The Entrepreneurial individual-----A case study of YEStravel

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Summary

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Problems: How (individual) entrepreneur develops his/her international company in a short period successfully?
          What are the characteristics for this kind of companies?

Purpose: This research would be useful for the new individual business start-ups/entrepreneurs as well as the researchers who are focused on the investigation of why INV grows faster than other types of business. We intend to analyze and reveal the secret behind their success. We also aim to enlarge the data base of INVs study for further research.

Method: Qualitative research, interview and story-telling

Target: Start-ups, especially entrepreneurs and students who tend to be entrepreneurs; YEStravel Company;

Conclusion: We try to analyze the secrets why small firms could grow up rapidly. With the case story of YEStravel, we found there are four variables are worthy to look into. They are entrepreneurship, social network, special products and the influences from communication and transportation. These three main factors enhanced the speed of the INV’s growth which gives an answer to our first research question. We also evaluated the characteristic of small firms which depend on the portfolio entrepreneurship as their original developing factor. They handle two or more businesses at the same time to earn the enough resources which they lack of. This conclusion represents our second research question that what are the characteristics of this kind of firm.
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Sincerely

Rui Xia & Zhe Sun
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1. Introduction:

1.1 Basic information:
Many researchers study entrepreneurship and each one of them proposing different ways to approach the topic. They also proposed how entrepreneurship influences the business of company in the international market. There is also another way to analyze why the firms go international and carry their business in the way they do. To understand that, we will analyze a type of firm that goes international from inception: International New Venture (INV)

INV, international new venture, has become popular and trendy in current business market due to their rapid development in global market as well as their unique advantage. Meanwhile, this kind of small firms have few employees and also in short of resources but they can still succeed in a fast way with limited staff. This is their most distinguished trait with others.

As the market is becoming more homogeneous compared with decades before, thus, we are in an integrated, interrelated market world which influenced by the people, education, and also internet. The INVs, international new ventures, is the newly comes-up kind of MNEs (Multinational Enterprise), they are “business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries.” (Oviatt, B.M. and McDougall, P.P, 1994 p 49)

Sometimes, INV consists of even less than 5 people or maybe established by individual people and they are international thinking and international starting under such circumstance, they choose the global as their initial target, on this point, they are quite different from the traditional internationalization model, e.g. the Uppsala Model (U-Model) which was proposed by J. Johanson and Vahlne in 1977. The basic idea of U-Model is based on incremental internationalization process to overcome ‘psychic distance’. In the contrast, INVs always go international from inception or a few years after their set up. Under this circumstance the limitation of U-model will be outstood, and could explain the “new birth” in this field no longer.

In our thesis, we intent to provide an outline of what is U-Model and INV as the basic information for the readers and then investigate of how individual entrepreneur develops their international company in a short period successfully will be carried out. Furthermore, we will investigate the most important factors in the growth of the international companies and evaluate them with the existent theories relating to the phenomenon of INVs.

Besides, we were quite lucky to contact with one successful individual
entrepreneur Mr. Sandy Li who started a company individually in Sweden and try to understand the phenomenon of international new venture with his company as our case study. We would like to combine the factors which we mentioned in last section with the case and find out how the factors could influence the process of the small international company and also reveal the secret behind their success. We divide our whole thesis in seven parts which is easily reading.

In the second part, research method, we will provide a general discussion of which kind of method we will choose and why. We will mainly explain the research methodology and method that we used, such as interviews and story-telling method. In the third section, literature review, we will introduce the main theories we rely on and proposing our conceptual framework on the basis of those theories in the following section, conceptual framework.

The fifth section of our dissertation mainly describes the whole story of our case while the next part is the analysis which is based on interconnection between theories and case story. Lastly, conclusion includes the key points we mentioned through the paper and implication for future study.

1.2 Key words:
INVs, entrepreneurship, network relationship, special product

1.3 Research problem:
As there are more and more international companies coming up during last decades with a fast speed, we are interested in how (individual) entrepreneur develops their international company in a short period successfully? What are the characteristics for this kind of companies?

1.4 Aim of thesis:
The aim of this thesis is to describe the factors which drive the emergence of the INVs as well as the reasons which make them survival and growth. Meanwhile, we analyze a case study about an entrepreneurial individual who starts a company. Based on his experience we reveal the elements that help the individual entrepreneur to realize their ambition in practical.

1.5 Target group:
To the students who are interested in starting their own company in Sweden, and who has the ambition to start their own business-----would like to be a real entrepreneur. To researchers who are interested in how individual entrepreneur operate in consultant field successfully and also individual entrepreneur. Lastly, YEStravel company as well.
1.6 Motivation of writing our thesis:
With the increasing number of international companies coming up during last decades rapidly so, it is of our interest to understand how they can expand in a fast way. After a discussion, we decided to choose INV as our target because they are, so far as we have learned, the fastest kind of firms to go international since early stages if not at the same time they are born to realize internationalization process. It is a new type of business and they are going to be a new trend for the whole international business context. As some researchers have described about INVs before as “despite the scarce financial, human, and tangible resources that characterize new business, born global (INVs) progress to internationalization relatively rapidly—the period from domestic establishment to initial foreign market entry is often 3 years or less. (Autio, et., al., 2000; McDougall and Oviatt, 2000; OECD, 1997, Rennie, 1993) Three years is not a long time for an international company to go aboard thus, we would like to see what factors enhance and fasten the speed of internationalization of such company.

The fast development of communication and transportation provides more chance for a firm to expand to foreign market. We depend on internet and email instead of the traditional post system. There is also modern Tele-conference available in every where around the world for companies to hold a global meeting as well. What's more, the low cost transportation enhanced the travel times per year no matter with your customers or monitoring the working process in other branches. Moreover, the low cost of shipping raw material or finished product to other countries enlarge the international trading amount.

As “the world is enjoying improved communication, new digital technologies, and low-cost transportation. Those changes have contributed to increasingly global demand in many markets which forces firms, regardless of age, to adopt an international perspective.” (Ohmae 1990, UNCTAD 1993) “Such conditions appear to be contributing to the emergence of increasing numbers of INVs in many countries around the world” (Oviatt/McDougall 1994, OECD 1997). Thus, we could find a new background for the emergence of the INVs in the international business context based on the changes of transportation and communication methods.

Yes, with the help of low cost communication and transportations, it provides much flexibility to discover and take advantage of business opportunities in multiple countries. This advantage doesn’t belong to mature and large company any more. International New Ventures with limited resources may also compete and survive successfully in the global market. (Oviatt, B.M., McDougall, P.P 1994)
Another reason for choosing this topic is we are inspired by international business courses, and we would like to be entrepreneurial individuals either. This topic directs us to investigate the deeper image of being individual entrepreneur.

Thus, there are two main reasons for us choosing our topic; the first one is based on the external factors, the development of communication and low cost transportation, which help the INVs to expand fast; while the second reason is originated from us who want to be entrepreneurs ourselves.
2. Research method:

In this section, we will provide a general discussion of which kind of method we will choose and why. We will mainly explain the research methodology and method that we used, and jot note foot or add appendix in the end for other reader’s reference.

2.1 Research Approach:
There is a great variety of means for carrying out dissertation and one of the most distinctive tools is interpretive method which in general arouse people of qualitative material and method. Commonly, qualitative method includes case study, grounded theory which depends on interview and observation (see appendix1). In contrast to qualitative method; quantitative method normally consists of surveys, questionnaires and databases. Quantitative method used to collect data in numbers, graphs or figures relying on huge amount of replies or answers as feedback while qualitative method used to collect data in words, pictures etc.

According to Fisher (2004), there is no strict limitation in using qualitative and quantitative method because: “it is possible to use any of the research method to produce either quantitative material or qualitative material, and second because you can use quantitative material as part of a realist project and you can certainly use numbers to illuminate interpretative research. In practice you can use any of the research methods in any of the approaches”. (Fisher, 2004, p 55)

Thus, we will focus on qualitative method more since we have two open-end and unstructured interviews with our target company’s manager and our dissertation is structured based on one case. We will not collect amount of surveys and answer sheets. Consequently, we would like to introduce our method for qualitative--interview in the following part.

2.1.1 Interview:
Interview is the most common method which used in Master thesis research of business and organizations and it will be used to provide images of good practice. It is of qualitative nature and provides much flexibility for both interviewer and interviewee while conducting interview particular in aspects of time schedule and information collecting amount.

There are mainly three kinds of interviews, open interview, pre-coded interview and structured interview. Open interview means, more or less, a free talk between interviewer and interviewee. There is no limitation for their remarks or interests at all. While, in pre-coded interviews, the interviewer will follow their prepared note cards or script and plan not to deviate far from it. There will be
given a series of alternatives for interviewee to choose and in general, the questions which are going to be asked should be in logical sequence. Lastly, conducting semi-structured interview, it lays between the previous two. Part of the questions are determined to be asked during the interview, based on this point, the interviewer should aware of their responsibility to remind interviewee answering those fixed questions while interviewee still owns his latitude for other information which is his preference.

Our dissertation based on the open interview (see Appendix 2) as research method and we also depend on recording of conversations with targeted company YEStravel’s manager Mr. Sandy Li as the memories for further data transcription item. We conduct interview in a free way and the arrangement is totally based on interviewee’s availability. Since people will be more comfortable and free in their own space for interview, thus, we made enough preparation before conducting our interview in earnest.

After the open interviews with Mr. Sandy Li, we had a discussion together and agreed finally that story-telling is the most suitable way for us to continue with this dissertation because it reflects a deeper understanding from the story and easy grasp the essence of what we would tell via the story. Another reason that we choose story telling is due to interviewee’s different roles in the growth of his company as well as himself. Sometimes he took the role as a hero while sometimes he acted as a failure, thus story telling is more attractive and interesting for readers to follow up.

2.1.2 Story telling:
As we mentioned above, with the help from interviewee, Mr. Sandy Li, We interpret the interviews by using story telling technique which providing readers a clear image of his experience and company, and also deviously simplify analysis section which needs to be combined with all the primary data accordingly. As Schaller and Tobin said (Dobson 1999, p.2):

“…the telling of stories is the purpose of a case study and the narrative could be the case study’s most compelling attribute. Narrative is a method whereby a story is crafted from events and experiences of the write, and refers to discourse that attempts to create understanding by telling a story that answers the questions “what is going on here?” In this way narrative can contribute to the creation of understanding and knowledge in a more inviting manner for the intended audience.”

On the basis of narration, it is a good way to keep us from over emotional or adorable for the entrepreneur in our dissertation. Thus, it provides a fair description of the company and the entrepreneur himself. We will use narration to manifest the characteristics of the entrepreneur and link them to the
literatures and theories which we had studied before, to make the layout more closed. And it is obviously easier for readers to know why we regard our “main role” Mr. Sandy Li as a real entrepreneur with the help of exploring his personal temperaments during our story-telling.

Consequently, we will use story-telling to describe the phenomena of the growing process of the small firm in reality in the analysis section.

2.1.3 Case study
Our dissertation named as a case study because it is an intensive study of a specific individual or specific context. It attempts to shed light on a phenomenon by studying in-depth a single case example of the phenomena. The case can be an individual person, an event, a group, or an institution. (wilderdom, 2006)

Regarding our dissertation, we focused on one entrepreneurial individual and his solo company which match the outstanding traits of case study and considering our research problem “how (individual) entrepreneur develops his/her international company in a short period successfully”, we regard case study is the most appropriate way to define the title of our dissertation.

2.1.4 Coding
Due to the time limitation, we will not transcript our interviews recording into data material. It is difficult to translate the six hours Chinese conversation into English accurately with less value. Thus, we jot notes during interviews as well as listening our recording repeatedly after interviews. Listing all essential points also helped much for completing our thesis.

2.1.5 Secondary data:
During the interview with Mr. Sandy Li, he showed us some newspaper and magazine which reported his experience during his university time. Due to the language obstacle, he explained minor parts and guaranteed us he would described everything during the interview in details. We got refusal when we borrowed this paper because Mr. Sandy Li regarded them as his personal treasure. Thus, we only knew few sentences from his translation. Though we didn’t get those newspaper but we still regard those as the secondary data for our thesis because he translated few sentences to us. On the other hand, we collect some literatures and theoretical bases from our courses which could explain or manifest what kinds of international companies could expand so fast last decades. For the secondary data, we mainly depend on literatures of the last course “international business and some theoretical prospects".
3. Literature Review and Conceptual Framework:

In this section, we are going to introduce the main theories we used and also propose our conceptual framework on the basis of those theories.

“A growing number of firms are experiencing the internationalization process within a short period which against the old internationalization process named U Model. They aim at international markets or maybe even the global market right from their birth. Such companies have been named Born Globals (Rennie, 1993; Knight and Cavusgil, 1996), Global Start-ups (Oviatt and McDougall, 1994), High Technology Start-ups (Jolly et al., 1992), and International New Ventures (McDougall et al., 1994). These kinds of companies own the same characteristics but only researchers called them in different ways”. But what is Uppsala Model then? We will introduce the basic information of U-Model in order to highlight the traits of INVs.

3.1 Uppsala Model (U-Model)

3.1.1 What is Uppsala Model?

Uppsala model (U-model) was developed by Jan Johanson and Jan-Erik Vahlne in 1977. One basic assumption for U-model is lack of knowledge and that could be the vital obstacle when firms operate internationally. Rely on the theory of Johanson and Vahlne (1977), we believe that differences between countries could cause lack of knowledge refer to the different languages and cultures. Another assumption of U-model is important knowledge could be gained through the firms’ operations abroad. In order to avoid risks and minimize uncertainties, decision makers have to depend on a “step-by-step” process to increase their knowledge about target foreign markets. An incremental internationalization process has been constituted by the decisions to overcome psychic distance. Psychic distance refers to “the sum of factors preventing the flow of information from and to the market” (Johanson and Vahlne, 1977, p.24). Those factors consist of linguistic differences, translation difficulty, cultural factors, economic situation, political, and legal system.

From the study of Johanson & Wiedersheirn-Paul (1975), an establishment chain is presented as following: normally firms go international begin with export via agent, followed by set up a sales subsidiary, then manufactories will be established in the host country (Figure 1).

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1 Jan Johanson is a member of the faculty of the Center for International Business Studies at the University of Uppsala. Jan-Erik Vahlne is on the faculty of the Institute of International Business, Stockholm School of Economics, Stockholm, Sweden.
Uppsala model emphasize on both “state aspects” and “change aspects” (Johanson and Vahlne, 1977). For the “state aspect”, it refers to market knowledge and market commitment; while in the “change aspects”, it includes current activities and commitment decision. (Figure 2)

Figure 1. Establishment chain

Regarding to the “state aspects”, it includes two segments, they are: “Market commitment” is associated with the resources which located in the market. As for “Market knowledge”, it contains four kinds of knowledge which named objective knowledge, experiential knowledge, experiential knowledge and specific-market knowledge.

For the “change aspects” of U-model, it consists of the current activities and commitment decisions. We will describe them separately as following:

“Current activity”, there exists the time lag in this section because the fresh people need time to get familiar with the working process before they could get to normal working efficiency. The time between them get used to the working calls “time lag”. However, the company could hire the personnel with similar experiences or get advice from them to shorten the time lag during the development of the company. The prime resource for experience comes from the firm experience and market experience. We can’t distinguish or substitute them to each other because they are both required. In another case, when new personnel comes, they all need time to get familiar with the environment and people around, even the way they operate or cooperate with each other. Then,
the time lag exists there. If the fresh people can learn and accept soon, probably, we could reduce the time lag to a much shorter time either.

“Commitment decisions”, in this aspect, we would like to highlight the most important factors: economic effect and uncertainty effect. Economic effect is generally connected to the large scale output while uncertainty effect usually links to the market uncertainty which includes two ways to minimize: increasing-scale commitment and uncertainty-reduction commitment. The first method is to be used in a stable market whilst the later method is usually combined with integration in the market to reduce the risk.

3.1.2 Criticism against Uppsala Model:
Different criticisms about Uppsala model or internationalization process have been carried out. Calof and Beamish (1995) delivered out wider definition about the concept of internationalization and provided new knowledge for researchers. They argued that when firms internationalize, they do not necessarily follow the step-by-step process. The validity of the model is also criticized by the Johanson and Vahlne (1990). Like Oviat and McDouglas (1994) indicated that the model is valid in some conditions, not suitable for all possibilities. Moreover, this model is also challenged by Hedlund and Kvereland (1985). They revealed that lack of knowledge for target market does not obstacle firm’s internationalization any more.

In sum, Uppsala Model introduces an incremental process of firms’ internationalization. And it emphasizes on the knowledge acquiring to overcome the psychic distance. This is a simple explanation of how the firms go international step-by-step. But there are researches which claim that U-model does not explain the new start-ups phenomenon which depend on network factors. Some new-start-ups are international from their inception; they work internationally and regard the world as their business market which is our paper focused target---International New Venture (INV).

3.2 INVs
There is evidence show that the existence of INVs challenge Uppsala model obviously. INVs, international new ventures, is the newly comes-up kind of MNE (Multinational Enterprise), they are “business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries.” (Oviatt, B.M. and McDougall, P.P, 1994 pp. 49)

Then, what does from inception mean in this context? It implies that the internationalization occurs when they build the company, or almost same to the time when they are born. According to Oviatt and McDougall, (1997, pp.90-93):
Katz & Gartner (1988) indicate that since international new ventures are international from inception, the decisions to go international must be made when inception occurs. Much has been written in the entrepreneurship literature concerning the point at which a new venture is considered to exist as an organization. However, Vesper\(^2\) argued that there can be no ultimate resolution, because the emergence of a venture is “spread over time in which its existence becomes progressively more established” (1990, p.97)

Besides, there are some basic background for the emergence of INV which we previously mentioned about, technological development in transportation, production and communication which means barriers obstacle firm’s internationalization technically has been overcome. Moreover, as the global market becomes more homogenous due to the isomorphism factor\(^3\), it is easier to march into foreign markets. Last but not least, there is another pushing factor which contributes to the emergence of INVs----the elaborate qualities of personnel, particularly those of the founder and entrepreneur of the INVs.

Anyway, there are some other researchers who advocate like: INVs are the organizations which recruit resources worldwide, no matter where the resources located, founded by the entrepreneurs who have international experience and explicit growth goals. INVs are also aim at globalizing niche markets and server them with special products or services. (Jolly et al. 1992, McDougall/Shane/Oviatt 1994, Oviatt/McDougall 1995)

Johanson and Vahlne(1990) recognize that international network is the trigger for the set up of INVs, and INVs are indeed beneficial from their network. What’s more, INV starts out with a proactive international strategy---even though it starts with only one or a few employees/entrepreneurs. (Madsen, Tage Koed and Servais, Per 1997)

3.2.1 The types of INVs
As Oviatt and McDougall explained in their article ‘Toward a theory of international new ventures,’ there are four types of INVs which we will describe in the following part, namely New International Market Makers: Export/Import Start-up and Multinational Trader, Geographically Focused Start-up, and Global Start-up.

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\(^2\) Vesper, Karl, Professor of Business Administration, Mechanical Engineering and Marine Studies, PhD, Stanford University, 1969; MSME, Stanford University, 1966; MBA, Harvard University, 1960; BSME, Stanford University, 1955.

\(^3\) Isomorphism: Organizations adopt patterns that are externally defined as appropriate to their environments, and that are reinforced in their interactions with other organizations. (see Ghoshal,S.,and Westney,D.E.,2005. <<Organization Theory and the Multinational Corporation>>, 2nd edition,pp47-52)
The first two kinds of INV belong to the same title with different definitions. They own the same competitive advantages as unique and special ability to spot and act, their value chain is normally like inbound→outbound logistic. They are:

“Export/Import Start-up which is focused on serving a few nations with which the entrepreneur is familiar.” (Oviatt B. M., & McDougall, P.P., 1994, p57) and the second one is multinational traders which serves an array of countries and are constantly scanning for trading opportunities where their networks are established or where they can quickly be set up. (Oviatt B. M., & McDougall, P.P., 1994)

The third type of INVs is Geographically Focused Start-up. They derive advantages by serving well the specialized needs of a particular region of the world through the use of foreign resources. (Oviatt B. M., & McDougall, P.P., 1994) and the last type of INV calls Global Start-up. They are not only respond to globalizing markets, but also proactively act on opportunities to acquire resources and sell outputs wherever in the world they have the greatest value. (Oviatt B. M., & McDougall, P.P., 1994)

After description of the four types of INVs, we will distinguish their own characteristics from other types of company during the next section.

3.2.2 The characteristics of INVs
There are four outstanding characteristics of INVs which make them different from other types: “internalization of transactions, alternative governance structure, foreign location advantage and the unique resources”. (Oviatt & McDougall, 1994, p57)

The first trait of INVs is “Internalization of transactions”, it determines the transactions which are controlled by the firm and which are governed by the market. Usually, INVs do not have enough resources, in another word; they have to reduce the cost, so they internalize some transaction to save the money. Meanwhile, the transactions which are governed by the market are inefficient. INVs have their specific ability to make the transactions efficient. Consequently, to internalize some transactions is the best choice for INVs.

The second trait of INVs is “Alternative of governance structure”, this factor indicates that INVs always lack of resources to control their own resource and the condition of market. So how could they control their specific resource and their operation in the market? They use hybrid governance of structures to achieve that. For example, they may use licensing, franchising to control their resource and activities. And the governance structure is flexible. It can be changed according to the condition of the surroundings.
The next character is “Foreign location advantages”, this element distinguish international from domestic organizations. It is obvious that when a firm is operating in an international environment, no doubt, it will confront lots of disadvantages which come from the indigenous firms. This is known as psychic distance. Such as: tariff barriers, misunderstanding of local laws, culture and language differences. Therefore, how to overcome these disadvantages is a key problem for an international firm. MNCs could achieve the goal by their large scale of operations. In the contrast, INVs are not able to achieve that. So they have to rely on other resources. Knowledge is a portable resource which could cross the country borders easily, and could combine with the unmovable assets in every location of the world. Comparing with MNCs, most of INVs are operating in the Hi-Tech industry. And their key competitive advantage is their knowledge. Therefore, INVs could transfer their knowledge into products anywhere in the world without restrictions.

Last and the utmost trait is the “Unique resource”, this element refers to the core competitive advantage of INV. As we have mentioned above, the knowledge may be the most obvious one. However, there are some shortcomings of knowledge. First, the knowledge is easy to learn, that means your advantage could be copied easily. Second, knowledge always has a time limit. Both of the two reasons cause the knowledge may not be last for a long time. Therefore, to protect the unique resource become an essential task for INVs. If the knowledge could be protected by the directs means, like patents, copyrights or trade secrets, then the speed of being copied by competitors would be slowed and the competitive advantages could be last for longer. Imperfect imitability is the second condition that may keep expropriable knowledge proprietary (Barney 1991; Schoemaker 1990). This viewpoint could be explained as; it is possible for INVs to make the causal relationships between the competitive advantages and knowledge ambiguous. To some extent, this perspective could prevent the competitor to imitate their knowledge or make the process of copy more difficult. Then the knowledge could be prevented from copy by the indirect method, such as, licensing. For some particular knowledge which has a short beneficial life, INVs could charge amount of money from the companies which want to use the knowledge to maximize their revenue. In the end, the knowledge could be protected through the network governance structure. From the perspective of network, the network members usually share rents and relationships (Larson 1992). So there is a tiny possibility of the members to betray the others.

As INVs becomes unavoidable special from others, how could they operate in their own special way? One important factor turns out to be the elaborate qualities of personnel, particularly those of the founder and entrepreneur of the INVs, as previously we talked about. Then, we are going to manifest what is entrepreneur and entrepreneurship in details in next section.
3.3 Entrepreneurship

In the academic world, we could find several different ways to approach of entrepreneurship. Penrose in her book “The Growth of Firm” indicated that:

“Entrepreneurs are individuals or group within the firm that provides ‘entrepreneurial services’, whatever their position or occupational classification may be; and entrepreneurship is a slippery concept because it is so closely associated with the temperament or personal qualities of individuals”. (Penrose, 1959, p.33)

From Penrose’s viewpoint, the spirit of entrepreneurship is a general entrepreneurial bias in favor of growth. This perspective is closely combined with the ambitions of an entrepreneur. It is reasonable that not all businessmen are willing to continue invest money to expand their firms. Because they already enjoy a comfortable profit from their business at the present time, and they are not willing to take risks or take full advantages of opportunities for expansion. So entrepreneurs should be ambitious, they have desires to achieve some goals in their life. Moreover, to be an entrepreneur should have some intuition and imagination about future development. For the reason of, in any cases, the decision to search for opportunities is an enterprising decision requiring entrepreneurial intuition and imagination and must precede the ‘economic’ decision to go ahead with the examination of opportunities for expansion (Penrose, 1959, p34). Sometimes, entrepreneurs even could predict the demand of market. In her book, Penrose (1959) defines entrepreneurial services are the operations on behalf of the firm to introduce and accept new ideas, particularly related to: products, location, significant changes in technology, acquisition of new managerial personnel, fundamental changes in the administrative organization, the raising of capital, the making of plans for expansion and the choice of method for expansion. From Penrose’s perspective (1959), the definition of managerial services is the contributions to execute entrepreneurial ideas and plan. Besides, managerial services also control the ongoing operations.

In 1959, Penrose has showed us what characterize an entrepreneur. There are four dimensions have been illustrated in her book. They are ‘entrepreneurial versatility’, ‘fund-raising ingenuity’, ‘entrepreneurial ambition’ and ‘entrepreneurial judgment’. The descriptions will be discussed below.

Entrepreneurial versatility, it is a matter of imagination and vision. An entrepreneur should have a wider vision of the business world, and grasp all the opportunities to make profit of it. They can see or find opportunities which others can’t. Once an entrepreneur concentrates on his own field too much, and forgets to raise his head to see the wider possibilities which would lie within his reach. Then what he loses may not be only money. From many
cases, good entrepreneurs are always long-sighted, and for the reason of it, they could look through of the market and even predict the demand of the target market. Thus, entrepreneur always own an awareness of the potential need around them. (Ibid, pp.37-40)

Fund-raising ingenuity, this is referred to the ability to raise capital, and for successful raising of capital depends on an entrepreneur’s ability to create confidence. This is the vital issue for an entrepreneur, especially for the entrepreneurs of small firms. Because in the real world we see, a lot of small firms dead, are not because of they do not have good products or development, but for they could not pay the bills now. It is much linked to the characters of the entrepreneur which were born with or made of. There are many dimensions to show entrepreneur have this ability, such as, they might be persuasive to communicate with the banks or finance agent, or might be self-confident to earn more support and approval from financial organization. Or maybe some other special gifted ability which we don’t know. Anyway, in Penrose’s opinion, different entrepreneurs, in same circumstances may achieve different results. (Ibid, pp.37-40)

Entrepreneurial ambition, there are two types of entrepreneurial ambition. The first one we might call it ‘good-will builder’, ‘product-minded’ or ‘workmanship-minded’. This type of entrepreneur focus on direct way of develops their business. They will try to explore more markets, provide better services, improve the quality of their products, and develop more advanced technology. What they are interested in are provide best and extend the activities of their organizations. The second one, we might call it ‘empire-builder’. This type of entrepreneur always has an absolute advantage in a particular field. They are interested in building an empire through the way of acquisition or elimination of competitors which are operating in the particular market. They must be sensitive, shrewd, and clever. (Ibid, pp.37-40)

Entrepreneurial judgment, the quality of entrepreneurial judgment is the question of personal characteristics or temperament of the individual. It has to do with ‘good sense’ of the entrepreneur, self-confidence, and other personal qualities. To a large extent, it also related to information-gathering and interpretations in relation to expectations as well as the effects of risk and uncertainty. If the entrepreneur is a great decision maker, and also decides on time to grasp the opportunities, then we could expect a brilliant future for the company, vice versa. (Ibid, pp.37-40)

Although the concept of entrepreneurship is found throughout the economic literature most economic theories fail to provide it a consistent form, according to Fikret Adaman & Patdevien, (2000) Because: there are many dimensions to describe entrepreneurship and it consists of personal characteristics such as
innovative, risk seeking, alert with the potential needs in target market; it may also proposes an idea, quoted from Penrose, the entrepreneurship maybe come from a group of people, or a small unit. "The idea that entrepreneurship is a combination of innovative, proactive, and risk-seeking behavior finds its origins in strategic management literature (e.g., Covin & Slevin, 1989; Miller, 1983), but those are not the only entrepreneurial dimensions that scholars have identified". Then, what is going to do with a group which is going to be entrepreneurship?

3.4 Network relationship

Network approach has challenged traditional internationalization process (e.g. Uppsala Model) tremendously. McDougall et al. (1994) pointed out that founders of international new ventures rely on networks to locate business opportunities globally, and those networks seem influence the founders to choose target country more than help them overcome the psychic distance.

Network is a powerful tool for entrepreneurs (Dubini & Aldrich, 1991). Especially for the entrepreneurs who are lack of capital fund. One of the main types of networks calls social network. Social network is usually used by the entrepreneurs to search the possibility of potential markets. Meanwhile, in some cases, social networks could help entrepreneurs overcome the financial problem. Entrepreneurs' personal network even is described as “the most significant resource of the firm” by Johannisson (Johannisson 1990, pp.10). It is logical that new ventures do not have a good business network compare with the established firms. Therefore, personal networks could be the crucial tool of new ventures to seek opportunities of selling their products and acquiring of resource. It is an information age nowadays. Acquisition of information becomes more outstanding for a firm than any other times. So thanks to the personal networks entrepreneurs could acquire the reliable information. And even, personal networks could be the trigger of internationalization (Coviello and Munro 1995).

Also Sharma and Johanson, in 1987, have indicated that the technical consultancy firms always rely on the networks to acquire information and knowledge, and then provide opportunities and motivations to their clients who would like to internationalize. In their literature, networks of connected relationships have been described as “bridges to foreign markets”.

Similarly, Johanson and Mattsson (1988) suggest that “a firm's success in entering new international markets is more dependent on its position in a network and relationships within current markets, than on market and cultural characteristics”.

There are many kinds of network relationships, such as business network or
The previous kind is more related to build a long-term business cooperation relationship, or partnership in another way to speak, for the sake of both sides while the latter one is more closed to be friendship and free club for every member who would like to join in. However, we cannot distinguish a clear border between these different networks as sometimes they own both the traits.

Ibarra (1993) indicated that individual power can be measured by technical and administrative innovations. And the performance of individual power will be impacted on the individual attributes, formal position and network centrality.

Some other researchers indicated that social networks, more or less, links to individual behavior as well as group performance. Based on the assumptions that individual behavior links direct to the centrality in your networks and indirectly links to your obstacle in your networks, thus, your obstacle strength within your networks closely relates to the group behavior. As hypothesized, individual job performance was positively related to centrality in advice networks and negatively related to centrality in hindrance networks composed of relationships tending to thwart task behaviors. Hindrance network density was significantly and negatively related to group performance. (Raymond T, Robert C, Sandy J, & Maria L 2001)

3.5 Niche market and Special product/service
When INVs enter into the market, their attention will focus on some special area where the big company ignore. As we explained in last section that, INVs usually lack of resources thus they cannot compete with the famous and mature big companies. They are more interested in some field which they are specialized in.

Far from the normal markets, grab the special needs from a certain area becomes a distinguish advantage for INVs. Thus, let’s look at the new market for INV----niche market.

“A niche market is a business that focuses on a market which is addressing a need for a product or service that is not being addressed by mainstream providers. You can think of a niche market as a narrowly defined group of potential customers” (About.com, 2008).

On the other hand, when you enter into a niche market, you must own your special product/service which shows your advantage clearly. Only if the special product is difficult to copy and imitate for your competitors, could you then succeed in the niche market. Thus, the more special your product/service is, the more successful you are going to be in that area. The minority is usually the precious kind no matter in which aspect.
Kotler (1994) stated that there are five traits of niche market. The first one is that niche is of sufficient size and purchasing power to be profitable. It is reasonable to believe that niche markets are always very small. They are too small to be aware by the competitors. However, in the contrast, if a niche market is over small so that firms could not benefit from that. Then the niche market is not profitable for the firm. The second characteristic is that niche has growth potential; the firms could make profit of it ceaseless. Then the third one is the niche is of negligible interest to competitors. The reason why small firms could be survival in the business world is the established firms are not willing to compete with them in their particular niche markets. The four one is the firm should have required skills and resources to exploit the niche. This factor has a close relation to the entrepreneurial services. And the last one is the niche should provide entry barriers for competitors through accumulated customer goodwill. The firms could use the “first mover advantage” to protect their niche markets to survive in the changeable business world.

3.6 Success
In the business field, various perspectives of success have been defined. There is no unified agreement on firm success. As an early researcher, Penrose (1959) attributes the growth of a firm to both the external stimulation or opportunities and internal inducements. Demand of market, competitors, supply of production material and the business environment of target market compose the external determinants of a firm’s success. On the other hand, the internal success determinants consist of the ability of the firm’s managerial service and entrepreneurial service.

The definition of success in business field has not unified. However, performance measures could be understood in terms of measured income of a firm (Schiller and Crewson, 1997). Moreover, the size and the growth of a firm also could be the measure of a firm’s success (Ibid, 1997). Besides that, success has also been defined as duration in business by Brüderl et al. (1998) and Pennings et al. (1998).
4. Conceptual framework

In this section, we are going to present in theoretical perspectives of entrepreneurship, social network and unique product of the small size international firms. From these three aspects, we are going to manifest how these three factors relate to the INVs' in a figure.

Finding out that the main factors pushing the INVs’ emergence are entrepreneurship, network relationship and also the special product separately. We can imagine that the special product might be your unique resources which are the most difficult part for imitation from your competitors. Meanwhile your network is a long time accumulation and if you build the trust and keep a good commitment for your network partners, it would be hard for losing them. And the last but not the least one, entrepreneurship, is the most slippery one because it consists of many abstract elements which we can’t grasp or confirm easily. It is much more depend on people’s own understanding comprehension and experiences owned. Whilst, the fast development in transportation and communication system urge the whole market to be more internationalized in a fast way. As rapid growth of low-cost transportation and communication, it provides a better platform for amounts of industries and what we discuss now is just one of them. Thus, we put all three factors as pushing elements independently for the rapid growth for the INVs although there is close relation among them.

Since forming a relationship needs both time and resource demanding, it can be believed that successful entrepreneurship is based on the entrepreneur’s existing network so that the entrepreneurs can use their limited resource or even the resources out of their control to realize their goals with the help of relationships, so through relationships, a company can cut short the so-called development process of internationalization views and does business with less time and resource. (Johanson & Vahlne, 2003)

Those factors are all support INV’s internationalization process but we focus on the interaction between those three elements and INV’s growth but not the interrelation between themselves, thus we put the factor in the figure 1 showing below:
Above all, we explained what INVs is and describe the different pushing factors which contribute to the emergence and rapid growth of INVs. We also describe the different factors in details to manifest why INVs develop fast. There are three main factors: entrepreneurship, network and special product/service as we put them in the figure 1 as reference for readers. There is a basic background context exists behind our conceptual framework: the development of communications and low-cost transportation availability. This issue changes every day and could be a common embracing factor for all fields research thus we didn’t highlight it within our framework but explaining it as the background factor.
5. Empirical findings:

In this section, we will use the case study of “YEStravel” to investigate how individual entrepreneur operates an international business so fast. Thus the most primary data we collect is from the interviews, including both good and wrong decision from the individual entrepreneur in case we make it more idealize and explain in a fair way.

As we are interested in finding out how individual entrepreneurs establish international companies successfully in a very short time, we are quite honored and pleased to interview an individual entrepreneur who started a company in Sweden within 6 years which had expanded to different foreign markets. His experiences match our research questions which could be quite helpful for our thesis.

On the other hand, we will use our framework factors to combine with the case story together in the analysis section.

5.1 Basic information
YEStravel is a global travel network that connects travelers, travel agencies, hotels, car renting and other service providers with each other. And Sandy Li is the founder of YEStravel as well as employee. His company is self-employed from beginning and is primarily a web-based company which offers their services through a web page. It provides availability for people exchanging their travel experience via this platform and creates their own tailor-made trip.

We regard YEStravel as INV because it expands successfully in a short time without enough resources. It is very important to define ‘successes’ before we finally name Sandy Li an entrepreneurial individual. We can regard success as profit in financial filed; social status in sociology; famousness in network; anyhow, we define success as ‘the achievement of one’s goal or aim’ in business filed. Under this circumstance, we consider Sandy Li as a successful entrepreneur because he realized his goal and survived in this market stably.

5.2 YEStravel:
The individual entrepreneur of our successful case study is Mr. Sandy Li. He came from China and once was the student of Mälardalen University in 1995 majored in International Marketing. After graduation, he established YEStravel (a web-based travel company) in Västerås, Sweden whilst starting another business named China Consultant. He handled two businesses at the same time, using one income to support the other; all these progresses were achieved by him within a short time.

Although he had never been to university in China, due to his preference in
business subject, he attended four famous universities for their distinctive courses which teaching international business and marketing. He was delighted for attending various international business classes which brought him fresh envisage of business. And during his study, he was influenced by different teacher’s thought and ideas while the most impressive was from an American teacher.

When he decided to study aboard, there were few options for choosing since few countries provided program in English. There were only two choices which could be match: Sweden and South Africa. He chose Sweden as target country after through consideration in aspect of culture and ethos. And Mälardalen University, a newly established school, attracted him due to his strong curiosity for fresh staff. He kept studying courses during the waiting period and in 1995, he got the application letter and came to Sweden on the 1st Oct 1995 for his new life in a quiet town, Västerås.

Studying in Mälardalen University, he knew a lot of new friends in the mixed dormitory. Some friends usually asked him about the situation in China and they were quite interested in this nation, initially Sandy Li told them individually, but soon after that he decided to held the ‘The Chinese Exhibition’ in the university to present the culture and arts to students who were interested in. Thus, he held the exhibition in the corridor of university due to the space limitation. It was novelty and attracted many students which enlarged his acquaintances as well as his famousness. Finally, some students decided to share their own countries’ culture together which brought up an idea of ‘China week’ activity.

This activity also attracted local radio and newspaper’s attention; some journalist came to the show and publicized on newspaper while it was broadcast via the radio on the other hand.

“China Week” followed in sequence. This activity was initially arranged by Sandy Li alone, describing the travel information, stamps, culture, arts and life style to audience, but later on he stimulated everyone joining in and providing a presentation of their own. A great number of people joined in because their fond and finally 14 people played the role as chairmen each week. Took notes carefully and kept them in revised computer version, it went more systematic and fruitful as time went and after graduation, they recruited fresh blood to continue with this activity which brought new information either.

Gradually Sandy Li turned to be the leader of the ‘China Week’ schedule. He was more interested in how to make the whole activity colorfully than contents going to be shared and studied. Thus, he was the kind of people who would like to think about “how” than “what” and this activity enhanced his organize
ability as well as confidence.

Furthermore, the education in Sweden helped him to become more self-confident. He was totally at lost during his study time because he did not know who he intended to be. After taking the course about entrepreneur, this word highlight his mind and caved into his heart deeply since he thought he found the right identity for himself-----entrepreneur. This brought him the target of his life and turned to be the foundation of his success in future.

From 1996, he tried to make simple website which content their summary of ‘China Week’ in order to share with other members and students. Also, at the same year, in May, he got a call from Uppsala Government that they invited him to provide a presentation of Chinese culture and custom. He was eager to help them and worked as a consultant providing answers which they requested.

Since 1999 summer, he got a part-time job as a consultant for ABB which was looking for a consultant to provide a speech about China for a specific project at that time. It was not totally by chance because one of the students, who attended ‘China Week’, introduced him to ABB. The speech was quite successful then, and he worked as a consultant for a long period for ABB and accumulated much information after that. Until one day, when ABB consulting project finished, they suggested Sandy Li to open a company by himself thus, they could continue invite him, it was more convenient and formal. Following their advice, he tried to open his own company on the basis of consultant job in year 2000.

While he continued his part time job, he continued establishing his web page which he cherished as the precious gift of him and his friends in university. He kept in touch with those friends and encouraged by them that open his own company on this web site, their support pushed his dream coming sooner. He registered his own travel company named YEStravel in 2000, winter. Coincidently, there was a technical part diploma course, in year 2000, which helped him to combine the text knowledge and reality together.

As he was famous for his exhibition via the radio and newspaper as we mentioned in the last part, some small travel groups in Göteborg and Stockholm employed him as a tourist guide for Chinese tourist groups; actually, worked as consultant. Thus, he started his tourist guide job from 2001, but it was not regular. Only during the hot travel season he could earn income for the small company, most of the capital support was come from his other business work---consultant. He put all the revenue of consultant work into his travel company till 2002 when he accumulated enough fund, he hired two IT specialists who could furnish and polish his simple web site into more
professional and beautiful one. While hiring them, he studied IT knowledge as well, because he must have the knowledge as the basic tools to let his employees following his instruction. He must know the direction that his website develops. It was much responsible for his IT specialists.

As his website became more professional, he needed a huge amount of database which included tourist resorts characteristics, location, hotel booking and travel method, and other basic traveling issues. He tried to buy all the data from an American database company with price SEK100, 000; in the situation of lacking fund, it forbade him from buying the database but made out by himself. He did not give up and comprise but worked 10 days and nights almost without sleep to gather all the information from a huge amount of websites, he also depended on his network relationship which came from his China week activity during the university time. By his hard work and the help from his friends he built up his database with 30’000 pieces of information. With his successive effort, now his database contents 230’000 pieces of information about car-renting, hotel, and resorts. Originally, he made a network to connect the entire member together not for money, but now, this network relationship helped him a lot to find the important information and person around the world that can provided the local travel location/information in time.

He sent fax to 30 travel companies to let them know his company and they could find all the travel information about Nordic countries on his website. He also showed his hospitality to be the tourist guide when they came. After 2 weeks’ waiting time, only two tourist teams contacted him and allowed him making all the arrangement for schedules. He was excited to receive such reply and made a thorough plan for them in order to keep this business relationship in future.

Good time did not last long, disasters came without knowing. In 2003, SARS disease spread in China and with no secure method in time. It stopped the entire flights and air route from China to other places around the world. It was a big rush to Sandy Li whose company was totally depended on travel. In the same year, Lufthansa Air Company cancelled the preferential price for booking ticket from travel companies which also decreased the amount of travel times from China. One disaster after another, in 2004; the tsunami issue stopped his business because his main businesses were from China. He was in lack of fund immediately due to these long time disasters. As he did not get income but had to pay for the staff’s salary on time, he continued consultant work for income but it was far from what he needed. He talked with his staffs and apologized for not raising salary after a year, in fact, the IT specialist knew everything about his company and understood the situation that he worked another job to save this company, they did not complain much but hoped he could get through it soon. Sandy Li kept releasing their salary on time but he
felt heavy pressure on himself. After reconsidered his current status, he decided to borrow money from his friends and his parents. He did this because he did not want to give up easily and he was confident with his own business, he did not want to escape the disasters but wanted to face it with effort.

With the fund again, he insisted on exploring more customers who would like to travel to Nordic countries. He attended an exhibition in Göteborg but nobody paid attention on his company at all. He did not feel upset but more curious about why they were not interested in his company. After analyzing the situation, he understood that what he provided to customers was a tailor-made service which depended on the tourists’ interests; but at that time, Chinese tourists were preferred to a whole travel agency’s plan; they liked to follow the travel agent’s plan to places.

Though Sandy Li’s tailor-made service was not favorable among Chinese tourists, but his web site provided all the information which responded to resorts people wanted to go. There was a time lag for Chinese travel agencies and customers to realize the potential need for tailor-made trip. Sandy Li was much confident that his tailor-made service package was going to be the new request for them. He provided the service earlier than the request, in another word; he was standing far in front of the customers’ need at that time. Thus, he helped people to know and learn what was tailor-made for fad.

After the SARS disaster issue in 2003 which made Lufthansa Air Company cancelled the preferential price for booking ticket from travel companies, nobody aware that it was just another opportunity for Sandy Li. As there was no distinguished advantage for travel agencies anymore, more and more people began booking tickets and hostel by themselves gradually. Thus, Sandy Li’s service package was just matching their needs in time. YEStravel became trendy and started sign contract with some resort’s hotels, bus transporting companies and started booking service.

In the year of 2004, he attended another exhibition of traveling industry. He was encouraged by an African potential client. The client was attracted by his service, and wanted to purchase his service immediately in cash.

With his company’s growing, he hired a web site art designer to evaluate and decorate his website more novel, this art designer was Swedish but lived in France for long time, when he came back it was hard for him to find a proper job, but Sandy Li was glad on his skillful technique and his professional experience, he hired him immediately and they worked together for the website. Shortly, more and more customers, suppliers, added into Sandy Li’s web page.

After approximately one year, he encouraged his employees to open their own
company and inspired them to become entrepreneur themselves; up to now, they were now all the boss of their own small companies but kept contract with Sandy Li closely for his website decoration with a special price, only for him.

Till 2007, this company has a branch in Shanghai and is going to expand to Spain as well, more and more companies would like to join in this webpage for making their name more popular via this website. Now he plan to explore seven new services which are still keeping as secret. We will expect them in future.

This is just a simple description of him and his company’s history, the most precious trait is that he used one income to support the other business as the capital accumulation. And his own brave, risk-taking attitude helped him go through all the difficult times.
6. Analysis and discussion

In this part, we are going to relate our case story to the frameworks we previously proposed. We will analyze the similarities and dissimilarities between our case story and the theoretical base in order to investigate the pushing factors for individual entrepreneurs during their company’s growth.

YEStravel is a typical INV company with an individual entrepreneur. We define it as INV due to its outstanding traits of INVs, such as it depends on network relationship to start the business globally; it also in short of resources such as human and capital. Without enough resources, it still survives in the market and achieves the original target.

YEStravel depends on the personal relationship and information around the world to provide its service to clients in multiple countries. And it also keeps its own special service packet for tourists. This company started as international initially and continues in this way. We would like to discuss YEStravel while referring to entrepreneurship, social network and special product, revealing how small-sized INVs could grow that fast based on these three aspects. First, let us look at the links between YEStravel and Entrepreneurship.

6.1 YEStravel and entrepreneurship

6.1.1 Entrepreneurial versatility
YEStravel was founded in year 2000 and till now there is only one staff in the whole company, as employer and as employee: Mr. Sandy Li. We define him as an entrepreneur due to he has a good view of future needs, his innovative idea, his risk-taking attitude and ambition to succeed.

With an ambiguous aim for the first year of found, the website functions as a platform for travelers to communicate and share experience of traveling. Without knowing how to make profit, YEStravel is more like a non-profit organization than a commercial company. And Mr. Sandy Li plays the role as a “facebook” organizer. What he would like to do is just establishing a platform for all the friends and keeps them in touch. However, with the time pass, this website attracts more travelers who are in favor of designing the traveling plan by themselves. Due to the database served on this website, which contains thousands of traveling information, including hotels, transportations, resorts and even experience or traveling diaries, travelers could design their own customerized travel plan. It provides a ease and free way for choosing and booking online in advance with a cheap price. Also they have the priority to inquiry about the resorts before their arrival. Therefore, different from the traditional packed travel plan in traveling agencies, travelers could enjoy a flexible trip according to their interests. Undoubtedly the founder of YEStravel
realizes this trend could be the development direction of traveling industry. Travelers have a stronger willing to customize their own trip.

Since the declaration from Lufthansa Airlines in year 2003 which publicized to cancel special discount for travel agencies, it provides a fair chance for both travelers and agencies for arranging their trip. Noticing the new trend in travel industry, Sandy Li was encouraged to fulfill his tailor-made project. He was confident that his customized travel plan would be the mainstream in the future. Then with the utmost effort, he built his database and targeted the group of people who want to travel by their own.

With the dimension of entrepreneurship in Penrose’s book, the entrepreneurial versatility (Penrose, 1959) is a crucial part. To be an entrepreneur should have a special image or illusion of market. Then entrepreneurs should obtain the ability to look through the market needs. They could not only predict market trend, but also look into several possible markets. They will never miss a chance to develop. For the founder of YEStravel, he has accumulated a plenty of information and experience about the development trend of traveling market. That makes him having a very distinct image about the expected market. He knows travelers are no longer satisfied with the forcing travel but they need to decide their trips instead of accept passively.

Holding his own image about market before others realizing it, he keeps to consummate his database. Now, YEStravel has abundant information to server its potential customers. Now, YEStravel has abundant information to server its potential customers. With the large amount of users, YEStravel could produce tremendous commercial benefit. From this case, we could see for the small firms, the view of founders or entrepreneurs could bring power of survival. Compare with the established companies, small firms do not have enough resource to compete with them in the ordinary markets as all the possibilities have been discovered and the vacancies have been fulfilled. Therefore, small firms have to discover the untouched markets, and change flexibly according to the request from the market.

On the other hand, the image of entrepreneurs also could be the power of growth. With the first mover advantage, the small firms could maximize their profit in the new domain. In our case, in 2004, the founder of YEStravel attended an exhibition of traveling industry. More travel agencies presented they are willing to cooperate with YEStravel to exploit new services. And even some African travel agencies would like to purchase the services that YEStravel provided no matter how expensive they will be. Capital fund is the foundation of a firm. As YEStravel is the first mover of this new domain. So it is reasonable to believe plenty of capital funds will be accumulated. And it will be the push for its development.
The image of entrepreneur could be understood as the picture of future as well. It will lead the way of expand. The YEStravel case gives the evidence that the track of small firms' expand is according to the image of entrepreneur. Before YEStravel was founded, the founder has intuited the great potential of e-commerce. When the founder realized the blank of markets, customized/tailor-made services was generated. To sum up, we conclude the image of entrepreneur is a crucial factor for small firms. For the reasons of it makes the firms survive and grow in a proper way. Furthermore, it indicates the direction of expand.

6.1.2 Fund- raising ingenuity
When Sandy Li began his YEStravel, he was in scarce of fund support but only with a limited amount of income from consultant job. Using one income to support the other was the most proper way for capital accumulation for him at that time.

In order to make his website more valuable and professional, Sandy Li employed two IT specialists under the circumstance of lacking capital. He borrowed money from his friends as well as his parents who lived in China at that moment due to his perseverance for belief.

Fund raising ingenuity is all about the question of how to create confidence (Penrose, 1959). And for small firms it depends on the personal temperaments. For the case of YEStravel, the founder neither had any real estate nor did any intangible asset which could ensure him borrow money from bank. Furthermore, his website is not famous that he could attract venture capital. However he did raise money from his friends and parents. Because he has shown his friends his trustworthy nature during the years they know each other.

He also raises fund in a special way which highlights his own style. He does rely on lending money, but he tries to create various ways of earning money. Before he started YEStravel he owned another company named ‘China Consultancy’. This company brought him stable business and income which provided him enough revenue to support YEStravel’s expense. Different entrepreneurs in same circumstance may generate different results (Penrose, 1959). His creative personality makes him explore a particular way of raising fund.

6.1.3 Entrepreneurial ambition
When we are talking about entrepreneurs, ambition is always mentioned because we believe all the entrepreneurs are ambitious. Otherwise, they will not take risks to start business. However, for entrepreneurs, making money should not be their final targets. They have the willing to become successful
and achieve something in their lives. As Penrose (1959) has indicated, there are two types of ambitions, ‘good-will builder’ and ‘empire-builder’.

Concerning this case, we consider the founder is a ‘good-will builder’. There are evidence reveal that he always focuses on developing new products and services for his customers. And he is searching for the possibilities to expand his business. For instance, at the beginning of YEStravel set up, there are only 30,000 hotel and car-renting items published on the website. Now there are 230,000 items available. The founder spent a lot of time to explore new services to enhance the satisfaction of customers. On the other hand he has put a great effort to extend the services the website offers. Now he has a plan to provide 7 new services, and it is reasonable for customers to expect.

6.1.4 Entrepreneurial judgment
Entrepreneurial judgment, the quality of entrepreneurial judgment is the question of personal characteristics or temperament of the individual (Penrose, 1959). And in entrepreneurial judgment, we would like to distinguish what difference between the uncertainties and risks. Uncertainty refers to the entrepreneur’s confidence in his estimates and expectations which could be reduced by searching, collecting and computing information; while risk refers to the possible outcomes of action, specifically to the loss that might be incurred if a given action is taken and it includes both the chance of loss and the significance of whatever it is that might be lost. (Penrose, 1959)

From the case of YEStravel, it provides evidence that the founder is ambitious, creative and trustworthy. Also he is good at communicating and making friends. It gives the foundation for his development. In this case, we could see he has gained great help from his friends which indirectly solve his company’s growth. When he tries to expand his business overseas, his established network relationship makes him approach local needs faster and more easily.

The ability of predicting markets needs is another factor to judge an entrepreneur. With the accumulation of information about traveling industry, the founder of YEStravel could reduce the uncertainties in front of him and interpret what customers really demand. Predicting the trend of markets and reducing the uncertainties face front, he stands the chance to grasp the chance ahead of other competitors.

Moreover, he has great determination to continue his enterprise. As we see in this case, in the year of 2003, he has to borrow money to support YEStravel. But he did not abandon. We believe this is his treasure to be a successful entrepreneur. All these judgment belong to his attitude toward the uncertainties, it also highlight his ability to predict.
6.2 YEStravel and social network relationship

The basic explanatory principle of the social network approach is the formation of social interactions will facilitate or limit access to valued resources. (Ibarra, 1993; Robert C, Sandy J. 2001) following this way, we would like to figure out how Mr. Sandy Li got all the resources (human, information, etc.) efficiently and effectively. From the individual level, Sandy Li entails a good “network centrality” and he made a good mutual atmosphere in their Chinese week program for motivating and encouraging every member to share the resources of them.

Network centrality indicates the range of an individual’s capability to access to recourses, task-specific knowledge and acquaintance about surrounding issues will generate different results. (Raymond, Robert C, Sandy J, 2001) Based on this concept, we believed that Sandy Li depended on his network relationship which came from his Chinese week during the university to get all the important information or person around the world that can provide the local travel location/information in time. Meanwhile, that information is the professional database for him though he did not know at that time. He incrementally became the leader of the whole group, he planned for future course for every fresh student, and he organized the activity in order and made everyone to be the chairperson in turn. He was good in relationships with all co-workers.

We believed his position in his social network was high. He worked as the hinge of his cluster and his attitude positively related to their performance as well, because he was leading the group to go forward. Sandy Li is gifted with a power that he could attract others attention and he had a charming personality which made him famous and became the whole show among his friends. The individual who is relied by the others for important advices, therefore, he or she will have a higher position in the network which will bring this individual an advantage for the exchange of valued resources in the future. (Raymond T, Robert C. Maria L. 2001) Via this way, his social network relationship grew firmly and solidity. This is a permanent and tight resource for his further development as it is hard to imitate substantially.

Besides, just like what Raymond et al had said: “centrality also implies control over the resource acquisition of others because central individuals can choose from a greater number of alternative individuals when exchanging beneficial resources.” (2001, p 317) Sandy Li kept expanding his wide acquaintanceship all the time in order to update his own information; the larger the radix of members in, the wider his social networks is. Although, at beginning, he made a network to connect the entire member together not for money but for his wish to keep in touch with all of his friends, but he transformed the original use into a more valuable and meritorious way. All along, he worked as the facebook, in
another word, anyone could find their old friends if they keep contact with Sandy Li.

Moreover, when he hired other staffs during his carving out time, he still advised them to open their own companies and inspired them to become entrepreneur themselves. He was encouraging his employees and provided chance and room for their development as well. This is the most precious trait due to his attitude for life and business. His social entrepreneur factor helps him a lot on network relationships because all his employees became his loyal working partner now and that is something nobody can imitate.

The last point which we discovered on him was that he did not earn the “lazy” money. What does it mean by lazy money then? That was after the website got quite popular within his customers and clients for 4-5 years, he could easily press a button to charge them if they still want to keep their name on his website, and in fact, he did it because he just wondered if that was a new way for company, but after getting 3000 euro within 1 minute, he stopped doing this because he thought it was meaningless to charge them at all and this was not the way he wanted to go on; he continued providing his website as the platform for all his clients free as before, all the members on his website became more gratitude for his company and the relationships between them soon became much deeper.

As for Sandy Li, he would like looking for the new task which is more significant and meaningful for life; thus, he is not only money chaser; but someone who looks for novelty and fresh things.

Thus, they exchanged their resources through informal networks, precisely speaking, the cluster they built and kept. And Sandy Li was most depending on his social networks to close to the final success. His social network not only worked for the development of his company, but also turned out to be a unique resource of his business. As resources comprises of people, product or some invisible things just like relationships. We are going to continue with the unique resources of YEStravel in the next section.

6.3 YEStravel and special products and services
In this section, we are going to analyze YEStravel in two different levels. In the first level, individual level to be exact, we are going to describe his own unique resources and in the second level, we are going to map his company’s position in the whole market.

When we mention about product, we generally come up into our minds of the substantial object. However, it also includes the invisible object like service and relationships. As for the unique resources of YEStravel, it comprises of three parts: tremendous database; customized service provider; and his social
network relationships.

When we look into YEStravel, we found its core competitiveness is the special products and services it provides. Small firms, like YEStravel, when they compete with the established firms in the markets, they always suffer from lack of resource to promote their products and services. Therefore, they have to depend on their unique resources (Barney, 1991) to avoid competition in the ordinary markets which have been fully occupied.

In the database of YEStravel there are over 230,000 pieces of information published. And the database comprised the information about hotels, car-rent, restaurants and famous resorts of course. It provides a convenient method for the tourists around the world to reach their websites and get the specific information for them. It also makes possible for the self-served travelers to design their trips according to their interests with the plenty information. On the other hand, YEStravel has re-arranged its service package and put them in a segmental way, which means; it totally avoided the traditional travel agencies’ systems and made all the procedures transparently and reduces the traveling cost. Meanwhile, its database has gained all the characteristics to be a special resource that can give a valuable service. For the reason of it is very difficult for the competitors to imitate.

Since 2003, the traveling industry has changed tremendously. The most obvious signal is the travelers are not satisfied with the package services any more. They would like to enjoy a flexible traveling plan, or visit the resorts they like to (from the record of interview of Sandy Li, the founder of YEStravel). Therefore, many travel agencies start to change their services. Before other travel agencies realized this trend, YEStravel has provided tailor-made services for years. With the first mover advantage, YEStravel has accumulated large amount users. And YEStravel has built up a good reputation in the traveling industry. Its customers and service suppliers have been familiar and loyal with YEStravel. It is his versatility ability which brought him to prepare this service in front of the customers in advance. This element speeded up his finding for special market at that time.

Last but not the least; his own social network relationships was the major factor for surviving in his target market. As we mentioned in the last section that his social network worked as the foundation of his company, it had undergone a tough and slow road to achieve current formation today, it is more than a “product” meaning to YEStravel but it indeed helped YEStravel mapping its own position in the special market.

6.4 Why such small firms can expand quickly and successfully?
After analysis of YEStravel and INVs, we clearly found out that there is one
outstanding point which doesn’t match in the INV’s characteristics--- As more and smaller entrepreneur start their business personally and solo, there will be a new way to open the company just like Sandy Li that he operated two companies at the same time, although registered only one company name, using one income to support the other one----which is the real company. We think that most of entrepreneurs are not rich from beginning, or maybe there are those persons who starting enterprises also have an employment in the beginning, but we focused on those entrepreneurs who start business all by themselves, fund raising, specialist people searching, good time controller, etc. those rich entrepreneur are not included in our investigation target.

It is possible that this is a new way for opening small company at the beginning stage; Mr. Sandy Li started two businesses at the same time. Using one business to support the other is his work method. With the help of literatures by Scott and Rosa, we found out an important theory that can manifest this status that is Portfolio entrepreneurship.

6.4.1 Portfolio entrepreneurship

“Portfolio entrepreneurship occurs when entrepreneurs found, own, manage and control more than one business at a time (Scott & Rosa, 1996), with ownership of the new venture being distinct from that of the existing business ventures” (Westhead & Wright, 1998). We believed that most of the new INV starters followed such way to begin their business from the inception, because they found, owned, managed and controlled two businesses at a time due to the short of capital and resources. Following this way, they need to discern the linkage between their multi-business, our case helped to show this new tend clearly as he combined them together as one incrementally and successfully. Thus, Portfolio entrepreneurship helped to clarify about entrepreneurial spirit; moreover, seeking ability is another factor which determined the fast development for the small international company as well.
7. Conclusion

In this paper, we try to analyze the secrets why small firms could grow up rapidly. With the case story of YEStravel, we found there are three variables worthy to look into. They are entrepreneurship, social network, special products and the influences from communication and transportation.

First, we found small firms usually depend on their founders or entrepreneurs to recruit resources. Therefore, entrepreneurship comes into our vision. Penrose in her book ‘The theory of the growth of the firm’ pointed out four dimensions which characterize an entrepreneur. We focus on entrepreneurial versatility to outline what temperaments should an entrepreneur has. Entrepreneurs should have an image or illusion for the markets. In the case story of YEStravel, the founder has a strong intuition for the traveling market. And he could insist on following his track, and then lead his firm become successful. Fund-raising ingenuity is another crucial part of entrepreneur as well as for small firms. The ability to raise fund is the question of how to create confidence. From this case, it improves again the fund-raising ingenuity is a crucial ability for a small firm. Then we highlight the entrepreneurial ambition and entrepreneurial judgment. In these two dimensions, we found the direction of a small firm’s development depends on how the entrepreneur thinks.

Second, the social network of founders or entrepreneurs also could help small firms grow up rapidly. We could find evidences from this case; the entrepreneur’s social network could help the firm recruit resource, both capital and human resource. Moreover, the network relationship is also a way to sale the products and expands the firm’s business.

Finally, how small firms survive in the competition? They usually focus on some niche markets with some special products or services. The niche markets must be ignored by the established firms, must have enough buying power, and must have the growth potential. Besides these, the firms should be familiar with their target niche market and some entry barriers could be set up.

The fast development of communication and transportation provides more chance for a firm to expand to foreign market, and the Tele-conference available in every where around the world for company to hold a global meeting as well. For the reason of, with reducing cost of communication and transportation, small firms could save their limited resource for re-investment. What is more, small firms could enjoy the instant information all over the world. And they could have a global vision to search opportunities internationally.

In summary, we explain the three factors which speed up the INVs growth
process and on the other hand we reveal the characteristic of this kind of firms: they depend on the portfolio entrepreneurship as their original developing factor. They handle two or more businesses at the same time to earn the enough resources which they lack of.

Our paper is restricted in a special kind of firms—individual companies. With the appearing of new phenomenon, we believe more researches should be done in future. However, in our paper, we hope that a basic image of how individual companies survive and grow could bring to the readers. And for the academic field, some useful information has been provided. In our dissertation, we tried to reveal the secret behind the success of individual companies and tried to present a comprehensive picture to the readers and researchers who are interested in this field. However, with the limitation of pages, our research does not reach the utmost of investigation. Some hidden secrets are still waiting for dig out.
8. Appendix

Appendix 1:
Main Types of Qualitative Research

<table>
<thead>
<tr>
<th>Method</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case study</td>
<td>Attempts to shed light on phenomena by studying indepth a single case example of the phenomena. The case can be an individual person, an event, a group, or an institution.</td>
</tr>
<tr>
<td>Grounded theory</td>
<td>Theory is developed inductively from a corpus of data acquired by a participant-observer.</td>
</tr>
<tr>
<td>Phenomenology</td>
<td>Describes the structures of experience as they present themselves to consciousness, without recourse to theory, deduction, or assumptions from other disciplines.</td>
</tr>
<tr>
<td>Ethnography</td>
<td>Focuses on the sociology of meaning through close field observation of sociocultural phenomena. Typically, the ethnographer focuses on a community.</td>
</tr>
<tr>
<td>Historical</td>
<td>Systematic collection and objective evaluation of data related to past occurrences in order to test hypotheses concerning causes, effects, or trends of these events that may help to explain present events and anticipate future events. (Gay, 1996)</td>
</tr>
</tbody>
</table>

Appendix 2:
Main Types of Qualitative Data Collection & Analysis

<table>
<thead>
<tr>
<th>Method</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interactive interviewing</td>
<td>People asked to verbally describe their experiences of phenomenon.</td>
</tr>
<tr>
<td>Written descriptions by participants</td>
<td>People asked to write descriptions of their experiences of phenomenon.</td>
</tr>
<tr>
<td>Observation</td>
<td>Descriptive observations of verbal and non-verbal behavior.</td>
</tr>
</tbody>
</table>
Appendix 3

As it arranged under open unstructured method, thus we do not limit the questions width. The questionnaires which we asked for Sandy Li as interviewer:

The questions we raised during the interview:
1. Do you think you are an entrepreneur? If so why? If not why?
2. What brought into your minds that start a company at that time
3. How did you get the data and capital when you were in short of them?
4. Have you ever thought about give up when facing difficulties?
5. Why you always encourage others to be entrepreneur?
6. What are the competitive advantages for your company?
7. Do you think you are successful?

Appendix 4:

The time and place for our two interviews with Sandy Li:

<table>
<thead>
<tr>
<th>Interview time</th>
<th>Place</th>
<th>People</th>
<th>Method</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>14th May, 9am - 14pm</td>
<td>Sandy's office</td>
<td>3</td>
<td>Take notes &amp; recording</td>
<td>overstretched</td>
</tr>
<tr>
<td>20th May, 18:00-20:00pm</td>
<td>Airplane</td>
<td>3</td>
<td>Asking for feedback</td>
<td>Enjoyable</td>
</tr>
</tbody>
</table>
Reference list:


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