We Venture: Leading Global Entrepreneurial Teams

by Lisa R. Fournier

“What do you mean we don’t have the resources?” Alan demanded. As the tension level rose in the start-up company’s meeting, he continued, “We just got another round of funding and it is already spent? We have to have that money to continue work in product development. It is essential to stay ahead with new innovations and get this product to market!” Jane suggested, “We could outsource.” Alan looked at Jane, “That would cost us even more and, no doubt, a bunch of new headaches.” Jane asserted, “Not outsource to local area contractors, but create a community of partners. I think we should consider going global.”

Co-Creating Value

There is an ancient concept that the whole is greater than the sum of its parts. Merriam-Webster dictionary defines it as holism, “a theory that the universe and especially living nature is correctly seen in terms of interacting wholes that are more than the mere sum of elementary particles.” If that theory is correct, then the same theory can be applied to business organizations—internal and external stakeholders functioning together create more value for the organization. Authors Venkat Ramaswamy and Francis Gouillart call it co-creation: “the practice of developing systems, products, or services through collaboration with customers, managers, employees, and other company stakeholders.”

Co-creation is not limited to a single organization or to one product. Instead, it should be viewed as a commitment to a new way of doing business by bringing people and organizations together on local, national, and global levels to develop opportunities and eliminate challenges. As Ramaswamy and Gouillart further explain in their book, The Power of Co-Creation: Build It With Them to Boost Growth, Productivity, and Profits, the “co-creative enterprise is a growth engine...it increases the capacity of
firms to generate insights and take advantage of opportunities they might not have identified, while reducing risk and capital needs by using global networks and communities.” The co-creative enterprise is an ideal concept for entrepreneurial initiatives to develop value-oriented innovations and launch customer-centric products using a partnership network throughout the world. John Chambers, CEO for Cisco, claims “the network [changes] everything…the future is about collaboration and teamwork and making decisions with a replicable process that offers scale, speed, and flexibility.”

Building an Entrepreneurial Network

Alan looked at Jane and said, “That all sounds good in theory for big companies, but I don’t see how entrepreneurs can ‘co-create’ without getting ripped off.” Jane asserted, “Very true, but you run that risk now, along with every other company doing business. Patents may protect a company to some degree, but the real debate is whether you are willing to go to court over it or put your energy toward getting customers to buy the product!”

Entrepreneurs are described by many characteristics, including the entrepreneur as a risk-taker who spots opportunity in the marketplace. In his article in the Journal of Economic Behavior and Organization, Ulrich Witt ventured to state entrepreneurs are “characterized as individuals that believe something that nobody else believes.” However, it is this same belief that generates the vision needed to lead a team who sees that vision, commits to executing that vision, and moves products and services into the marketplace. As Baron Philippe Bodson, former CEO of Tractebel in Belgium, states, “if you don’t believe in what you’re doing, you’re dead.”

Building an entrepreneurial network requires trusted and skilled partners who buy into or help form that vision, and who operate with integrity within the network and toward each other. In their research, Tiit Elenurm and Ruth Alas from the Estonian Business School found “visionary leadership, communication, delegating and performance facilitation have been identified as leadership factors positively related to the success of entrepreneurial companies.” In a world full of rapidly shifting customer demands, entrepreneurs do not seem to have the time or energy to work all aspects of creating, innovating, and taking their products into a global market without a partnership network.

A network functions on two main components: 1) the individual partners and 2) the ongoing interactions between those partners. How the entrepreneurial network leadership manages those
interactions is essential. Dr. Jukka Ojasalo, professor at Turku School of Economics and Business Administration in Finland explains, “The activities and resources in two different relationships can complement each other, or they may be in competition... and their dynamics is caused by the fact that actors, relationships, needs, problems, capabilities, and resources change over time.”

Maintaining this relationship paradigm in an entrepreneurial network is a complicated undertaking for even a seasoned leadership team without the added complexity of working within a virtual and multi-cultural environment.

**Impact of Socio-Technical Systems on Virtual Entrepreneurial Networks**

The explosive use of the Internet and its socio-technical tools over the last decade has created a virtual business environment for instant communication to share ideas, resolve problems, manage supply chains, and facilitate relationships around the globe. One example is the merger between Nokia’s Networks Business Group, a Finnish company, and Siemens Communications, a German company. According to a general business review from Emerald Group Publishing Limited, the way the companies handled merging 60,000 employees from multi-cultures was through a process called “merger as conversation” and leveraging technology—social networking, web-based technology, facilitated intranet discussion, and virtual conferences. It allowed thousands of people to comment on the leaders’ initiatives as well as put forth grievances and issues from around the globe. People posted comments and generated a virtual dialogue to raise questions and exchange ideas. Over time, etiquette unique to that social networking site developed and people actually abandoned their anonymity.

The electronic revolution of the Internet has impacted not only large-scale businesses but continues to gain momentum in entrepreneurial ventures, as well. As Elenurm and Alas assert, “co-creative entrepreneurship is based on social networks and clusters as information dissemination mechanisms...facilitate entrepreneurship.” Social networks provide a platform to exchange ideas within a cooperative relationship setting. Cooperative relationships in a global capacity include the ability for an entrepreneurial network to leverage technology that supports multicultural relationships in a virtual team environment. As Ramaswamy points out, “networks are about people enabled by technology, not the other way around.”

Focusing on the people within a virtual entrepreneurial network is essential, because a virtual organization, by its definition, is a temporary endeavor. According to Dr. Bernhard Katzy from the University St. Gallen and Erasmus University in Rotterdam, “virtual organizations are frequently (re-
created, sustained to capture the value of a market opportunity and dissolved again to give way for
the creation of a next virtual organization.” Therefore, a virtual entrepreneurial team engages
collaboratively for a period of time to bring value into the marketplace. Researchers Mark Schenkel
and Gary Garrison from Belmont University define a virtual entrepreneurial team as “a group of two
or more individuals who, in the absence of face-to-face contact, engage collaboratively in innovative
activities intended to create new ventures or enhance organizational mission as a common goal.”
However, setting up a global entrepreneurial networked virtual environment is not a simple task, and
requires a global entrepreneurial leader capable of developing trusted, multicultural relationships.

**Cultural Diversity in the Global Business Environment**

Alan considered what Jane said to him and admitted, “We use all those tools now in our company
with Bill being halfway across the state and Craig at the client site. If we can learn to communicate
within our company and with our clients...” Alan mused. “But, it can’t be that easy to suddenly
connect to a bunch of people across the world and get this off the ground. Jane, what am I missing?”

The expanding virtual business environment encourages multicultural relationships as people
connect into socio-technical systems. Entrepreneurial leaders who accept that cultural connectivity is
here to stay may consider creating global partnerships through virtual networks a viable strategy.
However, as Dr. Sylvain Charlebois from the University of Regina points out, “many international joint
venture failures, according to previous research, are explained by factors such as contrasting human
resources practices and cultural incompatibility.”

Cultural incompatibility, from a leadership perspective, indicates a leader lacks the global mindset to
successfully work with multiple cultures. After interviewing several worldwide leaders, authors
Morgan McCall and George Hollenbeck in their book, *Developing Global Executives: The Lessons of
International Experience*, claim the global executive should be: 1) open-minded and flexible; 2)
culturally sensitive and curious; 3) able to deal with complexity by seeing patterns and connections;
4) honest and able to engender trust; 5) emotionally stable to deal with stress; and 6) credible with
technical or business skills.

Successful global leaders deny ethnocentrism and have the skills to manage diversity with a high
regard for other cultures. Global leaders have an open-mind and open-heart attitude to accept
people for who they are, and a genuine interest to learn about their culture and understand their
perspective. As McCall and Hollenbeck explain “the executives learned to look underneath problems, to ask questions, to dig deeper, to see the world through other people’s eyes—above all, to listen, to observe subtle cues, and finally to understand.”

**Leading a Global Entrepreneurial Team**

Leaders of global entrepreneurial teams face continuous change in their relationships as they learn how to embrace cultural diversity—developing a global mindset with time and experience. As Charlebois states, “Understanding and heeding cultural variables are critical practices to success in foreign countries.” The following action steps can help entrepreneurial leaders start transitioning their organizations into a global network environment:

*Lead from the Heart*

Understand yourself and what you value, be willing to self-evaluate and grow beyond a one-culture lens. Find the balance in your own personal life through spiritual renewal and counseling with an experienced, cross-cultural coach. In every relationship interaction, actively listen to the other person and learn to see things from their perspective. Communicate that you understand their perspective by restating what you heard back to them. Whether you agree or understand, you portray an openness and willingness to engage. People perceive those who are authentic and empathic, and end up letting down their own barriers. Even in worldwide religions, putting the other person first, is expected. Buddhists believe in “Right Intent,” developing compassion and not harming others. Hindus believe in “Moksha,” perfect unselfishness and knowledge of self. Christians believe in “Love,” loving one another as oneself, including their enemies and neighbors.

*Create a Climate of Trust and Optimism*

Trust takes time. Earning trust requires a leader to perform actions which consistently line up with his words. Show integrity by doing what you say and saying what you do. Align your personal and business life and do not draw lines of distinction. As a leader, stay focused on the vision with an optimism to keep the synergy and momentum of the company moving forward. In a virtual team, this is done by keeping a positive inflection in your tone of voice or ending an email on a positive note, such as “We have challenges to face, but I feel confident that together we will get this done.” Further, a simple thank-you goes a long way—always say “thank you” after any interaction. As Joseph Cangemi, emeritus professor of psychology at Western Kentucky University, states, “Leaders stay positive...and permeate the workplace with optimism and an encouraging and appreciative attitude toward employees.”
Share Knowledge
Create a culture of learning by building and sharing knowledge, and encouraging mentoring. Real learning allows others to strategize together on ideas, innovations and marketplaces. As Ramaswamy points out, “Strategy making is not exclusive but in fact inclusive, innovation is collaborative and organizational change and governance is a co-creative process.” In any project or task, look for opportunities to invite collaboration which, in turn, builds commitment. Simply state, “I need your help.” In a virtual team, use collaborative technologies, such as wiki pages, virtual whiteboards, or Google documents to discuss ideas or design new products and processes. Consider setting up a dynamic, mentoring program. Keeping the program dynamic allows for multiple reciprocal relationships to develop over time. In a virtual network, it eventually enables people to form small, ad-hoc workgroups.

Develop Multicultural Networks and Build Community Alliances
Facilitate relationships through open communication and flexibility to reconcile cultures. In the first century, Jesus Christ revolutionized society, bringing together multiple cultures to build a global alliance and community networks. The Jewish disciples were taught to love, accept, and fellowship with the Gentiles; the apostles were sent out to communities steeped in self-sufficient religious practices, Greek influence, and Roman rule. However, all were brought together under a unifying message of hope. As Romans 12:5 (NIV) reads, “So in Christ we who are many form one body.” The same holds true for virtual teams. As Charlebois asserts, “when relational problems occur between partners, the firms involved should never lose sight of the ultimate purpose for which they collaborated in the first place.” In virtual teams, find the good of the sum of the whole by creating a network-authored identity, team values and norms, and a team culture. Accomplish this by launching a social network, start topic threads, and allow the members to dialogue to flesh out genuine thoughts and feelings—a team identity will emerge. As Cangemi asserts, leaders “form teams and create opportunities...they get everyone involved.”

As the meeting closed, Alan looked at Jane and said, “I am amazed at how much you have learned about these entrepreneurial virtual networks. Do you have any ideas about potential partners we could contact?” Jane answered, “Well, since you mention it...”

Venture out. Go global.
About the Author
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