4 and Table 5. It is interesting to compare these two tables to find out if the current process corresponds with what the nascent entrepreneurs mention is an efficient process. When examining the actions analyzed to be efficient, using one's network, being highly assertive in one's tasks, cold calling and meeting the potential pilot customer in a meeting, one can compare the nascent entrepreneurs current process with the actions. Based on this one can conclude that in general, the nascent entrepreneurs located at SEs have an efficient process. The main factor that results in this is the location, in this case as a SE. This is because the nascent entrepreneurs get access to all the functions of the SE as a third party.

Combined with the literature of Wickham (2004), the authors´ findings do not correspond with the theory. Wickham's (2004) theory states that a number of studies have examined whether the initiation process is consistent or if it varies across different ventures. The authors´ findings show that the nascent entrepreneurs are relatively alike when it comes to their process, as they all conduct the same overarching actions in their current processes. In their day-to-day specific actions the nascent startups differ, and one reasons for this can be the individual processes discussed earlier in this chapter.

Thus, most of the startups at the SE have a very similar process, and most of the processes are efficient. The implications for the SE would be to continue in a similar way, as they have been very successful in helping their startups reaching their first pilot customer in an efficient manner.

9. CONCLUSION

In this thesis, the authors have explored how nascent firms, located at SEs pursue the process of initiating a B2B relationship with a pilot customer. The authors have examined how the startups execute the process today and how it can be conducted efficiently, in terms of spending a minimum amount of resources in the best possible way, while cultivating new contacts (Merriam-Webster, 2015; Kunøe, 2014). To answer the research questions, relevant theory and empirical data from interviews with nascent entrepreneurs, staff and mentors associated with the SE have been conducted.

RQ 1: How does a nascent entrepreneur initiate B2B relationships with potential pilot customers? Several characteristics of the initiation process has been identified. Most of the nascent entrepreneurs start with search, selection and first contact. They then continue with a follow-up in order to schedule a meeting, where the two parties get to know each other. Some of the nascent entrepreneurs enter a strategic dormant phase, waiting for their product to be developed. Third actors varies seems to be used whenever possible. Social media is a new and frequently used channel to reach third actors.

RQ 2: How does the connection to a School of Entrepreneurship affect the process of nascent entrepreneurs initiating relationships with pilot customers? It has become evident that the SE affect the process of initiating pilot customer relationships. Facilitating learning by doing and startup activity is presented as the most important functions of mentors and staff, as it influence the entrepreneur's skills and actions, and thereby also the process of initiating a pilot customer relationship. Several actors seem to have similar functions, and mentoring is perceived as the most important, providing information, sharing network, pulling the strings and pushing the entrepreneurs through the initiation process.

RQ 3: What characterizes an efficient process when acquiring a pilot customer? Using networks to acquire contacts is the most mentioned characteristic of an efficient process, as long as it does not lead to an inefficient network overload. Iterating both within and between phases is another characteristic of an efficient process over time. Iterations facilitate learning by doing, which influence the assertiveness of the entrepreneur. Being assertive also characterizes the process, as it entails reaching out to potential pilot customers from day one. Last, a strategic dormant phase may be part of an efficient process.

The answers to these three research questions have helped the authors fulfill the purpose, which is to explore how nascent entrepreneurs, located at SEs, pursue the process of initiating a B2B relationship with a pilot customer, where the focus lies on efficiency. Through the analysis, five procedures have been identified as representing phases towards an efficient pilot customer acquisition process. These are taking advantage of one’s network, being highly assertive in one's actions, iterating throughout the process, using cold calling as method for first contact and meeting the potential pilot customer in a meeting. The authors believe that when combined, a startup will have a foundation that has great possibilities of working towards achieving an efficient pilot customer acquisition process.

The thesis provides several implication for the nascent entrepreneurs, the staff, the mentors and the pilot customers. The main implication lies in the nascent entrepreneurs receiving essential information on how to make the process towards a pilot customer efficient, with especially focus on network management and being highly assertive. The staff will receive information on improvements in the structure and management of the School of Entrepreneurship, such as creating a new process for the mentor allocation. The study does however show that there is still room for improvements in the theoretical area on the nascent startups located at Schools of Entrepreneurships, how third actors affect the process when acquiring a pilot customer and how a nascent entrepreneurs can execute this process efficiently. The authors therefore recommend further research on efficiency to be based on a new model presented in this thesis. In this way one can validate if the new theoretical model on an efficient process is representative for the nascent startups located at a School of Entrepreneurship.

10. IMPLICATIONS AND FURTHER RESEARCH

In this chapter, implications from the thesis and encouragement of further research is presented. First, the practical implications for nascent entrepreneurs, pilot customers, staff and mentors at SEs are presented. This is followed by theoretical implications and further research.

10.1 The nascent entrepreneurs

The direct implications for nascent entrepreneurs revolve around the best and most efficient process to initiate a B2B-relationship with a pilot customer, as described in Model X. This thesis provides nascent entrepreneurs with qualitative information regarding acquiring their first customer, such as the characteristics of an efficient process. This can help the nascent entrepreneurs to recognize efficient processes and enable them to act according to the characteristics. Assertiveness is one of these characteristics, that may accelerate the process. Another characteristic the utilization of networks. Nascent entrepreneurs should reach outside their existing network, to ensure they do not miss important opportunities. The funnel theory provides the nascent entrepreneurs with an understanding that efficiency in terms of quality can take place through a funnel approach. As a practical implication, entrepreneurs should reach out to several potential pilot customers, and eliminate those that are deemed less relevant. This may enable the entrepreneurs to acquire several pilot customers while still being located at the SE, and this may enhance the nascent startup's ability to survive after graduation.

Another important implication is the learning by doing process of finding relevant third actors to fulfill the actions needed. Since the thesis concludes that third actors actually consist of actions, it is important for the nascent entrepreneur to find third actors who actually become involved in the initiation process with a potential pilot customer. The nascent entrepreneur should thereby focus on actions needed rather than actors, as several actors may perform the same actions. This implies that the nascent entrepreneurs, as well the mentors and staff, should find out which actions are needed and seek help from actors based on those actions. In this way, the nascent startups will be more in charge of their own process, in terms of acquiring different actors in the nascent startup. They will also be able to, in a better manner than earlier, acquire actors that are fully involved in the nascent startup, as the thesis implies that the nascent entrepreneurs should be critical to the actors they include for the mentoring action. Actors involved need to fulfill the function of a mentor in order to lead the entrepreneur through an efficient process.

10.2 Staff and mentors

The thesis provides both managerial and practical implications for the staff and mentors. It is evident that personal traits, such as being assertive, affects the process and leads to certain actions. This may have implications for the staff when they are in the process of enrolling new SE candidates and creating teams. This may also affect education, as learning by doing through cold calling competitions and acid tests seem to be functioning well. These educational programs motivate highly assertive actions, and successfully assist most of the nascent startups to have an efficient pilot customer acquisition process. Thereby, the thesis encourage the SEs to continue the current educational programs. The new model provides the staff and mentors with a greater overview of how the actors associated with the SE affect the startup's process of acquiring a pilot customer. This may affect the formal involvement and allocation of mentors to nascent startups. With the new theoretical overview, the staff and mentors will have the opportunity to see which functions are needed when mentoring the nascent startups and when creating the educational curriculum and courses. Examples of this is the mentor acquisition process, focusing on the nascent entrepreneurs to be highly assertive and the importance of taking advantage of one's network. The staff can influence the nascent entrepreneurs to act in these ways, which can contribute to the nascent startups having an efficient pilot customer acquisition process. It is also relevant that the staff is able to gain knowledge about how the nascent entrepreneurs at the SE perceive the program and involvement of the different actors. As the conclusion is that some actors are not participating as much as expected, the staff can now choose to reorganize the setup of third actors and potentially have a review of the current mentors at the SE, such as the mentor acquisition process.

10.3 Pilot customers

The thesis will prove useful to the industry and established firms engaging in roles as potential pilot customers. A pilot customer with information about nascent entrepreneurs can support the startup and contribute to the process, being efficient through the characteristics of a theoretical model. An efficient process can also have implications for the potential pilot customer in itself. Efficiency in the initiation process enables the collaboration to start as early as possible after the connection happens between the pilot customer and the startup.

10.4 Theoretical implications

This thesis highlights the importance of initiation of business relationships, an issue that has been overlooked in previous literature (Holmen et al., 2005). The main theoretical implications lie in the process of acquiring a pilot customer and how that process can be efficient as there is little literature on the subject today. The thesis provides implications within what characterizes an efficient process for nascent entrepreneurs located at SEs. Therefore, the thesis will provide theoretical implications to the SE literature, where a much broader view of the SE is presented, including the roles of third actors. The thesis also shows that the theory developed for businesses state that it is rare for B2B-relations to be initiated through direct contact or cold calling (Aarikka-Stenroos and Halinen, 2007). However, for nascent startups this is not the reality, as they do exactly those actions when initiating relationships. This is due to the liability of newness (Slotte-Kock and Coviello, 2010), the nascent startup usually does not have any business relationships that can lead to initiation of new ones. The thesis discuss the difference between actors and actions, stating that actions should be in focus in stead of actors when addressing others to get help. This may have implications for the research on third actors, especially since the 12 third actor roles suggested by Aarikka-Stenroos and Halinen (2007) does not fit the respondents use of third actors. It may also imply that processes describing

B2B-relationships does not fit the processes where nascent startups are involved, due to their liability of newness.

10.5 Further research

The thesis is not without limitations and there are several areas for further research. Future research can focus on the most efficient process for nascent startups to acquire a pilot customer and the theoretical model regarding the same topic. This study could be extended to take a longitudinal study, following the nascent startup from they are founded until they have acquired their first pilot customer. Such research could go deeper into the nascent startups and interview several people per startup, instead of just one nascent entrepreneur per nascent startup. It would also be interesting to perform a quantitative survey examining the generalizability of the characteristics of an efficient process suggested in this thesis.

The authors have in this thesis interpreted that quality is better than quantity when it comes to pilot customers. There is little theory on this subject and it is therefore a topic that would be interesting to research further. A topic of examination is whether it is good for a nascent startup to acquire as many pilot customers as possible or whether the startup should focus on few ones who can provide the startup with what they need. In this way one can confirm or disprove the funnel approach to the pilot customer acquisition process.

A topic that could be further researched is exactly where in the process the third actors influence. Due to the focus on actions instead of the actors, it would also be interesting to research what kind of actions third actors contribute with, and how these actions are executed. In addition, it would be interesting to gain more knowledge about differences between formal and informal actors, and whether or not the way of involvement is linked to performance of the third actors. Third actors not affiliated with the SE, such as the potential of viewing social media as a third actor in itself, would also be an interesting research topic that has not been included in the scope of this thesis.

The scope of this does not include the viewpoints of pilot customers. However, if this is included in future research, it can lead to great implications for nascent entrepreneurs, as it enables them to understand their pilot customers. It would also be relevant to do further research on the process after an agreement with a pilot customer is signed. Acquiring a paying customer after the initiation with a pilot customer would also be an interesting extension to the research scope of this thesis.

Finally, future research can evolve around the new theory presented by the authors regarding an efficient process when acquiring a pilot customer. The research could be based upon ModelXX and explore the results when nascent startups located at SEs use the authors’ model. The research could then examine whether or not the authors´ model is representative for nascent entrepreneurs located at SEs when executing the pilot customer acquisition process. This is one way to quality check the authors´ model, as it is based upon theory and interviews, rather than observations.

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APPENDIX 1, Interview guide

Interview guide for Charlotte, Gunn-Berit and Frøya

Questions for nascent entrepreneurs

Introduction

- Tell them about ourselves: theme and purpose of interview. Recording of internal structure. Roles of the interviewees: One is drawing, one responsible for audio, two with main responsibility for the interview questions.
- Let them tell us about themselves: study program, previous study, age, where from, how long they have been interested in entrepreneurship, why did you apply for the SOE?
- Tell us about your startup; info about startup, What industry are you in? how long have you been working together? How did the collaboration start? How many people work in this startup? Who are the founders? Is there an organization of origin? Who are the idea providers? Tell us about your mentors. How many? Who are they, where do they work? Why are they your mentors? How does this startup work during a normal week? How much time together? How much time individually?

Theme 1: location of the startup: *(how being linked to SE affect initiation of B2B relationship that has a plan to develop into a pilot customer relationship. Look at location and actors affiliated with the SOE during a networking process.)*

- From what we have learned on the internet, your SOE is organized like this (explain the general information, bring print-outs from webpage etc) … Is this correct?
- Tell us about the student environment at your school of entrepreneurship? Can you give us an example of what you do on a regular day at the SE?
  (How much time do you use at the SE? How much time do you spend at university courses? How much time do you use working as a team?)
- Then we want to ask some questions about the actors involved in the start-up:
  How does the staff involve in the start-up? Who in the staff are you talking about?
  How does the mentors involve in the start-up? What are there names?
  How does the alumni involve in the start-up? Who (names) are involved?
  How does other start-ups involve in your start-up? Which starts-ups are these? (name)
  How does entrepreneurial- and funding organizations and involve in your start-up? Who are they?
  How does business incubators involve in your start-up? Who are they?
  How does a technology transfer center involve in the student activities/start-up? Who are they?
  How does a institute research hubs involve in the student activities/start-up? Who are they?
  Does other organizations or actors involve in the start-up? How do they involve themselves? Who are they?

- Let them draw their own SOE model on a white sheet. What actors have you been in touch with?
- Show our SOE model: What are your thoughts on this model compared to your own?

Theme 2: the process of initiating a B2B relationship with a potential pilot customer; (*How the startup is working on initiation, how the process is planned, if the actions reflect the plan)*

- What does initiating a B2B relationship with a potential pilot customer mean to you as a startup?
- Do you have potential pilot customers? Why? What is your goal in the relationship with this potential pilot customer? How did you find them? Did you contact them or they contact you? Can you tell us what you did in the process of finding and contacting the pilot customer?
- How did you hear about the potential pilot customer? How do you plan to get in touch with them/ How did you get in touch with them?
- If contact is established; How are you working with them today? How has your interaction and communication changed over time, as the relationship has evolved?
- What actors where involved in the process where you got in touch with the pilot customers? Would you use the same contacts again?
- What are your plan for the future work in initiation relationships with potential pilot customers? Will you use the same process as now in the future?
- Do you have any potential pilot customers you are awaiting to contact?
- Do you have a list/number of all the potential customers of yours, or everyone you have reached out to? What do you think characterize your contacts?
- What are characteristics on the pilot customers you are working towards? How has this changes over time? Can you give us an example of a "typical" pilot customer?

Theme 3: best practises in the initiation process: (*How to improve efficiency of the initiation phase. What factors can the entrepreneur use to make the process of finding a pilot customer efficient)*

- Do you know of any other start-ups that had a very efficienct process towards finding their first pilot customer? What was it about that process that you perceived as particularly efficient? Did you implement some of their process into yours? (Yes, how. No, why not?)
- Could you draw your process as it is today? Any thoughts on how you could improve your own process?
- Could you draw the most efficient process? How does this one compare to your process?
- Are there any actors/organizations that you have not reached out to during your process, that you think could have helped you in the process of initiating relationship a pilot customer? Whom?
- Present our process model; comments, reactions, does it make sense? Changes/improvements?

What will happen now?

- Do you wish to read and comment the transcript?
- Is it possible to e-mail follow up questions?
- Could we please get the contact info of your mentors? Is it ok that we interview them?

Questions for mentors and staff. This interview guide is made primarily for staff, guide for mentors will be tweaked a bit during the interview.

Introduction

- Tell them about ourselves: theme and purpose of interview. Recording of internal structure. Roles of the interviewees: One is drawing, one responsible for audio, two with main responsibility for the interview questions.
- Let them tell us about themselves: study program, previous study, age, where from, how long they have been interested in entrepreneurship, why did you apply to work for the SOE? Do you have any practical entrepreneurial experience?
- Tell us about the SE; info about the startups, What industry are they in? How many students are enrolled? Who are the founders? Who are the idea providers to the start-ups? Tell us about your mentors. How many? Who are they, where do they work? How are they chosen to be a mentor for a specific start-up? How much contact do the mentors have with the start-ups? How many start-ups? How are the students chosen to be enrolled? How many applyers get enrolled? How is the alumi relationship? How many active alumni do you have? Are there any meet-ups with the current students and alumni? Any social page (ex. facebook)?
- Show the SE model (let them draw their own first)

Theme 2: the process of initiating a B2B relationship with a potential pilot customer; (*How the startup is working on initiation, how the process is planned, if the actions reflect the plan)*

- What is the goal of having a pilot customer?
- How do you as staff/mentor participate the initiation process for the start-ups? How do the start-ups find and contact the pilot customers? Do they get your help? Are there any theoretical classes on this subject? How do they plan the process of contacting them? Do many of the start-ups ask the staff for help in such a process? Do they ask for best prctices?
- How many of the start-ups have pilot customers today?
- Tell us about the three most recent processes you have been involved in

Theme 3: best practises in the initiation process: (*How to improve efficiency of the initiation phase. What factors can the entrepreneur use to make the process of finding a pilot customer efficient)*

- Have you researched anything on what is an efficient initiation process?
- Could you draw the process as you think it is? Any thoughts on how you could improve this process? Did you know of any start-ups that had a very efficient process towards finding their first pilot customer? Any start-ups in your SE that you feel had an efficient process? What was it about that process that you perceived as particularly efficient? Could you draw the most efficient process? How does this one compare to your process? What action happen from start to deal signed?
- Present our process model; comments, reactions, does it make sense? Changes/improvements?

What will happen now?

- Do you wish to read and comment the transcript?
- Is it possible to e-mail follow up questions?

APPENDIX 2, Articles used in Hetzel, Neergård and Sørensen's (2014) literature review

Keywords	**Limitations**	**Res- ults**	**Abstracts read**	**Articles read**	**Author and publication of read articles**
start-up* AND network* AND entrepreneur* AND Process* AND Nascent*	None	7	2	1	Davidsson and Honing (2003),
(business network*) AND (startup* OR start-up*) AND relationship* AND entrepreneur*	Language: English	43	9	4	Aaboen, Dubois, Lind (2013) Cooper, Hamel, and Connaughton (2012) McAdam and McAdam (2008) Witt, Schroeter, and Merz, C. (2008)
Initiation AND business* AND relationship*	Language: English Research area: Business economics	25	2	2	Mortensen (2012), Edvardsson, Holmlund, and Strandvik (2008)
entrepreneurship AND education AND network* AND ties	None	12	4	2	Gordon, Hamilton, Jack (2012) Davidsson and Honig (2003)
Entrepreneur* AND School* AND effectiveness AND (start-up* OR startup*)	None	3	2	1	Siegel and Phan (2005)
(business network*) AND (first customer*) AND connect*	Timespan: 1960-2014	26	4	2	Burt (2001) Nierenberg (1999)
(business network*) AND customer* AND (startup* OR start-up*)	Language: English	22	3	2	Aaboen, Dubois, Lind (2013) (again) Witt (2004) (again)

University* Incubator* AND Network*	Language: English Domains: Social sciences	53	6	5	Cooper, Hamel, and Connaughton (2012) (again) McAdam and McAdam (2008) (again) Patton and Marlow (2011) Perez and Sanchez (2003) Soetanti and Van Geenhuizen (2009)
Found in Witt 2004	None	• - -			Birley, 1985
Found in Witt 2004	None				Uzzi, 1999
Social Network* AND Entrepreneurship AND Embeddedness	None	142	8	2	Hoang and Antoncic (2003) Elfring and Hulsink (2003)
(business network* perspective*) AND (social network* perspective) AND entrepreneur* AND (network theor*)	None	61	2	2	Thornton, Ribeiro-Soriano, and Urbano (2011) Jack, Dodd, and Anderson, (2008)
Network AND Entrepreneur AND Process AND growth	None	81	5	2	Anderson, Dodd and Jack (2010) Elfring and Hulsink (2004/2007) (again)
Network* AND Entrepreneur* AND Process AND Growth AND (emerging firm*)	None	14	4	3	Jack, Moult, Anderson, Dodd (2010) Elfring and Hulsink (2007) (again) Hite (2005)
Start-up* AND Network* AND Entrepreneur* AND Resource* AND Family	None	10	4	1	Renzulli, Aldrich and Moody (2000),
Start-up* AND Network* AND Entrepreneur* AND	None	9	3	‘	Witt (2004),

Success* AND Embeddedness*					
Start-up* AND Network* AND Entrepreneur* AND Embeddedness* AND evolution*	None	5	1	1	Elfring and Hulsink (2007),
Start-up* AND Network* AND Entrepreneur* AND Growth* AND Tie*	None	22	5	1	Witt, 2003 (again), Elfring and Hulsink, 2007, Leung 2003.
initiati* AND relation* AND (startup* OR start-up*) AND customer*	None.	7	5	1	Holmen, Pedersen (2010)
(first customer*) AND relation* AND (startup* OR start-up*)	Language: English	13	7		Chorev, and Anderson (2006)
(School* of Entrepreneurship) AND (relationship initi*) AND (start-up* OR startup*)		2	2	2	Boni and Emerson (2005) Davis and Olson (2008)