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Network processes, practices and growth

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Network, Entrepreneur, Growth, Habitus, Process

Abstract

Networks play an important role in entrepreneurship but their role in growth is less well understood. Consequently we explore growth as a social, but strategic, practice. We thus consider the social nature of growth and the role of networking for growth. Employing two longitudinal cases we show how social interaction opportunities were enacted and growth enabled. We note how the networking practices involved specific patterns of activity, i.e. spans. We theorise these practices employing Bourdieu's *habitus*. Our contribution is twofold. Theoretically, we offer a new conceptualisation of networking practices. Practically, we show how entrepreneurial growth takes place through collaborative practice.

Introduction

Networks are an essential element in entrepreneurial social process; they operate as a linking device to others; they provide an embedding mechanism and they may be construed as the social platform for entrepreneurship. Networks are a socially constructed "strategic alliance" for instituting change, developing growth and thus creating the future. Networking extends the reach and abilities of the individual to capture resources that are held by others and so improve entrepreneurial effectiveness (Davidsson and Honig, 2003, Hite, 2005, Slotte-Kock and Coviello, 2010). But networking is not limited to physical resources, as Minitti (2005) explains, by observing others, a potential entrepreneur acquires information and skills; she meets other individuals who have similar or complementary expertise; she learns the ropes of how to find competent employees, inputs at affordable prices, financial support and, most important, potential buyers. Moreover, because entrepreneurs are a product of their social environment, they will be conditioned by that environment and perceive opportunities in a manner that is influenced by their social background (Anderson and Miller, 2002). Throughout this process her social environment remains important because her participation in a broadly defined network helps her to enact the contours of her entrepreneurial tasks. In this way we see entrepreneurship as a significantly social practice where networking acts as an organizing and governing mechanism to provide meaning, identity and resources (Jack et al, 2008). Put more forcefully, entrepreneurship "is always already multiple, diverse, and

distributed, recursively being constituted within specific settings and milieus" (Styhre, 2008:103).

Although the role of networking in new businesses is well established (Hite and Hesterly, 2001), we know much less about how networking operates and changes for existing businesses. This gap is particularly evident for growth (Lechner and Dowling, 2003), which is surprising, given that growth is an entrepreneurial fundamental (Gartner, 1990). In broad terms, Freel (2000) likened the literature on the dynamics of firm growth to a "black box", yet Johnston et al (2003) argued that networks provide the basis, the structure, and the process for entrepreneurial growth. Accordingly our aspiration is to examine entrepreneurial networking practices over time to extend our understanding of how growth is created.

The contribution of our study is in conceptualising the socialised creation of entrepreneurial growth by examining networking practices. We investigate how entrepreneurs identify growth possibilities via the network and how, through social interaction, they enact these opportunities. We find that networks are much more than an extension of resources; they become a mode of being entrepreneurial, a socially constructed life world that not only mirrors, but (re-) presents the environment and helps create growth. In this way we are able to consider how the process develops over time. Our study of network praxis identifies five patterns of activity which we call spans of specific practices: liberating; inspiring; visioning; articulating and implementing. This praxis enabled substantial growth in our respondents' companies.

We begin by arguing for the social nature of entrepreneurial growth and the importance of networking in growth. We then consider how this can best be conceptualised, before discussing our methodology. Next, we tell the stories of two entrepreneurs, and their context, and present our findings.   From these data, we develop a spanned interpretation of the entrepreneurs' relational practices. This explains the transitions invoked in distinctive over-lapping and interactive but patterned everyday praxis. Finally we argue that understanding how this operated increases our understanding of entrepreneurial growth and also helps us to appreciate more fully the implications of network practices.

Entrepreneurial growth and networks

Entrepreneurial Growth

Although growth is perceived to be an essential characteristic of entrepreneurial behaviour (Sadler-Smith et al, 2003), the actual process of growth is recognised to be complex and one

which needs further investigation, particularly in theoretical terms (Krueger, 2000; Shepherd and Wiklund, 2009, 107). Dutta and Thornhill (2007) argue that most research on growth has been concerned with relationships between firm characteristics and venture growth, with few studies actually attempting to understand the phenomenon of growth itself (Merz et al, 1994). One way to appreciate the phenomenon of growth is be to consider the link between networking, activity and growth (Jarillo 1989, Chell and Baines 2000, Huggins 2000, Lechner and Dowling, 2003). Although a network perspective is increasingly being embraced as a mechanism for considering the creation and development of new ventures, the association between networking and growth has not been extensively explored nor have the complexities surrounding it (Lechner and Dowling, 2003, Slotte-Kock and Coviello, 2010). To do so requires looking at social interaction and at how entrepreneurial networks might provide a mechanism that allows entrepreneurs to engage in the pursuit of growth opportunities (Lechner and Dowling, 2003; Manolova et al, 2007).

Related studies into project networks also emphasize the importance of relational interactions, legitimation and discourse processes, finding that "actors create closures or openings by the way they interact" (Larson and Wikström 2007: 343; see also 330-332). Embedded relational ties are also important in developing international joint ventures (Mainela and Puhakka, 2008), and in enhancing shared marketing orientation within inter-firm arrangements (Elg, 2008). Conversations between network partners provide a mechanism for the exchange and creation of new knowledge, so the social capital that networks represent may be the means to access and unlock a pool of latent external resources. Shared vision and resources amongst network members produce clear strategic benefits, thereby spurring further growth throughout the network (Miller et al, 2007). This exploration of networking for growth offers a fruitful approach because it would also mean that the explanatory power of social capital can be incorporated. Social capital created within networks and through social interaction has been related to entrepreneurial orientation and financing strategies, as well as the growth of new and small business ventures (Manolova et al 2006). Indeed, the social capital endowments of an entrepreneurial team have been found to benefit ventures well into adolescence (Packalen, 2007). If this is so, then social capital and the interactions encapsulated in social capital formations must play a part in entrepreneurial growth. Indeed if, as Hite (2005: 113) argues, the nature, extent and types of social interaction that take place between an entrepreneur and his/her network are fundamental to building and growing organizations, then networks in which entrepreneurs are immersed become an important aspect for growth.

Similarly, growth into new markets is likely to be enhanced by the knowledge and reputation of network partners. For example, the importance of (perceived) relational support from

customers has been shown to lead to enhanced satisfaction for entrepreneurial suppliers (De Clercq and Rangarajan, 2008). Fernhaber and McDougall-Covin (2009) demonstrate that a specific larger-scale form of entrepreneurial growth – internationalisation – may be heavily influenced by the catalytic impact of knowledge and reputational resources held externally to the enterprise by a Venture Capitalist. They conclude that "new ventures that are typically considered to be resource constrained can vicariously exploit external resources in order to achieve larger scale strategies" (p. 290). This may be particularly so for the exploitation of complex multi-faceted opportunities, where interdependencies and mutual "intelligent altruism" can be argued to represent the only rational structures which will support multiple stakeholder success (Sarasvathy and Dew, 2008:735). Strikingly, it is habitual (rather than nascent or novice) academic entrepreneurs who have been shown to gain business knowledge through external network ties with a broad range of industry and financial players (Mosey and Wright, 2007).

Nevertheless, it has been argued that networking is not a complete solution. For example, the costs of anticipated reciprocity may make network-driven practices an inefficient entrepreneurial growth path. This is because trust can be a more expensive governance mechanism than a contract (Zhang et al 2008, 594; Leana and Van Buren, 1999;). There are also likely to be trade-offs between the quality and cost of resources available to very young firms, with more accessible and low-cost resources perhaps not being high quality (Hanlon and Saunders, 2007, 635). However, recent research suggests that one of the benefits of a collaborative network orientation is that it promotes a wider and larger range of network ties, which in turn reduce potentially costly dependencies by enhancing resource options (Sorenson et al 2008). The reputational information and effectual logic embedded within a network can also help protect from the dangers of both over-trust and under-trust, by providing strong cues as to when selfish, individualistic behaviour is appropriate, and when a more altruistic collectivist practice should be invoked (Sarasvathy and Dew, 2005; 2008; *pace* Goel and Karri, 2006; 2008). Network benefits continue in venture growth, as Yu et al demonstrate in their study of Taiwanese high-technology firms, where " 'relationships and affection' remain the main influences on the willingness of the support firm to cooperate" (2008, 542). This is consonant with earlier studies of entrepreneurial networks over time, which reveal that although networks may indeed evolve, the tendency is for tie *strengthening*, rather than attenuation, and for the development of multi-level, complex ties with key strategic partners, even as the dependence on family and friends is reduced from its start-up phase primacy (Jack et al, 2008; Larson and Starr, *pace* Hite and Hesterley 2001).

Entrepreneurial networks appear to be strategically significant (Hite and Hesterly, 2001). It has even been suggested that it is through network conversations that entrepreneurs not only align the internal and the external environment, but that networking brings the environment into being (Jack et al 2008). Johannisson (1995:218) makes a similar point, networked entrepreneurs "create enacted environments". Relational processes, including discourse, bring change into being through acts which supplement the "social, historical and local process" of reality construction (Kiovunen, 2007:287). More conventionally, network interactions bring about the strategic thinking that synthesizes the intuition and creativity of an entrepreneur into a vision for the future (Kuratko and Audretsch 2009). Consequently, the strategic attractiveness of an entrepreneurial firm revitalising its resource base by integrating bundles of competences drawn from their own internal resource-stock with those of other ventures is well recognised by scholars examining alliances and acquisitions (Wiklund and Shepherd, 2009).

Networking, growth and strategy

It is clear from this literature that networking can play a significant strategic role in growth. However networking is not conventionally seen as strategic, albeit viewed as strategic in outcome; networking tends to be viewed as an everyday practice (Fuller and Lewis, 2003). So much so, that Johannisson (1995) argues that networking is simply taken for granted. In contrast, strategy is seen as more formalised and a very specific activity. Furthermore, the processes that are employed in networking for growth are not well theorised or understood. Exceptions to this rule exist, of course, including the repertoire of network practices – convincing, resourcing, organizing and legitimating –identified as crucial to the development of international joint ventures (Mainela and Puhakka, 2008:26).

Nevertheless, a recent trend in the strategic literature is "strategy as practice" which provides a theoretical framework that enables us to look strategically at everyday networking practices. Strategy as practice forces our attention to the interconnections between the actors themselves; the practices that are shared routines of behaviour with ways of thinking, acting and using things and what entrepreneurs actually do, with activity and social context being closely linked (Whittington, 2006). It offers a way of linking theory and practice (Jarzabkowski, 2002) to investigate what Tsai (2000:926) calls the "synergistic benefits for resource exchange and knowledge sharing" in entrepreneurial networks. Strategizing is thus the processes and practices; procedures and resourcing (Hendry and Seidl, 2003) that are routinely or episodically employed. Importantly strategizing, to borrow Johnston et al's (2003) phrase, is a shift to a sensibility of verbs rather than an assumption of nouns (see also Rehn et al 2007:229).

Entrepreneurial networking for growth

To study the practices of entrepreneurial networking for growth, we draw upon recent work in the relational phenomenology of organizational strategy as practice, which examine interdependent praxis in context. Phenomenological inquiry has been strongly argued to offer richness and depth to interpretative engagements with entrepreneurship (Cope, 2005). A key explanatory point in this conceptualisation is the idea that the everyday practices have a structural element. As Fuller and Warren (2006) argue, an entrepreneur's reflexive engagement with 'their' own enterprise produces the emergent structures of that 'enterprise-in-context'. Their apparently idiosyncratic, voluntaristic acts are shaped by the nature of the coupling to the environment, i.e. the everyday structures and their sense-making of those structures. Such an approach is contextualized in two ways. Firstly, it "pays explicit attention to social and cultural context" as integral to entrepreneurial process, and, secondly, in epistemological terms, "it is grounded more deeply in the context of the social and human sciences" (Hjorth et al, 2008, p82).

Rather more abstractly, philosopher Ted Schatzki (2005) relates his Heidegger-inspired site ontologies' approach to the world of organizations, explaining that "the site of the social is composed of nexuses of practices and material arrangements" (p469). He argues that practices themselves are "open-ended spatial-temporal manifolds of actions", and that it is these detailed interactions which demand our attention, rather than systems-driven approaches of organizations and environments (2005:469; 479).

Similarly, Holt and Chia develop a Heideggerian approach to strategy as practice in which the actor is construed in a non-deliberate, relationally-constituted nexus of social activities. Holt and Chia emphasise the ordinariness of everyday action and existence as practical coping, and they, like Schatzki, relate the conceptual platform of Heidegger's dwelling to explorations of Bourdieu's *habitus*. What is useful about this conceptualisation is the idea that both Bourdieu and Heidegger conceive *dwelling* or *habitus* as an abstract manifestation of the nexus, the place or space where interactions occur, but also as a configuring mechanism. As a place, habitus acts as a platform; a place where the nexus of what people do, and how they understand it, is formed. As a space *habitus* is socially created by the actors who engage in networking with others. But as a mutually defined and constructed space it operates with the actors' understanding of what is going on and provides the rules for engagement. Bourdieu was interested in the cultural capital of the French elite; he was able to show how the appreciation of art was bound up in a *habitus*. Only if you were a member of the cognoscenti would you recognise some of the more abstract forms as art. If you did not, you were

obviously not a member of the elite group. Aficionados were thus knowledgeable about the art and set down the rules of the *habitus*: "Bourdieu's conceptualisation casts practice as a dialectical interplay between people and their environment, between human dispositions and material circumstances" (Statler et al, 2008:135)

Heidegger's *dwelling* is very similar in this regard (Schatzki, 2005), but he emphasises how actors feel "at home" in this elective milieu. Although "habitus" is socially constructed, the concept is useful because it allows us to locate networking in a fabric of relationships. Anderson and Jack (2002) had described networking and social capital formation as a relational artefact with a structural aspect, but the dimensions of which can only be found in the process of networking. *Habitus* provides a more tangible way of visualising this structure.

Importantly, Holt and Chia's work (2006) is firmly rooted in a relationalist conception of agency and action. Similarly, Spinoza, Flores and Dreyfus (1997) develop a practical Heideggerian theory of entrepreneurs as bringing about changes, disclosing new worlds, by their actions. This approach is grounded in the practical, in networking practices employed as shared understandings and situated doings (Jarzabkowski et al (2007); in the *habitus* as an unfolding nexus of what is going on (Stompka, 1991), where entrepreneurial agents perform (Statler et al 2008: 137). What is theoretically useful here is Chia and Holt's presentation of *habitus* as a modus operandi. Agents learn by their engagement in a given habitus how to get on within that social context. Their actions, which make up that *getting on*, shape their identity and, collectively, the identity of the *habitus*. The shared modus operandi is not so constrictive as to totally limit agent improvisation, but nevertheless is consistent enough to present a stream of actions which exhibit a patterned logic of practice. Identity, and practical coping streams of action (strategy as practice), are available to the *habitus*, co-producing each other. Examples of entrepreneurial networking modus operandi have been found to include micro-actions such as joint problem-solving, and trading favours in a reciprocal fashion (Bowey and Easton, 2007).

The specific interest of this study is theorizing the shared creation of entrepreneurial growth. Bourdieu's idea of *habitus* helps show us the how and the way, the modus operandi, the rules and patterns from which such actions are constructed. Critically, in these perspectives we see an emphasis on connectedness; a connection of people as a shared way of doing and being; habitus is a shared way of being, connected also in time, so that the *habitus* of the present builds from the past. Accordingly we argue that if we can understand the habitus of our cases, we can begin to understand how growth and networking are related in entrepreneurial practices.

Methodological Approach

This paper juxtoposes an iteration of theoretical frame with entrepreneurial praxis. We worked abductively (Axelsson and Sköldberg, 2000) in that our analysis moved between empirical findings and conceptual developments in a reflective spiral. In so doing we employed a grounded approach, allowing us to *"undertake empirical research which is informed by prior theoretical understanding, but which is not so determined or constrained by this understanding that the potential for making novel insights is foregone"* (Finch, 2002: 57).

Our first task was to enter as deeply as operationally feasible into our chosen habitus; to engage ourselves in the "potent and important forces" which contextualize entrepreneurial (inter-)actions (Hjorth et al, 2008:82). Helpfully, we were co-located in the North East of Scotland and had earlier interactions with the North Sea Oil Industry. To enter the hermeneutic circle, as Heidegger indicates, (Heidegger, 1962), one must become a member of the shared world. Although (network) researcher objectivity is an illusion (Lowe et al 2008:297), entering the hermeneutic circle facilitates deeper inter-subjectivity; consequently the research team regularly immersed themselves in the contextual setting over a six-year period; but also applying a range of more formal field methodologies (see Hill et al, 1999). Our respondents were from the same industrial milieu: supplying the Oil Industry. The purposive sample was characterized as 1) founding entrepreneurs, 2) significant growth ambitions, 3) their product/service offerings were knowledge-intensive, and 4) they were individuals who commanded respect in the business community but were willing to discuss sensitive matters with us in an open, detailed and trusting manner. The study was also enriched by a wider cross-sectional qualitative and quantitative study at its midpoint.

For the two firms analysed here longitudinal data was gathered and extended interviews were carried out three times: 1998, 2000 and 2003/2004. Interviews offered an opportunity to elicit entrepreneurial speech acts from within the habitus. The interviews, carried out at the respondents' premises to facilitate open discussion, lasted between two and four hours, and were carried out by two members of the research team (Hill et al. 1999; O'Donnell et al. 2001). Discussion prompts included questions about the types of network ties used, the areas which respondents tended to discuss with each strong tie, the kind of help these people provided, and how often, where and when they interacted with their ties. Stories, descriptions and histories of these relationships were sought, with special attention paid to their impact on the strategic growth of the entrepreneurial venture.

Being geographically located within the industrial context, known and well-embedded within it, allowed us to generate an ethnographic understanding and our relationships with respondents became multiplex, as they, for example, acted as classroom speakers, joined institutional committees, and brought students teams in for project work. Informal and unplanned encounters with respondents also occurred within the habitus, at, for example, sectoral awards and other celebratory events. The wider networks in which we were embedded provided additional information about the entrepreneurs.

The longitudinal data thus collected were analyzed qualitatively with the aim of understanding the network processes, content and relational dynamics of growth-oriented entrepreneurs. Each researcher kept a research diary to systematically record any encounters with the entrepreneurs. These diaries noted ethnographic details including observations, discussions with others involved in the industry and local press stories. Formal interviews were transcribed, read and re-read, with notes on emergent themes contemporaneously entered into our research diaries (Easterby-Smith et al, 1999).

The research diaries were reviewed to clarify emergent themes until few new insights occurred (Human and Provan, 1996). During the task of fostering theme emergence, we simultaneously and iteratively continued the development of our framework, in constant comparison to extant theory (Uzzi, 1997). Deconstructing and interrogating from the perspective of the Heideggerian approach to strategy as practice involved invoking all those processes which go to make up theorising: "abstracting, generalising, relating, selecting, explaining, synthesising, and idealising" (Weick 1995 p389). We produced an illustrated summary of the major themes, the relationships between them, and articulated an interpretative framework. (Appendix One sets out in more detail the stages of analysis which the research team engaged in.)

The dance of theory and data

Turning to the two entrepreneurial stories; both ventures were founded in Aberdeen, Scotland in the mid-late 1980s and each supplied the oil industry with a distinct type of technology driven safety management solution. In less than 20 years, each venture became a very substantial player in providing safety solutions globally to the oil industry and beyond. Both are thriving international concerns, awash with prestigious awards, selling in multiple industrial sectors and continuing to grow dramatically. As illustrative – almost paradigmatic – examples of entrepreneurial growth, the firms and their entrepreneurs represent compelling

examples, as their stories reveal. The firms and their owners have been disguised at their request.

OilScience and Paul - Paul founded OilScience in 1989, when in his mid thirties and after a successful career in a major oil company. OilScience develops and installs safety and production systems in more than 17 countries for most of the world's largest oil companies. OilScience has won many prizes for technical excellence, and with offices in three countries, continues to grow. On each of our visits, the company had doubled its annual turnover and maintained impressive profit margins. By 2008 OilScience employed 130 people, turned over around £11 million and continued to win national and international awards.

MetroTech and Mike - Mike was in his early twenties when in 1985 he bought the four-person subsection of his employers' business that then formed the bedrock of MetroTech. Also involved in safety and production solutions, MetroTech has customers in the oil, defense and marine industries. By 2007 it contained six business units; MetroTech and Mike had also been recognized nationally for technical and commercial success. Metrotech employed (2008) more than 240 people, turned over in excess of £14 million, serving customers in 60 countries.

To achieve this success, both Mike and Paul led their ventures through several phases of growth, some driven by market development, by geographic or sectoral expansion, and others by innovative product development. In retrospect, their strategic choices and practices appear rational and planned, to the extent that a formal business school case study was written about Mike's strategy, from the "classic" paradigm approach. Mike, however, indicates that such re-tellings ascribed reason, purpose, reflection and formal planning where none existed. Mike told us this formal, classic reading of his story, "was beautifully done, but it was bullshit: we just made it up as we went along". Alternative understandings of their growth paths were thus demanded.
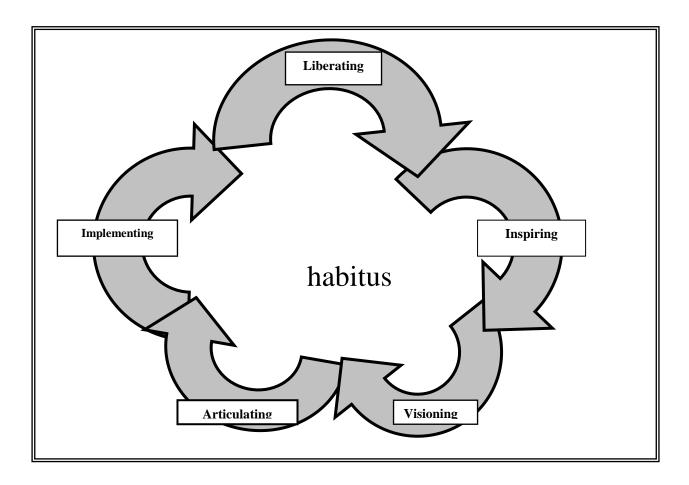
Nonetheless, a pattern of repeating set of strategic practices was evident. This process sets of strategic interaction are not linear or incremental, but a series of growth activities; spans which combine to form the conditions necessary for growth, and in this context allow growth to occur. Broadly, the process which Mike and Paul repeatedly engaged in, developing and implementing each growth "strategy" ran as follows: first they liberate themselves from the operational side of their venture, wrapping up their previous growth phase by handing-off its on-going maintenance to colleagues. Next, they invested a substantial amount of time in drifting through the sectoral environment chatting to people to stimulate inspiration and

vision. Then they returned to their office to think, bouncing ideas off their staff until they had grasped the possibilities for the future. Thus inspired, they went out for detailed talking to senior people as prospective customers. The entrepreneurs' passion, reputation and social capital secured them this kind of elevated access to the masters of the petroleum universe. Very specific conversations with senior executives in the oil industry, and other complementary sectors, produced a detailed blueprint for the next generation product / service. Importantly, this was developed without concern about current existing resources in their ventures. Instead, accessing such resources was a secondary issue, to match the vision of the future already co-created with client partners. Eventually, a contract was signed and the product or service implemented. Continued interactions with clients at the most senior level facilitated communication and deepening trust. Once the utilization of the product / service had become routinized, the entrepreneurs handed management of the project over to trusted colleagues, and the cycle began again. Due to the longitudinal nature of our interactions with the firm, we were able to identify several iterations of this cycle for each of the two entrepreneurs[1].

These, then, are the spans of strategic networking practices which Mike, Paul and their networks engaged in to enact each of their many periods of dramatic growth: liberating, inspiring, visioning, articulating, and implementing (see Figure One). Each practice involves interaction with others, typically through conversation, both within their enterprises and beyond. The process as a whole is only very loosely planned and can best be seen as an emergent but coherent pattern of practices. And the modes of behaviour and conversation enacted within each practice, as we shall shortly demonstrate, follow the norms and the modus operandi of the habitus.

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[1] We are, however, prevented from describing in detail these examples, which would very rapidly

Figure 1. Spans of Networking Growth Practice

LIBERATING

The entrepreneurs were very clear that to move into a new growth phase, they first required liberating from the mundane demands of operational management. Both claimed to be "*useless at attention to detail*", and do not view managerial tasks as their key role: "*you're usually the architect of each growth phase and that's probably why it's been so cyclical*" (Paul)

To be able to create a new stage of growth, without jeopardizing their existing operations, Mike and Paul first transferred management of day-to-day issues to trusted business associates. In some cases, these were employees, and in others external advisors or non-executive directors who had become hooked on the enjoyment of venturing, and internalized to the firm. For both Mike and Paul, one of the key benefits of this internalization of strong ties was that they trusted these people, as well as their senior managers, to handle much of the

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completely remove the veil of anonymity from the two entrepreneurs.

day to day routine of the organization "*if I can't find the right people to do the operation stuff, then I can't do what I'm supposed to do*" (Paul). This freed them up to get outside the company and strategize growth, by providing "*a safe pair of hands to put the core business into, to allow the fairies to go after the butterflies, to waft around and see what's going on*" (Mike). We interpret this as network ties providing a sound foundation for the operation of their businesses. Yet note how trust in competence, trust in individuals characterized this transfer of power and responsibilities. Importantly this trust was manifest in the habitus. Significantly for growth, this networked base was also a launching platform for new explorations.

Table One	
Span One - Liberating	
Description	Transferring management of day to day issues
Co-Actors	Trusted senior employees
Locus	Within the entrepreneur's venture
From	Realisation of need for new growth phase
To	Freedom to explore the future

The project transfer process, is, for example, inherently relational, since transmission of key organizational tasks and ties into the care of others is permitted only as a result of the very strong tie. Yet to talk of "fairies and butterflies" in the context of strategic change also underlines that planning the future is an informal immanent and social process, shaped by what they might find in the network. The decision that the time is ripe for embarking on a new growth trajectory seems to be taken in a reflective, even calculative fashion. The entrepreneur momentarily steps aside from their everyday practical coping into rational reflection, and considers that it is time to begin a new growth cycle. What is striking, and of paramount importance, however, is that once the decision has been made, in order to enact it, the entrepreneur does not then continue to plan formally, rationally, and outwith the everyday sphere of social interactions. Rather, as we shall shortly see, he places himself back within the habitus, exposing himself to multiple informal interactions in an unstructured receptivity to inspiration. The role of accident and dumb luck is tacitly acknowledged by these entrepreneurs, and expressed in many of their narratives (Görling and Rehn, 2008). Table One presents a summary of the key characteristics of this first span, liberating.

INSPIRING

Having become thus liberated, the entrepreneurs then seek inspiration from the habitus, but outwith their own firms: "*sitting here I wasn't getting any inspiration, so I got out there, got the inspiration*" (Mike). Entrepreneurs see this task as beginning not with rational environmental and internal analysis, but with wandering around the habitus in a purposive (but not purposeful) fashion chatting to other people about which way the wind is blowing: "*having conversations with a broad spectrum of people about what is happening in the business world...what's going to happen in the industry*" (Mike). Entrepreneurs engage in the shared disposition of the habitus, interrogating the community informally about their perceptions of trends, and encouraging others to articulate their projections of the future: "*I'll have a conversation with someone on the telephone and that will change things dramatically....I take bits of ideas, information, trends and listen to comments and turn them into strategies and opportunities. That's what I do but it's conversations that makes this happen*" (Mike).

The *inspiring* practice takes the form of a specific practical coping interaction, co-exploration of the innate latencies and potentialities of the shared habitus, through conversation (see Table Two). Talk is the vehicle by which immanence is exposed, whilst also being the expression of relationships themselves through interaction. Our successful entrepreneurs referred repeatedly to the importance of conversations as a practical coping strategy. Paul even defined strategy as the skill "*to manage a conversation in the right way*".

Table Two Span Two - Inspiring	
Description	Immersion in conversations to expose latent futures
Co-Actors	Many and varied external actors
Locus	Outside the venture, in the wider habitus
From	Desire to uncover possible futures
To	Rough view of habitus future, and related venture growth path

Conversations represent such a key practice for our respondents precisely because they offer the most readily available tool for interacting with others, for connecting self to habitus. Conversation is a practical coping tool par excellence, linking the entrepreneur to the environment, exposing the innate and latent and is profoundly rooted in a relationalist appreciation of the habitus. Discourses, as Koivunen points out, are "context-dependent processes" (2008:288). The social affective ties which underpin these interactions were also

important, so this is a deeply human process. Conversations are, though, unplanned and unstructured. These interactions were not viewed as "meetings"; there was no set agenda and no formal analysis before or afterwards.

VISIONING

Liberated, then, from day-to-day operational management, these entrepreneurs immerse themselves in the habitus through conversations which project inspiring futures. Once inspired by sets of future possibilities from the latency of the habitus, the entrepreneurs returned to their own ventures to turn this inspiration into a more specific vision. When Mike returns from these conversational forays, he bounces ideas with whoever happens to be in his office at the time: technicians, board members, shop floor workers. "*I … got the inspiration, came back in here*" (Mike)

Table Three	
Span Three - Visioning	
Description	Giving shape to ideas by in-venture exploration
Co-Actors	Many and varied internal actors
Locus	Within the entrepreneur's venture
From	Broad conception of futures and path
To	Create strategic direction for the venture

Their visioning practices were not about calculatively validating the information and perceptions garnered in the habitus, as Table Three shows. Rather, because conversations were with ready-trusted network ties, information came to them pre-validated. Instead, the visioning span of practices moves by combining various projections of aspects of the future into a more connected vision of the future habitus; its members, their status, operations, and needs. This allows the entrepreneurs to envisage what their future might be, particularly given their role as bringers of change. It gives shape to ideas. What is not yet apparent is the exact nature of the product / service, nor the resources that will be required to deliver this innovation. It is only in the next span of practices, when entrepreneurs engage in detailed and specific interrogations of their chosen customers, that shared articulation of the product / service / process path into the envisioned future occurs.

ARTICULATING

Having co-created a vision of the habitus' future, and their role within it, these entrepreneurs next engaged selected business friends – typically very senior oil major executives - in quite

precise conversations about their growth needs. The technical problem-solving at which our successful entrepreneurs excel, derives its impetus from conversing with their customers and friends about an ideal solution to a problem. "*What would you really, really like this product/service to do for you*"? According to Mike "*all my new product and service ideas come through conversations with customers*". Rather than this being enacted through a structured, rational and instrumental process, this takes the form of a series of conversations, the formal expression of which is – eventually – a contract. This legal artefact, though, is much less important than the conversation which led to the co-articulation of innovative products, services and processes, developing together a shared future with what is innately at hand within their habitus.

To grow so dramatically the entrepreneurs had become embedded in the highest levels of the oil-industry environment, interacting with the most senior of executives within client firms. Original introductions were sometimes brokered, apparently spontaneously, by common business friends, sometimes facilitated by the entrepreneur's growing reputation. Even in the early days of the two ventures, however, these entrepreneurs achieved access to the masters of the petroleum universe in a fashion which continues to astound knowledgeable observers. "*Like-minded people tend to navigate towards us and us towards them. Once you lock into one node that opens a whole lots of new nodes for you*" (Paul). However, both entrepreneurs argued that this degree of access to senior decision makers was essential given the innovative and change-driven nature of their businesses: they could then have productive conversations at the highest levels: "*radical innovation demands that you get in at the top*" (Paul).

Perhaps the reason for their high-level access can be found within the practices of their client executives; when faced with a substantive operational problem that they are unable to solve from within their own company, senior oil executives regularly involved our entrepreneurs to circumvent formal procedures. Other studies of the North Sea Oil Industry have found evidence of similar practices, arguing that "*service companies have become network nodes around activities fostering the diffusion of know-how and know-that*" (Finch, 2002: 62), and that those service firms invited to bid for "closed" contracts normally already have a relationship with the operating firm (Hallwood, 1991). Entrepreneurs are thus perceived as the change-makers, the nexus of change within this community, which in itself, licenses their innovative activities through its shared dispositions. Yet, this "being" in the habitus is clearly important for growth; almost as if an entrepreneurial presence becomes the focus for growth.

Interestingly, the entrepreneurs refused to be constrained in this co-envisioning of growth by the existing resources and competences of his firm. They found a way to "*plug the*

capabilities together" (Paul) that they needed; again, an example of practical coping. This response to future possibilities seemed to be their way of enacting potential growth futures, but also provides a dramatic illustration of emergence rather than resource based formations of the future: "*once we get in there and understand what it is we want, then we'll fashion our technical capabilities*" (Mike). Table Four summarises in synopsis the key elements of Span Four, articulating.

Table Four	
Span Four - Articulating	
Description	Setting out precise client product / service needs
Co-Actors	With top industry players
Locus	Within client firms, with top industry players
From	Strategic Direction and selected partners
To	Contract for specific innovative offering

IMPLEMENTING

Thus far the social creation of entrepreneurial futures and entrepreneurial growth has involved our entrepreneurs in processes and practices of being liberated and inspired, and of envisioning and articulating the projected future of the habitus, largely through conversation. Yet for the projected future to be made real, these visions and articulations must be enacted in new product development and implementation. Although conversations may also be construed as enactment, nevertheless the term is especially well suited to this practice span, where the visions, agreements, and plans co-developed thus far are moved from latency into concrete reality. Paul expressed this graphically: "*you go out there and you get the market...and then you think 'oh shit, I better get back to the factory and start turning the wheels a bit more*".

Mike and Paul's purpose and their view of who they are, who they want to be, is expressed and acted out in a specific social setting. Their identity involves bringing about change, enacting the articulated future, through technical excellence: "*we were a mechanism for developing real, radical change at the front line*" (Paul). This is understood in their habitus: "*I don't really sell things. My customers see the role of this firm, as helping them do things better and improve their practices*" (Paul).

Although the technical expertise of both ventures is indeed a substantial – and prize-winning – element in their commercial success, its enactment nevertheless requires social constructs

and social capital to be fully leveraged. Paul, for example, delivered a certified technological solution to a major client when he "did the engineering calculations….and I went to some contacts I had in the States". Implementing the envisioned future and the ensuing growth, is also, a relational process, as Table Five illustrates.

Table Five Span Five - Implementing	
Description	New product development and implementation
Co-Actors	Industry clients
Locus	Within entrepreneurial ventures and client firms
From	Agreed innovation contract
To	NPD launch, pilot with key client and wider commercialisation

Conclusions

In the liberating span of practices, entrepreneurs step back from their everyday coping into a more reflective mode, deciding that the time is ripe to re-enter the growth cycle. They free themselves from the mundane by the relationally-validated transfer of projects to strong tie others. This allows them to re-assume their social role as a high tech oil industry entrepreneur where they immerse themselves in the habitus to engage with projections of future growth. It is through conversations within the habitus that entrepreneurs become inspired. Inspired though talk, the entrepreneurs envision the habitat's future, and their role within it, by putting together pieces of the puzzle from inspiring stories told to them. This visioning, often carried out through bouncing ideas around informally in their own business, leads to the identification of which partners (ie, clients) they will need to work with for future growth to become enacted. Gaining remarkable access to senior habitus 'players', our entrepreneurs' next conversations articulate specific product / process / service changes innovations needed to bring about growth – and hence enact the envisioned future.

Histories become the narratives that chart the successful outcomes of the processual struggles for possible growth futures. As such these socialised accounts of the past present the well-networked entrepreneur with a legitimated understanding, *from different perspective*s, of the past and present conditions and modus operandi. They provide an understanding from which the future can become and legitimate certain meanings which the future can embody. In these

ways, we may see that the future, like the past, is a socialised process, a co-production. Entrepreneurial growth is co-created through everyday strategic networking practices.

But this understanding is clearly based on a number of assumptions which are evident in the networking practices. These are shared; shared views; shared perspectives; shared ways of seeing the world, so that they become shared practices in the growth process. This sharing takes on a profoundly structural quality, such that processes are embedded in the everyday strategic practices. This structural quality can be understood as the *habitus*; the space and place that configures interaction processes. It exists as a relational artifact, a mutuality that develops from shared understanding, but a profoundly useful milieu nonetheless. The openness of conversational processes here is key: "Discourses are not finished version of reality, since people are continually reconstructing their knowledge in relational processes" (Koivunen 2008:296). Discourse shapes not only knowledge, but also the identity, inclusivity and exclusivity of the discourse community itself (Bragd et al 2008).

In terms of future research, field work is now indicated to test the spanned model's applicability to specific cycles of entrepreneurial growth. Relevant methodologies may be detailed case study development, participant observation and shadowing techniques. Outputs from such empirical studies would include testing and refining the model, auditing contingencies which operate upon it in different contexts, and developing worked examples of specific cycles of spans.

As with any scholarly endeavour, limitations must be acknowledged. Not least, the spanned interpretation we recognized may erroneously imply sequence and order, rather than loosely structured patterns. What our study has highlighted is a collection of "ambiguous and indeterminate processual constructs", which may be viewed, of course, as a strength of the work, rather than a limitation (Lowe et al, 2008: 296; see also Hjorth et al, 2008). Space constraints also prevented us from exploring other interesting perspectives on these topics in detail, including considerations of time and power dynamics within the network (Larson and Wikström, 2007). Nor can we lay claim to empirical generalizability, given the highly habitus-specific nature of our fieldwork, and, indeed, its conceptual underpinning. (Indeed, our understanding of the context-specific nature of entrepreneurship suggests that empirical generalizability is an absolutist chimera.) Nevertheless, some claim to wider analytic significance for our theoretical contributions is perhaps not too ambitious a goal. Whilst mainstream entrepreneurship and strategy scholarship recognized the importance of embeddedness and relationality, the belief adheres that strategy is individualistic and "rational". Nor had a relational account of strategic temporality emerged about growth and

future creation, the special purviews of the entrepreneur. This study attempted to address these research gaps by interpreting the everyday relational practices of entrepreneurs over time, as they grow their organizational futures.

From the dance of data and theory emerged a five-span staged theoretical interpretation of the patterned, relational, strategic practices of entrepreneurial growth-as-future-creation: liberating, inspiring, visioning, articulating and implementing. This points out key spans of practices, their temporal and modal correlates, as well as highlighting the importance of relationships and immanence. Figure Two summarizes the interpretation (see Appendix One).

More generally we hope to have contributed to entrepreneurial theory by showing entrepreneurship as a collaborative practice. In emphasizing the processual nature of entrepreneurship we have illustrated mechanisms for the production of entrepreneurial growth. The relevance of conversational practice underlines the richness of discourse as a relational process central to the shared construction of networked organizational reality (Lowe et al 2008: 304; Koivunen: 2007). These points, in turn, have demonstrated the unique role of entrepreneurs as change-makers in catalyzing the contributions of others. We have shown how entrepreneurial practices are made more transparent and understandable by application of strategy as practices perspectives. Perhaps looking at other entrepreneurial praxis will shed even more light on entrepreneurial growth.

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Appendix One – Inductive Data Analysis

Stage One: Sifting the Data

The first stage in our inductive process of data analysis involved sifting through all the data, discarding whatever is irrelevant and bringing together what seemed most important (Eisenhardt, 1989).

Stage Two: Iterative Readings and Reflections

Having gathered together relevant data, we then moved on to the second stage in our analysis, beginning the search for patterns (Halinen and Tornroos, 2005). This stage involved an iterative reviewing of the data, constantly asking ourselves "what is going on here?". Revisiting and reflecting on the data, in multiple re-readings, we continually added to our research notes.

Stage Three: Emergence of Categories and Concepts

As the readings and reflections developed, categories and concepts emerged within our research notes. Incidents and experiences, observations and responses were continually compared with others within emerging categories. This constant comparative method (Glaser and Strauss, 1967; Alvesson and Sköldberg, 2000; Silverman, 2000) has become an accepted approach of dealing with entrepreneurial network analysis (Human and Provan, 1996; Hill et al, 1999; Jack, 2009; Larson and Wikström, 2007). The re-vistitation continued until few new insights occurred (Human and Provan, 1996).

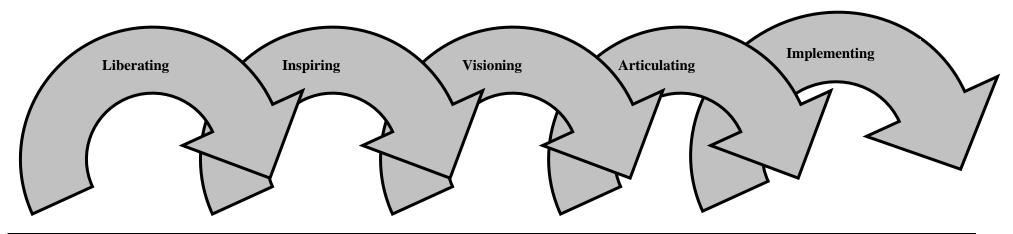**Stage Four: Consolidation of Categories and Concepts**

The research team met to present and compare the three sets of initial coding, both with each other, and with a working framework of expectations derived from the literature. Elements of the framework were "retained, revised, removed, or added", as field data provided empirical evidence (Uzzi, 1997). Coding categories were agreed upon by the research team.

Stage Five: Framework Development

Next, we continued the development of our framework, in constant comparison to extant theory, returning to "fine tune" the categories and concepts in the light of this theoretical labour. We jointly produced an illustrated summary of the major themes and the relationships between them, and a well-articulated explanatory framework. Quotes from the data are used to provide valuable supplements, to add voice to the text and help categorise the data (Wolcott, 1990). We also attempt to link the practices with

the background of the respondents, inductively, and demonstrate veracity by telling a convincing story (Steyaert and Bouwen, 1997).

Methodological Note: Analysis was not "full blown" grounded theorising, with axial and radial coding. Instead, understanding patterns of change were our concern.

Liberating **Inspiring** **Visioning** **Articulating** **Implementing**

	Liberating	Inspiring	Visioning	Articulating	Implementing
Description	Transferring management of day to day issues	Immersion in conversations to expose latent futures	Giving shape to ideas by in-venture exploration	Setting out precise client product / service needs	New product development and implementation
Co-Actors	Trusted senior employees	Many and varied external actors	Many and varied internal actors	With top industry players	Industry clients
Locus	Within the entrepreneur's venture	Outside the venture, in the wider habitus	Within the entrepreneur's venture	Within client firms, with top industry players	Within entrepreneurial ventures and client firms
From	Realisation of need for new growth phase	Desire to uncover possible futures	Broad conception of futures and path	Strategic Direction and selected partners	Agreed innovation contract
To	Freedom to explore the future	Rough view of habitus future, and related venture growth path	Clear strategic direction for the venture	Contract for specific innovative offering	NPD launch, pilot with key client and wider commercialisation

Appendix Two - Figure Two
Five-span theoretical interpretation of strategic network growth practices