

# **Global network facilitators, entrepreneurial mavericks and deal makers**

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### **Introduction**

Preliminary research results from our New Zealand-based productivity study suggest that many firms lack both knowledge and experience in taking their products and services to international markets. They also have limited understanding of the global networks and channels they would need to develop in order to stimulate sustainable, long term improvements in firm level productivity. Increasing productivity through the development of new global market opportunities is a complex challenge - particularly for small firms that lack experience in exporting. Firms in our research sample that had achieved some international success indicated that they had sought outside assistance to break into international markets. It was clear that the acquisition of knowledge to increase a firm's productivity can be facilitated by experienced network facilitators who have the necessary, contacts, access to networks and market knowledge that firms need to tap into. Within this paper we investigate ways in which firms may increase productivity and take their businesses to an international level by examining the discourses of local and global networks, and the roles played by within these discourses by people who assist organizations to manage the process of developing global markets, networks and channels.

Part of the complexity of 'going global' stems from the numerous actors and power relationships involved. Increasing firm-level social capital (SC) - defined as 'resources embedded in a social structure that are accessed and/or mobilised in purposive action' (Lin, 2001) - is thus a central element of 'going global'. SC is a resource that is derived from relationships between individuals and organisations and

is a valuable, sometimes invaluable, asset (Gergs, 200; Nahapiet and Goshal, 1998). SC makes collaboration easier and is often key to intellectual endeavour, in which case it may be closely related to intellectual capital IC (Murray, 2004; Nahapiet and Goshal, 1998). Essentially the premise is that knowledge is created in a social community, so understanding how that collaborative community is formed and managed and understanding the power dynamics and relationships within it, is essential to developing and managing IC-based resources (Powell, Koput and Smith-Doerr, 1996).

At a national level, countries have government-funded trade organizations, such as New Zealand Trade & Enterprise (NZTE), UK Trade & Investment and the Australian Trade Commission (AusTrade), that assist firms to enter into and develop international trade. These trade development agencies are statutory bodies that report to government and seek to increase international trade levels and investment opportunities. New Zealand Trade & Enterprise, for example, explains that it provides ‘access to experience people, market knowledge and qualified opportunities to help New Zealand businesses grow and succeed in the global economy’. In this way, trade development agencies function as global trade network facilitators that may increase competitiveness, boost export earnings and add value to efforts to internationalise trade.

National and international consultancy organizations who tend to target large corporations also function as advisors for organizations seeking access to global markets. For example Accenture helps clients to ‘enter new markets’, ‘increase revenue in existing markets’ and ‘become high performance businesses’

([http://www.accenture.com/Global/About\\_Accenture/Company\\_Overview/Company\\_Description.htm](http://www.accenture.com/Global/About_Accenture/Company_Overview/Company_Description.htm)). Boston Consulting Group ‘identify highest value opportunities’

(<http://www.bcg.com/>) and Price Waterhouse Coopers offer ‘wise solutions to the problems facing businesses and capital markets’ (<http://www.pwc.com/gx/en/about-pwc/index.jhtml>). The services and information offered by multinational consultancy groups may, however, be less relevant for small entrepreneurial firms that would struggle to afford the services offered by multinational consultancy organizations.

An alternative for small entrepreneurial firms is to seek assistance from entrepreneurs who function as independent and sometimes unorthodox advisors and deal makers. These entrepreneurs may prefer to adopt a low profile and operate behind the scenes to establish networks and help minimise risk for firms that wish to develop international markets. Some may take an equity stake in emerging firms, in which case they may move from outside experts to become an integral part of the organization. Some work on a consultancy basis while others simply offer ‘pro bono’ advice and mentoring to emerging entrepreneurs.

### **Research approach**

Our research approach extended the ‘textually-oriented discourse analysis’ developed by Fairclough (1992, 2003), which focuses on the role of language in effecting social change, to include a discursive network analysis of communication strategies and stakeholder influence patterns. We accept Fairclough’s (2003: 3) definition of texts as encompassing a broad range of discursive units but in this project have focused on written transcripts of interviews. We also adopt the view that texts must be analysed in context, and the national contexts in which the firms operate and the international contexts of the trade networks they seek to enter, form a significant component of our analysis (Alvesson and Kärreman 2000; Barry et al. 2006; van Dijk 1993; Leitch and Palmer, 2010). Our approach fits within the critical

discourse tradition, which means that we begins with a social problem – in this case, the problem is for firms in remote localities, such as New Zealand, to develop the SC necessary to challenge the hegemony of existing trade relationships (Fairclough,1992, 2003; van Dijk, 1993).

In this paper we analyse the views of a selection of what we have termed New Zealand and Australian ‘entrepreneurial mavericks’ who were interviewed to learn how they facilitated the development of SC and brokered deals. The entrepreneurs we interviewed were all situated within the food and beverage sector. Our analysis focused on three key issues:

- (1) the role of entrepreneurial mavericks in building productivity;
- (2) how entrepreneurial mavericks establish, facilitate and maintain networks; and
- (3) the discursive resources and power effects involved in such processes.

The interviews were thematically analysed by each author independently and coded into broad themes according to salience to the research issues and recurrence in the texts. Themes were then collated, negotiated and confirmed. The most striking salient themes that emerged were:

- (1) the importance of practical industry knowledge and experience; and
- (2) the diverse relational skills that entrepreneurial mavericks deploy to develop and maintain networks in the value chain.

### **Diverse network and relational strategies**

The term ‘entrepreneurial mavericks’ is used in this paper to describe independent network facilitators who often adopt less conventional approaches in order to assist firms to enter international markets. Entrepreneurial mavericks draw upon their own extensive industry knowledge, experience and key relationships

within the food and beverage sector. The roles that entrepreneurial mavericks play in developing new market opportunities include providing introductions and access to networks, promoting businesses and products, solving disputes in the network channels, environmental scanning and managing risks. In this study, the networks that entrepreneurs provided access to had been built up over decades and were the result of long term experience in an industry and may include venture capitalists, marketers, retailers, freight companies and distributors. Relationships which may take time to develop can be facilitated and expedited by tapping into an entrepreneurial maverick's networks. A number of network introduction strategies were identified: many entrepreneurs very carefully vetted all potential business that wanted to be part of their existing network and then provided access to key decision makers whereas other entrepreneurs built networks, such as an industry body, specifically to assist a new business. For example, one participant explained that it was important to 'turn over the stones' – in other words he wanted to understand the business processes, whether they could deliver and whether they had financial equity. He also advocated this approach when he was assisting New Zealand organizations to develop export markets – he suggested that too many potential exporters did not actually take the time to investigate the markets they wanted to enter.

Other networks functioned as a type of 'unofficial club' which had a very select membership whereas other networks were more egalitarian and entry was promise or performance based. Some entrepreneurs worked through formal industry structures and guided new entrants through industry bureaucracy working collaboratively for the benefit of all members whereas others privileged particular network members who could be useful. However, it was often the less formal aspects of networks that were most valuable for increasing a firms' access to new global

markets. For example, there may be informal boundaries that are not easily identified or gatekeepers who need to be included in a deal. As part of the challenge of minimising risks for new market entrants, entrepreneurs actively monitor official and unofficial communication channels for small firms to identify opportunities and threats. Firms struggling to develop international markets may be able to monitor formal channels but informal channels are not always easily identified. Network facilitators can interpret the influence patterns and offer insights into potential implications. Dispute resolution, often behind the scenes, is another key facilitation function that can aid the negotiation of an agreement or contract.

A key problem that was identified for New Zealand organizations that wanted to develop export markets was that they are usually niche players that lack the critical mass to develop export potential. The organizational brands of niche players were considered to function more as 'trade labels' (Participant A) because they did not mean anything to the customers. Participant B explained that brands were relational: 'you've only got a brand, if you've got a relationship with the customer'. Niche brands lacked social and symbolic capital – they did not carry meaning, signify points of difference, offer value or function as relational facilitators.

Two strategies were recommended for establishing a global presence and success. The first was a country of origin approach which was based on a clean, green New Zealand marketing approach. The second was a product quality approach which meant that producers were able to source materials/ingredients internationally; however it had the disadvantage of not being able to leverage the New Zealand brand. One participant explained, 'When we go in as New Zealanders there are no negatives – anywhere you go in the world, no one hates you.' This does not, however, translate

into easy access to international markets – it simply means that there is one less barrier.

For New Zealand firms establishing global markets is facilitated by the entrepreneurs who draw upon their social capital to facilitate success. The discursive resources of entrepreneurs include their networks, experience and expertise.

Entrepreneurial mavericks act as discourse navigators and power brokers, helping firms to understand the ways in which trade boundaries are shaped and managed, the rules and regulations that operate and how to increase productivity and generate value in new global contexts.

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