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Author(s)

Alvarado Valenzuela, JuanFra; Martens, Jeanne; Wakkee, Ingrid

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The networks of entrepreneurs shaping the business networks of students

JuanFra Alvarado Valenzuela, Jeanne Martens & Ingrid Wakkee

AUAS Professorship of Entrepreneurship, Amsterdam University of Applied Sciences

Contact main author: j.f.alvarado.valenzuela@hva.nl

Many programs in entrepreneurship education (EE) offer modules or training in networking as a way for entrepreneurs to gather advice or co-create novel ideas with other people in their business networks. Unfortunately, the role of the diverse actors of those networks, such as family, friends and very close advisors, is taken for granted, or not explained when being applied to business. It seems that in EE, having a networks is assumed to naturally exist and there is little to be done except of expanding it. Yet, because students are in the process of forming their business, networks keep changing and strong ties need to be combined with weak ties to provide support for growth, and even more to provide a listening ear or unpaid support when it comes to early warning signals of potential business crisis.

In this paper, we argue that students are better equipped for business when they pay attention to the composition of their networks, especially when it comes to deal with a potential failure. Based on interviews of students with entrepreneurs who experienced business crisis, the episode of failure become a unique case to look at those networks that provide the support and strength to keep the business. Having business networks signaling when the business was not going well led to seek external help to mitigate the impact of the crisis and recover. From these insights, we formulate the following question: How can entrepreneurship students be better equipped in terms of using business networks, especially to counteract signals of business crisis?

This research build upon the earlier studies of the role of networks in business, with specific attention to the creation and use of close personal ties for business purposes. We created a module where students got in touch with entrepreneurs who had experienced crisis or even failure, in order to gather lessons and improve their behavior towards business resilience. More than one thousand students enrolled in this module across several programs over the course of three academic years. From these we selected one cohort (course/year) consisting of 125 students. These students each interviewed one entrepreneur about their experience with business crises and accordingly they wrote reports about the lessons learned following a transcription of the interview. For the purpose of this research, we coded 84 students' reports that were completed and then analyzed the results. Categories of codes were given to the experience of the entrepreneurs as repeated by the students, and to intention of the students in their own reflections. The matching of categories in both sections showed that networks are strongly associated with bonds of trust and availability when being asked for.

From those results, we realize that the educational module is an added tool for the learning process of the students. Entrepreneurship educators need to devote more attention to help their student develop sufficient insight of their own networks and the purposes of them. In this article, it is shown that students were able to deduce some lessons for their own entrepreneurial aspirations: close ties can be social but also economic safety nets. Close ties are supporting without much hesitation, so entrepreneurs - and students by default - need to be more receptive to comments about mood change, be more open to tell how the business is going, and ask for recommendations of professionals providing business advice. Yet, when analyzing the intentions and actions planned by the students, we did notice that concrete reasons for create and invest in business networks is focused on advice and not much else. This goes against what is known in earlier research about multiplexity in the roles of networks: various types of networks for specific purposes in business.

EE has been advising students to build up networking skills. Most of the times the intention is to increase the diversity of networks for purposes of innovation and new ideas. That is one purpose of networks in line with finding opportunities to place the business in specific niches in the market. Thus far, our findings suggests that the modules in EE on networking skills are one-sided, and there is little to say about the full range of purposes of networks in businesses. This situation is clearly seen in event of business crisis when support is needed from networks that have been built over time and where trust is one of the key elements of those relationships.