

NETWORK CAPABILITY ENABLERS AND INHIBITORS IN ENTREPRENEURIAL FIRMS: THE CASE OF THE IRISH MICRO- BREWERY INDUSTRY

Helen Mcgrath

helen.mcgrath@ucc.ie Ireland University College Cork

Thomas O'Toole

totoole@wit.ie Ireland Waterford Institute of Technology

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ABSTRACT

The purpose of this article is to report the findings of a study designed to address *why* Irish entrepreneurial firms do not have network capability and the barriers preventing them from developing same. Within the food and drink manufacturing sector, Ireland has the natural resource base necessary to succeed and excel internationally (Bell and Shelman, 2010) and has a huge range of its own firms in this area. One of the key reasons that Ireland does not have a greater number of international food and drink manufacturing firms may be that they do not participate in networks. Focusing on the Irish micro-brewing industry, this paper will address the key factors both inhibiting and enabling entrepreneurial participation in networks. This represents a critical gap as while the entrepreneurship literature recognises that firms are becoming increasingly dependent on external resources and capabilities, little research exists within the IMP group regarding the factors that may enable or inhibit network participation. This paper profiles the factors both enabling and inhibiting entrepreneurs from engaging in networks examine; the personal characteristics of the entrepreneur, institutional factors affecting them and their view of business models. The empirical research for this study entailed in-depth interviews with 17 micro-brewery entrepreneurs from the Republic of Ireland. Findings suggest that, among other factors, a strong desire for growth, past experience, government sponsored festivals and strong relationships within the business model enable network participation. Conversely, quality of life protectionism, a preference for independence, a desire for control and transactional operations within business models inhibits network participation. This has implications for practice, academia and policy as entrepreneurial network inhibitors must be addressed to ensure continued survival and growth for our entrepreneurial base.

Keywords: Network inhibitors, Network enablers, Entrepreneurship, Micro-Breweries

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INTRODUCTION

The purpose of this article is to report the findings of a study designed to address *why* Irish entrepreneurial firms do not have network capability and the barriers preventing them from developing same. Previous research by the authors supports the presupposition that Irish entrepreneurs lack network capability, a salient issue given that a rich literature suggests that network capability and embedded relationships are crucial for entrepreneurial effectiveness and growth. Ireland's entrepreneurs do not tend to grow their businesses into larger firms which is evidenced by the country's dependence on multinational firms (MNCs) for its exports (over 70%). Within the food and drink manufacturing sector, Ireland has the natural resource base necessary to succeed and excel internationally (Bell and Shelman, 2010) and has a huge range of its own firms in this area. One of the key reasons that Ireland does not have a greater number of international food and drink manufacturing firms may be that they lack network capability? Focusing on the Irish micro-brewing industry, this paper will address the key factors both inhibiting and enabling entrepreneurial participation in networks. In doing so, a vast range of both the entrepreneurship (Lechner et al., 2006; Shaw, 2006; Slotte-Kock and Coviello, 2010) and network (Ford, 1980; Håkansson and Snehota, 1995; Edwards et al., 2010) literatures will be addressed to determine the factors both *enabling* and *inhibiting* the development of network capability. This represents a critical gap as while the entrepreneurship literature recognises that firms are becoming increasingly dependent on external resources and capabilities, little research exists within the IMP group regarding the factors that may enable or inhibit network participation. Instead, network research has concentrated mainly on the benefits and structure of networks including social contact networks (Chandler and Hanks, 1994; Jack and Anderson, 2002; Lechner et al., 2006; Shaw, 2006; Hallen, 2008), with less focus on process issues such as why network capability may not be present.

The network concept has been widely used in entrepreneurship research (Birely, 1985; Elfring and Hulsink, 2003; Chen and Tan, 2009). Entrepreneurial firms are becoming increasingly dependent on external resources and capabilities as they pursue their goals, as growth from internal resources proves challenging for most entrepreneurs (Lechner and Dowling, 2003). Hence, the ability to engage in effective cooperation is becoming a core skill of successful entrepreneurs to overcome the specific contextual challenges that they face. Contextual challenges such as the fragility associated with small size (Hanna and Walsh, 2008), resource constraints due to both liabilities of newness and smallness (Stinchcombe, 1965; Baum, 1996), dependency on a small market, lack of specialist expertise (Carson, 1985) a lack of finance and difficulty in accessing raw materials can be overcome through external network ties enabling the entrepreneurial firm to grow and survive through bringing opportunities and resources into the firm (Hite, 2005; Lechner et al., 2006). Internal capabilities such as social and communication skills, product knowledge (Hill, 2001), innovation, responsiveness to change (Wynarczyk et al., 1993), and flexibility (Van Gils, 2000) are useful for network activity. Yet the scale of the entrepreneurial firm and its often independent, internally orientated established means of doing business (Nooteboom, 1994) tend to mitigate strategic participation in networks. Given the perception that relations between firms are important for entrepreneurial effectiveness coupled with the contextual

challenges faced by many entrepreneurial firms, it seems prudent to address the factors that both enable and inhibit entrepreneurial participation in networks. Empirical work for this study entailed in-depth qualitative interviews with 17 micro-brewery entrepreneurs comprising a total of twenty-five hours of interview data collected in total.

LITERATURE REVIEW

According to the International Marketing and Purchasing Group (IMP) approach to marketing, buying and selling in industrial markets cannot be understood as a series of disembodied and serially independent transactions as firms are increasingly dependent on resources controlled externally. Rather, the IMP group views business relationships as comprising of three substantive 'layers' (Håkansson and Snekota, 1995): actor bonds, resource ties and activity links, with transactions best understood as episodes in long term stable relationships between buying and selling firms emphasising the building of long term committed and trusting relations between actors. Actors are the people within networks with bonds referring to the ways individual and collective (organisational) actors in a relationship perceive and respond to each other both professionally and socially. Resource ties develop as companies exchange or access each other resources (broadly defined) in carrying out their activities, whereas activities occur when actors combine, develop or create resources by utilising other resources in the network. However, the focus of this paper is to profile the factors both enabling and inhibiting entrepreneurs from engaging in networks as little research has been carried out by the IMP group in this area. In doing so we will examine; the personal characteristics of the entrepreneur, institutional factors affecting them and their view of business models.

The personal characteristics of the entrepreneur will be explored due to the fact that entrepreneurial networks are often context dependent, experientially based and embedded in the entrepreneur. Hence, at an individual actor level, the personal characteristics of the entrepreneurs have the potential to impact network participation. Recent years have witnessed considerable investments in supports to entrepreneurs based on the premise that they are recognised worldwide as vital and significant contributors to economic development, job creation, and the general health and welfare of economies. We argue that the approach taken by governments in their quest for business development can have an impact on entrepreneurial network participation with collaborative approaches to support potentially enabling networks and competitive, individual supports acting as an inhibitor. In recognising that "no business is an island" (Håkansson, 1989) and entrepreneurs often cannot govern all the relevant resources and activities necessary for their operations, it is important to examine business models to determine the factors both enabling and inhibiting the creation of value through interactions within networks of actors.

Personal Characteristics

Entrepreneurial networks are often embedded in the owner/manager who represents the focal point of the business. Given that the entrepreneurs may be solely responsible for the firms' networks, the personal characteristics of the entrepreneur will affect the means through which they engage in business activities, in particularly how they relate to other businesses in pursuit of their business goals. Hence, we believe that, at an actor level, the personal characteristics of the entrepreneur will be instrumental in motivating network behaviour (see Table 1). Extant research focuses on the personal characteristics of the actor as entrepreneur. Early research indicates defining and distinguishing qualities such as; independence, need for control, self reliance, resourcefulness, confidence, initiative and a preference for challenge

(McClelland 1961; 1987; Hornaday and Aboud 1971; Timmons 1978; Solomon and Winslow 1988; Hite, 2005). In addition, their ability to trust and commit to a network may enable or inhibit the entrepreneurs' ability to work within a network including their growth orientation and other network experience.

Growth Orientation

Past research has shown that the growth factors of individual firms are closely related to the objectives of the owner (Storey, 1994). The intention of the entrepreneur and their interpretations of their economic and social worlds play a pivotal role in the growth orientation of small businesses (Gray, 2000). As can be seen in Table 1, a strong desire for growth may act as an enabling factor whereas a lack of ambition and vision or quality of life protectionism would be a factor inhibiting entrepreneurial actors from network participation with growth as a key motivator. Gray (2006) found that positive attitudes and motivation in relation to growth led to high absorptive capacity in SMEs facilitating the exchange and combination of knowledge in a network setting.

Network Experience

Previous network experience would affect entrepreneurial participation in networks as it has the potential to impact the entrepreneurs' willingness and ability to partner (Dyer and Singh, 1998). Positive network experience would act as an enabling factor as they could see and would have experienced the benefits stemming from network embeddedness such as access external opportunities and resources (Hite, 2005), critical information, advice and ideas (Larson and Starr, 1993; Hoang and Antoncic, 2003). These factors, which feature in Table 1, have been deemed crucial for firms' sustainability and growth (Hampton et al., 2009). Gulati (1995) and Mitchell and Singh (1996) noted that firms with collaboration experience have also been found to be more desirable as partners and more likely to generate value through partnerships. In the alliance literature, alliance capability has been defined as the composite of alliance experience and the existence of a dedicated alliance function (Kale et al., 2002) with network capability measured by the number of previous alliances (Anand and Khanna, 2000). Therefore we propose that network experience has the potential to act as either a network enabler or inhibitor.

Distinguishing qualities

The individual characteristics of the entrepreneur can have an impact on their participation in networks. Their often independent, internally orientated established means of doing business tend to inhibit strategic participation in networks as does their need for control. However, their resourcefulness and confidence may enable them to connect to networks in pursuit of resources. The entrepreneurial firm's ability to trust and act in a committed way can effect network participation. The literature suggests that entrepreneurial networks and the relational marketing philosophy relies on mediating variables such as commitment, trust and cooperating with network partners in lieu of an adversarial approach to customers and competitors. Studies conclude that such factors are integral features of successful relationships (e.g. Dwyer et al., 1987; Moorman et al., 1992; Mohr and Spekman, 1994; Morgan and Hunt, 1994; Gundlach et al., 1995). Commitment bonds are widely recognised as being a key determinant of high-quality relationships (Dwyer et al., 1987; Morgan and Hunt 1994) created as a consequence of interaction over time by the parties involved (Håkansson and Johanson, 1992; Moorman et al., 1993). Trust, the cornerstone of strategic partnership (Spekman and Strauss, 1986; Palmatier et al., 2006) can be defined as "a willingness to rely on an exchange partner in whom one has confidence" (Moorman et al., 1993: 82). Hence,

whether entrepreneurs have the ability to trust and commit to relationships as part of their personal tool kit will either enable or inhibit their network participation.

Institutional Characteristics

Small businesses are now increasingly perceived as an important contributor to economic growth and development (Reddy, 2007). Small, entrepreneurial ventures have been heralded by most western governments as the engine of economic growth, the incubator of innovation, and the solution to decades of persistent unemployment (Birley and Westhead, 1990; Kuratko and Hodgetts, 1995; Audretsch, 2004; Berger et al., 2004). Both government agencies and academic researchers have indicated interest in the study of entrepreneurs and their performance. In recent years, considerable sums have been invested by the European Union and National Governments in support of SMEs, through direct financial assistance and through subsidised advisory services (OECD, 2006), to ensure their continued survival. This is based on the assumption that small firms that engage in assistance programmes will become more effective, thus contributing to the economy as a whole. As outlined in Table 1, this paper argues that state agencies can play a pivotal role in the development of entrepreneurial networks and can act as an enabler or inhibitor of network action through the organisation of events and through the distribution of funding.

Government Sponsored Events

Major events and festivals are now widely featured in the marketing strategies of different nations (Ritchie and Ju, 1987; Mules 1998; Gnoth and Anwar, 2000) and can act as a factor enabling entrepreneurs to participate in networks. Bord Bia, the Irish Food Board, established by an act of the Irish parliament in 1994, acts as a link between companies in the food and beverage sectors and has played an instrumental role in the building of networks through festivals and events. Bord Bia have sponsored numerous festivals celebrating Ireland's finest craft beer and artisan foods enabling entrepreneurs in similar areas to meet while raising awareness of the breadth of Irish craft beers and artisan foods available.

Government Supports

Entrepreneurship is one of the cornerstones of a modern, fully developed economy and the lifeblood of thriving local communities. Ireland vision in terms of entrepreneurship is "to be characterised by a strong entrepreneurial culture, recognised for the innovative quality of its entrepreneurs, and acknowledged by entrepreneurs as a world-class environment in which to start and grow a business" (Forfas, 2006). This paper argues that the allocation of funding has important implications for entrepreneurial networks. That is, whether funding allocated on an individual basis or via a network of connected entrepreneurs can act as either a network enable or inhibitor.

Within Ireland, there has been an ease of the tax and regulatory burdens on the enterprise sector. Within the craft brewing sector, a tax was introduced by the Irish Government in 2005 to half the alcohol products tax for microbrewers. The decision to support individual breweries producing up to 20,000 hectolitres per year was to invest in the growth of what has become a diverse and healthy industry, again highlighting individual level support for the micro-brewery entrepreneurs. Capital grants of up to a maximum level of €75,000 are available to entrepreneurs for machinery and equipment purchases as well as for purchasing or altering business premises. In Ireland feasibility studies, business plans, training courses, decision support systems, mentoring, advisory services, information services are in principle available to small firms, and to entrepreneurs even before start-up. To stimulate growth governments have promoted the development of information sharing networks among

entrepreneurs to overcome their skills and knowledge gaps. However, research has shown that participation in SME networks remains low (Gibb, 2000) despite 20 years of substantial government funding.

Business Models

Although no generally accepted definition of the term “business model” has emerged (Morris et al., 2005) the term often loosely refers to the means through which a firm can create value for customers. Timmers (1998) notes that a business model is essentially an architecture for the product, service and information flows, including a description of the various business actors, their potential benefits and their roles. More recently, Zott and Amit (2008: 3) define a business model as “a structural template of how a focal firm transacts with customers, partners, and vendors; that is, how it chooses to connect with factor and product markets”. Hence, inter-organisational networks represent a key element in business models (Westerlund et al., 2008) as entrepreneurial firms increasingly rely on external resources via external embedded relationships in the creation of value for their customers. Many studies now emphasise relationships with other actors as a crucial part of a business model (Osterwalder, 2005, Morris et al., 2005; Shafer et al., 2005; Westerlund et al., 2008) with value being co-produced in interaction with other business partners. Therefore, this paper argues that how entrepreneurs connect to their environment including interactions with competitors, customers, distributors and suppliers constitutes a key element in business models and can act as enablers or inhibitors for network participation.

As can be seen in Table 1, in examining the business model, whether the entrepreneurs operate or have a preference towards operating in a relational or transactional manner will either enable or inhibit network participation. Dwyer et al., (1987) discuss the differences between discrete and relational exchange. Discrete transactions are characterised by very limited communications and narrow content whereas relational exchange transpires over time with each transaction viewed in terms of its history and its anticipated future. In addition we argue that network aspirations can affect why they may or may not participate in networks. That is, whether participation in networks is motivated by a clear, collective goal or led primarily by individual ambitions (see Table 1). The type of resources that entrepreneurs wish to access through networks can also enable or inhibit participation in networks. Embedded interpersonal and inter-organisational relationships are viewed as a route way through which emerging entrepreneurial actors gain access to critical strategic information, ideas, opportunities, resources and advice held by other actors (Hite and Hesterly, 2001; Batjargal, 2003; Hoang and Antoncic, 2003; Ramos-Rodríguez et al., 2010). The desire to attain complex, tacit knowledge embodied in people may act as an enabler as it involves extensive communication and the building of relationships. Conversely, if the resources required are explicit and available in a disembodied form, this may inhibit entrepreneurial participation in networks.

| | Enabling | Inhibiting |
|---|--|---|
| <i>Personal Characteristics</i> | | |
| Growth Orientation | Strong desire for growth | Lack of ambition/vision |
| Network Experience | Past, positive experience | Lack of experience or negative experience |
| Distinguishing qualities | Resourcefulness and confidence Ability to trust and commit to relationships | Independent mentality Desire for control |
| <i>Institutional Characteristics</i> | | |
| Government Sponsored Events | Participation | Non-participation |
| Government Supports | Collective basis | Individual basis |
| <i>Business Models</i> | | |
| Relationship type | Relational | Transactional |
| Resource exchange | Tacit | Explicit |
| Network Aspirations | Collective goal | Individual ambitions |

Table 1 Factors enabling or inhibiting entrepreneurial participation in networks

METHODOLOGY

Industry Context

A Micro/Craft Brewery can be largely defined as any brewery that produces less than 30,000 HL of beer annually. Due to the smaller scale of production and smaller batch sizes, the process is more labour intensive as automation of the process would ‘impersonalise’ the craft itself undermining the ethos of a micro brewery. This scale allows the creation of more wholesome, stylistically accurate, full-flavoured beers that aim to please the discriminating, not necessarily the average, palate. Unlike the large brewers, the focus is not on volume and efficiency, but instead is on taste, balance and quality. The craft beer industry in the Republic of Ireland is on the rise with 17 micro-brewers operating at present. The main advantage that they hold over their large-scale competitors is that the process allows for flexibility in adjusting to the marketplace, a marketplace that is becoming more demanding of their beers. Micro brewing in Ireland is not an overnight phenomenon and the industry is growing worldwide. For example in 1983, 43 brewing firms operated in the United States. By June 1997 that number had risen to 1,273 (Carroll and Swaminathan, 2000). Microbreweries around the world are striving to emerge in an industry where currently a virtual monopoly exists. In the American beer industry the market share held by the four largest firms is 80% with craft beer accounting for about 6% of total beer sales (Carroll and Swaminathan, 2000). In Ireland, the craft beer sector holds less than 1% market share.

Method

A process framework is useful for investigating entrepreneurial research issues with many authors advancing our understanding of entrepreneurship through process research (see, for example, Gartner, 1985; Dutta and Crossan, 2005; Cope, 2010). Process research, defined as “a sequence of individual and collective events, actions, and activities unfolding over time in a context” (Pettigrew, 1997: 338), explicitly recognises the role that context plays in academic research. Entrepreneurial capabilities are context dependent, vary from firm to firm and are embedded in the entrepreneur, who represents the focal point of the business. Entrepreneurial networks evolve overtime and are dependent on the founders’ context (Ostgaard and Birley, 1994). Taking the view of entrepreneurial capabilities as a process (Gartner, 1985; Jack and Anderson, 2002), process research clearly fits the research question to address the underlying reasons *why* Irish entrepreneurs do not have network capability. The authors will implement the process perspective by using a qualitative ethnographic approach (Morgan and Smircich, 1980) in the form in-depth personal interviews for data collection. The identification of a new venture firm will be based on a working definition of an entrepreneur as the founder, owner, and manager of a private firm between 18 and 36 months old. A qualitative approach is being used because the research deals with soft issues, which are not amenable to quantification, searching for the meanings which lie behind actions (Hammersley, 1992) focusing on understanding, rather than measuring (Oinas, 1999). Rich information will also be gathered about the history and background of the firm from non-entrepreneurial sources (Denzin, 1979).

17 micro-brewery entrepreneurs have been selected and interviewed for this study. An overview of each entrepreneur is outlined in Appendix 1. As can be seen in Appendix 1 each micro-brewery had a least two employees, one being the owner/manager and stemmed from varying industrial backgrounds. Only two micro-breweries are currently exporting and for the most part entered the business due to an interest in the industry. An interview protocol consisting of open-ended questions around the key network enablers and inhibitors depicted in Table 1 was devised and employed. The question structure was loose, allowing for variations to emerge on a case-by-case basis however, the authors outlined a series of issues to be explored with each participant prior to interviewing (Patton, 1990: 280). Each interview lasted about 1.15 hours with over 20 hours of interview data collected in total. All interviews were conducted with the owner/managers themselves. This was deemed important by the authors as, due to the nature of the exercise, they were the actors who could make immediate decisions within the company and were fully responsible for the organisations network activity. All of the interviews were taped and transcribed immediately following the interviews.

The qualitative interviews, as well as demographics collected during the interview, allowed the authors to derive descriptive data for use in NVivo (data analysis software) to further analyse and describe both the individual entrepreneurs and their businesses. The analysis of the data explored themes in the responses of entrepreneurs using the constant comparative method (Silverman, 2000) and analytic induction (Glaser and Strauss, 1967). To identify convergence of themes and patterns across cases (Huberman and Miles, 1994; Yin, 1994), the data was iteratively revisited in a research design that included pattern matching both within and across individuals and firms (Denzin and Lincoln, 1994; Miles and Huberman, 1994) which was “spiraling rather than linear in its progression” (Berg, 1995: 16). This iterative data analysis incorporated new themes as they emerged from the data (Miles and Huberman, 1994).

FINDINGS

Personal Characteristics

Findings support the idea that a desire for growth can either enable or inhibit entrepreneurial participation in networks. For the most part the participants in this study noted that they had a preference towards growing “*slowly and organically*”. This was evidenced by the fact that they had no immediate desire to export and promote their craft beer internationally. As was noted “*we have no real interest in exporting, we have been approached a couple of times but it has amounted to nothing*” or “*we might in time, but not yet*”. Another stated the company decided that they would not sell their beer beyond a 30km radius from their brewery as they were predominantly a local beer and felt that if they “*could capture 10% of that market they were laughing*”. Their approach towards accessing customers also highlighted their lack of growth orientation. “*We do sell our beer to a couple of other pubs but that just happened, we didn’t actively seek them out. Maybe we should think about looking for more customers in the future*”. For others, the process of craft brewing hampered their growth opportunities as “*at the moment everything is done by hand. Our next step is to automate the process*”. The micro-brewers recognised the need to be a viable business but felt that the critical mass was simply not present for expansion. One participant stated “*we are never going to make millions selling craft beer*” whereas others were hoping for growth, recognised that they did not have the resources, and when asked would they bring a partner on board to facilitate the process simply said “*no*”.

Network experience was clearly a personal factor impacting the entrepreneurs’ participation in networks. Four of the micro-brewers had part-time experience brewing internationally while living abroad and clearly this enabled their participation in networks. One noted that in Canada “*the brewers do not see themselves as individuals; they see themselves as an organisation against a much larger organisation, in our case at the time it was Coors. This really worked in their favour*”. Strong micro-brewery networks were also mentioned in New Zealand, Australia and America whereby the brewery come together “*for the greater good*”. The same brewers were clear regarding their participation in networks in Ireland placing a strong focus on building embedded connections with suppliers and customers. They were also the driving force behind the current attempt to build a robust network of micro-brewers in Ireland.

Regarding distinguishing qualities, the entrepreneurs clearly had a preference towards independence in their operations which was evidenced by the descriptions that they gave regarding their rationale for setting up their breweries in the first instance. For some it was “*to be my own boss*” and “*operate on my own timetable*” whereas for others it was “*to earn the money I deserve for the hard work that I put into the business*”. The entrepreneurs also exhibited a strong desire for control within their operations which was evidenced by procurement preferences. For example, when asked would they come together with other brewers to lessen delivery charges and lower prices through bulk buying the most common response was; “*No, we like to be in control of when our product arrives, how much we buy etc. As well as that it would take a huge amount of co-ordination, it would not be worth it*”. The reason that the entrepreneurial brewers didn’t engage in cooperative, relational, embedded knowledge sharing may inhibited due to the personal characteristics of the individuals that characterise the industry. As was noted; “*A lot of the brewers are creative people, artists in their own way. They are passionate about what they are doing and are fine in the confines of that. An event is ok in terms of working together – working together in business would be a different ball game altogether. We all have our own ideas. It is not viable for us to work together at all. We will always work on our own.*” Another likened a

network of brewers as *“like trying to herd cats”*. As a craft industry it was felt that many of the entrepreneurs were essentially artists with the common thought being *“I can’t work with artists. I can drink with them, but if I want to get something done I want it done now! I am more businessman than artist. They live in their own cocoon. I am headstrong. I will only do it my way.”* Similarly another noted that *“There were too many maverick, entrepreneurial individuals there to work together”*. Therefore the personality of the brewer as craftspeople may act as a network inhibitor.

The brewers were clearly committed to their products and to the craft brewing process. Gaining the trust and commitment of customers was deemed of utmost importance for their operations. As a relatively new, growing industry, the entrepreneurs felt that they had to gain the trust of the wider public to encourage them to taste something new as *“most often people order a pint of their regular drink without even thinking about alternatives”*. With trust in place they felt they would be in a better position to *“try new things”* and *“experiment with flavours”*. Therefore building trust did form part of their mindset, particularly in relation to customers, which enabled the building of interconnected relationships.

Institutional Characteristics

Government sponsored events represented a solid factor enabling the entrepreneurs’ participation in networks, particularly enabling the formation of a network of micro-brewers. Festivals operated and run by Bord Bia (The Irish Food Board) were said to *“cost nothing”* and *“are a good promotional tool”*. The participants noted that coming together as an industry at events helped to raise awareness of the industry as a whole and at an individual level assisted them *“to get our name out there”*. The festivals also served to correct misconceptions that Irish craft beer was more expensive than the better known brands with the point being *“to encourage people to taste many types of beer, to enjoy beer, not to get really drunk”*. The festivals were the brain child of the entrepreneurs with previous network experience. They had attended international craft beer festivals and noted *“if they can have their own beer festival out there why in the name of God can we not have one back here”*. These brewers called Bord Bia and invited the agency and the other micro-brewers to a meeting where it was decided a festival would be sponsored. That year 34,000 people turned up to the event representing a huge success. Festivals act as a network enabler encouraging the brewers to work together and cooperate. As was noted *“We attended the food and wine show in the RDS and the Bloom Festival in the Phoenix Park. We meet the other brewers at festivals, in fact at one event we forgot a tap and one of the other brewers went to great lengths to get one for us and fit it”*.

The use of the brewing network as a promotional tool at festivals also acted as an enabler. The collective mass of brewers led to free publicity which in turn enhanced awareness of the industry as a whole. The following quote capture the benefits of using festivals as a key promotional tool enabling entrepreneurial participation in networks. *“If you go to a newspaper as an individual you can take an advert out but if you go to the newspaper and explain that the Irish microbrewers are having an event then you get a lot of free publicity out of it. It works very well that way as people say wow when they read that there are 17 of us. You can therefore promote yourself in a better manner at a lower cost”*. All of the participants attended the majority of beer festival around the Republic of Ireland which enabled network participation as positive experiences ensued. *“Festivals are a great promotional tool. We spoke on Matt Cooper’s radio programme. It was in the Herald newspaper and people brought tickets. We had bands and set up our little bars all over the place. All the Irish breweries were at it. We all paid in, to pay for the venue and bands etc. It was a great way to meet the people who actually drink our beer. At these events the actual*

brewer is behind the bar so we can answer questions re how it is brewed. We had a trade session on Friday but only for a couple of hours. It was mainly a three day festival open to the public, modelled on a similar event that takes place in London. It all helps introduce customers to all of our beers, they may think we only have one. As for 'beer tickers' – kind of like trainspotters – they are really into beer varieties and tick each one that they have sampled and write their little notes on it". Clearly, the festivals acted as a forum to bring the network of brewers together whereby they could discuss their respective businesses and share resources in a real way.

In terms of financial supports, funding imparted by the government is allocated on an individual basis making the process competitive, hindering participation in networks. The majority of the entrepreneurs received funding towards their equipment and machinery without which many of them stated they would not be operational. However, the participants noted that the grants received required a lot of paperwork which was a massive time consuming process. Funding was also allocated to half of the participants in order to assist them in the development of a website. Some of the participants noted that they took part in a "vantage programme" organised by Bord Bia whereby eight companies were placed in focus groups to facilitate their marketing through an examination of their branding, including their labelling. *"The programme was really useful and we got really great feedback regarding our branding. All eight members of our group were food and beverage companies but there were no competitors present for any of us"*. Excluding competitors from government sponsored programmes acts as a network inhibitor as it gave the participants the feeling that they should guard their marketing activity from competitors thus creating a fear factor.

Business Model

Relationships with other micro-brewers

A network of microbrewers is slowly forming potentially enabling the entrepreneurs to participate networks. As one participant noted *"when I came back to Ireland in 1997 you had a lot of people with a lot of egos and all they wanted to do and become was a king, they all saw themselves as competitors. I was trying to convince them to club together and look Heineken as the competitor but they failed to see that, they absolutely failed to see that. I just couldn't believe it. At the time I was only working for another brewery so I had no say and the industry was on its knees. It is only now that the culture of working together is starting to kick in, in the last couple of years"*. A common reason for the sustainment of interconnected relationships between the entrepreneurs in the sector is that, at the moment, they do not perceive each other as being competitors. The reasons for this are many. They noted that *"each of our beers is very different"* indicating that they have all carved out their own niche in the market. Others noted that the main reason that competition is not tight is because they are *"geographically spread so we all have our own little piece of Ireland"*. Hence, the participants seemed to focus on larger corporations when defining the competition. *"I would argue that our competitors are Guinness and Heineken, the big guys. There are 17 micros brewers in Ireland now and we are not out to take a share from any of those guys and they are not out to take a share from us. When we go into the pub we want to go in because they are taking our Guinness, Heineken, Carlsberg, or any other big brand. We are trying to muscle our way in on the bigger taps. If we were going in and they were taking out another small brewer for our product, I would feel a little weird about that. At the moment the industry is so fidgeting that we try as much as we can to work together to raise awareness of the whole industry rather than trying to swipe each other's customers"*. Clearly, gaining awareness for the industry as a whole and increasing the share of the micro-beer market in Ireland was a key factor enabling network participation. As stated *"We are*

achieving a little more mass in the market collectively. We feel that if somebody picks up a bottle of micro brewery beer from a shelf it is as much a win for us as whoever made the beer, as they have managed to create awareness for a craft beer as a viable product'. However, the participants noted that as the industry grows the likelihood is that they will start to view each other as competitors noting that as collective marketing share increases *"It will come down to survival of the fittest"*. Another compared the industry to sibling rivalry stating that it was similar to watching what your sisters and brothers are up to; wishing them well but wishing yourself to be better. He felt that *"both personally and professionally we get on well with all the other brewers. It is a very cooperative industry. We are all roughly the same age with the same outlook and are all going through the same struggles but we do help each other out"*.

In addition to their view of the competition, relationships also seemed tight as the brewers looked to form a critical mass stating that *"If we work as a unit we have some voice"*. The brewers feared that they may lose the tax exemption that the government granted them in 2005 and are in the process of setting up a legal entity called 'The Microbrewers Association' to talk to government. They feel that they deserve to pay lower taxes as *"We employ loads of people per unit produced in comparison to large breweries. It is much more labour intensive so the more beer sold the more employment in the sector. The profit also stays in the country therefore we should work and stick together. We should have arguments in house and solidarity outside."* The participants clearly believed that they should work together to eliminate external threats. Some of the larger breweries are developing what they call 'craft beer' in light of the emerging competition and the participants noted that *"As a unit we can stand up and say that it is not craft beer"*. The micro brewers also noted that the industry is young and growing and as such many of the entrepreneurs mentioned a *"Fear of failure"*. As one brewer stated *"we are still a very young business, as a micro craft brewing industry, we are very very young. We can't afford to have failures now as it reflects very badly on us. I don't want people coming in without knowing what to do"*. It became clear that one new microbrewery recently entered the industry and made all of the classic mistakes. They focused on the old ways of operating and didn't communicate with any other brewer. As a result the entrepreneur made all of the classic mistakes and nearly ceased operation. The brewers noted that *"when you put down the facts and figures for a brewery it looks like the potential is there to make loads of money, however, there are lots of hidden costs that cannot be seen. New brewers can get disillusioned and 18 months later that are gone out of business"*. As a group the entrepreneurial brewers felt that the more successful each brewer is the better for business in general in terms of raising awareness of their existence, helping the industry to be accepted in the long-term. A poor reputation could follow from many failed ventures.

Regarding resource exchange, the micro-brewers considered information sharing between each other to be extensive with the exception of two brewers who did not engage in knowledge sharing. However, the information shared was explicit and easy to transfer and didn't require embedded relational ties, hence not acting as an enabler. The participants noted that they would not share information regarding their product with the following two quotes being commonplace; *"We would never share information about our mix of ingredients, definitely not"*; *"I would never share my recipe"*. For the most part, the brewers liked to share information that they had learned through experience. For example, one brewer noted that he met a novice brewer at a festival recently who was meeting a distributor with the hope of outsourcing that side of her business. He stated, *"I told her that the distributor had a bad reputation and not to use them, I knew them from old and the tricks that they had pulled"*. Small pieces of information like that for a new entrepreneurial company are hugely important. For the brewers in business less than three years, general information was very

useful for answering questions and solving minor problems. As stated *“We are not good at organising things that are specifically aimed for us to meet up and discuss the industry because we are all just too busy, but when we do meet up we usually have a really good opportunity to talk to each other, find out what other people are doing, the problems they are having and how they are fixing them. It is good to bounce ideas from people. At the stage we are at, at the moment, we just have questions, questions and more questions”*. Another noted *“Other micro-brewers have helped us sort out problems in relation to cooling, yeast issues, sourcing, raw materials, dealing with suppliers, that sort of thing”*. Financial savings were also made following information sharing, *“We have received advice on what equipment we can use and installation which has helped us to save money”* in addition to information regarding suppliers with one brewer stating *“I have recommended suppliers to a lot of the new guys”*.

Explicit information and expertise was also shared among the more established brewers and they seemed willing to help each other out which is evidenced in the following quotes; *“We sell our pints using a pump system. If I was having trouble hooking it up, I would call another brewer”*; *“Sometimes a bar will get one craft beer in. If it goes well they will sell more craft beers. So we might share information about good customers. Some bars in Dublin are getting really into the craft beer scene”*; *“We are often on the phone to other brewers asking for information about a customer who is slow to pay to see if they have had a similar experience with them”*. However, clearly the information shared is explicit and not tacit. It doesn't require relational investment and hence may not act as a network enabler. The participants were also willing to share resources amongst each other on a small scale. For example, they helped each other out if they ran out of raw materials and stored kegs for each other at times. *“Our knowledge is investing in the future – getting people into the business in the right way. Some people tell me that I am crazy to be helping others out. They say I am training my competitors, but I am not, I am investing in the industry as a whole”*.

Some innovative activity occurred between the micro-breweries and external partners. The exchange and combination of resources was successful at an explicit level, further acting as an inhibitor to embedded network participation. For example, one company described the relationships that they had with an Irish crisp company whereby their beer acted as an ingredient in the other company's crisps. As a promotional tool the relationship proved successful as the companies engaged in a co-branding exercise however no co-investment of resources was evident in the process. Similarly another brewer who stated that they *“liked to experiment with flavours”* engaged with a spice company in the production of a special batch of beer. They stated; *“We enjoy experimenting and it is really useful to have a story with your beer. The spice company added richness to our story. We met them at festivals and got to know them over the years. We approached them and together we played with different spice combinations. Eventually we co-designed a unique spice for our beer, not one off the shelf which was a fun experience. We bought the spice from them and gave them a good shout out but there was no joint investment or joint risk taking.”* In this case, the brewer was unwilling to share the profit and/or risk citing that the easier transaction to manage is a straight one. They paid for the spice and mentioned the spice company on all of their promotional material. However, they felt that joint investment would take *“take a long time to iron out”* and that licensing issues may pose a threat. In addition they stated that they like to *“take full responsibility for what we do”*. The participants all noted that food is a very important part of what they do hence working to a degree with complementary products. One brewer stated that they made a local Christmas hamper with all local produce in it, beer, cheese, relish etc. which was very successful, basically the ingredients to make a ploughman's lunch. However, again, no joint activities were present and the venture was operated on a transactional level acting as a network inhibitor. Co-branding was clearly used by the brewers however joint

activities do not seem to form part of the process, more indicative of the IMP approach to business network. This can be seen in the following two quotes; *“A local pie company is using our beer in their pies. It is a good shout out for us”*; *“We used Irish oats from a local company as an ingredient in our last batch of beer. We asked them did they want their name on the ingredients. They didn’t mind. Some people don’t like their name to be on the label as we are an alcohol company.”*

Relationships with suppliers

For the most part, relationships with suppliers were weak and transactional, with few if any relational elements. For the participants, the bulk of their raw materials had to be bought outside of Ireland, generally from the UK and Germany. Although they strived to buy locally, no producer of the raw materials existed. As one participant noted *“Even with a critical mass of micro brewers forming in Ireland no real support industry exists. However, as more and more micro breweries come on board we hope that a support industry will grow around us”*. Malt was available at one point in Ireland for the micro-brewing industry; however the company supplying them since signed an exclusive deal with a large brewery preventing them from obtaining it locally. This doubled the price of the raw materials for the industry as they were faced with shipping costs and, in some cases, exchange rates. Malt is still available in one location in Ireland however the company selling it did not have the facility to bag it and sell it to the brewers in a small enough quantity. The malt company suggested that the brewers all come together and buy from him by collectively by purchasing the machine necessary to divide the malt into small enough portions to sell, however, that never happened. Four of the micro-brewers actively argued that the industry should come together as a collective to source their raw materials. They felt that even if they bought on an individual basis from the same suppliers they could negotiate a better price in terms of the actual product and delivery. They also actively sought to eliminate the monopolies that existed in the supply chain and seem to be constantly seeking solutions to the sourcing issues. As a case in point one of the brewers explained how attending a festival abroad may have solved the malt issues for the industry as a whole. *“I met an American at a festival in Germany who was looking for Irish stout malt but couldn’t find a supplier. I asked him would he consider purchasing it from Ireland if I could put him in contact with one and he said yes. I had previously contacted the Cork malt house asking would they supply the Irish micro-brewers and they said that they would love to supply us but the market is too small. I asked what if I could provide an American customer who was currently buying 10,000 tonnes a year in Germany and would buy it from Cork. I arranged a meeting between the two of them. I picked the American up at Dublin airport and brought him back to the maltings. The maltings is partly owned by Glanbia who have a bagging plant that was never used. Once they heard that the American was coming they came to a meeting and agreed to set up the plant. Because the American agreed to buy the Irish malt they are using the bagging machine so now we can buy Irish malt in bags and all the other brewers can as well. They now have a business model that can successfully serve us. Clearly all they needed the volume”*. It is also the case whereby a monopoly exists in the gas supply in Ireland for beverages and as a result the micro-brewers were forced to pay a premium price for their supply. However, one participant told us that they managed to find a supplier in the UK, bypassing the Irish supplier but all of their canisters had to be sent to England to be refilled. As a group this problem was eliminated. *“So then a Cork gas supplier came to us and said that if we all buy the gas from him he would buy the equipment necessary to fill them. This cut our distribution costs massively”*.

With certain raw materials, even though little value was created through relationships with suppliers, the micro-brewers in certain instances ensured that they did not use the same one,

again showing a competitive flavour. For example, each micro brewery went to great lengths in sourcing their bottles and made sure that they stood out clearly from the others. The entrepreneurial brewers clearly stated that they would never pool together to buy glassware. According to one *“we want our bottle to be unique, to stand out in an off-licence. We want it to be very different to everyone else’s.”* Clearly, the majority of the participants have no real relationship with their suppliers and value is not added through information sharing; *“Suppliers in this industry could be useful but they are not. They do not participate in anything online and are too disparate and geographically spread.”* Interactions for the most part were transactional and not long-term or embedded; *“If somebody offered the exact same product at a lower price we would switch”*; *“Suppliers are a different kettle of fish entirely. It is very difficult to engage with them”*; *“We like to switch around our suppliers on a regular basis”*. However, the participants are clearly loyal to the suppliers that could influence the flavour of their beer. *“We are loyal to the English hops suppliers as we really need them. We also buy some raw materials from America. With the specialty stuff you need to have good relationships in place as the difference could be huge with the taste of the end product if you lost one of them”*. The participants also sought quality in their supplies and stated that they didn’t necessarily opt for the cheaper raw materials. *“The quality of ingredients is important. We buy the most expensive malt but it works as for us, quality is more important than price”*. Only three of the brewers were loyal to their suppliers and stated *“We have a good relationship with our suppliers and would not change them”*. They enjoyed having a social relationship with their suppliers and felt that as a result they benefitted in terms of delivery times and price. Another noted; *“A connection with suppliers is very important. If somebody asks me where I get my ingredients from I can tell them in detail – At our level it is very important”*. *“Suppliers – I have a good relationship with them. I know them, I speak to them, I have met them so can see their faces – there is a connection – I know each of my suppliers personally – I’ve been to their plants – chit chat with them – I know where my raw materials come from”*.

Relationships with customers

The participants placed a huge emphasis on maintaining a good relationship with their customers, acting as a network enabler. They stated that they enjoyed a good relationship with publicans and *“have enjoyed a lot of loyalty from them over the years.”* This was facilitated by two factors. Firstly the fact that customers were few enough in number; *“We have so few customers that I can have a personal relationship with them”*. Secondly, they enjoyed a good relationship with customers as the bulk of the brewers managed their own delivery system. *“We do our deliveries ourselves. We drop our kegs to the pubs and have a chat with the owners. We would spend about half an hour with them having a bit of craic. While we were with one publican a local bulmers rep called in, and he came in, went to the back shed room and left. They are interested in what we are doing and like to talk about it, they like to take a sense of ownership in it, they identify with what we are doing”*. Another noted; *“We do our own deliveries for the most part which is great because we can chat to the customer and hear stories both about our own beer and what others are doing, e.g. if Heineken are bringing out something new or running a new promotion we will hear about it”*. However, three of the participants were actively looking for a distributor as they felt that driving around Ireland delivering kegs seemed like a waste of valuable time. Nonetheless, they were worried about losing the connection that they maintained with their customers which they felt could not be brokered through a delivery system. As was noted *“The loss of control is an issue. As well as that some employees and publicans will catch me when I am delivering and ask for more information about the beer to help them sell it better and sell more of it”*. This would represent a huge loss to the brewer who didn’t seem to think that they

could build relationships with distributors. The participants also stated that on delivery they introduce new seasonal products which are to be launched. *“We can tell them about our other products. We have a batch of new beer coming out for Christmas and because I was talking about it when I delivered the beer we have a lot of it pre-ordered. I was building it up on my rounds and people don’t want to miss out because it is a limited edition beer”*.

Regarding access to customer, for the more established brewery businesses, it was clear that customers approach them looking to stock their beer. *“We don’t need to approach customers anymore. When we started we went to everyone. Now we don’t need to anymore. We are in every pub in the city. People are contacting us all the time”*. For others, festivals represented the main means through which they attracted customers. *“Custom comes through events. If the publicity is done right for a particular event or well established and drawing a trade crowd then you will have people coming up to you, tasting the beer and saying that it is really nice, I want to sell it in my pub.”* Others had a targeting strategy whereby they approached pubs based on how they sell their other products. *“We target publicans. We try to go after places that have an interest in food. Good foodies bring fresh produce for their kitchens not just frozen food. They have a good menu and push how their food is sourced and produced.”* However, access to customers was primarily achieved online. Social media was favoured by fourteen of the brewers noting that it was their strongest marketing tool. *“We use social media to get our name out there”*. They contact pubs and off-licences via twitter, to gauge their interest in selling their beer. They also contact their end customers via twitter who often then ask for it to be sold in their local pubs. Hence twitter emerged as an important tool in access customers which is evidenced by the following quote; *“We bottle about two thirds of our beer and have about one third in kegs. We sell to off-licences, supermarkets. For the first 6 months of production 90-95% of our retail customers came to us through a twitter connection. Off-licences found out about us through twitter. We would take a lot of our repeat orders through twitter, also the off-licences are in touch with each other through twitter. We had more demand for our beer through people approaching us than we could supply. We didn’t have to knock on the doors of pubs and clubs looking for them to stock our beer”*.

Customers were also deemed important for information transfer. Informal conversations with customers were useful as it gave the entrepreneurs a felling for how their products were selling, the type of people buying their beer and the general reaction that their products were getting. They also stated that information regarding their packaging was important and may not be communicated through distributors; *“If someone gets a box of beer and says this doesn’t work because the packaging is wrong, too flimsy here etc. They may / may not say it to a distributor and the distributor may or may not pass on the information to me, whereas I’m more likely to ask is everything ok, how it is going, have you had any problems and they’ll tell me.”* Information from customers was said to be particular important in relation to seasonal beers and with regards to the opportunity for producing more specialty products; *“Also in terms of bringing out our seasonal products, it is useful to get feedback – the outlet may also see gaps in the market that we haven’t seen”*. For the participants, the area that they are dealing with assists them in their sales efforts and access to customers; *“We are lucky – there is a buzz about craft beer. If we were making industrial cleaning products there would be the same amount of work and heartache going into making it, however eyes would just glaze over and we would be constantly trying to push our product onto disinterested people. We are very fortunate that there is a strong market pull”*.

DISCUSSION

In line with the current entrepreneurship research the participant micro-brewers faced many challenges within their business. Consistent with Carson (1985) and Hanna and Walsh (2008), the majority of the micro-brewers in this study suffered from limited resources, both financial and human, which had an impact on their ability to conduct their marketing activities through the traditional 4P route. They had a limited impact on the market place (Carson, 1985), as for the most part, they were dependent on business from a small economy, that is Ireland. Furthermore marketing was not a priority for the participants and hence little time was dedicated to it. Instead, marketing was a reactive activity, conducted on a necessity basis when business was slow and aimed at insulating them from their larger competitors. Findings provide support for the value of the networks as a marketing framework suitable for entrepreneurs. The small number of customers, micro-brewers and suppliers which characterise the industry could facilitate the building of close relationships and networks with industrial stakeholders. From a resource level, as owner/managers, the participant actors are responsible for the overall running of their enterprises and are hence knowledgeable in all areas of their business functioning. This in-depth, company-specific knowledge would facilitate the integration of network knowledge with their flexibility and autonomy in operations allowing for joint activities to unfold within the network. However, findings also support the notion that the Irish micro-brewers face many factors both enabling and inhibiting their participation in networks.

Network Inhibitors

On a personal level, in keeping with the literature (McClelland 1961; 1987; Hornaday and Aboud 1971; Timmons 1978; Solomon and Winslow 1988) the entrepreneurs' independence mentality coupled with a strong desire for control posed a significant inhibitor to network participation. They seemed to have very strong firm boundaries in place, an individualistic culture, whereby relationships with the outside world were limited by necessity in terms of sales and supplies. In terms of teaming together for mutual gain some of the participants stated that they "*never thought of it*". For example, the entrepreneurs noted that buying materials together to lower shipping costs was never raised at any festival or meeting that they had. In terms of joint exports they seemed afraid of the competitive element. As was noted by one brewer "*we have a strong brand in Ireland which differentiates us from the other micro-breweries. We do not yet have that advantage in Europe so will not export with the others*". This again reflects an individualistic attitude and a preference towards independence whereby the entrepreneurs favoured working alone.

According to Morrison et al. (1999) in relation to entrepreneurial growth, three key factors are important; intention, ability and opportunity to grow. In terms of ability, another network inhibitor was the micro-brewers lack of vision and desire for growth. They assumed growth was not possible beyond a certain level and, for the most part, viewed their businesses as small and remaining small. Similar to Lechner and Dowling (2003) growth solely from internal resources proved difficult for the entrepreneurs as they lacked the finances necessary to expand and automate the process. Yet, by favouring autonomy in their daily operations they were not strategically active in their networks introducing network partners to their business to facilitate growth. They seemed unable to connect and embed their own limited resources to novel resources within the network with collaboration, trust and commitment underlying the process leading to the identification and execution of coordinated solutions to organisational problems (Uzzi, 1997).

The literature would suggest that networks are not sustainable when actors are purely self motivated which the case was for the brewers whereby relationships were maintained purely where beneficial. This was particularly evident by the fact that they only engaged in relational exchanges where materials were essential for the flavour of their beer. Additionally, their attitude towards trust and commitment, pillars of the network approach to marketing, were self motivated whereby they continually strived to earn the trust of the customers but showed little interest in building trust and commitment in other networks. For example, with suppliers they were price sensitive and would willingly change most suppliers should they find a cheaper, yet suitable alternative. Hence, transactions within the business model were discrete, whereby they were characterised by minimal personal relationships and ritual like communication predominated (Dwyer et al., 1987). The primary focus was on the substance of the exchange with no visible joint efforts (Dwyer et al., 1987). This is in sharp contrast to the IMP approach which places strong emphasis on both direct and indirect relationships as dynamic processes of interaction and exchange between actors.

Findings suggest that the entrepreneurs were unable to differentiate between information and know-how which inhibited their participation in networks as the participants did not recognise the value of network information. They were confident that they engaged in extensive knowledge exchange within their networks, however the information exchanged was explicit and readily available, capable of being communicated “without loss of integrity once the syntactical rules required for deciphering it are known” (Kogut and Zander, 1992: 386). Although this information was valuable, it did not necessitate embedded network ties. Less tacit, sticky knowledge was exchanged, a process involving the integration of the entrepreneurs’ internal expertise with the network actors’ external knowledge. In addition, the co-creation of new knowledge through joint integration of each actor’s knowledge was inhibited to a small degree by the fear that important knowledge would reach the actor’s competitors, for example brewer recipes. This is in keeping with Johnsen and Ford (2000) who highlighted that inter-connectedness in networks means that sensitive knowledge may be lost to third parties. It seems that the microbrewers engaged in information exchange with each other with a ‘helping out’ rather than ‘sharing’ philosophy.

Network Enablers

The collective goal of the micro-brewers seemed stronger than their individual ambitions which acted as a principal network enabler. Collectively, they aspired to build awareness of the industry as a whole and gain some market share from the “*big boys*”. This is in keeping with Sorenson (2006) who noted that when network members see the opportunity for potential mutual gain, they will be more likely to share information, exchange resources, and engage in mutually beneficial activities. Previous network experience also had a positive effect on network participation whereby the micro-brewers with past experience in networks acted in a broker role, organising network events and promoting the sharing and exchange of knowledge within the industry. This is in line with Powell et al. (1999) who note that a certain level of network experience and diversity of ties are critical to generating relational rewards. Similarly, Hite and Hesterly (2001) found that network experience had a positive effect on intentional network management. That is, entrepreneurs with network experience are better poised to gain access to additional available resources, opportunities and they can enhance their reputation and legitimacy.

Festivals represented a key network enabler facilitating the micro-brewers in coming together as a network. As evident, the festivals presented a strong opportunity for joint promotion through newspaper and radio coverage. Joint activities were also evident whereby the

entrepreneurs co-invested in the events through the provision of music and food for the customers. The micro-brewers used the festivals as an opportunity to discuss industry trends and address common problems which in itself provided them with valuable network experience which they were, for the most part, lacking.

CONCLUSION

This research advances the academic research literature by addressing the factors both enabling and inhibiting entrepreneurial participation in networks. Its significance stems from the fact that no prior theory has profiled the characteristics which are instrumental in entrepreneurs' network development. This is important as finding suggest that it cannot be assumed that entrepreneurs engage in extensive network activity. Ireland is a hotbed for entrepreneurial talent and creativity in the food and beverage industry. However, Irish firms have not developed growth trajectories similar to their International counterparts which may be due to a lack of participation in networks.

The insights gained from the research can be translated to practice and policy in Ireland. For practitioners, understanding network inhibitors and enablers may assist them to follow a process leading to participation relieving some of the resource/time pressure on entrepreneurs by providing them with strategic routes through their existing and potential network ties. It also suggests challenges for Irish policy makers in instilling trust and commitment into the entrepreneurs to attain marketing benefits through networks, perhaps through the provision of network funding? Clearly policy interventions must address network inhibitors encouraging collaboration, cooperation and co-opetition as a strategic business tool.

Extensive empirical testing of the conceptualisation could enhance the reliability of the findings depicted by the authors. Such empirical studies could be conducted in an entrepreneurial context in a different industrial context. Similarly, to conduct this study selecting participant actors from the same core network would lend new perspectives on the conceptualisation and reveal how actors within the same value chain perceive and relate to each other.

Appendix 1: Participant profiles

| Company | Employees | Education | Years in Business | Raison D'Être | Export |
|---------|-----------|-----------------|-------------------|--------------------|--------|
| A | 3 | Fitter | 3 | Beer Fanatic | No |
| B | 2 | IT Specialist | 2 | Beer Fanatic | No |
| C | 2 | Engineer | 2 | Beer Fanatic | No |
| D | 2 | Accountant | 12 | Just happened | No |
| E | 8 | Publican | 13 | Just happened | No |
| F | 4 | Accountant | 2 | Beer Fanatic | No |
| G | 8 | Micro-Biologist | 15 | Just happened | Yes |
| H | 9 | Engineer | 3 | Beer Fanatic | Yes |
| I | 3 | Publican | 4 | Market Opportunity | No |
| J | 2 | Engineer | 3 | Market Opportunity | No |
| K | 4 | Publican | 5 | Beer Fanatic | No |
| L | 2 | Publican | 3 | Market Opportunity | No |
| M | 3 | Manager | 2 | Beer Fanatic | No |
| N | 3 | Accountant | 4 | Market Opportunity | No |
| O | 2 | Publican | 3 | Beer Fanatic | No |
| P | 3 | IT Specialist | 3 | Market Opportunity | No |
| Q | 2 | Salesperson | 2 | Beer Fanatic | No |

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