

Elin Bryn Thorsen

Foreign entrepreneurs' use of network in Tanzania.

- Understanding an entrepreneurial process through network, culture and knowledge

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Supervisor: Ståle Angen Rye

Norwegian University of Science and Technology

Faculty of Social Sciences and Technology Management

Department of Geography



NTNU – Trondheim
Norwegian University of
Science and Technology

Picture on front page: The sign on the beach
of Kigamboni, leading up to The Lighthouse
Beach Resort.

Source: Private photo

Abstract

This thesis is an attempt to understand how networking can be used as a tool to accomplish success in a third world country for foreign entrepreneurs. By using a theoretical framework which includes the terms “Networking”, “Culture” and “Knowledge”, the goal is to discuss how foreign entrepreneurs alter their use of networking through the different stages of an entrepreneurial process. The thesis is limited to its presentation of one case study of a business run by two Norwegians and one native Tanzanian.

The case study is the result of interviewing, observing and interacting with members of Paka Adventures Ltd, a tourism business established by two Norwegians with the help from their native Tanzanian friends. Through the experiences and stories of the entrepreneurs and other key members of the business, the case study will present empirical data in the form of a narrative story, which will describe the entrepreneurial process of Paka Adventures, from the stage where the idea of the business emerged and up to their current stage of growth and development. The narrative will include challenges of doing business in Tanzania, and how different conflicting situations were solved through the use of networking.

The analysis argues how networks change during an entrepreneurial process, and discuss its use to secure a business and its resources in the entrepreneurial culture of Tanzania. The main findings, discussed within the range of this thesis’ theoretical framework, enhance the qualities a network provides entrepreneurs when starting a business in an unknown culture. Essentially, distrust in the general business culture would seem to force the foreign entrepreneurs to use networking as a tool to gain security. This thesis will also provide an understanding on how small businesses, in the start-up stage of doing business in Tanzania, can achieve entrepreneurial success through including elements of culture and knowledge through social capital.

Preface

This thesis is the finishing part of my masters study program in “Entrepreneurship, Innovation and Society”, at the Norwegian University of Science and Technology. This is a new masters program, being a result of NTNU’s growing focus on the entrepreneurship area, through the Department of Geography.

The main goal for this paper is to understand how networking can be used as a tool to achieve success for a business, as well as to understand how culture and knowledge influence foreign entrepreneurs’ network in different stages of doing business.

I am so grateful towards Eivind Tunland and Helene Tunland, and all members of Paka Adventures Ltd, for all the time and effort they put into welcoming me as a researcher. I hope our paths cross again soon. Also, thank you to Beate Hustad Aamodt and her family, whom invited me to spend time with them in Arusha.

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1. Introduction

Spilling (2008) states that: “no entrepreneur will succeed, regardless of engagement and work effort, if not he or she has anyone to interact with” (p. 60). This thesis examines the use of networking throughout an entrepreneurial process performed by two Norwegian entrepreneurs in Tanzania. The aim is to understand how foreign entrepreneurs practice networking to successfully establish and develop a business in an unknown culture. To be able to give a holistic understanding of the entrepreneurial process for foreign entrepreneurs, it became important to include elements that shapes and affect the practice of networking. A successful entrepreneur is, according to Lavoie (1991), is not only a person who can understand and contribute in different conversations with the surroundings, but also a person who is especially anchored in his or hers cultural context. To be able to contextualize the culture of doing business in Tanzania for this otherwise synchronic thesis, I will now present a short introduction on the history of Tanzania, before I will present the current thematic situation of the country. This introduction will provide a small insight into the background of Tanzania, and illuminate how it ended up in today’s current situation, in regards to their rather weak entrepreneurial culture

Berry (1971) states that in 1961, Tanganyika, as Tanzania was called at that time, became an independent state from the British colonial rule. Tanganyika is made up of the areas Tanzania, the mainland and Zanzibar, which is the Islands of Unguja and Pemba in the Indian Ocean. In 1964, Tanganyika and Zanzibar united and formed the country which is today called Tanzania. Geographically, Tanzania is located in East Africa, bordered by the Indian Ocean from the east, Rwanda, Burundi and the Democratic Republic of Congo from the west, Zambia, Malawi and Mozambique from the south, and Uganda and Kenya from the north. Lugalla (1997) explains how the focus of economic development in Tanzania started in 1967 in the city of Arusha, through what has been called The Arusha Declaration. At this point, the economy was challenged by rapid population growth, which had caused increased poverty and unemployment in urban areas. The Arusha Declaration was an attempt to compose policies which would decrease poverty and bring economic progress for all Tanzanians. In mid 1970s however, Tanzania faced social and economic crisis, as agricultural production declined, which caused a loss in foreign earnings and affected the government of the country. Wages decreased rapidly, and the government failed to provide even minimum social services. As a result, more people became self-employed.

Structural adjustment policies (SAPs), high-powered austerity programs implemented in many countries across the globe since the early 1980s and propelled by international financial loans tied to IMF/World Bank, Grosen and Coskun (2010) explain that these SAPs provided strategies of increasing productivity in the Tanzanian nation in the mid 1980's, for example; liberalization, democracy and removal of agricultural subsidies. Implementing such strategies increased the country's revenues, and led to an increase in GDP, which is still growing. Nevertheless, the country is still poor, especially local people within rural communities, because the economic growth, according to Lugalla (1997), was only seen in, and was beneficial to, the government sectors.

Following the recent report from International Business (2014), the estimated number of people living in Tanzania is around 48.2 million, and the country experiences a rapid economic growth rate of 6.9 percent making it the third fastest growing country in Africa. The Tanzanian government has, nevertheless, many challenges to face in terms of maintaining and further develop their growth. The population in Tanzania may double in just 25 years, due to decreasing death rates and increasing birth rates, and as 44 percent of the population is under 15 years old today, Tanzania has a great work force potential. On the other hand, the annual «Doing Business Report» by The World Bank (2014) states that Tanzania is ranked as number 145 in regards of ease in starting a business, out of 189 countries. High poverty rates, low educational quality, a lack of capacity to improve the needed physical and social infrastructure for the coming work force, and a high level of corruption, are all factors influencing this low ranking.

The World Bank Report "Tanzania Economic Update. Who Wants a Job? The magnetic Power of Cities" (2014a), states that most of the inhabitants of Tanzania, around 96 percent, is currently employed, which indicates a very low unemployment rate of four percent. This number masks the true problem however. The wages are too low to keep the inhabitants of Tanzania above the poverty line. A big portion of the employment in these areas is under small unproductive non-farm enterprises, which does not have the capability to grow and become competitive in the current market. Part of the problem is that the business owners have limited skills, and they often establish businesses to survive. The businesses are therefore often very young, informal and have no specialized workforce. The scale of the businesses is also quite small, where over 90 percent consists of two or less employees, including the owner. They often have a short shelf life, and only 4 out of 10 businesses survive, let alone grow. To change the economic climate in Tanzania, one would have to

change these businesses into paths for economic growth, as well as open up more opportunities for employment in the area. In the current climate it is not realistic for these businesses to grow. Duplicating the process of the firms that have managed to grow and flourish is therefore vital to the further economic growth of Tanzania. These firms have a greater capability and economic overhang to overcome the challenges they face in the economic environment in Tanzania. On the other hand, the small scale businesses will face even larger challenges, because of the high financial and human resources required to succeed. The level of education in Tanzania further complicates the issue. Only 12 percent of the population completes secondary education, and most of the population receives only seven years of schooling. This leads to a large uneducated labor force. The uneducated and low skill levelled labor force leads to further obstacles for the growth of small businesses. There are also issues when it comes to the cost of transportation. The congestion costs are very disproportionate when it is reflected against the average income. The residents of Dar Es Salaam have to spend approximately 34 percent for their monthly income on transportation. This cost lowers the available resources and productive time needed to operate and grow a business (World Bank 2014a).

Furthermore, the Tanzanian business climate according to the World Bank (2014b), is characterized by corruption, confusing labor laws and unnecessary administrative burdens. These are all factors that put a strain on the formalization of doing business in Tanzania. The business culture is saturated with distrust, due to continuously changes in policies, an unpredictable judicial system, and the excessive time spent on mitigation strategies, instead of producing more strategies for stimulating business activities. It can therefore be understood that Tanzania is not a country with tradition of supporting entrepreneurial activity. The government needs to address the need of creating productive jobs for the fast growing labour force to establish measures to prevent Tanzanian cities from becoming metropolis slums. Currently, the job market in Tanzania consists of 23 million Tanzanians, and this number is estimated to reach 45 million by 2030 according to The World Bank (2014a).

Tanzania is climbing the ladder to more economic stability anyway, due to the increasingly high interest from international investors. The recipe to become a successful business in Tanzania will, according to International Business Report (2014), include to 1) act fast, 2) avoid participation in corruption of any kind, 3) understand the culture, and 4) be able to create long- term relations with the local communities.

Theories on networks and networking have produced a large volume of literature, and have become increasingly popular. I found it difficult however, to find significant empirical evidence of the use of networking in unknown cultural contexts. In a lot of the literature regarding networks in different stages of the entrepreneurial process, such as Greve and Salaff (2007) and Maderapperuma (2011), there is a lack of inclusion of the cultural aspect. I found it interesting to research the challenges foreign entrepreneurs may meet, due to lack of knowledge of the cultural practices, values and norms in the environment, and how networking can be used to gain security and profitable success.

The following question has been formed during the writing process of this paper:

How does the role of networking change during different stages of the entrepreneurial process for foreign entrepreneurs in Tanzania, and to what degree does culture and knowledge impact this process?

This thesis will discuss networking through a narrative empirical presentation of two foreign entrepreneurs' entrepreneurial process. This thesis has a basis in an in- depth case study of a business created by two Norwegian entrepreneurs in Tanzania. In conclusion, the overall significance of this thesis is to generate knowledge on how foreign entrepreneurs can use networking as a tool to achieve success in an unknown cultural context, and that international entrepreneurs who have a vision to start a small to medium sized businesses in Tanzania and make a life there, may find this thesis of use.

This thesis is arranged in six chapters with relevant accompanying sub- chapters. In the first chapter of this thesis, I have introduced the current thematic situation of Tanzania, as well as my research question.

In the second chapter, the theoretical framework will be presented. The main focus will be on the terms: network, culture and knowledge, although it will also introduce entrepreneurship as a phenomenon as well as the impact of entrepreneurial activity on economic growth.

In the third chapter, the methodology used to find this thesis' empirical evidence will be introduced. Here the focus will be on qualitative research and the methods used to collect empirical data, and further, my critical reflections of, and ethical choices taken during my research process

In the fourth chapter, the empirical case study of Paka Adventures Ltd. will be presented as a narrative story to describe the entrepreneurial process with detail and give the reader a contextual understanding of different scenarios and situations in different stages of doing business in Tanzania, which will be discussed in the analysis.

In the fifth chapter, an analysis of the case study with basis in the thesis' theoretical framework will be presented. The analysis is divided in the following three main sub-chapters: 1) Starting a business, 2) Developing a business and 3) Expanding a business, which will aim to provide structure in regards to discussing the different stages of the entrepreneurial process of doing business in Tanzania. The analysis will discuss how two foreign entrepreneurs used networking throughout their entrepreneurial process, as well as the impact that culture and knowledge had, and still has.

In the sixth chapter, a summary of this research's findings will be summarized, and further research will be suggested.

2. Theoretical Framework

Some environments can be seen as more favorable to individuals who wish to start their own business, and according to Mitra (2012), the “different societies will display different codes and varieties of social conduct, which to some extent will reflect the stage of their economic development” (p.70). This statement is something that Spilling (2008) is also in agreement with. In order to do a good analysis of an entrepreneurial process, it is important to understand how the entrepreneurial process takes place in such contexts. In this thesis, context will be understood as the correlation of cultural factors that may have an influence on the entrepreneurship process in any way, as I will further explain in sub- chapter 2.3. DeLong and Fahey (2000) states how the concepts of culture and knowledge are often used without any attempt to really define what it means in practice. In the attempt of answering my research question I found it important to choose a practical theoretical framework that would be able to give a holistic understanding of networking during an entrepreneurial process. This includes theory that are able to explain networks and the use of networking to attract resources, theory to explain cultural influences on entrepreneurial activity, as well as theory of knowledge and its importance to growth and development of a business.

The three terms; network, culture and knowledge, are interdependent in the discussion of the different stages of an entrepreneurial process, and they will be used to discuss and analyze my case study in chapter 5. In this chapter, I have decided to present the terms separately to be able to gain an in- depth understanding of each term. To provide a basis for the three terms in regards to their relation to the entrepreneurial term, I will first provide a short theoretical introduction of entrepreneurship, to understand the role of the entrepreneur as well as the entrepreneurial process.

Spilling (2008) explains how the entrepreneurial term concerns the actor or actors that start a new financial activity. The entrepreneurship term regards the process from the moment an idea is born, until resources have become organized, and the result is a business generating economic activity. Entrepreneurs do not appear in a vacuum; rather they are closely connected with their surroundings. This includes the local business environment, political environment, social environment and family. Entrepreneurial processes will often come out as a reflection of, or be closely related to, the entrepreneurs’ different relationships towards such surroundings. In the decision process of creating a business, entrepreneurs can experience what has been called push and pull factors. Push factors are the external pressure the entrepreneurs face, where entrepreneurs are more or less forced by their situation to start a

business, due to for example a lack of employment and therefore in need of employment. Pull factors come from more positive circumstances, where an entrepreneur, for example, may see an opportunity in a market, or have an idea as well as the needed resources to start an own business venture.

Creative destruction is a process that persistently revolutionizes the economic structure from within as entrepreneurs take part in altering and destroying industries and continually creates new ones. The term “creative destruction” was introduced by the Austrian economist Joseph Schumpeter in his work "Capitalism, Socialism and Democracy" (1942) to explain how entrepreneurs could be seen as a source to create inventions that will lead to fundamental changes in technologies, products or processes. Entrepreneurship stems from the actions of an individual or a group of individuals which are embedded within the same project, firm or network. Entrepreneurship generates economic activity through activities with a basis in creating new products, new services and new ways of doing things according to Norn et al. (2011). The entrepreneurs are basically introducing new ways of doing things in which will keep changing the “rules of the game”. This process of creative destruction is what fuels long-term economic growth according to Schumpeter (1942).

Norn et. Al (2011) states how entrepreneurial activities take place in an industry, a city, a region or even a country, and how multiple analyses must be taken into account to understand entrepreneurial behavior. The influence of culture on entrepreneurship can, according to Mitra (2012), be challenging, due to the relation that culture has to social responses of how people live and behave in a society. In every society there are different codes of social conduct. This can help shed light on the varieties of entrepreneurial activity in different cultures, which may be reflecting the stage of economic development of the society as well. Government policies are often a factor playing into the entrepreneurial culture in a society, as they often favor specific types of activity in the environment. In the period from 1950 to 1980, for example, most Western economies became focused on wealth and job creation, as well as innovation, and governments saw the development of large firms as the most important step to achieve these goals. Today, the emergence of new businesses is seen as important units of economic activity as well, and government policies are therefore aimed towards supporting both small and large firms. As Romer (1993) emphasized in regards to the importance of ideas in the growth process: “In a world with physical limits, it is discoveries of big ideas, together with the discovery of millions of little ideas that make persistent economic growth possible” (p. 64).

There are different perspectives of entrepreneurship. According to Certo and Miller (2008), the term “commercial entrepreneurship” means the identification, evaluation and exploitation of opportunities resulting in profit. The term “social entrepreneurship” means the identification, evaluation and exploitation of opportunities that result in social value. In contrast to the commercial view on measuring value in profit, social entrepreneurs measure value in social needs that they creatively have managed to solve. Certo and Miller (2008) further go in to how a business or an organization may pursue a combination of both commercial and social entrepreneurship, becoming what has been called a “hybrid”. What is determined as a true hybrid, however, has proved to be difficult. For instance, the matter of cause- related marketing strategy, in which businesses may use to increase sales and profit. In other words; businesses may profit by marketing themselves to be social entrepreneurs, only to gain more profit.

I have divided the rest of this chapter into the following three main sub- chapters:

Network, including the importance of strong and weak ties, social capital, trust, social uncertainty and partner selection.

Culture, including regional culture and the influence in which corruption has on entrepreneurial culture in a place.

Knowledge, including the importance of tacit and explicit knowledge, knowledge reservoirs and security.

2.1 Network

Referring to Spilling (2008), networks are not something that is constant, but rather something that is continuous, as networks are constantly changing. Furthermore, the quality of a network is dependent on the time spent on developing it. It has to be a priority from the start of the development of a business if the goal of the task at hand is to be achieved. In this sub- chapter the focus will be on why networking is important to attract resources. As well as how the different stages of an entrepreneurial process means a change in the use of networking to attract resources, skills and information, to help reduce uncertainty and further shape the direction of a business’ actions.

According to Mitra (2012) the following three points give reason to why networking is important for entrepreneurs: 1) A business can find legitimacy in a network, protect their new products and services, and gain knowledge and attract investments, 2) entrepreneurs need to

know governance structures and have a network in systems and institutions to be able to establish themselves, and 3) the emergence of the internet has become an important part of networking, as the reliance on intellectual capital for creating new products and services is constantly increasing, and connects millions of people (entrepreneurs, users and others).

According to Spilling (2008) networking, which is indirectly or direct social contact with individuals, groups or institutions, will give entrepreneurs the possibility to gain access to affective resources, informative resources, and material resources. Affective resources are resources of a social nature, including encouragement and support. Informative resources are resources which include advice about bureaucratic, technical and financial conditions which is essential to the planning of the business. Material resources are resources such as capital and labor which are assets that a business is dependent on. The access to these resources increases the further the business has come in the process from idea to establishment, or product launch to market. It is challenging to establish and maintain networks however, as it requires time and put a strain on resources. In addition, a company's needs change over time, and this may reduce the utility of the network. It is therefore important to be able to build a cognitive capacity so that the businesses are able to see themselves and their network from the outside. In other words, Spilling (2008) states that a start-up should make a strategic assessment of how they relate to their surroundings.

Following the theory regarding network ties by Granovetter (1973), the quality of networks depends on strong and weak ties, which can be classified according to the amount of time, intimacy, emotional intensity as well as the reciprocal services involved. Strong ties are intense relations between individuals who offer great depth of knowledge although little knowledge diversity. Weak ties on the other hand, are weak relations with other groups or individuals that give more diverse knowledge and, according to Granovetter (1973), are more efficient than strong ties in regards to spreading information. Strong ties can be understood as an entrepreneur's closest friends or family, and weak ties can be understood as acquaintances or other relations that entrepreneurs seek to gain new knowledge.

Greve & Salaff (2003) states that contacts that interact with the entrepreneur on a frequent basis provide a big influence to an entrepreneur's support group, they often expand and make opportunities available for the entrepreneur. These contacts are what was referred to as the entrepreneur's social capital. I shortly wish to present Greve and Salaff's (2003) as well as Madurapperuma's (2011) studies on networking in different stages of business establishment,

to illustrate the effect of Granovetter's (1973) strong and weak ties in different stages of the entrepreneurial process. These results will also be discussed and compared against my empirical data in the analysis of this thesis in chapter 5.

Greve & Salaff (2003) identified social network activities and characteristics of entrepreneurial businesses using Wilken's (1979) three-phase model in their research. This model consists of three phases, namely motivation, planning and establishment. The motivation phase is where the entrepreneurs explore their possibilities of starting a business, and where entrepreneurs often have a limited network of friends and family. The planning phase is where the focus is on the preparation and planning of starting a business. It is in this phase the entrepreneurs seek a larger social network to gain knowledge, resources, new skills and business relations. The establishment phase is in effect when the entrepreneurs have a running business, and they concentrate on maintaining a social network consisting of key persons that provide them with resources and commitment, often through the security of contracts. There is also a second part of the establishment phase, where the option of entrepreneurs taking over a business and its existing social network exists. I have chosen to exclude this however, because of its irrelevance to my case study analysis.

In all of the three phases, entrepreneurs used their social capital to access resources, although each phase required a different emphasis on networking. The results of Greve & Salaff's (2003) study offers a structural approach to understanding entrepreneurship by presenting how networking differs in each of the three phases of business establishment. In the motivation phase, it became clear that the entrepreneurs needed a protected environment to talk and discuss any ideas of starting a business. The entrepreneurs therefore only opened up to their closest relations, their strong tie relations, such as family and friends. In the planning phase a greater degree of planning is necessary, which led to an expansion of the discussion networks of the entrepreneurs. In this phase it proved most important to use time and energy on building new relations and maintaining them, described as weak ties by Granovetter (1973). In the establishment phase, it became evident that the entrepreneurs focused on the most important members of their social network. These members may include both strong and weak tie relations, and Greve and Salaff (2003) found that this approach leads to less time spent on networking and further a reduction of the entrepreneur's social network.

Madurapperuma (2011) have done research on what impact social networks of entrepreneurs would have on the growth of their small businesses. This research is based on 101

entrepreneurs in small retail businesses. The aim was to explore differences and similarities in the entrepreneurs' composition of social networks in various stages of venture development, and the entrepreneurial process was divided into the following three stages; the discovery stage, the start-up stage and the ongoing stage. The discovery stage included the close network around the entrepreneurs when discussing the idea of their businesses. The start-up stage included the network in the business establishing process. The ongoing stage included the network in the further growth, maturity and development or stagnation of the business.

Madurapperuma's (2011) research results states that family and friends are the key network members in the first stage of the entrepreneurial process, which is in accordance with Greve and Salaff's (2003) research as well. Madurapperuma's (2011) research did, however, also indicate an increase in the relative importance of non-family ties; or weak ties. This was due to the resources that the entrepreneurs knew would be needed in later stages.

Madurapperuma's (2011) first stage, both weak and strong tie relations deemed important. In the start-up stage facilities and financial capital were more pertinent. The networks extended to non-regular contacts, including business acquaintances, professionals and formal institutions. It can therefore be understood as a heightened focus on weak tie relations providing more diverse knowledge, according to the theory of Granovetter (1973), than what regular contacts, such as family and friends, would be able to provide. In the ongoing stage, Madurapperuma (2011) understood that the businesses gained access to complementary resources and competence. The main focus was on maintaining non-regular ties with professional services, professional bodies, and government agencies, which are weak tie relations.

As described by the two examples above, the focus on strong tie relations, weak tie relations or both, differs throughout the entrepreneurial process. This is due to the different resources needed by the entrepreneurs in different stages. As with financial capital, Ladegård (2003) explains that also social capital entails doing investments in relation to future performance. Startup businesses often lack financial resources, market intelligence, and competence in accordance with laws, rules and financial management. Many of these resources are to be found and purchased in the market, but for startups with the lack of capital, it is not the solution. The business' social capital, however, may help to replace the financial capital. The business must be able to create goodwill towards themselves with the others in their network, in the sense that people in their corporate network wants to give them something. The business must further have the competence to convert that goodwill to real services, and at the

same time make it easy for their contacts to transfer these potential resources. This leads us to the importance of trust in networks.

Through identifying sources of social capital, Licht and Siegel (2008) have found the following four sources that describe different mechanisms by which social capital generates trust. First and foremost, when an individual identifies with a group from birth, leading to altruistic behavior towards the other members of the group, it is called value introjection. Second, the act of generosity towards members in a group, based on the notion of mutual support, is called reciprocity exchanges. Third, when a group of people share a common event or group of events during the lifetime of the group it is called bounded solidarity. Four, the punishment of a member of a group, on the reason of inappropriate behavior against the other members of the group, is called enforceable trust.

The next sub- chapter will discuss how partner selection can give new knowledge and reduce uncertainty in a business and further explain how networking towards different actors in an environment can commence growth.

2.1.1 Social Uncertainty and Partner Selection

Solberg (2009) states how network can to some extent can be said to have the same function as information, as both serve as a purpose to reduce uncertainty in regards to decisions that are to be made by the business. Information is needed to make a good decision, at the same level, a network of players may provide a business with a variety of information that can contribute to make a good business decision. Essentially, one of the qualifiers is to be able to trust that the information received from the partners in the network is factual and true. It takes time to construct a network, and build the trust necessary for future collaboration. If a link in the network were to fail, trust issues will arise. Through these issues none of the parties will trust one another, and the possibility of using the network in the future is lost. Without trust, an entrepreneur will risk that a good project may not be realized as a result of insecurity and fear for opportunism. According to Reiersen (2013), if you trust others you expect that they will not exploit you and your cooperation to secure own profit or other winnings. This is the reason to why people risk putting assets and resources into projects that will realize winnings for themselves as well as for others and the community.

Unreliable behavior, Yamagishi (2011) explain to be understood as someone who exploits an imperfect contract for their personal benefits. This type of behavior often leads to social

insecurity and further, to the desire and need of forming a network. Yamagishi (2011) emphasize this by saying:

Formation of commitment relationship helps in reducing social uncertainty through enhanced predictability of the partner's behavior due to accumulation of information about the partner. (...) Thus, people who face social uncertain situations often try to voluntary form commitment relationships in which they can feel safe. (2011: 50)

Yamagishi (1994) defines social uncertainty to be something that exists when an actor is incapable of detecting the intentions of a partner with dishonest incentives. If a partner proves to be dishonest, the risk for the actor, in this case; the entrepreneur, is to be cheated and the loss of valuable resources needed in the business. Essentially, the most simple and available strategy of minimizing the risk of social uncertainty, is to form strong relations with specific partners. Granovetter's (1973) theory on strong ties can therefore be seen as a source towards less social uncertainty, as it generates trust. If trust is absent, Reiersen (2013) explains that the size of control and contracts increase, and that transaction costs will become larger.

A certain degree of social uncertainty is unavoidable if the entrepreneur wishes to gain knowledge, as well as profit. Yamagishi (1994) states that making a deal with an "outsider", can be more profitable than the assured profit with an "insider", or as Granovetter (1973) puts it; weak ties are a source to gain more diverse knowledge. Essentially, by engaging with "outsiders" it means to take a risk of being exploited. Therefore, in the search for outside opportunity, for instance when the entrepreneur wants to gain new knowledge from other actors in a community, it involves more social uncertainty. To seek new opportunities and new relations to other actors in a community includes taking risks, and this is a basic characteristic of an entrepreneur according to Spilling (2008).

In regards to partner selection, Beckman et al. (2004) describes it as a fundamental driver of network stability and network change, thus making it a vital part of network theory. Forming new relationships with new partners can be seen as a form of exploration. Exploration can be explained as experimentation with different options, and in this case, forming new partnerships means the business expand their knowledge as well as expand their access to resources. Moreover, forming additional relationships with partners already connected to the business are described as exploitation. Exploitation includes refining and extending the knowledge that already exists in the business.

With what Beckman et al. (2004) refer to as firm-specific uncertainty, businesses can use the strategy of forming new relationships with new network partners, exploration, to achieve diversification of knowledge and legitimacy concerns. On one side, the exploration strategy can increase firm-specific uncertainty as little is known about how the new partner relationship will affect the business; it is a weak tie relation. On the other side the increase in new partner uncertainty gives the possibility of using new knowledge to reduce other firm-specific uncertainties.

Market uncertainty is another “principle/term” that comes into play, when dealing with exploitation and networking. Beckman et al (2004) explains market uncertainty to be uncertainty affected by an entire industry or market, and which lies beyond the control of a single firm. According to Larsson (1992), uncertainty that arise outside of the businesses control can be reduced through exploitation of a business’ existing network. When a business is faced with market uncertainty, exploitation suggests maintaining current partners as the business is in need of stability and trust in inter-partner relationships, and not in need of seeking new uncertain relationships. In other words, through adding additional relationships stronger tie relations and deeper levels of trust will be established.

One of the study results of Beckman et al (2004), found that firms did, as Larsson’s (1992) theory proved right in regards to firms reacting to market uncertainty, reinforce their existing network relationships when facing market uncertainty. When a firm maintained committed more to their present partners however, Beckman et al. (2004) found that firms would not experience reduction of any degree in the uncertainty they were facing. The exploitation strategy was nevertheless the adopted choice of most firms facing market uncertainty.

What has been explained above can be connected to what Vatne (2005) has called “untraded interdependencies”, which is a term used to understand how businesses focus on interactions with competitors and potential important alliances with other actors in a community to manage to control risk as well as connect different resources. This type of relations, due to its characteristics of tacit knowledge, which will be explained in chapter 2.3, requires personal dialogue. It can create new knowledge and provide the opportunity of achieving control of the businesses’ surroundings, generating the opportunity of strategic actions which may prove beneficial for a business. In the next sub- chapter I will present relevant theory on culture and discuss its influence on entrepreneurial activity.

2.2 Culture

Defining culture is a tricky task, as a wide variety of scholars from the academic areas ranging from psychology to cross-cultural business management, have published countless definitions, both simple and complex, of culture. In the 1950's, Kroeber et.al (1952) defined culture as “the historically differentiated and variable mass of customary ways of functioning of human societies” (p. 157). Hofstede (1991) states how values are acquired early in life and are enduring, but practices are learned in a later stage and can be altered. National cultural differences, he points out, is primarily composed of differences in values, and not as much of differences in practices. For the purpose of this thesis, I have defined culture as elements of behavior that can affect an entrepreneurial process. The elements of behavior include values, norms and practices which all may affect the process in terms of social uncertainty, corruption and unreliable behavior. By using this definition I will further discuss the impact of culture on the entrepreneurial process.

Entrepreneurship can be seen as a collective process, and according to Borch and Førde (2011), the regional culture is made out of the interaction between the people in a place. The Finnish geographer, Anssi Paasi (1990/91), explains that there are three different parts made out to explain regional culture. The first part is the regions material culture, which is the nature and man-made artefacts included in technology, and that has been given meaning, becoming indicators to a cultural system. The sense of belonging is related to the material culture and the interaction the residents have with other residents in the region. The second part is culture as a human act, meaning that the entrepreneurial culture in a certain location, is a result of how people relate to their surroundings. The third part of explaining regional culture is presenting culture as an identity, which can be divided into two perspectives. The first perspective is the regions identity, which is maintained by economic, cultural and political organizations and institutions in the region. The second perspective is the resident's regional consciousness on how they themselves experience the region and their role in it.

Bolkesjø and Brun (2008) explain that economic activity in general would not be possible without culture and simultaneously; that culture would not be possible without economic activity. This is because of how the history and traditions, the environmental factors influencing upbringing, as well as the employment experiences of the people living in a region, are all important factors in the discovery of ideas leading to economic activity, as well as important for understanding the entrepreneurial culture in a region. Krishna (2013) states how high social capital, as defined in chapter 2.1, can enable communities to achieve common

goals through collective actions. For these actions to be efficient, the community also need capable agents; people with the right resources to achieve the goals of the community. In the rural villages people want economic growth just as much as the people living in the urban areas according to Krishna (2013), and they want to be included and also engage more actively with state and market, even if it means to abandon old traditions and ways of life.

How a society encourage, embrace and practice entrepreneurship and simultaneously; how entrepreneurship will be affected by societal factors, can be interpreted as being part of a culture; a whole way of life, according to Hofstede (1980). To this extent, entrepreneurship can be seen as part of a shared system of values, beliefs, aspirations and ideas of a people.

What has been named “socioculturalism” can, according to Wertsch (1998), explain both the relationship between human actions, as well as the cultural, institutional, and historical contexts in which this human action takes place. The sociocultural perspective therefore enhance how learning are situated and takes part in physical or social contexts, or as Dysthe (2001) writes; “knowledge is constructed through interaction and in a context” (p.42).

2.2.1 Entrepreneurial culture and corruption

The entrepreneurs learn most effectively through the judgments they have made on the basis of prior information, signals of their venture they receive, and the location of the venture within an industrial sector. As Mitra (2012) states, entrepreneurs in uncertain environments have to hope to reach entrepreneurial success and optimal value by using his or hers sets of instruments and functions through different sets of skills. Through “learning by doing or learning by imitating” (p. 17), is how entrepreneurs learn, as well as through a set of heuristics. This learning is tacit, they learn as they go along, through the interaction and study of others. It is often a part of the processes and customs of their own organization, and a lot of it varies, under specific circumstances, based on who they are and what they do.

In the presence of corruption, Anokihn and Schulze (2009) states that an entrepreneur faces risk of having others in his or hers network seeking to appropriate profits from the business. Corruption is defined by Todaro and Smith (2011) as “The appropriation of public resources for private profit and other private purposes through the use and abuse of official power or influence” (p.774.). Corruption is a form of stealing, and the rate of corruption is often measured to be a lot higher in developing countries than in developed countries. An improved governance, and especially absence of corruption, encourages the influx of investments and a general improvement in the speed of development, as opposed to bickering over wealth

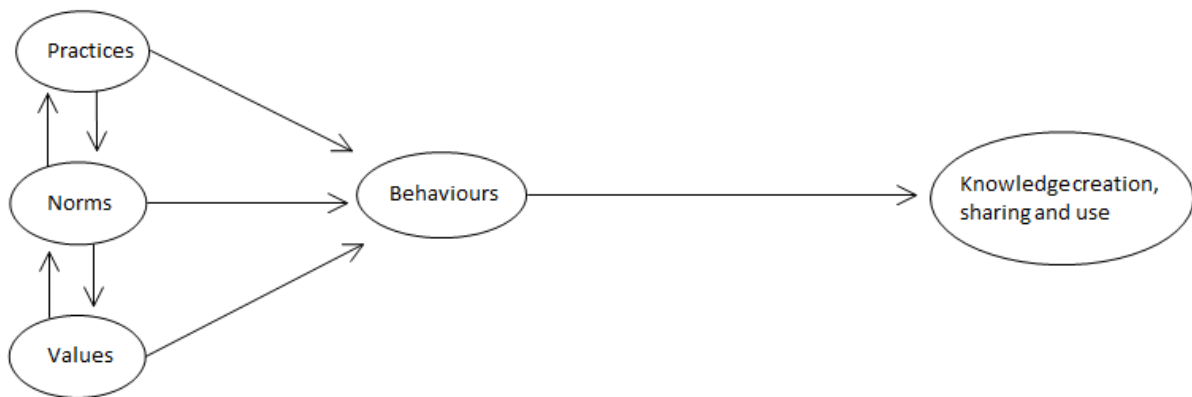
distribution. To accelerate the process of development it is important to improve governance in all aspects, particularly reducing the level of corruption in the system.

Anokihn and Schulze (2009) explain how relying on one-sided trust become a great risk for entrepreneurs in an entrepreneurial culture affected by a high level of corruption and absence of institutional trust. According to Rose-Ackerman (2001), one-sided trust means that an entrepreneur's decision about a person is decided based on reputation, professional qualifications, or other information that can prove reliability. In general, trust is said to become the product of repeated interaction with others, and confidence in trustworthiness of a person increases the more positive experiences the entrepreneur have with a person, as also discussed in chapter 2.1.

On the other hand, corruption seems to disappear from the calculations made by the entrepreneur, when it is controlled. In corrupt environments it does not seem to be a need for two parties to trust each other. One-sided trust can be enough to motivate trade, if both parties tend to share the same values and the communication channels between them are efficient. Negative and positive information about the business, in regards to quality, are quickly signaled through these channels (Rose Ackerman, 2001). Trust can therefore be understood to be gained through interaction over a period of time. Assurance on the other hand, as Yamagishi (1994) agrees with as well, is gained through knowledge about the incentive structure surrounding a relationship.

DeLong and Fahey (2000) have done a research on knowledge management initiatives that show how knowledge needs to be discussed in reference to a cultural context so it will not be misleading. The research discusses the influence of culture in a business, and how culture can be understood as a factor that creates and adopts new knowledge. Through figure 1 below, DeLong and Fahey (2000) explain how cultural elements in a business consist of; practices, norms and values. Practices are a set of repetitive behavior. Norms are the rules of behavior in a business. Values are embedded behavior preferences regarding what a business aim for and how to reach it. The three terms are interrelated, as values shape both norms and practices. Norms are derived from values and norms shape specific practices. The culture in a group, or in a business, shapes what a business defines as useful, important or relevant knowledge, and this will directly influence what knowledge a business will focus on. In other words, culture shapes behaviors that create, share and use knowledge.

Figur 1: Elements of culture



Source: Adapted from DeLong and Fahey (2000)

To be able to understand how networking can be used to attract resources, I will in the next section present different types of knowledge, the concept of knowledge sharing and how good knowledge reservoirs can gain competitive advantage.

2.3 Knowledge

The main focus for this chapter is to present how competitive advantage for entrepreneurs can be reached through a business's knowledge reservoir, and how knowledge sharing is vital for growth and development, in terms of codified and tacit knowledge.

According to De Long & Fahey (2000), knowledge is said to be a product of human experience and reflection. Dependent on context, knowledge exists at individual and group level, or it is embedded in an organizational routine or process. Unlike other resources, Choo (1998) explains that knowledge has the interesting characteristics of getting enriched by being used, remaining with the knowledge holder even after giving it away to someone and existing independent of space and time. Furthermore, knowledge is either explicit or tacit. Explicit knowledge, for example, can be the knowledge to change a flat tire on a safari car (the knowledge is codified and embedded in formal rules, tools, and processes), and tacit knowledge can be to have a collective lunch as a solution to improve the collective culture of the garage team (the knowledge is what we know but cannot explain).

De Long & Fahey (2000) present the following three distinct types of knowledge. First we have human knowledge, which is what the individual know or knows how to do as it is manifested in skill or expertise. For example, a tour operator need to have the skill to make an

all round trip for a customer, but also need to have the expertise to find and select a trip which will be a good match for a particular customer. This knowledge usually combines both tacit and explicit knowledge.

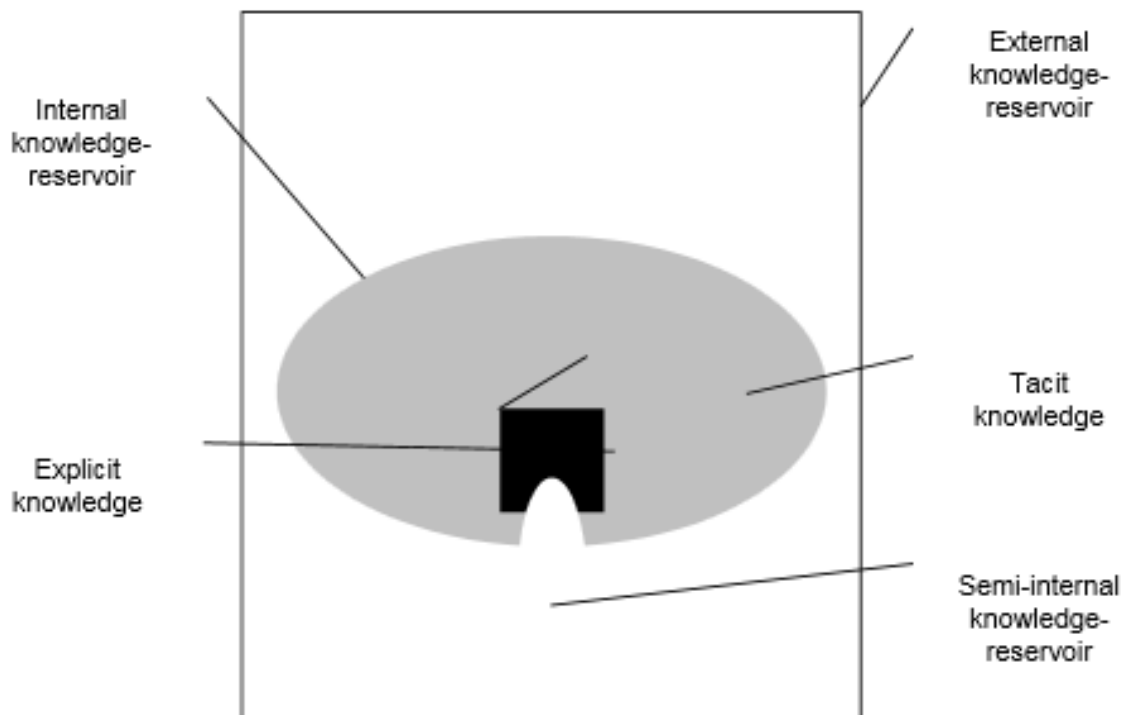
Second, we have social or collective knowledge that occurs only within a group of people, or in relationships between individuals. For example, in a safari business the high performing members in a garage team responsible for fixing safari cars. A team that shares a certain collective knowledge that makes out to be more than the sum of the individual knowledge of the teams' members. This shared knowledge by group members is largely tacit, and develops only as a result of the members working together and their ability to collaborate effectively.

Third and lastly, we have structured knowledge, which is to be found in an organization's systems, processes, tools and routines, and is explicit and rule- based knowledge. Compared to the first two types of knowledge, structured knowledge is an organizational resource, meaning it exist independently of human knowers. For a safari company, such structured knowledge can be the routines in performing a safari game drive for their customers, or an internet communication system towards potential customers.

2.3.1 Entrepreneurial Knowledge Reservoirs

Widding (2007) presents the entrepreneurs' and the business' knowledge reservoirs, which is based on how managers, or in this case; entrepreneurs, build and acquire knowledge. Figure 2 presents the knowledge system in relation to the interaction between explicit and tacit knowledge.

Figur 2: Knowledge system

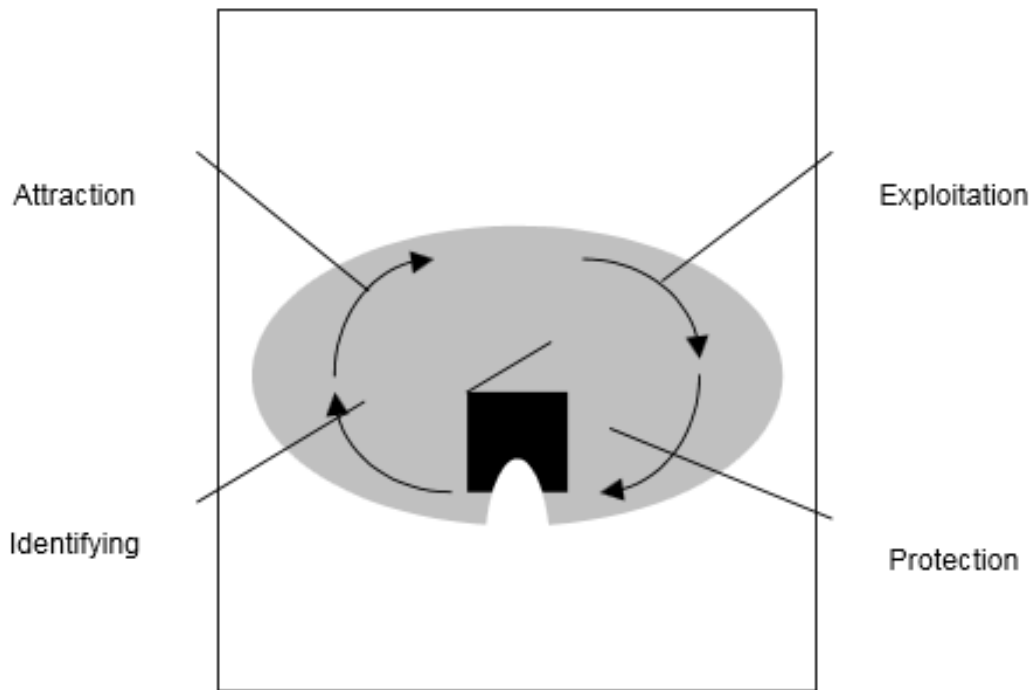


Source: Widding (2007: 194)

The black square, which represents explicit knowledge, symbolize formality according to Widding (2007). In comparison, tacit knowledge is the shape of a circle with aim to symbolize the more personal and less unyielding knowledge. Together, the circle and the square represent the internal knowledge reservoir of a firm, which consists of the entrepreneurial team and the firms employees. The white oval shape is the semi- internal knowledge reservoir, which include owners (entrepreneurs) and board members, and influence both the tacit and explicit knowledge reservoir.

To have and to keep knowledge is not enough if a business wish to gain a competitive advantage. According to Teece et al. (1997), a business needs to use its knowledge and it needs a dynamic capability to do so. Figure 3 will show the holistic approach of an entrepreneur's four most important abilities, identified by Brush et al. (2001), to construct a resource base which will give a competitive advantage. These are namely the ability to 1) identify resources, 2) attract resources, 3) exploit resources and 4) protect resources.

Figur 3: The process of gaining competitive advantage



Source: Widding (2007: 195)

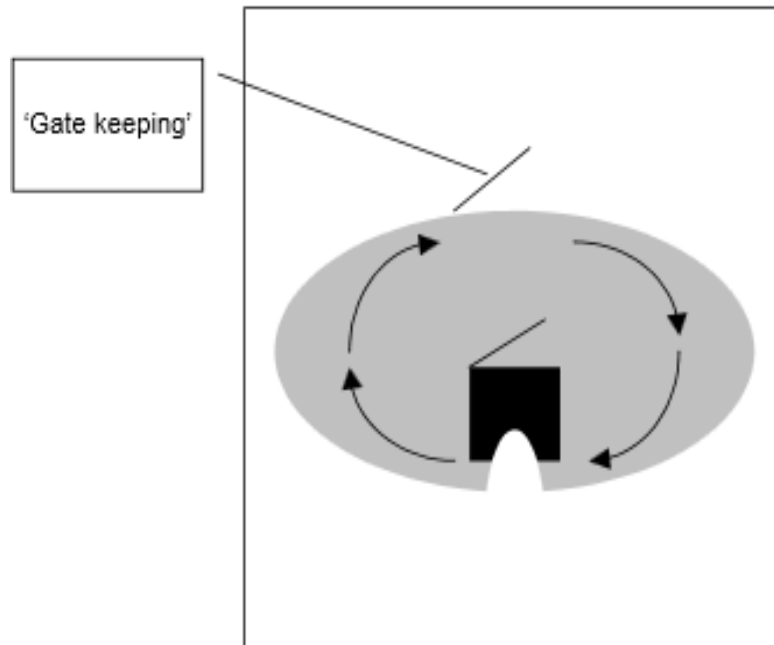
Illustrated by the arrows in figure 3, we understand the process as a continuous process. The speed is influenced by the relationship between tacit and explicit knowledge and it will be a factor that can give information on the firm's ability to carry out the process.

According to Dollinger (1999), the entrepreneurial process includes how the entrepreneurs acquire and develop knowledge resources. The new venture's outcome is largely determined by the nature of the resources that the entrepreneurs are able to acquire. The awareness of the importance of knowledge in sustaining and enhancing a business' competitiveness makes the acquisition of new knowledge a top managerial priority. This activity can be described as building "knowledge reservoirs".

Widding (2007) explains how there is always a risk when opening for interaction with external sources, which is in agreement with Yamagishi (1994) as mentioned in chapter 2.1.1. Competitors will have access to the business' unique knowledge reservoir, and through this, the business will lose competitive advantage. By not taking the risk however, the business will lose the chance to develop their own significant knowledge resources, as the business' chance to absorb knowledge is through soaking up knowledge from the environment. A business needs to absorb knowledge from its surroundings and at the same time control the

knowledge going to its competitors, or other actors in their network. In figure 4 this is illustrated with a gate.

Figur 4: Gate keeping

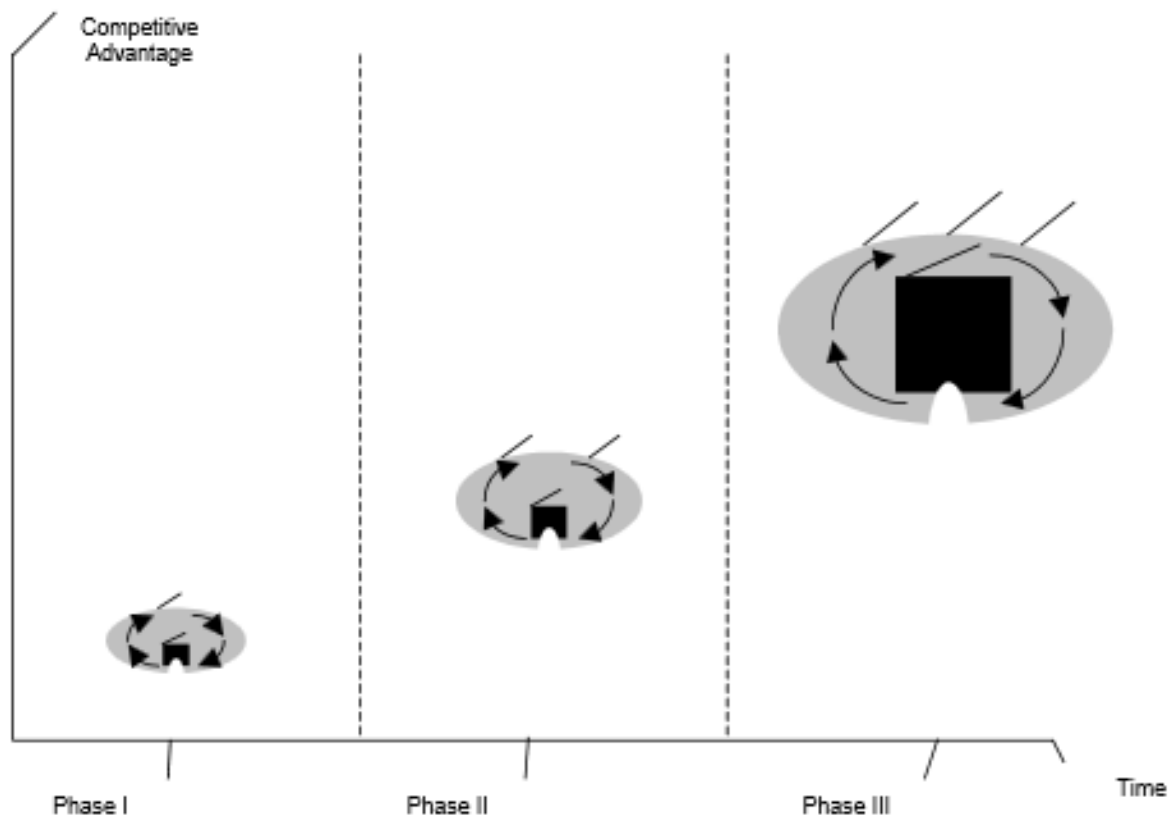


Source: Widding (2007: 196)

Through “gate keeping”, Widding (2007) explains that the firm will, next to gaining knowledge from the surroundings, manage to control the direct knowledge that goes to the competitors, as well as they can protect specific knowledge essential to the firm.

Widding (2007) has illustrated the firm in three different phases with three different competitive advantage levels and also with three different knowledge reservoir sizes and three different numbers of gates. This depicts competitive advantage by entrepreneurial knowledge management and sustainable competitive advantage. With competitive advantage representing the Y- axis, and time representing the x- axis we get the following graph in figure 5:

Figur 5: Competitive advantage through an entrepreneurial process



In phase 1, down to the left in figure 5, the new established business is presented with a low degree of competitive advantage due to the low knowledge reservoir (internal, external and semi- internal knowledge). The business also has tacit knowledge which is greater than explicit knowledge, because of the lack of the businesses routines, specifications and task descriptions due to it being a young business. Only one gate is open for external environment, meaning relative little knowledge pass in or out of the business, which can bankrupt the business without taking measures to improve.

In phase 2, in the middle of figure 5, the businesses competitive advantage has had some growth. The entrepreneur is assumed to have started the process of identifying necessary knowledge and has attracted and exploited this knowledge to go forward with mechanisms that will protect the firm's knowledge reservoir. The growth is a result of these processes and the firm has opened more "gates" which has a positive effect on the flow of knowledge between the reservoirs.

In phase 3, the right side of figure 5, the processes have been further developed. The business experience breeds higher competitive advantage. The explicit knowledge has also increased,

as the management wish is to reduce any risk that will follow if an employee choose to leave the firm.

In the following method chapter I will introduce how I have gained my empirical data, reflect on different contextual factors that affected my study and discuss my critical reflection of my data. In chapter 3 I will present this thesis's narrative case study through a similar structure of an entrepreneurial process in which have been presented in this chapter through Widding (2007). In this way I will be able to discuss how networking is based on knowledge as a resource to be shared, absorbed and protected throughout the stages from idea generation to growth, as well as discuss the influence of culture on knowledge and networks, in the analysis in chapter 5.

3. Choice of Methodology

Research on entrepreneurship means to research individuals, businesses or any activity that generates innovation and economic growth, and this process, according to Audretsch (2003), can be very complex to explain and understand, as entrepreneurship is a multilayered phenomenon. Susan Smith (2001) writes how it is «usual to suggest that qualitative methods are a useful way of proceeding when we are interested in a multiplicity of meanings, representations and practices” (s. 24). The aim of my research is to analyze the story of an entrepreneurial process carried out by two foreign entrepreneurs in Tanzania. By doing so, I hope to contribute to the understanding of being a foreign entrepreneur in Tanzania, and to encourage comparison, reflection and new stories about foreign entrepreneurs and the role of networking in unknown cultural contexts.

The focus of qualitative methods is the recognition of the human perspective in their everyday life according to Smith (2001). Furthermore, Steyaert (2004) argues that people’s everyday life is the stage where social change takes place, and through a narrative research the everyday life of entrepreneurship will open up. Boje (2008) look at narratives as a linear story, including a beginning, a middle and an end, which reverse earlier events to become our experiences, in order to achieve credibility by connecting the events. He also views narratives as something that is created. It thereby differs from the lived story that steadily passes, and he states how ”stories are more about dispersion of events in the present or anticipated to be achievable in the future” (Boje, 2008. p. 4).

Different stories are told in different places and can’t be described as classical narratives. In a business, different stories are continuously told in different places of the business. Schank (2000) states how narratives, storytelling, knowledge and communication are connected. He points out how we learn from what happens to us, and this knowledge will be a part of controlling our actions, as well as what we tell others. Knowledge comes from stories, as we remember stories and pass them on to others. As a researcher, my aim was to gather and interpret knowledge from the entrepreneurs of a business, and their network throughout an entrepreneurial process. As Foss (2010) argues; a narrative approach can give a better understanding of entrepreneurs’ networks and networking skills. Therefore, in accordance with Borch and Førde (2010), taking a narrative approach where the entrepreneurs’ stories are in focus, creativity becomes a part of the knowledge production as the entrepreneurial process demands interpretative and contextualized research of many voices. In this chapter, chapter 3, I will explain how I have gathered the stories written in this thesis. In chapter 4, I will present

my interpretation of the stories in an organized manner, which will give the stories meaning. In chapter 5, I will analyze the stories by using the theoretical framework presented in chapter 2, and make the stories available and the meaning legible, as well as negotiable, for others.

I chose the qualitative methods; in- depth interviews and observation, to be able to do a “multi- cited Ethnographic case study”, which I will present in the next sub- chapter together with an overview of my fields of study. In this chapter I will discuss my use of interviews and observation, before I will reflect critically upon my research in regards to reliability, positionality, limitations, validity and ethical aspects, using my own experiences as examples.

3.1. Multi- Cited Ethnographic Case Study

I have called my research for a multi- cited ethnographic case study, in the attempt to properly explain my actions during the research process. My research is ethnographic as it consists of the gathering of rich and nuanced data through the use of daily interaction with research participants for a period of two months, which is in accordance with Crang and Cook’s (2007) theory on ethnography. Falzon (2009) explains how being in different spheres of social relations, is something that multi- cited ethnography aims to expand upon, where the people and their associations are the field of study. Essentially, it dictates that the use of this method can be accomplished physically or conceptually. Physically, the researcher moves to several places and resides there for a short while, instead of spending months in a single location. The same goal can also be achieved conceptually, by using two sets of data and contrasting them against each other.

I have chosen to perform multi- cited ethnography research, as I needed to follow the network of a business. By travelling to places where I could physically meet informants, I gained the opportunity to collect data from more than one location and source of information. Through meeting and interviewing key individuals in my informants’ network, I managed to gather more contextualized and rich information, as well as I was able to ensure a case study based on quality data. Yin (2014) explains that a case study is an empirical inquiry that will give a researcher the focus on one or more cases and give a holistic perspective of a case. As my research question has basis in understanding an entrepreneurial process performed by foreign entrepreneurs, and their use of networks in a unknown culture, it became clear that in order to produce the data necessary to create such an understanding, I needed to spend a lot of time with one business . During my empirical inquiry of an entrepreneurial process; from the business idea generating stage and up to a business’ current stage of growth and development,

I understood my need of in- depth data, which is a time consuming process. My reason for choosing to go with only one case study is therefore based on the high amount of data collected, and the time spent with one business to collect this data.

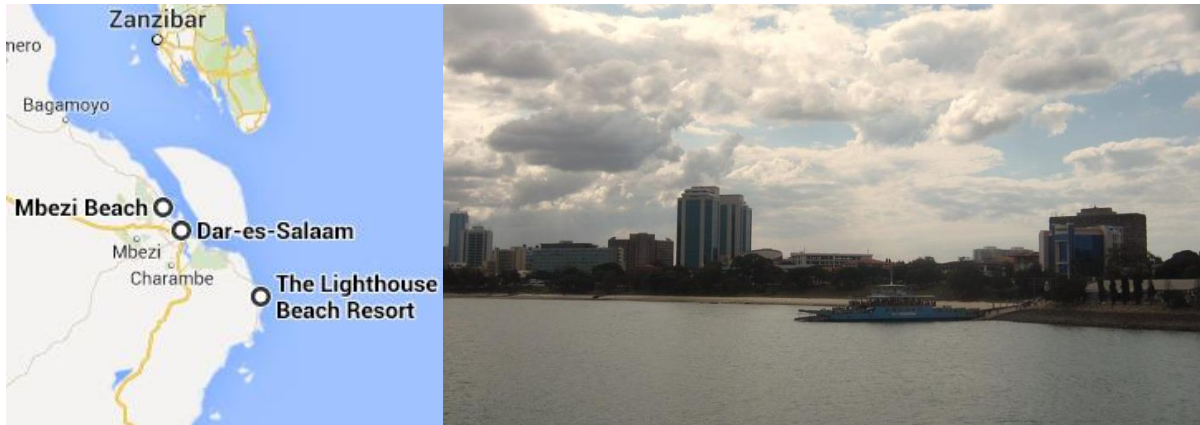
Through contacting Eivind Fjeldstad, the managing director of the Norwegian- African Business Association (NABA), I gained insight of large Norwegian businesses that recently have made big investments in Tanzania. My interest however, was to research an entrepreneurial process of a small, to medium, sized business. I therefore decided to contact four Norwegian businesses in Tanzania, which the Norwegian embassy in Dar Es Salaam had listed on their websites as. Of these four, two responded, and I met with both of them. Paka Adventures, which is a medium sized business stationed in Dar Es Salaam, and Wild Tracks, which is a small sized business stationed in Arusha. Both businesses specialize in safari tours, and early in the interview process with Paka Adventures, I was told that these two businesses were collaborating on a business level. As Paka Adventures owned a beach resort as well as running a safari business, and due to the amount of information I gained early in the process, I decided my thesis would benefit if I used this business as my case study. Since Wild Tracks was part of the Paka Adventures's network, I chose to travel to Arusha to interview the Norwegian founder of this business. I will further give an overview of the different places I travelled to gain information during my research process.

3.1.1. Fields of Study

The main reason for choosing Tanzania as the country for doing my research, comes from my experience of doing volunteer work in this country since 2010 and of my interest in exploring entrepreneurship in a third- world country. As mentioned in chapter 1, Tanzania is a country enduring rapid growth, which is currently attracting a lot of attention from investors all over the world. I aim to understand how Norwegian entrepreneurs are able to build up a business in a business culture that differs from the westernized business culture in Norway. My case study includes qualitative research from Dar Es Salaam, Kigamboni and Arusha in Tanzania as well as from Oslo in Norway.

The map below shows the areas in the Dar Es Salaam region where I conducted most of my fieldwork. Mbezi Beach is the place where Paka Adventures' main office is located, and where I had most of my interviews with the two Norwegian entrepreneurs behind the business, as well as with some members of their business. Paka Adventures also owns and runs "The Lighthouse Beach Resort", approximately 40 kilometers south of Kigamboni, also

marked on the map below. Here I performed several interviews with staff, as well as I made observations, during a four day stay. The picture below shows the Dar Es Salaam harbor, and it was taken when I was on my way back from Kigamboni by ferry.



Figur 6: Dar Es Salaam

Source: <https://www.google.co.uk/maps/>, Picture: Private photo

To be able to meet and interview the entrepreneurs behind Wild Tracks, I travelled nine hours with bus from Dar Es Salaam to Arusha, as marked on the map below. For two days I stayed in the home of the entrepreneurs behind Wild Tracks, the entrepreneurs being Frank, who is Tanzanian, and Beate, who is Norwegian. I conducted four interviews with Beate regarding their safari business and the collaboration they had with Paka Adventures. I was also introduced to their local work of coffee farmers. The picture below is of one of their two safari cars, showing the Wild Tracks business logo.



Figur 7: Arusha

Source: <https://www.google.co.uk/maps/>, Picture: Private photo

After my fieldwork in Tanzania ended, I went back to Norway. There, I was able to meet with the entrepreneurs behind Paka Adventures Ltd in Oslo during the annual travel fair in January. I spent two days helping them with their stand, as well as interviewing them in-between work. I experienced how the Norwegian entrepreneurs marketed themselves through participant observation, and had conversations with them, and their two Norwegian interns. The picture shows an overview of the travel fair in Telenor Arena.



Figur 8: Oslo

Source: <https://www.google.co.uk/maps/>, Picture: Private photo

By moving and changing locations, I have experienced different places, and interacted with different actors connected to the business. I have according to Takenaka (2007) managed to access data which otherwise would have been unavailable to me.

Next to the many interviews with the members of staff, my main bulk of produced data comes from multiple in- depth interviews with the two Norwegian entrepreneurs behind the business Paka Adventures. I also practiced observation and participatory observation in order to gain information on relational behavior, as well as atmosphere, which according to Crang & Cook (2009) is information that can only be collected through observing the participants in their set element. In the following sub- chapters I will present the two methods used during my multi-cited ethnographical case study; interviews and observation.

3.2 Interviews

According to Smith (2001) qualitative interviews allow for documentation of people's experiences and stories which the researcher interpret, analyze and give meaning. Valentine (2001) states that the result of using interviews are dependent on the skills of the interviewer. Without being able to listen and create good relations towards the interviewee, there is a good chance that the interviewer will not manage to get good information. It is also important that the questions asked, need to be understood by the interviewee, as well as they should not put the interviewee in an uncomfortable situation. Yin (2014) also agrees with this, when explaining how case study interviews require that the interviewer operate on two levels at the same time: 1) satisfying the needs of your line of inquiry, and 2) putting forth "friendly" and "nonthreatening" questions in your open ended interviews.

My goal has been to share the subjective view of my informants, and my task has accordingly been objective, as I have tried to describe in depth and detail the subjective views of the research subjects. By doing so, I have represented the person's view fairly and portrayed it as consistent with their meanings according to Silverman (2011). In every interview I made sure to use an informal approach and often engaged in conversation and discussion, rather than keeping a strict question and answer routine. By having the opportunity to come back for new interviews with my main informants gave me time to prepare for further inquiry on matters that I felt was important for my research.

Following the theory of Crang and Cook (2009), there are several ways to hold an interview, and they present the following three ways. First, the interview can be structured where the researcher ask specific questions which the informant answers. Second, the interview can be semi-structured where the questions are more of a guide for the researcher as well as it allows the researcher to be more spontaneous in addressing and adding questions on interesting topics. Third, an interview can be open, where some chosen topics are set up for conversation and discussion between researcher and researched. The main difference between structured, semi- structured and open interview guides are, according to Crang and Cook (2009), the level of data comparison during analysis. With structured interviews, the researcher asks the same questions to different informants and can easily compare the answers. In an open interview, the comparison is close to impossible as the questions are more spontaneous and never the same with all informants.

During my research I used mainly semi- structured and open interviews, which gave me the advantage of asking follow up questions on topics of particular interest to me. It also helped me keep organized, by making it easy to get back on track if the interview went off topic. Since language barriers and the level of education on some of the staff I interviewed proved to be more challenging than first expected, my use of open interviews became valuable. I needed to be able to form questions based on how they understood the topics I wanted to talk about. The interviews therefore became more like a conversation, where the interviewees told me about their experiences on their own terms. In appendix 1, the semi- structured interview guide which I used when interviewing the entrepreneurs of Paka Adventures and the English speaking key members of the business is attached. In appendix 2 the open interview guide which I mainly used with uneducated members of staff is attached.

During in- depth interviews that lasted for more than one hour I used a tape recorder, which Tjora (2010) states gives the researcher the benefit of being able to cite direct quotes uttered by informants during the interview. This will also strengthen the validity of my research, as the information is the informants “voice”, and not altered by me. Using a tape recorder made it easier to transcribe the interviews afterwards in great detail as well. The tape recorder became especially valuable during time consuming interviews, as I never feared to miss out on valuable information. Especially in contrast to only taking notes, as it is close to impossible, according to Thaagard (2009), to write everything down during an interview.

When conducting interviews in a second or third language it is, according to Crang and Cook (2009), important to understand that almost any utterance in any language carries a set of assumptions, feelings and values, and that both researcher and researched bring their own sets of assumptions, feelings and values on different matters. This makes room for a lot of misinterpretation, especially if a translator, as a third party, is also taking part in the interview process. In Tanzania the official language is Kiswahili, and due to my scarce knowledge of the language I needed a translator when interviewing non English speaking local staff. As presented in figure 9, Dzene was my translator when interviewing staff working at the Paka Adventures’ office, and Bridgette and Frank were my translators when interviewing the staff working at The Lighthouse Beach Resort. Their help interpreting became very valuable for my data collection. Confusion about the level of English the staff had did cause some challenges during my research. In retrospect I should have done more preparations finding out what level of English my informants had.

To illustrate an example; I was ready to interview Mpenda, one of the key people who had been a part of the resort from the very beginning. I did not expect that Mpenda did not speak English, as I felt his position implied that his English would be good, due to his high status and role in the development of Paka Adventures, and The Lighthouse Beach Resort. I planned the interview through Bridgette, the hotel manager, and when he arrived we sat down and I introduced myself and my research. It started off well, where I presented myself and my research followed by him wanting to read my interview guide. Mpenda looked with fair amount of interest at the guide, nodding and uttering the word “okey” several times. I did not know what I could do except letting him take his time before I could start asking him questions. Then, all of a sudden he wanted me to follow him around the resort. Proudly he pointed to the view, the buildings and the restaurant, while enthusiastically explaining in detail when and how he had participated in all of the building processes. It was very pleasant, except he was not speaking a word English. With my poor understanding of Kiswahili and hand gesticulation, we somehow communicated for more than 15 minutes, although it was not related to my research questions at all. When the conversation came to an end, I was lucky to find and ask Bridgette if she could serve as our translator, as I had assumed wrongly of his ability to speak English. The interview did not turn out how I had wished, as Bridgette knew Kiswahili as a second language and had some struggles translating. Nevertheless, in conclusion; the information I gained from the interview did validate a lot of information I had heard from other informants and therefore became valuable data, even though it was challenging.

The interviews I had with the two entrepreneurs behind Paka Adventures, as well as the founder of Wild Tracks, were all in Norwegian, and therefore the room for misinterpretation was much smaller. I will further present an overview of the informants I interviewed during my research.

3.2.1 Informants

So that I would be able to understand the entrepreneurial process of Paka Adventures, it was important for me to talk to members of staff that had been working with Paka Adventures from the beginning, as well as relatively newly employed members. I have interviewed seven of Paka Adventures’ staff, who was recognized as key- persons by the entrepreneurs behind the business. Below I have provided an overview of people I have interviewed, stating what role they had in the business, and where and for what duration I interviewed them.

Figur 9: List of informants

Name(s)	Role	Interview	Location
Helene Tunland Eivind Tunland	Owners and founders of Paka Adventures	7 interviews, each lasting from one to three hours.	Paka Adventures's office, Mbezi Beach, travel fair in Oslo and video conferences.
Frank Fredrik Mbelwa	Co- founder, part owner	One interview lasting over two hours	The Lighthouse Beach Resort
Dzene Asangama	Head of office next to Helene	Two interviews. The first ap. 20 minutes, the other ap. two hours.	Paka Adventures's office.
Ernest Shindano	Safari guide and driver	Two interviews lasting two hours and one conversation lasting one hour	During a car trip from Kigamboni to Mlimani
Bridgette Rieber	Hotel manager at The Lighthouse Beach Resort	One interview lasting one hour	The Lighthouse Beach Resort
Yusuf Mpenda	Key person from the establishment stage	One interview lasting one hour with Bridgette functioning as a translator	The Lighthouse Beach Resort
Khadija Mtumbi	Head of cleaning staff at The Lighthouse Beach Resort, key person from the establishment stage	One interview lasting 30 minutes with Frank functioning as a translator	The Lighthouse Beach Resort
Augustin Nfowi	Key persons from the beginning, Technician.	One interview lasting 30 minutes with Dzene functioning as a translator	Paka Adventures's office.
Yustina Steven	Key person from the beginning. Chef at the office of Paka Adventures	One interview lasting 30 minutes with Dzene functioning as a translator	Paka Adventures's office
Beate Hustad Aamodt	Founder and owner of Wild Tracks.	Three interviews, one hour each over a two day duration.	Wild Track's office in Arusha

I met and observed almost all of the other members of staff, as well as participated in different business contexts, which would both ensure me good quality data and make me comprehend the surroundings and context that makes out the business. In the next sub- chapter I will further explain how I used and carried out the method of observation.

3.3 Observation

According to Kitchin & Tate (2000), two different types of observation may be presented; straight observation and participant observation. By employing the method of straight observation, the observer (or researcher) is visible although not participating in the observed activity. By employing the method of participant on the other hand, the researcher takes part in the activity and interacts with the people observed. Both methods of observation can be open, which means that the observed are aware of your reason and purpose of attending their activity, or they can be covered, which means the observed are not aware of the reason for your presence and attendance .

By visiting The Lighthouse Beach Resort I was able to observe the staff when they were working, as well as take part in informal conversations with them. I was there first and foremost as a researcher, and I introduced myself and my reason for the visit, as I had made plans for doing interviews with many of them. This gave me the opportunity to openly take pictures and ask people questions relevant to my research.

On the other hand I was also a paying customer. By having this role I had the opportunity to experience and observe the resort from a customer point of view, thereby getting a good sense of the atmosphere made by the uneducated local staff employed from the nearby village. Gaining rich descriptions and details about people in their everyday context, is the benefit of using observation as a method according to Valentine (2001). I believe it would have been difficult to gain information about the atmosphere at The Lighthouse Beach Hotel through the use of interviews alone. To give an example; one night, during dinner in the restaurant, a big beetle flew into my lap and probably wanted to share my food. Obviously I jumped in surprise and let the beetle take my chair. As I stood there, dumbfounded, three staff members came running to my “rescue” and chased the beetle away. This episode led to a lot of laughs, and I was invited to eat the rest of my dinner in their company. The interaction between the staff members and their interaction towards me I quickly picked up as unusual for beach resort employees. They made me feel like a part of their group or “family”. This experienced

observation made me understand the philosophy of The Lighthouse Beach Resort: “your home away from home”, and that the atmosphere created by the staff is non-imitable.

When I visited the travel fare in Oslo in January I was able to observe as well as participate in marketing Paka Adventures from their stand. The first day I spent observing the interaction between the two Norwegian entrepreneurs and their potential customers. The second day I got to participate by talking about my own experiences from my stay at The Lighthouse Beach Resort as well as answering potential customers’ general questions about Tanzania. Valentine (2001) states that in the case of participant observation, a researcher will be given the possibility to widen his or her insight into a community and its inter- human relations. During my participant observation, I learned how the entrepreneurs in my case study presented their business to potential customers. How they marketed their services through people’s need for security during holidays, by letting the potential customers know that they would meet them in Tanzania as they live there permanently. Compared to the stands close by, who were also marketing for tourism activities in Tanzania, Paka Adventures where the only stand offering this personal sense of security.

In the following sub- chapters I will reflect critically on my research’s reliability, my position as a researcher, the validity of my research, different limitations, as well as reasons for anonymizing and other ethical choices throughout my research process.

3.4 Critical Reflection Process

Dowling (2000) explains critical reflexivity to be the critical reflections of a researchers own experiences and situations when doing research, and that the researcher constantly needs to reflect on how the fieldwork data has been affected, both in regards to positive and negative situations.

When creating my research design I planned the duration of my fieldwork in Tanzania to be three months. Due to own health reasons however, I had to cancel my last month of research in Tanzania and travel back to Norway. The abrupt leave from doing fieldwork in Tanzania forced me to change my plans to be able to finish my data collection. Thagaard (2009) explains how spontaneity is an important aspect of being a researcher, as the researcher often needs to adapt to new situations during their research process. As my situation as a researcher changed, I needed to change my approach to produce data material. The relationships I had built with the two entrepreneurs of my case study during my fieldwork in Tanzania would deem very important for my ability to finish my research.

When I interacted with my two main informants, the entrepreneurs of Paka Adventures, through interviews and observation, I gained their trust. Falzon (2009) writes how the interaction between researchers and researched creates a basis for developing trust. Through this trust, and the use of my methods, I managed to ensure honest data, also after my return to Norway. Without the trust between my main informants and myself, my research would have been incomplete due to the unexpected reduction of time doing fieldwork in Tanzania. In the matter of reflexivity, this shows how important the positionality of a researcher is, which will be further discussed in chapter 3.4.1.

Through skype interviews and continuous e-mail correspondence in the time period from November 2013 until June 2014, I found myself producing data of an ongoing development process in the Paka Adventures business. If I had finished my fieldwork in Tanzania in December 2013, this information might never even have been presented to me. My research process can therefore be described as flexible and spontaneous, as I have been able to discover new ideas along the way and produce, interpret and analyze empirical data in a parallel manner throughout the process.

I will further discuss the terms reliability and positionality in the following sub- chapter.

3.4.1 Reliability and Positionality

To discuss my own position as a researcher I will present to examples from my fieldwork. According to Tjora (2010), a decisive factor in strengthening a research's reliability is to present the context of the research. This means it is central to give account for the relational connection between myself as the researcher and my informants. Moser (2008) points out how it is important include focus on how for instance race, religion and class may impact the interaction between the researcher and the researched. As well as how it is important to reflect on the social skills and emotional abilities that is different for all individuals, in all social encounters.

The first example is based on my first meeting I had with the two Norwegian entrepreneurs. I was invited to their home, and was presented to their two children. Their son quickly found his way onto my lap and seemed very happy to see me. A little surprised, I started playing with him, and his mother expressed to me: "I believe my son think you are his aunt or another relative, he is usually a bit shyer". Sharing a Norwegian identity with my main informants became a valuable factor for my research, as the informants seemed to trust me and my

intentions of my research from the start. I was welcomed to ask any questions, and not far into the research process, I was let in on more sensitive details about their business.

The second example is based on my experience on how being self-reflective about my positionality when being in the field is very important for producing good empirical data. When I arrived at The Lighthouse Beach Resort in Kigamboni, I was booked in as a guest, although I would not be the typical guest enjoying a holiday. I was there as a researcher, and I was from Norway just like the owners of the resort. With Frank as my translator I had scheduled to interview the manager of the cleaning service at the resort. I asked her questions, but she would barely look at me, and only smiled shyly before looking away in silence. I felt no engagement or interest from her, and after some time Frank took the liberty to answer the questions for her. Not only did I quickly understand that it was too difficult to translate and explain words like “establishment”, “development”, “network and relations” to an interviewee with no or little education. I also understood that I had to change my role amongst the local staff to become less of an authority figure and less intimidating if I wanted better results, or in the case with the manager of the cleaning service, any valid answers at all. This self-reflexivity made me realize that I had to find a way to step out from the scary researcher role I had come into when entering the resort with pen and paper, sharply dressed and eager to talk to everyone. Therefore, I chose to put on colorful beach clothes, placed myself in the bar like any “normal” guest would do and started conversing with the staff using my simple Kiswahili knowledge. This time around, I took mental notes instead of writing things down.

These two examples show how I had two very different roles. My positionality when meeting my Norwegian informants was based on our shared Norwegian identity. As Crang & Cook (2007) points out, there is no easy way to either know how an individual’s identity will affect social contexts, or to find a common ground to work out from when doing research. My Norwegian identity gave me the benefit of being easily trusted, which again led me to be welcomed to research any part of the business. In contrast, my positionality when meeting the local staff at The Lighthouse Beach Resort seemed to be more based on the staff’s uncertainty of my intentions, maybe because of my “formal” presentation as a researcher, compared to that of being an “informal” guest.

Tjora (2010) further states, in regards to reliability, how it is important to report what the possibility would be for other researchers to collect close to the same results. In this regard, I would often hear close to the same stories about different occurrences from different members

of Paka Adventures. In addition, interviewing the Norwegian founder, Beate, of Wild Tracks would give me information about similar experiences of corrupt activity when starting a business. This might be a factor to prove reliability, in the sense that other researchers may hear similar stories if doing qualitative research on Paka Adventures. The theoretical evidence regarding the environmental factors affecting the entrepreneurial culture in Tanzania, as presented in chapter 1, may provide a contextual basis for understanding the reliability of the empirical findings presented as a narrative in chapter 4. Fundamentally, the stories that have shaped the narrative case study in this thesis are too specific to be generalized.

In the next sub- chapter I will discuss the validity of my research as well as reflect on limitations that can have affected this thesis.

3.4.2 Validity and Limitations

By discussing my case study narrative with my main informants I have ensured to make corrections throughout the process, which have enhanced the validity of the information produced during my research. Yin (2014) states that “a major way of improving the quality of case studies and ensuring their construct validity is to have the draft cases reviewed by those who have been the subjects of study” (p. 198). Furthermore, by talking to all of the key-members of Paka Adventures whom have taken part in the business from the beginning, I have validated many of the stories and experiences told to me by my two main informants. In the sake of cultural challenges, the Norwegian founder of Wild Tracks would also validate similar challenges in the establishment of her business, giving the stories of the two Norwegian founders of Paka Adventures grounds for credibility as well.

Mohammad (2001) states that “given the complexity of researcher’s and researched’s identities and the dynamism of the research field, truth claims can be grounded only in real recognition of the limitations of vision and knowledge and existence of multiple truths” (p. 113). An author needs to recognize the most valuable truth among many “truths”, and at the same time also understand his or her lack in absolute control over language, representation and meaning, as anyone who reads the author’s work may change the meaning, or agree or disagree about the meaning presented through empirical evidence based on multiple truths (Mohammad 2001).The quality of information I gathered from interviewing some of the staff members with little to no knowledge of English, and had little interest in my research, I deemed to not be good enough to be used as solid points for discussion in this thesis. It has therefore been left out of my empirical data. An example of this is the interview with the

manager of the cleaning service at The Lighthouse Beach Resort, as presented in an example in chapter 3.4.1. The observational data I collected during the “in-valid” interviews however, still proved to be important for me as a researcher as they gave me a holistic understanding of the business, the environment and the relationship between the staff. This gave me an edge when writing the narrative empirical presentation in the case study in chapter 4.

The process of anonymity can be understood as a limitation as, according to Yin (2014), some aspects of information that may be important to the case study will be eliminated. In the next sub- chapter I will discuss my ethical approach during the research process as well as my choices for anonymizing informants and eliminating some of my produced empirical data in the matter of being ethically responsible.

3.5 Ethical Approach and Anonymizing

Dowling (2000) states that “..research is a dynamic and ongoing social process that constantly throws up new relations and issues that require constant attention, self- critical awareness of ethical research conduct..” (p. 28). When performing my research I conducted myself in an ethically responsible manner which included protecting those involved in my research, as well as the places where I chose to do my research. To make sure of this, I always ensured that all research participants were aware of what I was doing and why, and they were all given the choice of anonymity which is in accordance with the theory of Dowling (2000). My choice of anonymizing some people’s names in my narrative by giving them pseudonyms is based on my lack of consent to use their full names. These people are part of a story told by my consented informants, and therefore has not been given a choice to participate in this thesis with full names. By using pseudonyms, I have been able to be ethically responsible, in the sense that I have not been given approved consent to use these people’s real names.

To give an example, I was able to meet a potential business partner of Paka Adventures in Norway and managed to plan for an interview. The founders of this potential business partner cancelled the interview however, through later e-mail correspondence. They believed their situation had become too delicate, and therefore would not risk giving away any sensitive information. The ethically responsible thing to do was therefore to anonymize their business by giving them a pseudonym, as well as seclude information from the case study that could be of harm to this particular business. Referring to Longhurst (2010), the principle of confidentiality implies the responsibility of anonymizing informants when scientific research is to be presented. The participants have to be assured that any data will be treated in

confidentiality, and the researcher shall, in other words, show respect to the informants' private life and situation, or as Hay (2010) states, it is important to protect and respect people and make sure the research are conducted fairly, without causing harm.

Due to the delicate situation in which the potential business partner of Paka Adventures found themselves in, I have made sure to anonymize this business by giving them a pseudonym, as well as I have limited the empirical presentation in the case study chapter to only include information that will not be harmful to the business. I have furthermore chosen to anonymize actors and businesses involved in conflicting situations that will be presented in the case study narrative, as it is the ethically responsible thing to do. The process of anonymizing during my writing process has been challenging because, as also Yin (2014) states, it takes considerable effort to keep track of changes that has been done to components in the case study. In the next chapter I will present my case study, and I have marked the use of anonymity throughout the presentation of my empirical narrative by giving apostrophe when the pseudonym is first mentioned.

4. Case Study

This chapter will introduce a narrative case study approach of my empirical evidence which will later be the main focus of my analysis chapter. As I have explained in the methodology chapter, chapter 3, I have done several in- depth interviews with a Norwegian entrepreneur couple and followed their main network of people, who has been of important influence in their business development from the very beginning. My main focus has been on the two Norwegians' entrepreneurial history, in other words; how they have managed to come so far with their business, and on how networking has played its part in the different stages of their business development, from the moment the idea was planted until the official establishment and growth of their business. The narrative will be told from the Norwegian entrepreneurs' point of view, in respect to the stories and experiences they have shared with me. The narrative will also be marked by the stories and experiences of key- members, which has been of importance to the two Norwegian entrepreneurs' entrepreneurial process in various ways. Essentially, it is important to understand that, as Borch and Førde (2010) explain, that stories are never complete, as the stories can change in terms of who is telling the story and where it is told.

By separating the case study narrative into three stages, the stories have become included in a linear course of events, which provides better structure and a better overview of the entrepreneurial process. In chapter 5 the different stages of the entrepreneurial process will be discussed through the theoretical framework of this thesis, as presented in chapter 2. As Thagaard (2009) states, it is important to have a proper holistic overview during the entire analytical process of the collected data material. Before I introduce the business which my case study research has been based on and further present my case study narrative, I will give practical data on the current situation, from the view of the adult population in Tanzania, regarding the matter of corruption.

4.1 Case Study Introduction

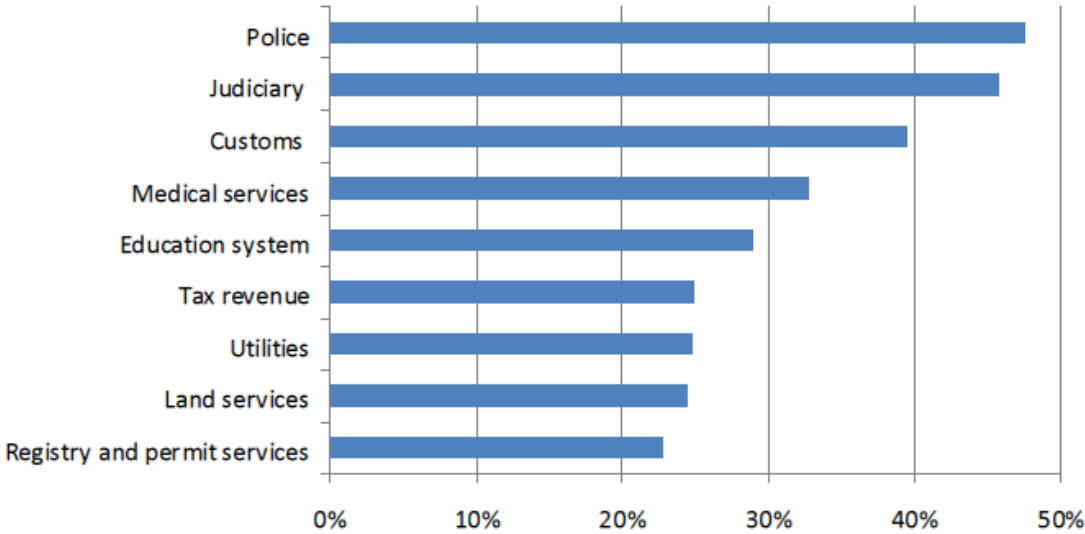
The recipe to become a successful business in Tanzania will, according to International Business Report (2014), include to 1) act fast, 2) avoid participation in corruption of any kind, 3) understand the culture, and 4) be able to create long- term relations with the local environment.

I will now present some of the results from a survey, performed in the time between April 30th and May 6th in 2011, which presents the adult public perception of corruption in

Tanzania. This survey was performed by Infinite Insight, and published by Transparency International in 2012.

In the last three years, 64% of the survey participants answered that corruption had increased in the country. 49% admitted to have paid a bribe to at least one of nine service providers in Tanzania, where the police, judiciary and customs came out as the top three services connected to demanding or accepting bribes, as shown in the figure below:

Figur 10: Tanzanian service providers and their level of accepting or demanding bribes

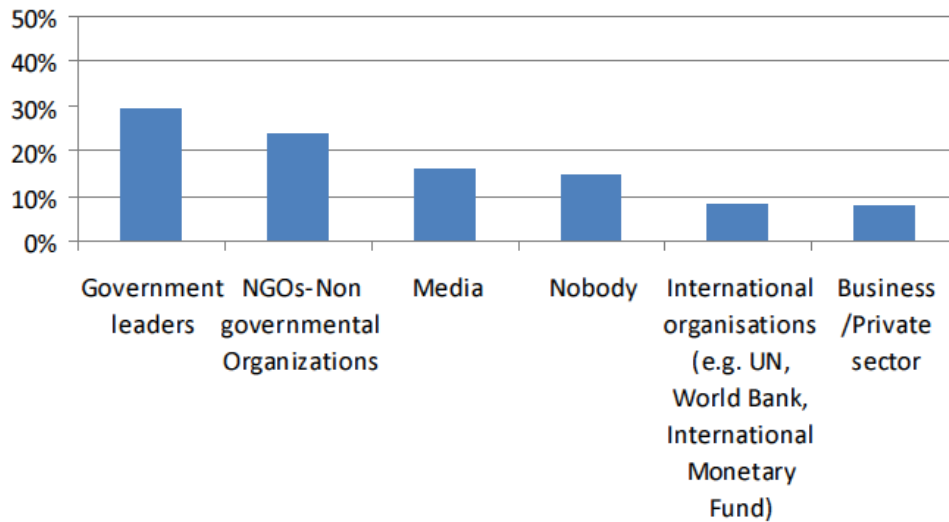


Source: Transparency International (2012)

Over 50% said the reason for their last bribe was to speed things up, over 20% said it was to avoid problems with authorities, and 30% said it was to receive a service they felt entitled to. The amount of the bribe that 45% of the participants had paid over the last 12 months, were between 30 and 99 US dollars, while 40% paid under 30US dollars and 14% paid between 100 and 499 US dollars.

Figure 11 presents the answers to which institutions the participants understood as the most trusted to fight corruption, where government leaders are on top. The business and private sector however, is low on the scale.

Figur 11: Most trusted institutions in Tanzania to fight against corruption



Source: Transparency International (2012)

In reference to the above mentioned results of the Transparency International Report (2014) it is apparent that residents in Tanzania experience corruption. Furthermore, the Tanzanian business environment, according to the World Bank (2013), is characterized by corruption, confusing labor laws and unnecessary administrative burdens, which all put a strain on the formalization of doing business in Tanzania. The business culture is absorbed with distrust due to continuously changes in policies, an unpredictable judicial system, and the excessive time spent on mitigation strategies instead of on more productive strategies for stimulating business activities. As can therefore be understood, Tanzania is not a country with tradition of supporting entrepreneurial activity. Nevertheless, due to the increasingly high interest from international investors, Tanzania has the potential of climbing the latter to more economic stability.

From the website of Government Portal Content Committee (2013), Tanzania is portrayed as a country with many popular tourism attractions. National parks, such as Serengeti and Selous, historical sites, such as the Amboni caves and Stone Town in Zanzibar, the Ngorongoro crater and mount Kilimanjaro, is naming just a few of the popular attractions. The tourism sector is said to be one of the fastest growing sectors in the country.

Paka Adventures Ltd (P.A) is a Tanzanian tourism business specializing in safari tours and customized experience- based round- trips. 49% of the business is owned by Norwegians, and 51% is owned by Tanzanians. The business is founded and run by a married Norwegian

couple who live in Dar Es Salaam on a permanent basis. Paka means cat in Kiswahili, and is a reference to the lions that can be seen when being on a safari tour.

The business is divided into two parts, where the first part consist of organizing Safari tours and customized trips through their main office in Dar Es Salaam near Mbezi Beach, and the second part being a beach resort located 40 km south of Kigamboni, approximately two hours from Dar Es Salaam, called The Lighthouse Beach Resort. Paka Adventures consist of approximately 30 employees, where half of the employees work at the beach resort.

As presented in chapter 2.1, it is known in business literature that a business goes through an idea stage, an establishment stage and a growth stage, which makes out the entrepreneurial process of a business. In the process of producing a narrative of the entrepreneurial process of my case study, I chose to use the same structure of three stages of business, which will generate a good overview. Each of the stages will focus on the two main informants' experiences with networking and the influence networking has had for them in the Tanzanian business culture, as this will be focus for later analysis in chapter 7. Below I give a short description of the stages and what each of the stages will contain.

The idea- generation stage

During the idea generation stage the aim is to present the process of how the idea of the business came to life. The focus in this stage will be to explain why the entrepreneurs decided to move to Tanzania and how they came up with the idea of establishing their own business.

The establishment stage

During the establishment stage the aim is to present the process of how the entrepreneurs managed to establish their business, and what experiences they would find challenging.

The growth and development stage

During the growth and development stage the aim is to present the ongoing processes which the entrepreneurs believe will help their business grow, and understanding why and how they have reached success in obtaining growth.

By presenting my case study as a narrative story based on my empirical data, I will provide a contextual and informative presentation of the entrepreneurial story behind Paka Adventures. The entrepreneurial story is told from the entrepreneurs' point of view and experiences. I

have, however, integrated the experiences of other informants where I felt it deemed necessary and natural for the context of the story. The narrative has been produced by my subjective understanding of the qualitative empirical evidence collected from the combined experiences of the Norwegian entrepreneurs, important key persons involved in the business as well as other staff and my own observations.

I will further present the entrepreneurial history of how Eivind Tunglund and Helene Tunglund came to start Paka Adventures, and I will refer to the informants by first name, to create a personal connection to the entrepreneurs. Informants that are necessary to anonymize have been given pseudonyms, as explained in chapter 3.3.

4.2 Stage 1: Idea generation

In the 1990's Eivind worked as a specialized engineer in the North Sea for a Norwegian company. As this was very physical work, Eivind had to find a different type of work as he started struggling after a back injury. Eivind found employment with Norwegian People Aid (NPA), and started working in their rescue service as an international consultant. Through this employment with the NPA, he spent a short time in Africa and the mid- east to attend different presentations where he learned how people lived and worked. In the year 2000, Eivind visited Tanzania for the first time after being invited by his colleague in the NPA. This colleague had bought land and built himself a holiday home in Kigamboni, where Eivind stayed during his visit. The house was located a good two hour drive from Dar Es Salaam city centre. The NPA colleague introduced Eivind to another Norwegian, who also owned land close to the beach in Kigamboni where he had built a few tents at the beach. A couple of years later, these tents got replaced with bungalows, and the "Kasa Beach Resort" was established. Through his relation with the Norwegian friend of his colleague, Eivind met Frank, a native of the Tanzanian region, whom he became good friends with.

Eivind became intrigued by the life in Tanzania, and 6 months after his return to Norway he was on his way back. This time he brought a four week travel plan, so that he would be able to experience as much adventure as Tanzania could possibly offer. During these weeks he created many more relations, and the most significant relationship he created, was with the leader of the Kidagaa village in Kigamboni.

The very night before Eivind was due to travel back to Norway, the leader of the village in Kidagaa came to him and said: "Eivind, you should have some land as well, shouldn't you?". Eivind responded: "Why not, but I am leaving tomorrow". The next morning the village

leader came to Eivind with some papers in his hand and said: “Here, you can buy this land”. Eivind responded: “Well, ok then”. The land was located close to the beach, and not far from the up and coming Kasa Beach Resort. At the time Eivind could only afford to pay the village leader 10 % of the given land price of 900 000 Tanzanian shilling, which is approximately 567 American dollars today. They therefore made a plan for Eivind to pay the rest upon his return to Tanzania ten months later, which he did.

During his longer and longer visits back and forth to Tanzania, Eivind became engaged to a woman from Dar es Salaam. Eivind’s fiancé had a daughter named Nazra from a previous relationship, and Eivind grew a strong connection to Nazra. The relationship between Nazra’s mother and Eivind however, came to an end. Even though he did not know it at the time, the relationship he shared with Nazra and her mother, would become one of his most important factors for his sense of belonging in Tanzania at a later stage. Eivind became well acquainted with another Tanzanian native, who will henceforth go under the pseudonym of “Robert”. Robert owned his own safari business as well as a small beach resort. Eivind and Robert aided Frank in gaining employment with a Norwegian immigrant, where Frank would be helping with the process of establishing a business. Frank, Robert and Eivind would joke about the day Eivind would move to Tanzania, because Frank would then start working with Eivind and Robert instead. This came very close to what actually happened.

As time went by, Eivind travelled back and forth to Tanzania, and he could not stop contemplating about what he should do with his land in Kigamboni. In 2004, he met Helene when he was home in Norway. Eivind and Helene entered into a relationship, and Eivind started telling her about life in Tanzania. They started spending their holidays in Tanzania together. Helene was struggling with an illness that made her unable to work in Norway, and the climate in Tanzania would prove to be the remedy. Because of the increased visits to Tanzania, and the benefits of the Tanzanian climate which improved Helene’s health, Eivind and Helene decided to build a holiday home on the land Eivind owned in Kigamboni. In 2006 Eivind learned that the mother of Nazra had died. Helene and Eivind were asked to take care of Nazra by the family. The family had hopes that Eivind and Helene might take Nazra with them to Norway, but it would not be that easy. Eivind and Helene made sure Nazra would be able to go to a good school, and they both understood that the process of having her move to Norway, would be too long and too difficult.

Even before they received the responsibility of Nazra, Eivind and Helene had already talked about travelling and working internationally. The fact that Helene was unable to work in Norway because of her illness, made them consider the possibility of them moving to Tanzania on a more permanent basis, instead of moving Nazra to Norway. Both Eivind and Helene had gained a strong sense of belonging to Tanzania and the community around them; they had good friends, a foster daughter and a holiday home. The final decisive factor regarding staying in Tanzania, came when Helene’s doctor recommended her to have 100% work status for two years with NPA in Tanzania through The Norwegian Labour and Welfare Service (NAV). This recommendation was made on the basis of how the climate made her healthy. Therefore, in December 2007 Eivind and Helene had packed over 120 kg of luggage and were ready to start their lives in Tanzania. Eivind had taken leave from work and “tagged along”, thinking he would have time to learn how to play the guitar.

4.2.1 The idea of the Safari business



Figur 12: Two of Paka Adventures’ Safari Cars

Source: Private photo

Eivind quickly became restless and felt the need to do something, anything. He was therefore taught how to do safari game drives, through his Tanzanian friend, Robert, whom he met in 2000. Robert was a safari guide by trade and whenever Eivind and Helene had visitors from Norway, which were quite often, Robert and Eivind arranged safari tours for them. Robert,

Eivind and Helene could see the potential in the market and started discussing the idea of creating a safari company together. Robert would have most of the knowledge and expertise, and Eivind and Helene would supply the starting capital. Eivind and Helene became anxious to start their new venture. Robert, however, told them he would not join their business at that time, though urged them to start by themselves. When Robert would become more “able” to take part in the business he would join them. Eivind and Helene were excited and ready, and therefore it did not take long until they used their own savings to buy a safari car. Not long after, a loan of approximately 30 000 American dollars was decided to be used as start capital, and another safari car was bought. The two cars were all Eivind and Helene had for a long time while building up their lives in Tanzania. It was a good opportunity to find out if this was something they actually would manage to do on their own, as Robert had become silent and unreachable.

In 2008 Eivind and Helen decided to get married and arranged for a wedding party in Dar es Salaam. When they sent out invitations, and they believed that maybe 15 people would be able to attend, because of the long travel. Surprisingly, 32 people booked tickets. This would be the final test of their safari business, as all of their guests wanted to experience the adventure of a safari. After working persistently for six weeks, from the first guest arrived, until the last guest had left, Eivind and Helene realized that they had found their calling. Both were driven and motivated by the thought of what they could manage to do. The sky would be their limit. After the wedding party Eivind and Helene made professional websites and started marketing their idea of custom-made trips for Norwegians in Tanzania, which included their very own safari tours. Helene ended her work with NPA and all of her focus was now on making a living for them. The “word of mouth” from friends and family spread fast and the two Norwegian entrepreneurs had soon many customers heading their way.

4.2.2 The Idea of The Lighthouse Beach Resort



Figur 13: The entrepreneurs' holiday home, and the first building of the Lighthouse Beach Resort

Source: Private photo

Robert and his experience of doing business in the tourism industry, was an important resource for Eivind and Helene. First of all, Robert had contacts in the safari business that he would introduce Eivind and Helene to, and second, Robert had valuable knowledge about the safari business, which included planning game drives, repairs of safari cars, and how to be a good safari guide. Moreover, Robert owned a small beach resort in which friends and family of Eivind and Helene had stayed at during their visits to Tanzania. As the business plan of Paka Adventures was starting to form, Eivind and Helene decided to use Robert's beach resort for accommodation for their customers as well. One day, however, Eivind and Helene received a message stating that Robert had sold his resort. They therefore had no accommodation for their already booked customers whom were due to arrive in only a few months. Robert had for reasons, Eivind and Helene to this day does not really understand, turned on their friendship. Helene believes it may have been jealousy behind the conflict that emerged, that Robert never expected them to actually go through with their business idea and he likely never expected them to do well. Suddenly, officers from The Department of

Immigration were on their doorstep, asking for specific papers, which at that particular time were handed in to the immigration office. This knowledge were known only to a select few of the closest people in Eivind and Helene's life, including Robert. The struggles following this conflict, made Eivind and Helene realize that the public institutions in Tanzania could harass them for money due to hear say. Eivind and Helene refused to engage in corruption, as they had all permits at the immigration office and were only waiting for approval. Because of this, Eivind was arrested and jailed on more than one occasion, due to the resistance of paying the immigration officers off. By contacting Frank, the situation came somewhat under control. Frank used his network, his so called "smallchaps", which is people on grass-root level in many different government institutions, to solve the situation. The situation ended with an immigration employee losing her job because she was found guilty of taking bribes from an unknown third party.

Eivind and Helene were now in a bit of a complicated situation, as they had no place to accommodate their customers who would be arriving soon. They had often let out their holiday home to their family and friends, although their holiday home on the beach in Kigamboni would not be of adequate size for all their customers. They had the choice of booking their guests into another beach resort, but became intrigued by the idea of owning their own beach resort. It did not take long until Eivind and Helene decided to accommodate the arriving guests by themselves, and they started the process of building another house next to their holiday home in Kigamboni. This was the start of reaching their ambition of owning their very own beach resort. They managed to finish the house only hours before the customers arrived, and the result was satisfied customers fuelling the ambition of the two Norwegian entrepreneurs. Owning a beach resort, meant that Eivind and Helene would be in control of accommodating their guests themselves and they would not have to rely on others to provide good accommodation for their customers. Their business model started to expand.

4.3 Stage 2: The Establishment



Figur 14: The entrance to Paka Adventures' office

Source: Private photo

Eivind and Helene did not have sufficient knowledge on how to proceed with developing their business, in the sense that it would become sustainable. They did thankfully have Frank who would become invaluable during this stage. When Eivind and Helene decided to officially start up the business, Frank even became their business partner. During Frank's work for the other Norwegian, whom Eivind introduced Frank to, he had gained experience of the process on starting a business in Tanzania. His knowledge became to be invaluable to the planning and development of Paka Adventures Ltd. Frank had an "aunt" everywhere, who introduced him to his so called "smallchaps". Frank's "smallchaps" was the people that worked far down in the governmental hierarchy and in public institutions (for example in The Department of Immigration). The smallchaps had very small fees and rarely accepted bribes. In contrast Eivind and Helene could have paid large fees to the "smallchap's" superiors, the people high up in the social and working ladder. The two Norwegian entrepreneurs would most likely have had to pay a lot of money going into deep pockets. Being ok with paying extra to make

the process go faster was not an option, and Frank started using his network of “smallchaps” from the very beginning of the establishment stage. Frank was immensely valuable in pushing the building process of the beach resort forward, which Eivind and Helene named “The Lighthouse Beach Resort”. Also, Frank was highly important for the safari business as well as his ability to push papers through government institutions and achieve the permits needed to establish their business, where abilities which Eivind and Helene did not have at that time. Today, Frank is not only a shareholder in the company, he is also the hotel manager at The Lighthouse Beach Resort and head chef at the resort’s restaurant. Frank has also been responsible for employing a lot of the local staff, both at Lighthouse and at the Paka Adventure office in Dar Es Salaam.

Mpenda, was introduced to Eivind by his NPA colleague in 2003 when Eivind first visited the resort Kasa Beach in Kigamboni. When Eivind and Helene started building their holiday home, they all became very good friends and Mpenda refers to Eivind and Helene as his family. Mpenda used to work as the two Norwegian entrepreneur’s “askari” when they built The Lighthouse Beach Resort. “Askari” is a person who supervises and solves problems. Mpenda was a big part of managing the building project as he lived in the Kidagaa village, and he had close relations towards the villagers who became employed at the resort. Helene and Eivind recognize him as a key person in the establishment of The Lighthouse Beach Resort. Eivind was the best man in Mpenda’s wedding as well. Today Mpenda works part time as an askari, as he also runs a small neighboring guesthouse next to The Lighthouse Beach Resort.

As The Lighthouse Beach Resort and the safari business developed Eivind and Helene needed to employ more and more staff. Even before starting the building process Eivind and Helene had become very attached to the Kidagaa village situated close by the resort, and they wanted to give something back to their community. They wanted the village to take part in The Lighthouse Beach Resort, and saw the opportunity to make the resort to a place of employment for the local villagers. Most of the villagers had no education, and the process of providing basic work training for them began. The local villagers who were offered work had to comprehend different work positions at the beach resort, and continuous work training became an investment for Paka Adventures. The result would turn out to be unique and not what one would expect when visiting a beach resort, as Frank expressed; “Our people smile and are happy and helping, it comes from their heart. “If I give you crisps I think you will be happy”- that is how the staff cares for the customers”.

The staff single handedly created an atmosphere at the resort which later became the trademark for the resort, and which I experienced during my stay at the resort and have understood to be close to impossible for others to copy. Throughout my stay at the resort I got the sense of belonging, like the resort was my home. There were no one telling me at what time breakfast, lunch or dinner would be, instead I was asked when I wanted it. It was, in a way, obvious that the training of the staff at the Lighthouse Resort had not only been emphasizing the typical customer service one usually would experience at luxury resorts. Instead it seemed the staff had also been given the opportunity to integrate their own way of making their guests feel at home. It was the natural familiar way in which the staff conducted themselves among themselves and in front of me that I, in retrospect, would find as key to the sense of feeling at home. Eivind and Helene have marketed The Lighthouse Beach Resort as “your home away from home”, and the reason behind this will be clear to those who experience the staff and their inimitable approach to ensure your comfort.

Besides creating employment opportunities, Eivind and Helene purchased as much as possible of the material needed to build their resort from local manufacturers. By purchasing local products during the build as well as continuing to purchase what was needed to run their resort, Eivind and Helene have been able to see the effect it has had on the community over time. Shops have been updated to include refrigerators and freezers, enabling them to buy cold drinks instead of warm. Furthermore, the roads have improved, the houses in the village have become of better quality and due to their sponsoring project of the local children school, the level of education are rising.

In an expanding business, Eivind and Helene understood that they would be in need of educated staff, as they would not be able to keep up with the extensive work by themselves. The business needed talented mechanics to work in their garage, or “an everything man”, which is called a “fundu” in Kiswahili, as well as educated staff for their office. Frank especially was of great importance in this matter. He took it upon himself to find educated, talented or experienced local staff in which he trusted 100%. If someone were to become a part of the business they had to become a part of the “Paka family”, and if they damaged the business they would damage the family. From the beginning, Eivind, Helene and Frank wanted a staff that would respect and trust each other and also a staff that would understand the meaning of their collective vision to grow a business together as a family. The staff would often bring forward applications on behalf of friends or family members, and in this way, the

staff member introducing and vouching for the new member of staff would have a natural responsibility of the new member of staff.

Eivind and Helene also experienced to receive applications from people who had seen their safari cars in the streets, or somehow heard about them from others. The business had a demand for educated people working in important positions in the business, such as safari guides, hotel managers, mechanics or being part of the office administration. The employment of “outsiders” not known to the Paka Adventures family was a risk they had to take to be able to keep up with their expanding development. Most applicants would be qualified and do a good job. An example of this is their office co-manager Dzene, who today works closely together with Helene. Dzene had heard about their business through some tourists who had been customers of Paka Adventures during his business study in Austria. He therefore contacted Eivind when he came back to Tanzania. Dzene became an employee and started with simple administration chores at the office, and in just a few months he got promoted to be office manager. Dzene’s involvement in the office became appreciated by Eivind and Helene, and they saw his potential to take part in their future development. Dzene was eager to put up suggestions for increased profit, and would share his knowledge and experience from working with a tour operator in Zanzibar, an island just outside Tanzania.

By connecting Norwegian students to do practical hotel work to gain mandatory experience, in trade for accommodation and a small salary, the entrepreneurs expanded their sorely needed educated workforce. Incidentally, one of their students had a father working in a tourism agency in Norway, and through this contact the entrepreneurs were introduced to a collaboration which gave them more marketing advantage.

Eivind and Helene would on a couple of occasions experience employees they were forced to fire as a result of stealing. Such incidents became the reason why Eivind started finishing every interview session he had with potential employees by stating: “if you think of stealing from this business it is better to not take the job. Because, no matter how you do it I will always find out”.

One episode would especially become imprinted in their memory. One employee, who had put together a great safari routine for Paka Adventures and participated in many levels of the business, was taking advantage of Eivind and Helene’s trust. The employee executed a so called “Nigerian scam”, sending out a joint e-mail to all Paka Adventures’ customers, asking for money for his/hers sick daughter. Many of the recipients of the e-mail were previous

customers who had met, gotten to know and cared for this employee. Luckily, Helene was notified not long after, by a customer asking whether or not it was a very serious condition the daughter of the employee was in, and if they could contribute more to her recovery. Quick on her feet, Helene warned all their customers of their employee's scam, and managed to do damage control to the best of her ability. She tried to reassure all of the customers that the daughter was strong and healthy, and sadly it was all a lie. Some customers might have sent some money, though Eivind and Helene never heard anything about it. Many of Paka Adventures' previous customers, as well as Eivind and Helene themselves, thought very highly of this staff member, which made it all that harder when they had to fire this person. As such incidents are very damaging for the tourism industry in Tanzania; the person responsible for the scam experienced an enormous pressure from the entire tourism industry in Dar Es Salaam, since everyone knows everyone in the tourism industry. The person was asked to sign a contract where it was stated that he/she would never work in tourism again.

4.3.1 Investment

After more than a year of working full time on establishing their business in Tanzania, Eivind and Helene finally went home to Norway on holiday to visit family and friends in 2009.

During the stay in Norway Eivind and Helene were able to update their family in great detail about how far they had come with their business, and what their goals were. Helene's father, a business man, wanted to help out. At the time her father was in position of releasing himself of some capital, and with a deficit he therefore sold a cabin to help Helene and Eivind with their finances. Helene and Eivind borrowed money from the bank to pay for the cabin, with Eivind's dad being a guarantor for the loan. Since Helene's father sold the cabin with a deficit, they could use the money saved to build up their business. This included their Lighthouse Beach Resort and their safari business. Since Eivind and Helene bought the cabin, it has been let out to a private Norwegian business which pays the interest on their loan. Therefore they do not have to pay for the upkeep.

Helene's father also helped them by co- signing another bank loan, and when they bought another safari car Eivind's father helped them with some money as well. Eivind and Helene remember how they had struggled, trying to find the capital for their employees' salaries. The employees had had trust in them, accepting that their payments would come, although a bit late. Without the support of Eivind and Helene's families the economic challenges in the first years would have been even more difficult, if not impossible.

The biggest surprise for Helene and Eivind would come when The Lighthouse Beach Resort had been finished. The rooms were ready and staff eager to start working. After investing a lot of money into building up the business before generating any profit, there were unfortunately no customers. It was an eye opener when they faced this side of running a business, as Helene said: “We came down here and started building with our hearts, not our brains”. To get paying customers, they needed a marketing strategy. They started the process of marketing themselves, but in retrospect they regret their lack of business experience which cost them a lot of potential profit in a very sensitive stage of their business.

Among other marketing strategies, Eivind and Helene chose to paint their safari cars orange, which would give them some local marketing, as well as it would be an eye catcher for potential customers looking at safari pictures on their websites. The safari cars stood out from the other safari companies’ cars and Paka Adventures gained a lot of attention this way. They attracted customers, potential employees and an illusion in the community that they were bigger than they were as a business. However, it came with a cost. During conflicts, especially with the “Bambu Hotel” which will be explained later, they were more exposed in the orange car than what they would have been in a green or a beige colored safari car, which the majority of the safari companies use. Being different made them easily recognized, and while doing errands, like going to the bank or collecting money to pay for group safaris, they sometimes felt more exposed. This was a risk, as the sum of money could be up to 20 000 USD.

Not all of their staff agreed on the color in the start. They had an incident with the park owner of a game reserve outside Dar es Salaam, who accused Paka Adventures of being ignorant of the animals. It was their opinion where that most animals would be frightened by the orange color. One of the safari guides employed at Paka Adventures mentioned this incident to one of their safari customers, and Helene received a complaint from this customer after the trip. The customer was under the impression that he could have seen more animals if it had not been for the color that allegedly scared animals. As soon as Helene and Eivind became aware of this they did a lot of research to be able to provide documented facts that the color had no impact on the animals. If it was brought up again they would be able to provide these documents as a reassurance. The color had no effect on the animals, and could be continued to be used as a marketing strategy.

4.3.2 Expansion

Paka Adventures started their business with help from friends and family, but now they found themselves in a stage where they were in need of seeking more knowledge to develop their business further. Eivind and Helene gained many benefits from being connected to the Norwegian Embassy in Tanzania, and through being a part of the Embassy's network and assistance, they were able to find sub-suppliers and expand their business. The Norwegian Embassy would provide them with advice about the business climate in Tanzania, but also connected them to potential contacts of interest.

Especially, one yearly event became important to Eivind and Helene. Every 17th of May (Norwegian constitution day) the Ambassador herself would invite 15 to 20 Norwegian business owners to come to dinner in her private home. This created an arena of networking opportunities between Norwegian businesses. Eivind and Helene came to meet other tourism businesses owned or run by Norwegians, and through these connections they could exchange experiences and knowledge about doing business in Tanzania. Some of the tourism businesses, Eivind and Helene also started to collaborate with.

It was, for example, through The Norwegian Embassy that Helene became aware of another Norwegian woman running a safari company called Wild Tracks in Arusha together with her Tanzanian husband. Wild Tracks and Paka Adventures are today collaborating together by outsourcing customers to each other. For example, if Wild Tracks have customers that wish to do game drives in Selous game preserve they will recommend Paka Adventures as they operate most of their safaris there. If Paka Adventures have customers that wish to do a game drive in Serengeti they will recommend Wild Tracks, who run their safaris there. This sort of collaboration became very important to Paka Adventures, as it generated more profit.

The advantage of Wild Tracks was how the co-founder, and husband of Beate, was a native Tanzanian with an established network from the very start of their business establishment. Even though the process of starting their business took long, Beate explained how she was sure it would have been a much longer process without the influence of her husband, and his connections. Beate expressed her gratitude towards the Norwegian Embassy in Dar Es Salaam, especially because of the connections the embassy are able to provide for them. Through creating relations with other Norwegians, knowledge and experiences would be shared, especially in regards to marketing their coffee brand in Dar Es Salaam. Beate could also tell stories about corrupt immigration officers, and how they struggled to avoid taking

part in corruption. As a result of a conflict with another actor in the community, immigration officers would turn up when Wild Tracks' customers visited the orphanage to donate charity, accusing the customers for not being tourists based on third party information. When the immigration officers constantly would show up, demanding volunteer visa from the customers, Wild Tracks had to end the collaboration with the orphanage.

In 2013 Eivind were called in to a meeting at the embassy to meet with Innovation Norway. At the time Innovation Norway collaborated with The Norwegian Embassy to be able to gather most of the Norwegian business owners in Tanzania. This was to establish whether or not they should develop a new branch office in Tanzania or Kenya. Eivind attended this meeting, although he did not and still does not recognize Innovation Norway to be a beneficial factor for their business in particular. By experience Innovation Norway had become more or less a non-existent to Eivind and Helene, and they came to the conclusion that they would benefit more from support from local and foreign people stationed in Tanzania on how to run and develop their business further.

The local businesses would often prove to lack knowledge and a less than serious sense of doing business. In this respect, Helene and Eivind further learned the benefit of collaborating with businesses run by foreigners instead of local businesses in the tourism industry. The quality and security around their customers became the most important factor to them to control.

Eivind and Helene wanted to offer their customers more in regards to experiences which the tourism industry in Tanzania could offer. Through networking Eivind and Helene made collaborations with hotels and lodges in both Tanzania and in Zanzibar. They created mutually beneficial partnerships with other safari companies that covered different game reserves in other parts of the country, as well as companies doing Kilimanjaro trekking. Eivind and Helene's strategy of expanding their network of sub-suppliers made them capable to provide their customers with more opportunities to experience different adventures in Tanzania. The focus was to work hard to maintain and nurture the business network, and it paid off. The collaboration with the owners of a lodge in Selous game reserve grew to the extent that Eivind and Helene felt as if it had become their own.

However, as the two Norwegian entrepreneurs would experience in the worst way imaginable, some partnerships are not meant to be. The rapid growth of the business made Eivind and Helene understand the need to find a proper office for their many business endeavors. The

back garden of their private home in Dar es Salaam had been used to build safari cars and do repairs on them, and the Paka Adventures' office had been put up just meters away. Having a home office, they learned, was not very effective as something always distracted them from doing the needed office work. The entrepreneurs started looking for a more proper place to set up their office, and they contacted one of their hotel sub-suppliers in Dar es Salaam. The hotel will be referred to by the fictive name Bambu Hotel. By accommodating many of their customers here Paka Adventures generated approximately 50 000 dollars in income every year for the hotel in question. The owners of the hotel were therefore more than happy to offer Paka Adventures some office space at their hotel.

All parts were satisfied with the agreement, but after some time the owners of the Bambu Hotel approached Eivind and Helene with a business proposal. The owners wanted to expand their business and had decided to build a lodge in Selou. Due to Eivind and Helene's experience in building The Lighthouse Beach Resort, they wanted Eivind and Helene to be in charge of the building process. Eivind and Helene agreed to the proposal and signed a contract which said they would build the lodge on behalf of the hotel. Eivind and Helene received a first amount of 10 000 dollars to start the building process.

In good time before all the money had been spent, Eivind and Helene sought after the next payment from the hotel owners. The contract stated that they would receive the money by that time. The money never came, and before Eivind and Helene understood the situation they were in, they used some of their own money to make sure the building process would not come to a halt, and challenge their time schedule. Nevertheless, the point of realization dawned on them, and Eivind and Helene decided to break the contract because of the lack of funding and the great lack of professionalism.

The response from the hotel owners were to shut down the office of Paka Adventures, steal all of the office supplies, as well as demanding to be refunded the 10 000 dollars that had already been used on their own lodge project. When Eivind and Helene broke the contract it was in an early stage, and 10 000 dollars were in hindsight not great amount, as the total of the contract was close to one million dollars. However, both Eivind and Helene felt they owed the hotel nothing as they even had paid some of the materials required for the construction from their own pockets, and asked for a clean break from the collaboration. The owners of Bambu Hotel however, were not satisfied and started a very difficult and damaging conflict for Paka Adventures. Helene explains the situation as follows:

It was a very scary and uncomfortable time for us. I remember when my, then one year old, child and I were on our way to the airport to fly home to Norway on holiday and we suddenly met the owners of the hotel who started threatening us by saying things like “I don’t want to hurt you but I will take your kid if you don’t give us the money”. That was terrifying, but it gave us two choices; go to war or let it die out by its own.

Eivind and Helene came to the realization that keeping a low profile was the appropriate course of action, hoping that the conflict would fade out. The challenges were nevertheless a huge struggle. Eivind was often picked up by the police who jailed him for the night. There was never an official reason for jailing Eivind, although the police had been “tipped” off by some anonymous third party. Different government institutions were constantly being contacted by a third party as well. Some of the claims were that Paka Adventures were an illegal company with no business license, and that Eivind and Helene had no legal resident permit and visa, so they shouldn’t be allowed to stay in the country. Frank stated the following about the situation:

I met with the people who had been given the negative reports and showed them all documents they thought we didn’t have, showed them the taxes which were paid, I showed receipts, yes everything they could need and they realized it was all lies. I still don’t know if this conflict is over, because you never know what people are planning. Personally it is scary, for the business it is no problem. We manage.

Frank worked hard trying to keep the government institutions from believing the lies that the owners of the Bambu Hotel reported about them. By giving false information and paying off government officials, the hotel owners attempted to destroy Paka Adventures. They would not succeed however. Frank met with all of the people which had been involved from the government, and showed them all the necessary documents, receipts and everything they thought Paka Adventures did not possess. By doing this the government side of the conflict realized that the accusations against Paka Adventures had been based on lies and dismissed the case. It became clear to Eivind and Helene that they needed to grow a stronger local network to be able to handle similar situations coming their way, in terms of immigration, police or other institutional struggles in the future. Eivind reflected over the conflict with the following words:

We actually truly believe we gained more than we lost during this conflict as it made us realize and understand the importance of doing networking, finding people who would have our back and who could be taking care of us and vice versa.

Beside the loss of income and the time they could have spent on nurturing their own business, the two Norwegian entrepreneurs felt in retrospect that the conflict was a positive experience for them as business owners in Tanzania. Eivind and Helene learned not to be naïve, knowing that they had been a bit ignorant trying to succeed in Tanzania and expecting no trouble at all. In the wake of the conflict in 2011, Eivind and Helene decided to change their business to become a 100% Tanzanian business. This was one of the main consequences from experiencing the threats and unpleasant situations that followed the conflict with the Bambu Hotel. Eivind and Helene wanted to secure and build up the safety around their business, and together with Frank they sought out and established a board of trustees. Among these trustees was a lawyer, a businessman from the Chaga Tribe in Moshi and a Russian with three PhD's who is currently a professor at the university of Dar Es Salaam. The board of trustees would not be a very formal or active part of the business. The board would nevertheless provide safety as Eivind and Helene would be able to bring them in whenever it would be necessary. Bringing out "the big cannons", as Eivind would call it, would be done by contacting the chairman of the board. The chairman is the son of a Swedish diplomat who currently resides in Sweden, and who today works part time promoting tours for Paka Adventures.

4.4 Stage 3: Growth and Development



Figur 15: Paka Adventures's stand on the annual travel fare in Oslo

Source: Private photo

Eivind and Helene experienced very few other businesses in the tourism industry in Tanzania that would have the same area of focus as their Paka Adventures business. Most would sell safari tours, and help customers plan their trip to Zanzibar or other places. It was very few that would provide customized trips, ensuring that the customer's stay in Tanzania would be optimized. Through great customer contact through e-mail correspondence Eivind and Helene have a focus on getting to know all customers fairly well before they even meet them in Tanzania. The idea behind this is to be able to provide a sense of safety to the customers, but also to ensure that Paka Adventures could give them a great impression and experience of Tanzania. In the same way as Eivind and Helene had, when they first visited the country.

If Eivind and Helene were able to possess a greater part of the «chain of value», they would see a great increase in profit. Being able to make sure their customers are satisfied of all aspects of their trip to Tanzania, was and is something the two entrepreneurs believe to be very different from how their competitors operate. Even though it is much more time consuming; they have found it to be worth it. As Helene put it:

We don't believe we are best in the world, but we are trying to be as best as we possibly can be. We tell all our customers that we are not the cheapest and not the most expensive; we take what we need to be able to continue building our business.

4.4.1 Goals and vision

Many large safari companies with more than 300 safari cars can sell safaris for much less compared to Paka Adventures, and still make a good profit, as they carry out hundreds of safari trips at the same time. Many of these big businesses are located in the North of Tanzania, close to the Serengeti game reserve, and the Ngorongoro crater which are very popular places for travelers to choose to do their safaris. By doing game drives in the Selous game reserve, east in Tanzania and closer to Dar Es Salaam, Eivind and Helene could offer a more private Safari experience, where customer would more seldom meet other safari cars. The experience would therefore be more unique. Furthermore, Eivind and Helene believes the focus on the Selous game reserve will give them a vast advantage in the future, as they strongly believe that the Selous park will become more and more popular.

Their vision of making Paka Adventures together with the community has generated a lot of good will within that community. The focus on having community development as a part of their business strategy separates Paka Adventures from being a pure profit seeking business, as many other businesses in the tourism industry in Tanzania are. To be working with the community to make a change has been important to the entrepreneurs of Paka Adventures, as Eivind also states by saying the following:

Once we counted that there were 92 children that were guaranteed education because of our employment of their parents. This I personally believe is much more interesting to put up as an achievement, rather than telling people how many cars we have etc. Cars are just an instrument. The ripple effects of our business being a part of the community are very important to us.

Today Eivind and Helene have a goal of starting up a “village academy”, which will be a learning center providing a basic level of education. This village academy will have a vision to provide local Tanzanians the opportunity for an education and an internship, which will teach them a trade and further the possibility of them gaining employment. Eivind and Helene’s vision is to offer the students attending the village academy internships at The Lighthouse Beach Resort. At the completion of the internship, the interns will be given a certificate validating their education and practical training, for example as a waiter, chef or a

cleaning lady. The Lighthouse Beach resort will give the students practical experience, and the goal will be to enhance the locals' possibility of employment. Eivind and Helene also see themselves building more Lighthouse Beach resorts in Tanzania, making it into a chain of resorts, which would also mean being able to offer more people employment.

Hotel manager Bridgette experienced how the choice made by Eivind and Helene, in regards to the development of The Lighthouse Beach Resort, to be the best of both worlds. She felt that Eivind and Helene focused on professionalism to be able to run a profitable business, as well as they included the community to take part in the development of the business. The effect of this Bridgette explained as follows:

The people in our community here all know who Paka Adventures are, and the influence Eivind and Helene have had has created a foundation of deep respect. For the community they are doing things the Tanzanian way, the right way. And then there is the Norwegian way which they need to have in order to run their business, bringing customers.

The growth of Paka Adventures has been noticed by the Tanzanian tourism community, and most other companies know who they are. On several occasions, Eivind and Helene have been approached by local safari companies who seek their advice. In a way, Eivind and Helene feel they are seen as some sort of a "Big Brother" by other safari companies, even companies that are bigger and have more cars than them.

In regards to the future, Dzene, the office manager, believes in the further success of Paka Adventures but he wants their international network to expand more, by saying: "The international network of Paka Adventure is good, but our main target is Norway. I have advised Eivind and Helene to not only focus on Norway, but also different areas".

4.4.2 Potential partnerships and mergers

In the beginning of October 2013 Eivind said the following about their future growth of network: "We are currently working towards building alliances, where all can win in the sense that "together we are stronger". It is an exciting process that is still unclear in regards to what way it will go".

With many sub-suppliers in their network, including the lodges, hotels, Kilimanjaro tour operators, safari companies and so on, Helene and Eivind were now capable to meet a big variety of the criteria the different customers travelling through them had. In mid-October

2013, Eivind and Helene agreed to let me know about their planned business strategy that would be in place from 1st of January. A well established and good operating system had given their work more structure, and compared to the year before, 2012, the rate of efficiency had increased a lot. Both Eivind and Helene commented on how they would be more stressed during busy periods the year before, and how they had achieved a better “flow” in their work. With the opportunity to increase workload, both Helene and Eivind had agreed that they were at stage where they had every possibility to expand their business further. Therefore, when two out of three partners of one of their hotel sub- suppliers contacted them about a possible merger, they were open for discussion. The sub- supplier was a Tanzanian tour operator business, marketing all round trips for foreign tourists in Tanzania. The business is run by three Norwegians, where two of them run the marketing part of the business from Norway, the third run their hotel in Tanzania. I have given the business the pseudonym “Jambo Tourism AS”.

As a result of a conflict in interest among the three partners in the Jambo Tourism AS, two of the three Norwegian partners started reaching out to Paka Adventures. A discrete suggestion was given to Helene and Eivind about starting a joint venture through a merger of the two businesses. Eivind and Helene had been open to investors or partners for a while, and saw it as a good opportunity to have an exclusively promotional business in Norway doing marketing and finding customers for them. In October 2013 Eivind said the following; “The process is very exciting as well as emotional. We have invested a lot of money in our business, but more importantly a lot of work and energy. But we feel we are ready”.

Through 2013, Paka Adventures and Jambo Tourism AS worked towards an agreement to establish a merger of their businesses to be able to start a joint venture in 2014. The first trip that Jambo Tourism AS sold for Paka Adventures was 1st of January 2014. Later the same month, both businesses attended the annual travel fare in Oslo, having two different stands to promote each of their businesses. This was done to try to gain twice the amount of potential customers. At this stage, both businesses had started collaborating 100% financially, meaning that Paka Adventures and Jambo Tourism AS shared all expenses and all profits. In the short run this would be very favorable for Paka Adventures as they would receive profit from all of the sales that Jambo Tourism AS managed to sell, also to other places in the world. However, in the long run the partnership would seem to be more favorable to Jambo Tourism AS, as Paka Adventures had more specific plans to become a bigger business, generating a much higher profit, compared to the somewhat vague plans of Jambo Tourism AS.

Eivind and Helene started recognizing the risk they were taking if they were to accept the merger. The founders of Jambo Tourism AS were young and not properly established. In addition, the founders of Jambo Tourism AS were only working part time, which gave Eivind and Helene the impression they were not fully engaged to the development of their potential joint venture. Both Eivind and Helene still decided that their choice of doing a merger would be beneficial, they were ready for expanding their business more, and wanted to take the risk. The Lighthouse Beach Resort was not a part of the merger, and would still solely be owned by Eivind and Helene, so they viewed it as a minimal risk.

In January 2014 I met with Eivind and Helene, as well as the two partners of Jambo Tourism AS, in Oslo. A proper strategy for continuing the merger among the two businesses had not been made at this point, although both businesses seemed eager about the future as a joint business. Later in march it was clear that the situation had changed, as Helene stated the following through an e-mail:

In this moment we try to figure out what is most sensible. We see in a way that they (Jambo Tourism AS) do not have as much working capacity as we do and it has therefore not been as interesting for us to complete the merger with them, however, we look forward to a good collaboration. We still haven't found the most sensible form of proceeding, as evidently they have less time and possess less capability to work with us than what our first impressions were.

What was believed to be a good possibility of increasing the sales capacity of Paka Adventures turned out not to be the case. Jambo Tourism AS needed more help than first let on, and Eivind and Helene ended up working more on sales, and not less as they first had hoped. If the partnership had proved to give more sales and income for Paka Adventures, it would have been ok for Eivind and Helene to share their resources in hope of growing bigger and stronger together with Jambo Tourism AS. Eivind and Helene instead found the merger to be too insecure and saw the potential fade during the process. They therefore discontinued the process of the merger, and chose to go back to the original agreement of collaborating as each other's sub- suppliers.

In June this year, a new opportunity came to Eivind and Helene's attention. A safari business, which have been given the pseudonym "Simba AS", were searching for someone to partner up with. The owner of Simba AS came from Europe and had developed a safari business with a strong network with many agents all around the world. He wanted someone to take over the

management of his business, as he currently plans to move back to his home country. Meetings and negotiations have taken place, and Eivind and Helene see this as a great opportunity to work towards a joint venture with an experienced company with good profit margins. The owner of Simba AS would be in charge of sales from Europe, and Eivind and Helene would run both Paka Adventures and Simba AS in Tanzania. Today the negotiations are going well, and Helene can report that, as symbol of the friendship between the businesses, the owner of Simba AS offered them a Safari car to a price that is much below what it originally is worth.

Eivind and Helene will continue to work towards a potential merger with Simba AS. The main focus for the business will be to keep seeking for opportunities to expand marketing and sales potential internationally, and further, to keep growing and expanding their up and coming family business with Nazra and their two young children.

5. Analysis

I will in this analysis discuss the entrepreneurial process of starting a business in an unknown culture. I will present an in depth look on how the skill of networking can play an essential role for foreign entrepreneurs in the process of becoming successful business owners in Tanzania. In order for me to understand the difficulty of starting a business in Tanzania and the challenges of business development throughout the stages of an entrepreneurial process, I deemed it important to understand the cultural context of doing business in Tanzania. I would through this understating be able to present a holistic discussion of my case study. The sub-chapters in this analysis are divided in accordance to the different stages of an entrepreneurial process and each stage include a sub- chapter of what has proven most interesting in each stage in regards to the use of networking and the impact of cultural elements and knowledge. Each of the three main sub- chapters includes a discussion of networking, and the influence of culture and knowledge to each stage respectively.

There is a great need to make the process of starting a business easier, and lessen the risk to entrepreneurs, in order to improve the economic development of the country. As stated by the reports from The World Bank (2014a, 2014b), as presented in chapter 1, the business culture in Tanzania is saturated by distrust, and is in need of creating more support towards entrepreneurs. This distrust is detrimental to the further development of the economic climate in Tanzania. The culture of doing business in Tanzania therefore needs to be adjusted. In other words, in need to attract entrepreneurs in order of achieving the process of creative destruction, which will fuel economic development in the long term as explained through Schumpeter (1942) in chapter 2.

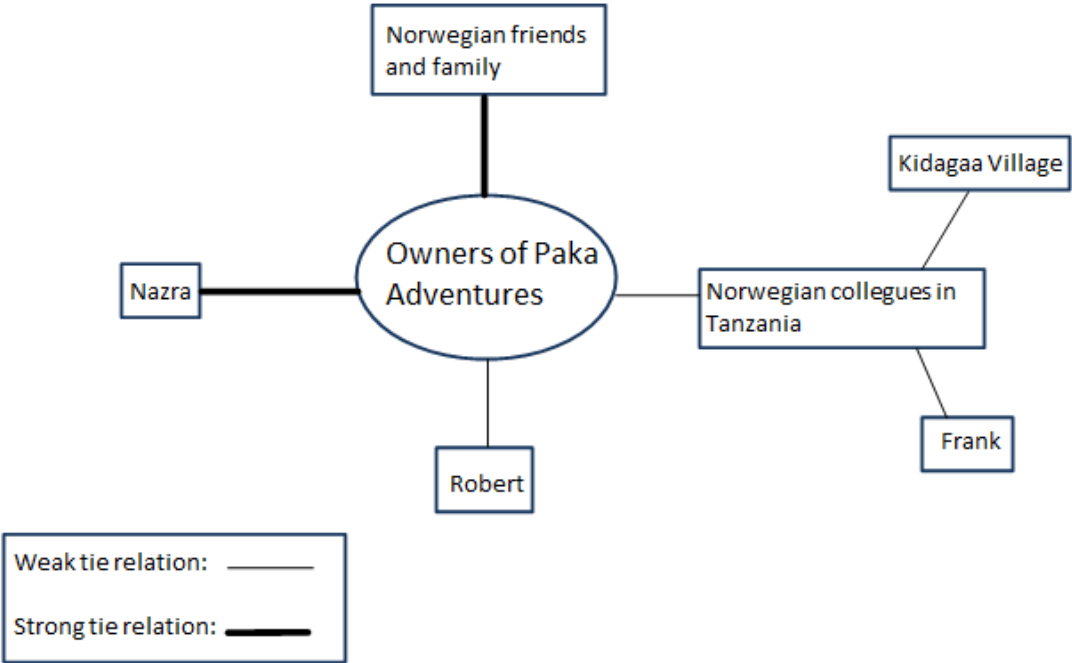
It is apparent that the population in Tanzania experience corruption on an everyday basis, which is made clear by the results from the Transparency International Report (2014) presented in chapter 4. The inhabitants of Tanzania believe it is the government who are most capable to reduce and fight corruption. The high amount of small established businesses in Tanzania, in reference to The World Bank (2014a), is a result of people's lack of choice, and need of earning a living; explained as push factors by Spilling (2008). The impact of corruption and insecurity, which influence the ease of doing business in Tanzania, can be understood as being part of the Tanzanian culture, as it is a part of the everyday life of the Tanzanian population. By discussing different situations presented in the case study narrative in chapter 4 within the theoretical framework presented in chapter 2, I am able to offer the

following analysis of an entrepreneurial process performed by two foreign entrepreneurs in Tanzania.

5.1 Starting a Business

In the process leading up to starting Paka Adventures in Tanzania, the entrepreneurs were influenced by the people around them, both in regards to their sense of belonging and to becoming alert to opportunities. Figure 1 presents the limited network of Paka Adventures in their idea- generating stage.

Figur 16: The network of Paka Adventures in the Idea- generating stage



Source: Authors’ own research

In the idea- generating stage there is one main similarity to be found with what Madurapperuma (2011) has called the discovery stage, and with what Greve and Salaff (2003) have called the motivation phase. The discovery stage and motivation phase is explained and discussed in chapter 2. The main gist of the theory was that; close friends and family were the key members of the network. In what I have called the idea- generating stage, I found the two Norwegian entrepreneurs to be mainly interacting with their local friends and foster daughter in Tanzania, as well as keeping in touch with their family in Norway in this first stage. I have concluded that the social capital of the two Norwegian entrepreneurs were influenced by

strong tie relations such as Nazra and their family in Norway, although, and in contrast to Maderapperuma (2008) and Greve and Salaff (2003), I found their social capital to be highly influenced by weak tie relations as well. This is due to the short time the two Norwegian entrepreneurs had spent with their Tanzanian friends at that stage, and further, because of the conflicting situation in which they ended up in with Robert whom they considered to be a close native friend. According to the theory of Granovetter (1973), which I presented in chapter 2, the strength of ties can be measured in the amount of frequent interaction. As I will come back to, some of the weak ties from this stage do become strong ties during the entrepreneurial process.

Madurapperuma (2011) found empirical evidence that entrepreneurs would be alert to the importance of expanding their network, due to the resources needed in later stages. As Paka Adventures were more in a state of being alert to opportunities, rather than understanding the importance of networking, the use of networking as a tool came more to the entrepreneur's attention in the second stage, during the establishment of the business.

Through years of social and cultural experiences together with people in Tanzania the two Norwegian entrepreneurs were not lacking the knowledge of interacting and creating new relations with Tanzanians. The two Norwegian entrepreneurs understood that they had the *expertise* to find and select trips which would be good matches for their particular visitors from Norway. They had also learned the *skills* necessary, to make a good all round trip for different people, through their friends and family, who came to visit. This type of knowledge combines both tacit and explicit knowledge, and is given the term human knowledge by De Long & Fahey (2000) as explained in chapter 2. The tacit knowledge of the two Norwegian entrepreneurs was fundamentally directed towards their experience and understanding of what their Norwegian friends and family would be satisfied with during their time in Tanzania. The explicit knowledge they accumulated was a result of performing safari tours with Robert, where they learned from his experience and expertise. By planning safari tours and activities on behalf of their guests, the two entrepreneurs combined their tacit and explicit knowledge. Based on the Norwegian entrepreneurs' lack of business routines, specifications and task descriptions, their tacit, not yet codified knowledge, can be understood as much greater than their explicit knowledge. This is in accordance with Widding's (2007) description of the first stage in establishing a business, which states that a start phase of a business have low competitive advantage, and lack of what Dollinger (1999) have called a viable knowledge

reservoir. The knowledge reservoir of Paka Adventures was limited at this stage, because of the little collaboration with the external actors in the business culture.

In the following sub-chapter I will discuss the challenges the entrepreneurs behind Paka Adventures faced in the first stage of their entrepreneurial process. I will also discuss how their use of a weak and limited network, their lack of experience from doing business in the Tanzanian culture, as well as with a knowledge reservoir containing more tacit than explicit knowledge, had an impact on this stage.

5.1.1 Depending on others

The main factors that led the Norwegian couple to move to Tanzania, was their commitment to their foster daughter, Nazra, the land which had been purchased from the village leader in Kidagaa, as well as the climate which were beneficial to the health situation of one of the entrepreneurs. The two Norwegian entrepreneurs' experiences from living and working in Tanzania created a social network for them. This network enabled them to discover their business opportunity in the tourism industry. Examples of this can be seen when one of the Norwegian entrepreneurs joined Robert on safari tours, and learned the trade of being a safari guide from him. Another example is the positive experience of planning activities for their friends and family who visited from Norway. The Norwegian entrepreneurs were more or less pulled towards the opportunity to create a better situation for themselves in Tanzania. This is what I have explained as pull factors through Spilling (2008) in chapter 2, where entrepreneurs are motivated to start a business. It can however be argued that the entrepreneurs were more or less forced by their situation to seek for business opportunities as well, as their attachment to Tanzania were strong. To be able to live in the country permanently the two Norwegian entrepreneurs were in need of a stable income, which would let them be able to build a life in Tanzania. The two Norwegian entrepreneur's interaction with the community, can therefore be understood as making it possible to recognize the opportunity for starting a business, as well as being the reason for starting a business altogether.

Through socially interacting with the native locals in Kigamboni, as well as the relationship the two Norwegian entrepreneurs had gained with the village leader of Kidagaa, can be understood to have been an influential part of the entrepreneur's social capital in the idea-generating stage. As mentioned through Greve and Salaff (2003) in chapter 2, the continuance of such frequent contact with people in the community can be explained to have created a support group for the two Norwegian entrepreneurs, in the sense that opportunities were made

available to them. This was mostly due to the fact that the land offered to one of the entrepreneurs, almost for free compared to its worth, at an early stage, gave them the opportunity to build The Lighthouse Beach Resort. This gesture can also be understood as being a part of what Anssi Paasi (1990/1991) has called material culture of a region, due to the meaning and sense of belonging in which the physical space of the Lighthouse Beach Resort would provide, both for the entrepreneurs and the Kigamboni community.

An interesting question to ask is whether or not the village leader of Kidagaa saw potential in Eivind as being an active agent for promoting future development of the village, in relation to social capital, as presented through the theory of Krishna (2013) in chapter 2. This is a question that will remain unanswered however. The radical development ripple effects, which came from the establishment of The Lighthouse Beach Resort, have been the main factor in the challenge of describing the entrepreneurs of Paka Adventures as commercial or social entrepreneurs. In the idea-generating stage, the focus for the two Norwegian entrepreneurs was mostly on generating a profit to be able to make a life for themselves in Tanzania. On the other side, the development of Paka Adventures included the community in Kigamboni, especially the Kidagaa Village. It may seem as the process of including the community would not only provide a better economic climate for the surrounding community creating social value, it would also include the two Norwegian entrepreneurs to become a part of the community. Furthermore, an increased standard of living in the general Kigamboni area, as a lot of the social problems stemming in poverty disappear with the upstart of economic growth, would further make it a more desirable tourist destination. I will go into greater detail of why it became important to them to include the surrounding community in the chapter regarding the establishment phase.

With the beneficial resources, which Robert and Frank provided through sharing their experiences and knowledge about doing business in Tanzania. The business idea can be understood to have emerged as a result of social capital, as the knowledge that was learned through interaction with the two native Tanzanians, Frank and Robert, led the entrepreneurs of Paka Adventures to become aware of their opportunities. Following the theory of DeLong and Fahey (2000) presented in chapter 2, the gained knowledge of creating the idea of Paka Adventures can be seen as a result of culture; the Tanzanian practices and norms of doing business through Frank and Robert's experiences, as well as the Norwegian values of doing business through the two Norwegian entrepreneurs' vision.

The entrepreneurs of Paka Adventures experienced the influence of corruption early in the idea-generating stage. Business actors in the community would take advantage of the country's weak institutions, by bribing either members of police or immigration in an attempt to harm their business. The introduction of chapter 2 presented results from Transparency International (2012), proving how corruption is a big factor influencing the greater part of the adult population in Tanzania

An example of this can be seen in the situation with Robert, when the entrepreneurs of Paka Adventures had an unpleasant encounter with both the police and immigration after they found out that Robert wanted to end his relationship with them. The knowledge they had trusted to Robert, about immigration papers that had been handed in to the immigration office, were taken advantage of. This caused damage directly for the entrepreneurs, in the sense that one of them was jailed. The two Norwegian entrepreneurs recognized the absence of institutional trust, and began to understand the risk of relying on one-sided trust as described by Anokihn & Schulze (2009) in chapter 2. In this situation it can be understood how the market of starting up a business became uncertain for the entrepreneurs of Paka Adventures, as they had been too naïve of their surroundings. Robert had sold his beach resort, in which Paka Adventures' customers were supposed to be accommodated. In lack of relations with other businesses in the hotel industry which could function as their sub-suppliers and accommodate their guest, the two Norwegians faced market uncertainty as explained by Beckman et al. (2004). The two Norwegian entrepreneurs' lack of relations and experiences created this market uncertainty for their business, in regards to not have the knowledge on how the market would be able to accommodate their guests, as well as the lack of trust towards the culture of doing business. Referring to Beckman et.al (2004), the two Norwegian entrepreneurs choice to take control of accommodation themselves, can be expressed as taking upon an exploitation strategy in the sense of dealing with their current uncertainty of doing business in the Tanzanian tourism industry. The exploitation strategy would not reduce the market uncertainty, as will be discussed in the next subchapter where the establishment stage will be analyzed, although, it did bring forward the motivation of gaining control of their own beach resort, which later would reduce market uncertainty in the sense that they did not have to rely on other actors providing good accommodation for their guests.

The lack of institutional trust had influenced the Norwegian entrepreneurs in the way that they learned to be more aware of whom to trust. In the absence of Robert's knowledge, it is evident that the entrepreneurs of Paka Adventures found it necessary to exploit other relations in their

network. Through more frequent interaction with Frank led the entrepreneurs to discover the potential inherent in this local friend and employee. Frank's use of smallchaps became immensely valuable, and in this first stage; especially in situations when the two Norwegian entrepreneurs faced trouble with immigration and police. Frank's use of smallchaps and his success to solve problems can be understood as the Norwegian entrepreneurs start of recognizing networking as a tool to be used against conflicts and challenges in which corrupt actions were taken to harm their business. For example the multiple times that one of the entrepreneurs would be jailed, the entrepreneurs' frequent surprise visits from immigration officers, or filing and pushing for different permits, were all situations that were handled with Frank's smallchaps. . Thus, as stated by Rose- Ackerman (2001) in chapter 2, the trust towards Frank can be said to have grown, because of the two Norwegian entrepreneurs' positive experiences with Frank. Furthermore, as will be discussed later in this analysis, Frank's impact on the further development of the business idea became vital to their success.

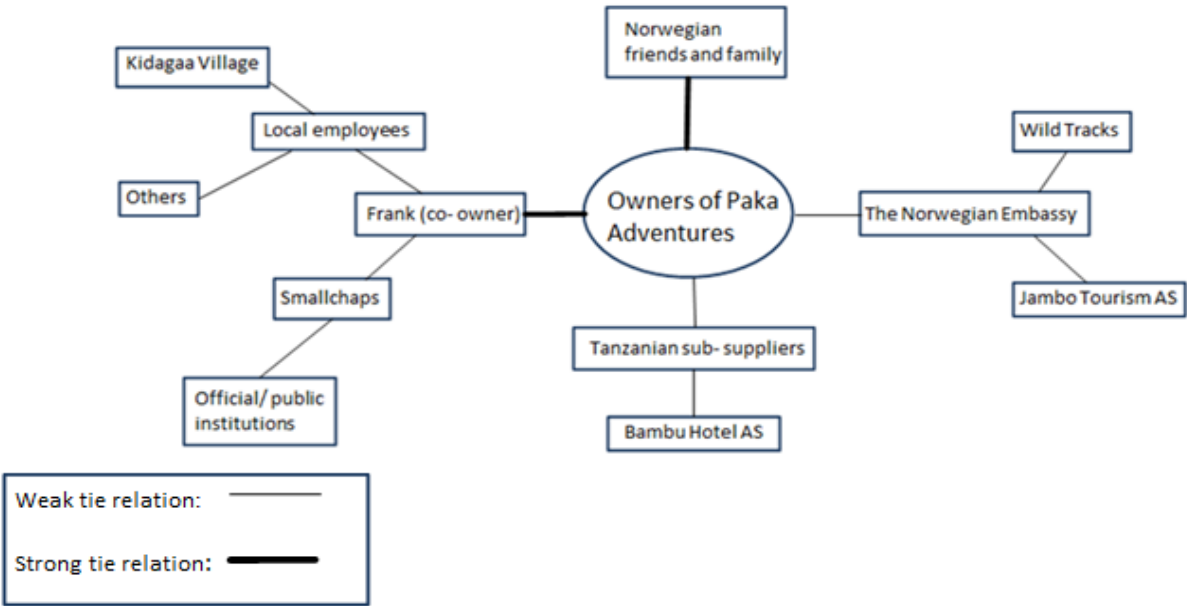
The beach resort can be understood to have been built through the exploitation of the existing network of the two Norwegian entrepreneurs. The learning curve throughout this first stage was very high and tacit, as explained through Mitra (2012) in chapter 2, as the Norwegian entrepreneurs were learning by doing. They practiced activities relevant to their potential business venture, especially when they didn't have access to Robert's experiences and inputs in regards to how to do business anymore.

In general, what can be learned from this is how trust is needed to ensure that the limited network in the start- up stage of a business will not cause harm. For entrepreneurs starting up a business in Tanzania, it can deem important to build up trust with the people they are dependent on. Through the example of Paka Adventures, trust can be especially important when working to establish a business in an economic climate rife with corruption. In the wake of the conflict with Robert, the entrepreneurs of Paka Adventures objectively saw that the need of adapting themselves to the Tanzanian business culture, or a shared system of values, beliefs, and aspirations, referring to Hofstede (1980) in chapter 2, was essential. Therefore, recognizing the importance of cultural knowledge can be understood as a vital factor in the process of starting a business in an unknown culture. In the next sub- chapter I will further detail the important impact of local contacts on the establishment of Paka Adventures.

5.2 Developing a business

The opportunity’s feasibility made the two Norwegian entrepreneurs mobilize their resources required to successfully pursue the opportunity to build their business. In accordance with Greve & Salaff (2003) in chapter 2, the entrepreneurs used their social capital to be able to start their business. In the second stage of their entrepreneurial process, the establishment stage, the network of Paka Adventures further grew, which will be discussed in this sub-chapter. Greve and Salaff (2003) have called their second phase for the planning phase, although in this case, their third phase called establishment, can also be included in what I have called the establishment stage in the entrepreneurial process of my case study. Therefore, both the first and second phase of Greve and Salaff (2003) will be included in this second stage, the stage of establishment. I will also draw attention to the empirical findings of Madurapperuma (2011), and what she has called the start- up stage. An illustration of the expanding network is illustrated in figure 17 below.

Figur 17: The network of Paka Adventures in the establishment stage



Source: Author’ own research

The main changes in Paka Adventures’ network from the idea- generating stage, are the new relations with public institutions. Both the Norwegian Embassy, as well as the Norwegian entrepreneurs’ co-owner, and his connection to local institutions through his network of smallchaps. Furthermore, the entrepreneurs started collaborations towards other businesses, especially hotels and lodges, gaining a larger supply of activities and tours for their customers. The entrepreneurs’ friends and family in Norway played a good role in marketing

their business in Norway through the “word of mouth” strategy, recommending others to travel to Tanzania through Paka Adventures. The family was the most important factor to provide financial support in this stage as well.

In accordance with empirical evidence from Greve and Salaff (2003), as well as Madurapperuma (2011) as discussed in chapter 2, the main focus of the entrepreneurs became to seek and maintain new relations, especially with business acquaintances and more formal institutions. Family would in this stage become less important in regards to social capital, although as mentioned, very important in regards to support with financial capital.

Together with what De Long and Fahey (2000) have called human and collective knowledge, the two Norwegian entrepreneurs managed to expand their knowledge reservoir, thereby increasing their competitive advantage in the tourism industry in Tanzania. This is also in accordance with Widding’s (2007) theory on the result of opening more of the business’ gates towards the environment, enabling them to gain new and more diverse knowledge. For instance, the informative resources, which they gained through peoples’ advice on how to establish a business in Tanzania, and the material resources, which gave them the opportunity to give life to their business idea, created the fundament for being able to make their business sustainable. In this stage, the experience of justifiable lack of trust towards the business culture in Tanzania caused constraints on the establishment process of the business, which made the entrepreneurs aware of the fundamental risk of doing business in Tanzania.

The two Norwegian entrepreneurs were more or less forced to face the importance of networking due to the conflict with their collaborating partner Bambu Hotel. The result of this conflict led to a reorganizing of Paka Adventures, making the business 100% Tanzanian, gaining Frank as their co-owner, and more importantly, the entrepreneurs identified and attracted a highly educated board of trustees which provided them with a stronger, and sorely needed, knowledge reservoir. In accordance with both Widding (2007) and DeLong and Fahey (2000), the two Norwegian entrepreneurs started a process of identifying necessary knowledge which included new relations that would create more security towards their environment.

Paka Adventures, in line with Widding’s (2007) second phase, now had opened more “gates” to their environment, including sub-suppliers and a larger staff, and would be in a better position as they could exploit knowledge through their board of trustees in order to start mechanisms that would protect their knowledge reservoir when it deemed necessary.

Collaboration with other businesses started in the establishment stage, as the entrepreneurs needed sub suppliers to be able to offer more of the value chain in the tourism industry in Tanzania to their customers. It can be understood that the entrepreneurs used the form of exploration to find new partner relationships, as presented through Beckman et al (2004). For example, by contacting the Norwegian Embassy in Dar Es Salaam the two Norwegian entrepreneurs would benefit from the Norwegian business network of the embassy. In the case of corruption and high risk, one sided trust towards businesses with same values and efficient communication channels, as explained through Rose Ackerman (2001), would be easier for the entrepreneurs to rely on compared to local businesses. The business called Wild Tracks became a sub- supplier through e-mail correspondence, which can be explained through the theory of Licht and Siegel (2008), presented in chapter 2, as bounded solidarity. The Norwegian Embassy in Dar Es Salaam created an arena for Norwegian businesses to share a common event and exchange experiences. Furthermore, both the female owner of Wild Tracks as well as the two entrepreneurs of Paka Adventures share the same Norwegian values; the entrepreneurs were familiar with each other's values and in a way this can explain the altruistic behavior generating trust through e-mail correspondence. Licht and Siegel (2008) called this value introjection. Another point can be how the entrepreneurs prefer to do business with other foreign entrepreneur, due to the cultural norms, values and practices of local businesses. The behavior of other businesses can be seen as more of a risk for the two Norwegian entrepreneurs to include in their network, and as culture is the basis for behavior, according to DeLong and Fahey (2000), collaborating with the Norwegian entrepreneur behind Wild Tracks may be more familiar, and easier to trust.

To make it possible for new foreign entrepreneurs to be able to create a viable business in Tanzania, it can be understood from my findings so far that it is important for any business to create a network of their own. In principle it seems important to be aware of whom the entrepreneurs need to connect to, as well as selecting the right people for their network. Family, friends, the embassy, other businesses relevant to their own and institutions both administrative and political can be an important part of any business network. It is through this network entrepreneurs are able to expand their knowledge reservoir, through advice and general knowledge, and thereby increase their own competitive advantage. Through collaboration with other businesses new businesses can increase the level of what they themselves can offer. As will be discussed in the next sub- chapter, the ability to trust network relations in a business culture soaked with corruption, can be understood as one of

the main situational challenges in which the entrepreneurs behind Paka Adventures would face during their business establishment process in Tanzania.

5.2.1 Deception in Network

In the establishment stage, both entrepreneurs gained valuable experiences of doing business in Tanzania, and they also became more integrated into the culture and the “way of doing things”. One example of this is how the entrepreneurs included the Kidagaa village to participate in the development of The Lighthouse Beach Resort. Not only did the entrepreneurs create business opportunities for the villagers, they created a more stable economy for the small community in Kigamboni. According to Certo and Miller’s (2008) definitions of social and commercial entrepreneurship, it can be discussed that Paka Adventures achieve the criteria to be called both a social- and commercial- entrepreneur, or a hybrid, as they generate both social value and financial capital. The reason for their focus on both social and financial capital can be seen as a result of their interaction with the community. Their social experiences and their growing network provide focus on needed social issues, as for example the need of education in the Kidagaa village. The two Norwegian entrepreneurs consistently encouraged collective processes and interaction during this stage, which supports the theory of Borch and Førde (2011), as opposed to looking just at individuals.

The entrepreneurs’ business is built on family values where every employee is a member of the family, in other words, the business. Following Widding’s illustration of knowledge systems (2007) in figure 2, it is possible to understand how the strategy of using family values would benefit the business, especially in the two first stages of the entrepreneurial process. Paka Adventures was created from the ground up together with local Tanzanians. As the business grew, it became possible for more locals to take part in it. This is especially seen in the development process of The Lighthouse Beach Resort in respect of training and employing local villagers. The entrepreneurs identified the untapped potential of the village in Kidagaa. They therefore attracted this group by creating opportunities for their educational development through training, as well as giving them opportunity of employment and a steady income. With focus on treating employees as part of the development of the business, family values emerged, and this cultural impact gave the entrepreneurs a unique trademark to market. This can be described as exploiting the tacit knowledge of the employees, or as presented by Anokihn and Schulze (2009) in chapter 2, the entrepreneurs had, through positive experiences, gained confidence in the trustworthiness of the employees. The family oriented

way of establishing a business provided them protection in a sense that employees would honor the family, and take part in its challenging and successful development. If someone would deceive the business family, a group pressure would emerge and the employee behind the deception had no other choice but to leave the business.

Unreliable behavior within the business deemed always to be somewhat of a risk when expanding the number of staff. An example of unreliable behavior, as explained by Yamagishi (2011) in chapter 2, was the safari guide who abused his position in the business for his own personal gain. On one hand, the process of expanding the number of staff can create a competitive advantage for the business, as with the employees creating a trustworthy and unique atmosphere giving innovative marketing benefits. On the other hand, opening the business to external sources, as with employing new employees, can be a risk as new employees may be unreliable, or in the case of Widding (2007): competitors may get access to the businesses' knowledge reservoir. The situation where the employed safari guide carried out a Nigerian scam towards the two Norwegian entrepreneurs' customers, makes it is evident that the employee took advantage of his employment, his fellow co- workers and the trust of his employers. The situation affected the business in a negative way, giving previous and potential customers' reason to distrust the employees of Paka Adventures, and thus decreasing Paka Adventures' competitive advantage in regards to losing marketing value. This situation however, identified Paka Adventures' social capital in the tourism industry, and it can be understood as being what Licht and Siegel (2008) called enforceable trust as explained in chapter 2. The other businesses in the tourism industry in the Dar Es Salaam region recognized the inappropriate behavior which could very well harm the whole industry. They therefore acted collectively to punish the member of this industry, the Paka Adventures employee, who had demonstrated inappropriate behavior.

Trust is an important factor of network, as pointed through Reiersen (2013) in chapter 2. The entrepreneurs of Paka Adventures gained a relationship with Bambu Hotel in the early stages of their business establishment. The assumption the two Norwegian entrepreneurs made, was that the hotel owner was honest. This assumption was based on the fact that acting "honestly" was in their interest. The Norwegian entrepreneurs were managing a building project for the hotel, which the hotel would seemingly prioritize to finish sooner rather than later. In this situation, following the work of Yamagishi (1994), assurance exists, but not trust. It can be understood that the reason the two Norwegian entrepreneurs took on a building project for the Bambu Hotel, was based on their belief on the concept of mutual support. Licht and Siegel

(2008) call such social capital, where the generosity towards Bambu Hotel seemed to be beneficial towards Paka Adventures as well, as reciprocity exchanges, as explained in chapter 2. However, when the culture itself is distrusting, the entrepreneurs would learn to be very cautious in regards to who they would trust. As with the building project with the Bambu Hotel, it could have been a successful and profitable opportunity, unfortunately it caused insecurity and conflict, as the entrepreneurs lost trust in the owners of the Bambu Hotel when receipt of project funding ended.

The conflict with the Bambu Hotel did however make the entrepreneurs learn from experience of doing business in the corrupt Tanzanian culture. In a way, the situation can be understood as a form of integration. Through Anssi Paasi's (1990/91) description of culture as a human act, it can be understood that the entrepreneurs of Paka Adventures started relating to their surroundings in regards to the challenging entrepreneurial culture surrounding them. The two Norwegian entrepreneurs became more alert to the entrepreneurial culture they were doing business in, as well as the bigger challenges of corruption, which would test their motivation of doing business in Tanzania.

The knowledge they gained from the experience with Bambu Hotel served to better protect themselves and their resources. Following Yamagashi (2011), the unreliable behavior of the Bambu Hotel's owners gave the entrepreneurs the need and wish, to form a stronger network to reduce social insecurity. The size of the entrepreneurs' network was not large enough at this point, to be able to handle the conflict in an efficient way. Their employee and friend, Frank, did most of the work to prevent more involvement with police and immigration through the use of smallchaps. This was on the other hand much more time consuming, compared to having a more influential network of players. Referring to Spilling (2008) in chapter 2, in the wake of this conflict the entrepreneurs created a strategic assessment of how they should protect their business from any potential future conflicts. Being a small business with weak resources and a lack of capability to protect themselves against external threats set their potential growth on hold. The entrepreneurs understood that to be safe and to protect their customers and resources, they needed to gain a bigger network providing better security.

Through exploitation and exploration of their network, the two Norwegian entrepreneurs started the process of reducing social uncertainty. By including Frank as an owner and changing their business from being Norwegian-Tanzanian to become 100% Tanzanian, getting a board of trustees, being more selective of collaborating partners and staff, and

starting to have a main focus on expanding their network, the entrepreneurs managed to strengthen their “gates” and gained more control and security internally in the business. By doing this, the entrepreneurs achieved a better flow of knowledge sharing internally, and a better control of knowledge sharing externally to other actors in the environment. The gate-keeping became structured, in accordance with the middle phase of Widding (2007), and they could focus on achieving growth with a higher sense of control and security.

Not all foreign entrepreneurs may be able to, or even desire involving the local community in the business, the same way Paka Adventures did. Since the Norwegian entrepreneurs’ vision was the inclusion of the community, they were able to create a business built on the notion of family. Trust in that case is extremely important, it is however often not possible to have that degree of trust. Often, decisions made on the assumption of mutual benefit do not pan out. It is therefore very important for new entrepreneurs to have a clear picture of the risk of corruption and less than serious businesses, in the regions they are situated in. The strategy made by Paka Adventures to limit the risk associated with corruption and “shady” businesses, was effective in their case. It is however, not always possible to do what Paka Adventures did, when making the business 100 percent native. New businesses can, on the other hand, limit the risk substantially, by creating their own highly skilled network, and become more selective of collaborating partners.

As mentioned in the theory chapter, Mitra (2012) provide three main points as to why networking is important, which is consistent with my case study. First, when Paka Adventures had been established, the conflicts that followed from their falling out with the Bambu Hotel, created a situation that made them vulnerable. This experience tested their knowledge of the environment they wanted to establish their business in, and they needed to make big changes, and they even ended up reconstructing the whole business. The need to protect themselves, as well as their services, made them turn to networking to increase their knowledge reservoir. The entrepreneurs needed to prepare themselves to handle any future conflict, and by increasing their network they also managed to prove their legitimacy to the society, even resulting in them becoming a “big brother” for other tourism companies.

Second, the entrepreneurs focused on their Tanzanian co- owner’s ability to work the government system, by doing networking in immigration and other government institutions. Frank’s use of smallchaps became vital to many situations during their establishment. The building of the Lighthouse Beach Resort became the number one priority investment in this

stage, and Frank pushed forward the processes for water permits, alcohol permits, tax papers and everything else they needed by engaging his network of smallchaps. In weak government institutions, as Mitra (2012) also writes, the development and sharing of resources can become difficult as some businesses may want to dominate the market, using a weak and corrupt governance environment to their advantage, as the situation with both Robert and the owners of the Bambu Hotel.

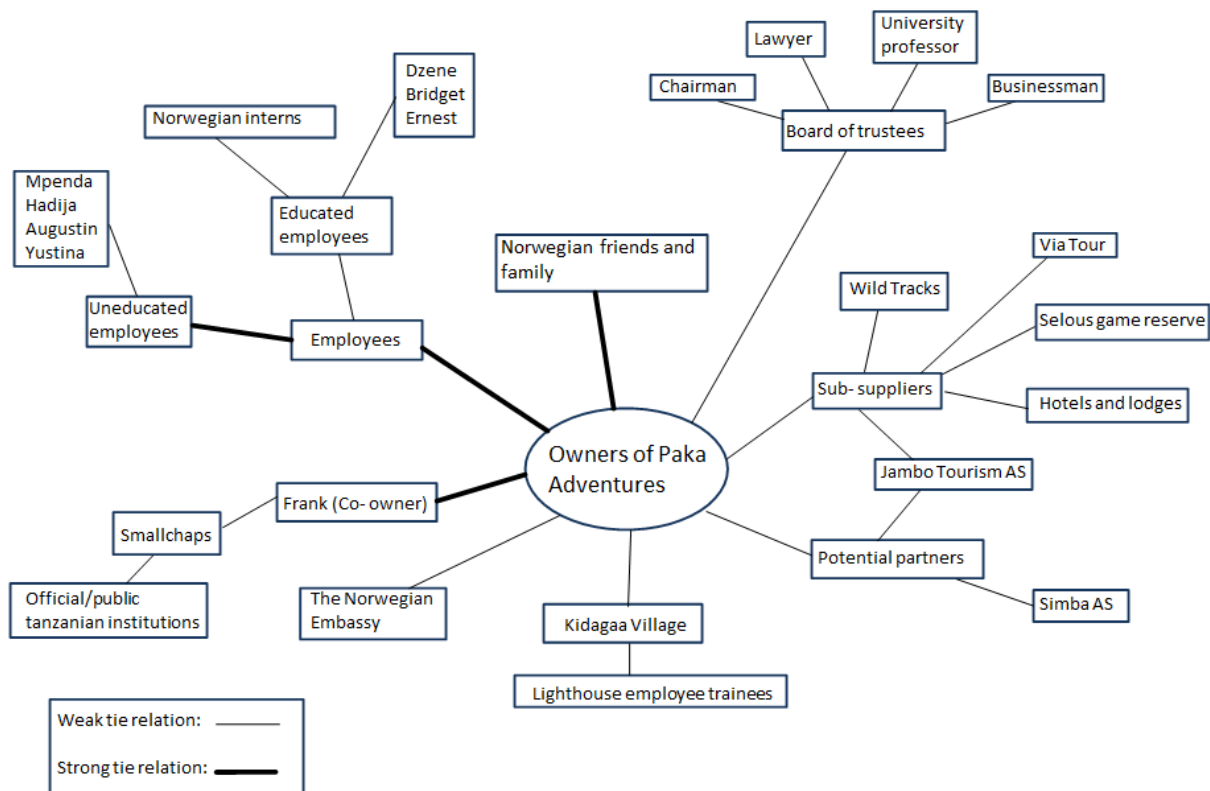
Third, the last important aspect of networking, according to Mitra (2012), is the emergence of internet. Eivind and Helene started very early by marketing themselves on their website and on social medias to gain customers. The frequent customer communication through e-mail, became a valued trademark for the business, providing all customers with their own customized trips. Comparing themselves with other Safari companies in Dar es Salaam, the entrepreneurs' intellectual capital, in regards of using good e-mail communication to make a unique product for their customers, made them stand out. They found their niche in the tourism industry in Dar es Salaam. The knowledge needed to provide this service and secure satisfied customers was and still is vital for the business, and the entrepreneurs could not trust others to have this sort of responsibility without the proper education and training. For example, the experience with their former employee using their e-mail platform to scam their previous and potential customers, created a risk that had the potential of harming their credibility towards their customer network. The internet site Trip Adviser, is an example of how the internet can increase or decrease the entrepreneurs' "word of mouth" marketing strategy.

As explained in chapter 1, Tanzania is a country in rapid economic growth, and there has risen a particular interest in entrepreneurial activity taking place in the emerging economy and further development of Tanzania. The challenge the two Norwegian entrepreneurs faced when establishing their business, was the breakdown of institutional ethics in which corruption is a substantial part of. In the establishment stage however, Frank would show the entrepreneurs his ability of exploiting his network of smallchaps. Frank's use of smallchaps was employed to avoid taking part in- and even control- corruption, as explained in chapter 2, through Rose-Ackerman (2001). Frank could more or less control situations of high risk for the two Norwegian entrepreneurs, by using his grasroot level network to work the system. Choosing to use smallchaps, instead of succumbing to corruption, taught the entrepreneurs how to avoid taking part in corruption. This method would slow up the process of establishing their business, as opposed to paying someone to do their job faster.

5.3 Expanding a business

In the growth and development stage, which Madurapperuma (2011) has called the ongoing stage, the entrepreneurs’ network has grown substantially, as shown in figure 3.

Figur 18: The network of Paka Adventures in the growth and development stage



Source: Authors’ own research

Both sub- suppliers and the number of employees have grown at a rapid rate, comparable to the growth of Paka Adventures. The main differences in the network from the establishment stage are the potential partners’ post, which include the tourism businesses Simba AS and previous sub- supplier; Jambo AS. In figure 3, the strong relations are marked with a thick line, and weak relations with a thin line. The owners of Paka Adventures have increased both weak and strong ties from last stage. Especially, the two Norwegian entrepreneurs have formed stronger relationship towards their uneducated employees, who have been with the business from the beginning. The need for educated staff increased during the establishment stage. The owners of Paka Adventures therefore decided to employ educated staff to ensure more professional quality in management of their office and their beach resort. These new weak relations provided the business with more stability in the sense of professionalism. New

sub-suppliers as well as potential partners are also other weak ties, which was of great importance in the growth and development stage. Frank still plays a valuable role in the business, although the two owners have taken some of his previous responsibility of hiring staff. This is due to the experience gained throughout their entrepreneurial process, making them more confident of using systems they have created to employ staff that can be trusted.

What is interesting in the growth and development stage is how the entrepreneurs themselves have gained more control of their surroundings. The knowledge of doing business in Tanzania has increased, as well as the relations towards different actors in the Tanzanian environment. Through the establishment stage the entrepreneurs understood the importance of creating a network in the Tanzanian community to be able to secure their business, mostly due to corruption. A consequence of their networking has resulted in success of recognition. People in the community know who the owners of Paka Adventures are. The sub-suppliers have increased, more than is shown in this network, but more importantly, the seeking of partnership has become a main focus of being able to grow and develop their business. In this sub-chapter the focus will be on how Paka Adventures seek opportunities to be able to further develop their business and gain substantial growth.

This stage of business are to a high degree similar to the empirical evidence of Madurapperuma's (2011) ongoing stage, as the entrepreneurs have gained access to complementary resources and competences with sub-suppliers, and as the entrepreneurs currently attempt to establish a partnership with another business to expand their business. Thus, this proves the ongoing work of trying to maintain and develop relations towards professional bodies which will further enhance the entrepreneurs' position in the environment.

Following Granovetter's theory of strong and weak ties (1973), it is evident that the quality of the entrepreneurs network has increased substantially since their official establishment in 2007. By maintaining strong ties towards the people who have been in their network from the beginning, they continue to possess their knowledge in the firm. Due to the lack of diversity however, the entrepreneurs chose to focus on expanding their network in the establishment stage to include other groups or individuals' knowledge that would be beneficial to the further development of their business. Such relations, as Granovetter (1973) has called weak ties, have given the entrepreneurs a source of more diverse knowledge in their current stage of growth and development. By maintaining strong ties, and constantly creating new tie relations, the entrepreneurs have created a more secure position in the environment. In

contrast to Greve and Salaff (2003), the role of networking can be understood to not have faded out in the third stage, the focus has however, turned to involve partnerships.

The two Norwegian entrepreneurs are no longer dependent on specific knowledgeable others in the business, and if employees chose to quit the entrepreneurs are in a position of reduced risk to be affected in a negative way. This is in accordance with Widding's (2007) third phase of competitive advantage of a business, as the explicit knowledge has increased. An example of a situation detrimental to their business, was the situation in the first stage; when Robert chose not to take part in the business, the business were set back in the form of the entrepreneurs of Paka Adventures feeling they were dependent on having the influence of a Tanzanian in their quest to do business in Tanzania. Frank would later take Robert's place however, and if Frank had quit at that point, it would have had a huge impact on the establishment and development of Paka Adventures. This is in high contrast to their current situation, where the entrepreneurs themselves possess the knowledge and experience of managing their business in Tanzania. The work of Frank is still highly appreciated and valuable, although not at the same dependent level as in the early stages.

It is evident that the two Norwegian entrepreneurs have become a part of the business culture in the third stage of their entrepreneurial process. Paka Adventures has achieved an internal business culture, which shapes the knowledge they gain. This is of great importance in order for them to develop and grow their business further. The Norwegian entrepreneurs' values have defined what is important for Paka Adventures to achieve in Tanzania. The Tanzanian norms and practices, which the entrepreneurs have learned through the process, have been reformed from the Norwegian values as well. Trust is gained over time, as explained by Rose-Ackerman (2001) in chapter 2, and after some years in the business, the two Norwegian entrepreneurs' main source of challenge; corruption, is no longer posing to be a great threat to their business. This is something Rose-Ackerman (2001) also suggest, that this can be the result of control, in the sense that the entrepreneurs have managed to control the degree of influence corruption can have on their business. In the first and second stage of doing business, Paka Adventures were in a fragile state due to the lack network resources and trust in their surroundings. In their current state, they have a strong network, providing protection and resources. For instance, the situation where the two Norwegian entrepreneurs were accused of frightening the animals with the color of their safari car risked to taint their reputation with customers. After pulling some strings through their network, they were able to document their case and prove the accusations to be wrong.

In addition, in the growth and development stage, the two Norwegian entrepreneurs can be said to have managed to create a lot more structure in their business' systems, processes, tools and routines. This is especially evident in the organizing of employment processes, the running of their main office, as well as their employment of highly educated staff and their business being approved to teach Norwegian interns in tourism. This is what has been called structured knowledge by De Long & Fahey (2000), as mentioned in chapter 2, and is explicit and rule-based knowledge. In the next sub-chapter, the two Norwegian entrepreneur's ability of and aim towards attracting potential partners will be discussed.

5.3.1 Attracting potential partners

Through the two Norwegian entrepreneurs' interaction with the communities surrounding their business, both in Dar es Salaam and in Kigmboni, they can be said to collectively have discovered their opportunities to both commercial and social profit. As explained by Spilling (2008) in chapter 2, a start-up should make a strategic assessment of how they relate to their surroundings. In this third stage, it is clear that the focus on generating social value for the community will continue to be in Paka Adventures's plans for the future, as they wish to establish a village academy in Kigamboni. The value this can create to the community can boost the community's future development. As Paka Adventures have focused on both social and commercial profit, they can be called a hybrid as: 1) without generating a commercial profit they would not be able to generate social value, and 2) without generating social profit they would not have been able to find their "niche" in the market, and further been able to generate commercial profit.

The entrepreneurs of Paka Adventures have in other words become a great influence in the community. As Anssi Paassi (1991) explained as part of regional culture; the entrepreneurs are at a point in their entrepreneurial process in where they understand culture as an identity. With this follows both the objective view on how the entrepreneurs see themselves as residents in the region, where the entrepreneurs now see and experience themselves as a "big brother" to other tourism businesses, as well as comprehending the economic, cultural and political organizations and institutions in the region. The knowledge of regional culture and how to do business have become more sustainable with the entrepreneurs, meaning the entrepreneurs have more resources and have become more secure in the environment. The two Norwegian entrepreneurs can therefore be understood to have gained the necessary knowledge in order to be sustainable in the Tanzanian business culture. It is however, their dynamic capability, as explained through Teece et.al (1997) in chapter 2, of using their

knowledge that gives them competitive advantage in the tourism industry. By constantly identifying, attracting, exploiting and protecting their resources and gaining new knowledge, is the reason for Paka Adventures' ability to continuously enhance their competitive advantage in the tourism industry in Tanzania.

The enhanced position of the two Norwegian entrepreneurs put them in a position where they have a desire to expand their business further. Explained by Beckman et.al (2004) in chapter 2, new partners can broaden the scope of the firm, increasing the likelihood of obtaining new information, and of adding to the diversity of information to which a firm is exposed.

Considering a firm's network as a knowledge base to be tapped, firms expand that knowledge base by forming new relationships with new partners. In 2013, their sub- supplier Jambo AS expressed their interest of creating a partnership. The uncertainty of dealing with new businesses did not affect the two Norwegian entrepreneurs' decision to gain stronger relations with Jambo AS, as the purpose was not security, rather their desire to develop and grow their business were the motivational factor. To some degree, this can be seen as a form of exploration according to Beckman et al (2004), as Jambo AS where an existing network member, and due to the fact that in the end it was an attempt at partnership but which later was resolved.

The believed benefits of the merger included higher marketing value towards international customers and a big increase in sales. The entrepreneurs of Paka Adventures, however, experienced that uncertainty increased when the process of merging with Jambo AS began. The decision of ending the merger can be said to be based on, as mentioned through Mitra (2012) in chapter 2, the entrepreneurs' tacit understanding of the information they learned; the entrepreneurs' judgements of the signals they received from Jambo AS were not as satisfying as first thought. The attempt of merging with Jambo AS failed, but they remain on good terms and still collaborate with sales.

The current situation, as of June 2014, Simba AS and Paka, have begun a process of creating stronger relational ties to each other, with the intention of testing the possibility of merging their businesses together. Simba AS is experiencing firm- specific uncertainty, as the owner desires to reduce his position as manager down to working in sales from Europe, and need another trusted party to run the business in Tanzania. Paka Adventures and Simba AS had no previous history of partnership or collaboration, and the relation was created through the

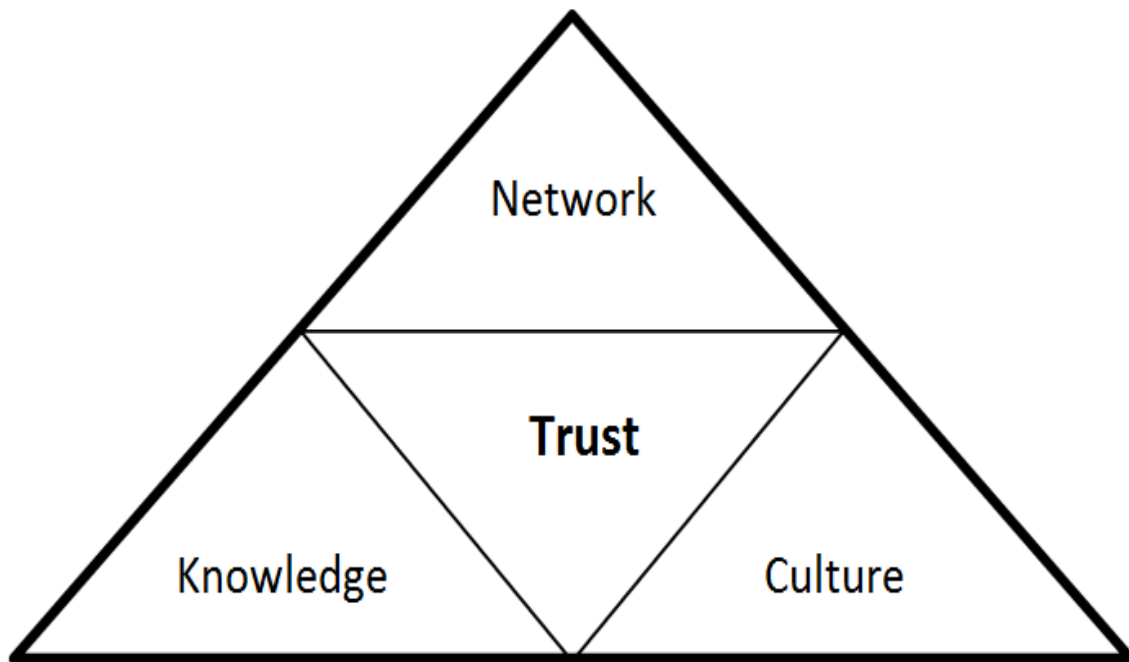
typical explorative form as described by Beckman et al. (2004), they have started interacting on a frequent basis, thus building trust through interaction.

The two Norwegian entrepreneurs' focus on networking in the establishment stage, and their continuously focus on broadening the focus towards creating partnerships in their current stage of growth, the entrepreneurs manage to control risk and keep connecting important resources to their business, which is in accordance to Widding (2007) in gaining and maintaining a competitive advantage, as well as Dollinger (1999) in the sense of expanding the business' knowledge reservoir. Also, Paka Adventures may gain even more control of their business in the sense that future employees may come from their very own managed village academy.

The term "untraded interdependency", as referred to in chapter 2, sums up how the entrepreneurs' knowledge sharing through networking, and the strategy of collaborating with competitors can be used to describe the entrepreneurs' process of becoming successful in the Tanzanian culture. In Widding's (2007) phase 3, the right side in figure 5, the processes have been further developed. The business experience breeds higher competitive advantage. The explicit knowledge has also increased, as the management wish is to reduce any risk that will follow if an employee chooses to leave the firm.

The influence of trust in this thesis' theoretical framework, both in network, culture and knowledge, has become evident throughout this analysis in all three stages of the entrepreneurial process, and has been illustrated in figure 19. The need to further address the impact of culture and knowledge on foreign entrepreneurs' networking throughout an entrepreneurial process is therefore deemed important. I will now discuss trust and how it inter-relates through network, culture and knowledge during the different stages of the entrepreneurial process of Paka Adventures, and how it has affected the two Norwegian entrepreneurs' current stage of growth.

Figur 19: The Role of Trust in Network, Knowledge and Culture



Source: Author's own research

Figure 19 illustrates how trust plays a role in networks, cultural elements and knowledge creation. Through networking the entrepreneurs recognized how they could gain the knowledge they needed to be able to establish and develop their business. The risk of trusting other actors in the business culture was high in the first stage of the entrepreneurial process, but the more they expanded their network, the more knowledge resources they gained, and the more security was achieved. Trust in regards to sharing knowledge is still low as it is a huge risk, but their competitive advantage has increased from taking risks, and their current situation is favorable. The cultural factor of corruption may influence entrepreneurs to create network to gain social security. Lack of trust in the business culture, enhance the importance of strong tie relations, and further "push" entrepreneurs to gain social security through the use of networking.

The entrepreneurs behind Paka Adventures increased trust towards doing business in an uncertain business culture by using network as a tool to provide them resources. In the first stage of the entrepreneurial process, the entrepreneurs were focused on seeking out a business opportunity, and had little knowledge of both the cultural elements affecting the way of doing business, as well as the use of networking. From the analysis the cultural elements can be said to have forced the entrepreneurs to use networking as a tool to protect the business from harm.

When the cultural elements proved to create risk in the second stage of the entrepreneurial process, the two Norwegian entrepreneurs recognized networking as a tool to be used to protect their establishment towards uncertainty. The lack of trust in the culture made it hard for the two Norwegian entrepreneurs to access tacit knowledge. The creation of strong ties therefore became very important in the first two stages of the entrepreneurial process. In the last stage, security through networking had reduced social uncertainty and risk, and can be said to have made the entrepreneurs more confident towards the business culture. Cultural factors have been discussed to have an effect on behavior which influence the way entrepreneurs perceive, share and absorb knowledge. Cultural elements can therefore be understood to have given an impact on the entire entrepreneurial processes, especially in regards to the cultural element of corruption and its decreasing effect on economic growth, and therefore; on entrepreneurial processes.

Lack of trust in the business culture, can be understood to enhance the risk of losing valuable knowledge to competitors. Exchanging knowledge with foreign businesses seems to reduce the risk of knowledge sharing compared to sharing knowledge with local entrepreneurs and businesses. Knowledge gained from experiences of conflicts with local businesses may be the reason for this. In the sense of competitive advantage it has been understood to be gained from controlling the flow of knowledge being shared with other actors in the business culture. The more knowledge a business shares, the more risk, but the more knowledge the business will gain, which is good in the sense of further developing and growing a business.

As I now have analyzed my empirical data within the theoretical framework presented in chapter 2, I find myself able to present the following overview:

Figur 20: Overview over main empirical findings

<i>Entrepreneurial process of Paka Adventures Ltd.</i>	Network	Culture	Knowledge
Stage 1	Limited network Exploiting form Weak and strong ties Social capital Affective	Push and pull factors Material culture No one sided trust. Business culture shaped by Tanzanian norms and practices Social uncertainty	Human knowledge Low competitive advantage More tacit than explicit knowledge
Stage 2	Expanding network Explorative form Weak ties Social and financial capital Informative and material resources	Recognizing risks Culture as human act Business culture shapes Tanzanian norms and practices Social uncertainty	Collective/ Social knowledge Increasing competitive advantage Both tacit and explicit knowledge
Stage 3	Extensive network Exploiting and explorative form Quality relations before quantity Weak and strong ties Partner selection	Secured business position Ready for growth Culture as identity Integrated business culture Controlling social uncertainty	Structured knowledge Increasing competitive advantage More explicit knowledge

Source: Author's own research

In the following chapter, chapter 6, I will summarize the main findings as well as present suggestions of further research.

6. Conclusive summary

This thesis has examined the role of networking for foreign entrepreneurs in an unknown culture of doing business. In this chapter the aim is to provide a summary of the main findings that emerged from this thesis, and attempt to give an answer to this thesis' research question;

How does the role of networking change during different stages of the entrepreneurial process for foreign entrepreneurs in Tanzania, and to what degree does culture and knowledge impact this process?

The field data of this thesis may suggest that the entrepreneurs had, in the idea generating stage, the financial and analytic skills to see an opportunity. They were able to analyze this opportunity's feasibility, and they had the capacity to mobilize their social network to gain the resources required through social capital to successfully pursue the opportunity. In stage 1, the idea emerged as a result of exploiting the social capital of the entrepreneurs' network. The opportunity of going through with the idea was formed through knowledge influenced by the behavior of the entrepreneurs' social capital. The Norwegian values they had, were influenced by the norms and practices of native Tanzanians, as well as push and pull factors, which can be understood to have provided the possibility and motivation to seek out the idea of starting a business.

In the establishment stage it is interesting to see how the entrepreneurs' experience of distrust and deception in their network, internally as well as externally, encouraged the entrepreneurs to do more networking as a solution to grow the business so they would be less fragile to its environment, especially the influence of corruption. During this stage it is obvious how the choices made, set the fundament for the further development of the business. The experiences of social capital, and its meaning in terms of decreasing social uncertainty, became vital for their current stage of success. The entrepreneurs understood the importance of attracting resources through expanding their network. Focus was on gaining weak tie relations, which carried a certain amount of risk with it, although necessary, to be able to achieve more security from corruption. This can be very relevant for other foreign entrepreneurs to know. It is important to create a network of their own, consisting of the right people. Gaining favours by encouraging others to rely on them, in anticipation of reciprocity. Relying on the network is the key to success for many entrepreneurs. They are then able to increase their knowledge, thereby increasing their own competitive advantage, and avoiding the strain of corruption created by conflict as well.

In the growth and development stage, the third and current stage of Paka Adventures, it becomes clear how the entrepreneurs become more focused on creating formal connections, such as potential partners, to attract and exploit more knowledge and resources to be able to grow and further develop their business. The focus is therefore on maintaining and expanding network in the sense of gaining growth. The level of social uncertainty has decreased, and the entrepreneurs strategically seek out social capital through more structural knowledge systems, and ensuring one sided trust can be used. Tanzanian norms and practices had been learned by the entrepreneurs, as the entrepreneurs had more influence and also more experience of relating to the Tanzanian culture as an identity. The norms and practices of Paka Adventures doing in Tanzania can be understood as shaped by Norwegian values through the entrepreneurs.

The weak ties with the people in the Kigamboni community became stronger during the entrepreneurial process of Paka Adventures, and would influence the entrepreneurs to further keep a focus on creating social profit to the community, as well as commercial profit. By including the community in the business, the two Norwegian entrepreneurs managed to achieve a marketing edge in regards to their beach resort, due to the illiterate staff and their tacit knowledge resulting in the creation of what can only be understood as an unique atmosphere.

From stage 1 it is evident that Paka Adventures had a weak business position. Through identifying resources through their limited network in Tanzania, they would however improve their position and start the second stage of attracting and exploiting resources through expanding their network. In this stage, they would learn how the environment would force them to better protect their resources through exploration of new network partners. As the business grew stronger, the entrepreneurs' position expanded in the market, and they started stage 3 of the entrepreneurial process: looking to grow and develop themselves. This meant more resources to protect. From the above it can be understood that the bigger a business becomes the more capacity it has to protect itself from external factors in Tanzania through network insurance and better security systems. Smaller businesses may simply be seen as unable to do so, as they lack the capability and resources necessary.

Networking has been an important factor in every stage of the Paka Adventures' entrepreneurial process. Knowledge is a resource understood to be shared throughout the entrepreneurial process, but it needs to be protected from distrust in any business culture,

including interaction with public institutions, but also in collaboration with other business owners and the employment of staff.

To be able to secure the business in an unstable business culture, networking has been the most important element to control. Cultural and environmental knowledge and experience is very important for any entrepreneur that wishes to establish a new business in Tanzania. Without such knowledge, the use of networking can create the necessary knowledge reservoir over time. Any challenges experienced by a business seemed to make the business more prepared. As has been explained in this summary, networking in an unknown culture can provide the knowledge and security to be able to be successful, as well as it is evident that the degree of impact in which culture and knowledge has had in networks during an entrepreneurial process, adapt to each stage's level of growth.

6.4 Further research

For further research it first would have been interesting to study the relationship between entrepreneurship and corruption, and see how entrepreneurship can be used actively as a tool by governments to increase or stabilize economic growth in weak business cultures. Second, to study the degree of social uncertainty created through corruption and how it influence small and medium sized businesses compared to larger businesses, would have been interesting. Third and last, qualitative research of the use of networks in larger businesses in unknown cultures, influenced by corruption, and their focus on creating social profit towards local communities, would have been interesting in regards to the ripple effects of such involvement.

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Appendix 1: Semi- structured interview guide

Introduction

- Why start a business in Tanzania?
- Idea for business?

Entrepreneurial process

- Start up
- Influence of community, positive/ negative?
- Public institutions
- Norms and practices of doing business
- The role of networks
- Local network
- Important resources/ relations in the start up stage
- Affective resources: support and encouragement
- Informative resources: bureaucratic, technical, financial consultation
- Material resources: Financial capital, labor force, other input factors

Key members of the business: Individuals who have been /still are of value to the establishment and development of the business.

- Relationship- how did you get to know this/ these individuals?
- Role in the business
- Impact on the business

How do you understand your network to take part in the business' development?

- Strategies
- Choices of development
- Innovation
- Growth

Society

The influence of society in the development/ growth of your business.

- Positive/ negative factors for development
- Experiences/ situations
- Support (knowledge sharing?)

In what way does the society influence the further growth of your business?

- Networking
- Norms/ rules of doing business
- Cultural differences
- Public institutions?
- Support (innovation Norway in Kenya)
- Experience of corruption?
- Competition in the tourism industry. (Comparative advantage)

Appendix 2: Open interview guide

- Name
- Education
- Work background

How did you get to know Eivind and Helene?

What part of the business do you work with?

What is your main role (function) in PAKA-adventures?

What function do you play to PAKA-adventures networks for doing business in Tanzania?

Have you brought with you your personal network to PAKA-adventures network? If so, what role did these people (your personal network) have for the development of PAKA?

How does your personal network influence PAKA's growth/ development/ strategy/ innovation?

How do you feel that PAKA influence the society/community in Tanzania? Have they made any difference to the society, for people, yourself?

What do you believe is most important for PAKA's further development?