Immigrant Entrepreneurship in Sweden - Strategies for Firm Growth

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Abstract

Firm growth can be seen as a driving and determinant factor for economical development and employment in Sweden and other counties. SMEs play an important role and are bearing most of the economical growth and employment on their shoulders and represent 99.4 percent of all the firms registered in Sweden, which in return makes it important that they grow and develop. Every fifth firm established today is run by an immigrant entrepreneur and so far the immigrant entrepreneurs represent 14 percent of the firms in Sweden and most of these firms are considered as SMEs. The interest of immigrant entrepreneurship within academic research and media has increased during the last years and different studies have shown what impact immigrant entrepreneurs have on the Swedish society and how much they contribute to the Swedish economical growth and employment. A study done by Swedish Agency for Economic and Regional Growth (2010a) showed that immigrant entrepreneurs tend to have a more positive attitude towards firm growth than native entrepreneurs. Although immigrant entrepreneurs have a positive attitude towards firm growth there are some barriers to firm growth that they face which in return can prevent or slow down the firm growth. Strategies are important since they allow firms to achieve firm growth and business goals.

The aim of our study is to increase the understanding of strategies that immigrant entrepreneurs’ develop in order to achieve firm growth. Based on one previous study conducted by SCB (Efendic et al., 2012) studying firm growth and immigrant entrepreneurship, we have managed to identify a research gap that needs to be fulfilled. This thesis will contribute will relevant knowledge and data for entrepreneurs as well as individuals to get a deeper understanding of how immigrant entrepreneurs work in order to reach firm growth. The data collection and analysis of the research allowed us to be able to answer the research question; “How do immigrant entrepreneurs in Sweden develop strategies in order to reach firm growth in their business?” To carry on with the study and collect relevant data for the research, we took the direction of abductive approach with a qualitative research strategy.

The interviews and empirical findings consist of six different immigrant entrepreneurs based in Sweden. From the findings, the authors came across different strategies that are commonly used by immigrant entrepreneurs. Furthermore, internal and external factors and barriers provided in the literature also influenced the firm growth. It was really interesting to see that many of the most common prejudices that exist within immigrant entrepreneurship were false in this study. This is proved since none of the immigrant entrepreneurs limit their markets to the ethnical groups and most of the firms did not use the personal network in terms of family and friends when building up the staff base. Outsourcing was a strategy that used within many of the firms in order to continuously to reach firm growth. It was also interesting to see that the personal history of the entrepreneur had a huge impact on the firm growth and the business goals.

Key words: Immigrant entrepreneurship, Strategic management, Firm growth, Barriers to firm growth, Characteristics of the entrepreneur, and characteristics of the firm
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Judith Bindala                                           Michaela Strömberg

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1. Background Discussion

We start this chapter with a background discussion and from the identified research gap we pose the research question. We conclude the chapter by explaining the research purpose of the study and describing the outline of the study.

Sweden has for a long time been very dependent on large firms in terms of economical growth and employment. Today, more and more of these large firms find market opportunities in foreign countries, which in return has put more pressure on the Small- and Medium-sized Enterprises (SMEs) in Sweden. Due to this restructuring of labor market, it is a fact that SMEs in Sweden are now bearing most of the Swedish economic growth and employment on their shoulders. The Swedish SMEs employ a third of the labour in Sweden (Morrison et al., 2003).

The definition of SMEs according to the European Commission is that they have less than 250 employees (Cressy & Olofsson, 1997, p. 87), the yearly turnover cannot exceed 50 million Euros, and the balance sheet total cannot exceed 43 million Euros per year (European Commission, 2013). Out of 900 000 registered firms in Sweden are 99,4 percent SMEs. These numbers confirm the importance of SMEs for the Swedish economy. Since SMEs play an important role within the country itself, it is important to not only start up new ventures but also strive for development and growth within the firms.

Previous research states that it is important for Swedish firms to continue to develop and grow as new start-up ventures decrease the unemployment in the society (Vikström et al., 2007). Media and other academic research also highlight the importance of strong growth among firms since it affects the economical growth within a country. Besides contributing to the general welfare within a country firm growth also has an impact on the firms itself since it normally gives an increase in return on their investment (ROI) (Dobbs & Hamilton, 2006, p. 297). Finally, firm growth can also give a positive outcome for ‘individuals’ since it can contribute to employment (Dobbs & Hamilton, 2006, p. 312). Although, growth is proved to be extremely important, there are disagreements among researchers about how growth within a firm is created, although, one thing is clear – firm growth is a presumption for long-term survival.

Firm growth can have a lot of different definitions. The growth within a firm may be conducted in different forms such as number of employees, turnover, firm survival, market share, product development and so on (Hynes, 2010, p. 89).

Strategies for firm growth within SMEs are areas discussed much in the literature (Foreman-Peck et al., 2006; Hynes, 2010; Pasanen, 2007; Pleshko, et al., 2007; Wynarczyk & Watson, 2005). Strategies are also considered as important since it allows firms to develop and achieve firm growth (Weinzimmer, 2000) and Morrison et al. (2003) highlight the interest in understanding strategies that can be used to achieve firm growth and the business goals in SMEs. Different authors have identified commonly used growth strategies within SMEs such as business collaboration,
networking (Aldrich, 1999) and new product and market development. Besides different strategies it is also shown that one of the most important presumptions for a firm to grow in terms of turnover is that the entrepreneur has the willingness to grow and is striving to reach that goal (Wiklund et al., 2003).

In the last decades, the interpretation of immigration has also brought lots of attention worldwide, especially those countries with a high population of immigrants. The interest for immigrant entrepreneurship within research has the last years also increased due the fact that they have a strong impact on economical growth and employment (Casson et al., 2006, p. 580; Andersson & Hammarstedt, 2011). During the 21\textsuperscript{th} century the number of immigrants starting new firms increased by 75 percent (Swedish Agency for Economic and Regional Growth, 2010a). Every fifth firm established today in Sweden is run by an immigrant entrepreneur (ALMI, 2013) and according to research it is common that immigrants establish more new firms than native people in Sweden (Swedish Federation of Business Owners, 2010).

Today more than 75 000 firms in Sweden are ran by people with foreign background (ALMI, 2013), which means that the immigrant entrepreneurs represent 14 percent of all firms in Sweden. This shows their impact and importance of the economic growth and employment (immigrant entrepreneurs employ more than 250 000 people in Sweden (ALMI, 2013). All the immigrant entrepreneurs have together a turnover of 110 billions Swedish Crowns (SEK) and have a total profit of more than 30 billion SEK. Without considering the industry most of the firms are established by immigrants fall under the definition of SMEs since they are small or medium sized firms in terms of employees and turnover (Rezania & Önal, 2009).

There are previous studies conducted by Swedish Agency for Economic and Regional Growth (2010a) measuring immigrant entrepreneurs’ attitudes towards growth. It has resulted showing that immigrant entrepreneurs have a more positive attitude towards growth than ‘Swedish’ born entrepreneurs. The study also showed that although it is proven that immigrant entrepreneurs have a positive attitude towards growth there is no previous studies that indicate the strategies immigrant entrepreneurs develop in order to achieve firm growth.

Although immigrant entrepreneurs have been described to have a strong attitude and willingness to grow there are some obstacles those SMEs face, which eliminate them from growing or achieving growth (Barlett & Bukvic, 2001, p. 180; Kransniqi, 2007, p. 73). Common barriers for growth faced by immigrant entrepreneurs are related to financial difficulties, cultural differences, and language barriers (Swedish Agency for Economic and Regional Growth, 2010b).

Several studies have shown that the number of immigrants will increase drastically in the future, especially from Africa to Europe (Goldin, Cameron, & Balarajan, 2011 cited in Efendic et al., 2012). Due to this it gets even more crucial to have an understanding for firm growth among immigrant entrepreneurs (Efendic et al., 2012).
1.1 Research gap

Previous studies on strategies for growth have focused on different approaches such as internationalization, market and product development, networking and collaborations between firms (Pasanen, 2007; Foreman-Peck et al., 2006; Hynes, 2010) that allow SMEs grow. There are also studies that have been focusing on factors affecting firm growth (Weinzimmer, 2000) and growth within immigrant entrepreneurship of Asian firms based in United States of America (USA) and United Kingdom (Basu & Goswami, 1999). Still there are no studies focusing on strategies that immigrant entrepreneurs develop in Sweden in order to grow.

Due to the fact that immigrant entrepreneurship has got more attention in Sweden as well as other parts of the world, previous research conducted on immigrant entrepreneurship in Sweden have focused on studying the number of new ventures established by immigrant entrepreneurs and start-ups for self-employment (Kloosterman et al., 1999). There are also researches conducted in Sweden and Europe focusing on immigrant entrepreneurs in comparison with natives’ entrepreneurs, and the comparison between first- and second-generation of immigrant entrepreneurs (Andersson & Hammarstedt, 2011).

A study done by Swedish Agency for Economic and Regional Growth (2010a) measured immigrant entrepreneurs’ attitude towards growth in Sweden and the findings showed that immigrant entrepreneurs have a more positive attitude towards growth than Swedish entrepreneurs. However, there are no previous studies exploring if the positive attitude towards growth actually leads to firm growth (Efendic et al., 2012, p. 61).

When gathering data related to firm growth and immigrants within Sweden, we came across one academic research focusing on firm growth and immigrant entrepreneurship in Sweden, a study done by Statistiska Central Byrå SCB with a quantitative research strategy approach. The purpose of the study was to identify factors affecting immigrant entrepreneurship firm growth. A specific pattern that could be developed within growth in slow-grow and high growth firms and if there is different growth factors driven by the first-generation or second-generation immigrant entrepreneurs (Efendic et al., 2012). The result of the study showed that the pattern in terms of the firm growth (turnover) differs depending on the manager’s background but also that there are different factors influencing growth in immigration entrepreneurship such as slow-growth and high-growth.

Although there is one study conducted by SCB focusing on growth and immigrant entrepreneurs (Efendic et al., 2012) still it is believed that there is a need of more academic research within the area to fill the gap of how immigrant entrepreneurs develop different strategies in order to reach firm growth. This could also be considered as an important research issue since previous research shows that immigrant entrepreneurship is the fastest growing percentage of all firms that creates most of the net growth in new jobs (Henrekson & Johansson, 2010). This means that a country’s economical development gets affected by a small part of the total business population.

In terms of determining how a firm wants to grow it is also relevant that they find
strategies that will help the business to develop and grow. Since growth is vital for all businesses, firms must decide what type of growth they are looking for. As one of the key areas within the research is business growth, without development of strategies, it is impossible for firm to even achieve growth.

To conclude this, the study will cover the area of the strategies developed by immigrant entrepreneurs in order to grow their business. The study will not only base the information upon strategies that lead to growth but also take into consideration different growth factors such as characteristics of the entrepreneur and the firm that can influence the strategies. Although SMEs may have similar strategies in order to reach firm growth there are also other obstacles that immigrant entrepreneurs face that prevent the firm from growing. The authors’ aim for the study is to explore different strategies developed by immigrant entrepreneurs. Furthermore, explore the influence that the strategies can have on growth, the firm itself, owner-manager as well as how the strategies can be used in order to eliminate the barriers.

The research gap leads us to the following research question:

- RQ: How do immigrant entrepreneurs in Sweden develop strategies in order to reach firm growth in their business?

### 1.2 Research purpose

Based on the problem background and the research gap that we have identified, the purpose of this research is to explore and get a deeper understanding of different growth strategies that are developed by immigrant entrepreneurs in Sweden in order to achieve firm growth. We also aim to include factors and barriers that are related to firm growth.

### 1.3 Research outline

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**Background Discussion**

The first chapter of the thesis, background discussion, describes the main concepts and the context of the study. This chapter shows the need of a study within the area by identifying the research gap. The research purpose and question are posed.

**Literature Review**

In the second chapter we present and describe the chosen theories and literature that are relevant for this study. The chapter consists of four main sections that all are discussed.
Methodology

In the third chapter we present and discuss methodological considerations related to the research topic.

Empirical Findings

In this chapter we start to give a brief description of each case and provide the reader with the findings from the interviews.

Analysis

In this chapter we analyze the empirical findings and compare them with the theory from the literature review and abstract the analysis.

Conclusions and Recommendations

The final chapter provides the readers with the conclusions. We also explain the new theoretical implications. The authors end the chapter by giving recommendations and suggestions to things that can be changed, recommendation to further studies, and finally what this research has not be able to cover.
2. Literature Review

In the second chapter “Literature Review” we discuss relevant theories regarding the problem background, the research gap, and the research question; “How do immigrant entrepreneurs in Sweden develop strategies in order to reach firm growth in their business?” We divide this chapter into the four main sections: immigrant entrepreneurship in Sweden, firm growth, strategies for firm growth, and factors influencing strategies for firm growth. We conclude the theories by developing a conceptual framework.

As mentioned above the second chapter “Literature Review” is divided into the four main sections of this study; immigrant entrepreneurship, firm growth, strategies for firm growth, and factors influencing strategies for firm growth. We start the chapter by introducing immigrant entrepreneurship in Sweden, which is the context of our study. The next section provides the reader with information about firm growth and some barriers to firm growth. The theory chapter continues with describing some of the most common strategies for firm growth that are used within SMEs and the last section highlights factors influencing strategies for firm growth, such as characteristics of the entrepreneur and the firm.

2.1 Immigrants Entrepreneurship in Sweden

We start chapter two “Literature Review” by introducing the reader the first main section of our study, immigrant entrepreneurship, which is the context for our study. We start by explaining the immigrant situation in Sweden and the four different types of immigrants. As the word “immigrant” can be seen and described in different ways, we believe that it is important to introduce the different categories of immigrants that exist in order for the reader to get a better understanding. After this we provide general information about immigrant entrepreneurship such as the shift in industries and describe the first-generation and second-generation immigrants.

As mentioned in chapter one “Background Discussion”, the interest for immigrant entrepreneurs has increased over the two last years and not much academic and scientific research has been done within immigrant entrepreneurs in Sweden. This is an area that needs more research since the immigrant entrepreneurs have an important impact on the Swedish economy (Casson et al., 2006, p. 580; Andersson & Hammarstedt, 2011). These firms open up new markets, introduce new products, increase the trade, and offer employment to many people (Swedish Agency for Economic and Regional Growth, 2012).

Before getting into detail about immigrant entrepreneurship in Sweden it is important to provide the reader with information about when immigration to Sweden started.

Since the end of 1980’s until today, about 50 000 people immigrate to Sweden yearly and in 2011 Sweden had reached 1,4 million immigrants. This means that 15 percent of the total population in Sweden are immigrants. The majority of immigrants are asylum seekers (Migrationsinfo, 2013) and stands for 90 percent of the population growth during the last years (ALMI, 2013). According to Swedish Agency for
Economic and Regional Growth (2012) the definition of an immigrant is “a person who is born in a foreign country or born in Sweden and that both parents are born in a foreign country”. When talking about immigrants it is common to refer them as first generation immigrants and second-generation immigrants. First-generation immigrants are people born in foreign countries but moved to Sweden for specific purpose or reason (Svensk Handel, 2000, p. 10) while a second-generation immigrant is a person that is born in Sweden but has either one or both parents born in a foreign country (Behrenz et al., 2007, p. 157). There are different types/categories of immigrants based in Sweden and those can be categorized into four:

- **Asylum seekers**: “Someone who leaves their own country for their safety, often for political reason or because of war, and travels to another country hoping that the government will protect them and allow them to live there” (Cambridge Dictionaries Online, 2013). Since they are asylum seekers they are very dependent on the society and the governmental legislation.

- **Working permission immigrants**: A person that immigrates to Sweden for a working purpose. Mostly these people are not depending on the society and the governmental legislation.

- **“Marriage immigrants”**: A person that immigrates to Sweden because of marriage. These people are not depending on the society since their husband/wife has the responsibility in terms of money, housing and other resources.

- **Student**: A person that moves to Sweden because of studies and get working permission. These people are not depending on the government. (M. Amovic, personal communication, 8th of April, 2013)

We believe that is important to not make general assumptions about all immigrants as one type of group. It is important to show that the word immigrant consist of different type of people who come to Sweden for different reasons. The next section of this research provides the reader with information about the context of immigrant entrepreneurship.

The number of immigrants starting new firms increased by 75 percent during the 21st century (Swedish Agency for Economic and Regional Growth, 2010a) and every fifth firm established in Sweden is ran by an immigrant entrepreneur (ALMI, 2013). Immigrants establish more new firms than native people in Sweden (Swedish Federation of Business Owners, 2010). This can be a result of self-employment due to difficulties in finding a job, barriers that immigrants face within the Swedish society, or that the immigrants want to import products from the home country to the Swedish market. It can also be the desire of an owner/manager to get independence, improve the financial situation, get higher social status in the society, get more personal control in the work, a way the best get to use the knowledge and expertise, and to adapt previous industry experience (Basu & Goswani, 1999, p. 264).

According to Swedish Agency for Economic and Regional Growth (2010c) immigrant entrepreneurs are firms that are run by people born in a foreign country or by people where both parents are born in a foreign country.
In the beginning of 1980’s many people with foreign backgrounds established firms such as pizzeria, kebab kiosk, tobacco shops, small grocery stores, as well as shoemaking stores (SOU, 1999). After recession in the 90’s there were more and more firms developed by immigrant entrepreneurs because of the high level of unemployment (Edin & Åslund, 2001) and according to a study done by Andersson and Hammarstedt (2011, p. 33) the findings indicated that firms ran by immigrant entrepreneurs coming from countries outside Europe increased a lot in Sweden. The number of male immigrant entrepreneurs from counties such as Iran, Iraq, Syria and Lebanon doubled from 1993 to 2007 (Andersson & Hammarstedt, 2011, p. 33).

In the research done by Edin and Åslund (2001) the results showed that immigrant entrepreneurs were over represented in the traditional industries such as trade, hotels and restaurants while they were under represented in “knowledge-intensive firms” and consultant firms. The studies have also shown that more immigrant entrepreneurs run consultancy firms, law agencies, IT-firms etc. (Swedish Agency for Economic and Regional Growth, 2012). Other researchers have also been measuring the changes that have occurred with immigrant entrepreneurs, looking at the industries that they tend to operate within today.

Bates (2011, cited in Efendic et al., 2012) describes first-generation entrepreneurs as people who are born in foreign countries but establish firms in Sweden. Previous theories have demonstrated that firms led by first-generation immigrants focus often on personal and cultural products and services. These immigrants often try to sell their products to ethnic groups (Behrenz & Hammerstedt, 2002; Behrenz et al., 2007) and this can be related to the fact of dealing with their own language and culture. Serving the same ethnic group is also seen as an important way to succeed among immigrant entrepreneurs (Evans, 1989, p. 951). Another study conducted in the USA also confirmed that many of the first-generation immigrants establish firms whose main customers are other immigrants from the same ethnic group. The findings of this study showed that only serving customers from the same ethnic group had negative impact on firm growth (Bates, 2011, cited in Efendic et al., 2012).

Second-generation immigrant entrepreneurs are people born or raised in Sweden but have foreign-born parents (Behrenz et al., 2007, p. 157). The differences between first- and second-generation immigrants have been discovered from the individual educational background based in foreign country or in Sweden, individual income in business and knowledge about the society and so on. Studies from several countries reported a high proportion of self-employment among first-generation compared to second-generation (Behrenz & Hammerstedt, 2002; Behrenz et al., 2007). There may be a positive correlation between the generations in propensity to become an entrepreneur because the individual’s descendants may have acquired business experience from their parents (Ekberg & Rooth, 2001). Behrenz et al. (2007) have conducted studies based on second-generation immigrant entrepreneurs in order to show that there are differences and changes in the industries which immigrant entrepreneurs operate in today and also looking at the employee turnover and employment.

Most of the immigrant entrepreneurs (first-generation and second-generation) fall under the definition of SMEs due to the fact that they are small or medium sized firms
in terms of employees and turnover. According to the European Commission is the definition of SMEs that they have less than 250 employees (Cressy & Olofsson, 1997, p. 87), the yearly turnover cannot exceed 50 million Euros and the balance sheet total cannot exceed 43 million Euros per year (European Commission, 2013). Out of 900,000 registered companies in Sweden 99.4 percent are SMEs”.

The next section will provide the reader with information regarding firm growth within SMEs and immigrant entrepreneurs.

### 2.2 Firm growth

In this section we discuss firm growth within SMEs in general. We provide the reader with our definition of firm growth and explain why it is important to study. We then discuss different barriers to growth that SMEs can face and some barriers to growth that are especially common for immigrant entrepreneurs.

#### 2.2.1 Firm growth within SMEs

As mentioned in chapter one “Background Discussion”, immigrant entrepreneurs represent 14 percent of all the firms in Sweden (ALMI, 2013). This clearly shows the important role that the immigrant entrepreneurs’ play in the Swedish economy and the high number of people that works for immigrant entrepreneurs (ALMI, 2013). As they play an important role in Sweden, previous research shows that it is important that firms in Sweden continue to grow and develop as they help to decrease the unemployment in the society (Vikström et al., 2007). Media and other academic research also highlight the importance of strong growth among firms since it may have a great impact on the economical growth within a country. The interest of growth within SMEs has also got a lot of attention among research (Storey, 1994).

According to Dobbs & Hamilton (2006, p. 313) firm growth is defined “as a change in size over any given period of time”. Therefore, what do we consider as firm growth in this study? Firm growth within SMEs can be measured in a lot of different ways. The growth within a firm may be conducted in different forms such as number of employees, turnover, and market share and product development and so on (Hynes, 2010, p. 89). When it comes to research related to government policy it is most common that firm growth is measured by looking at the increase in employment (Hoogstra & Van Dijk, 2004; Chaganti et al., 2002; Davidsson & Delmar, 1997 cited in Dobbs & Hamilton, 2006, p. 312; Smallbone et al., 1995). This is not something that is commonly used when measuring firm growth within SMEs since it is not often a common goal among the managers (Dobbs & Hamilton, 2006, p. 312). Since we are looking at different strategies that can lead to firm growth our aim is to keep the definition of firm growth as broad as possible but niched to the concept of SMEs/immigrant entrepreneurs. Growth is also often correlated with achievements of goals, existence and success or ascending different activities (Delmar & Wiklund, 2003; Dobbs & Hamilton, 2006; Storey, 1994).

Growth brings different kinds of benefits at different levels in the society. As mentioned in the introduction chapter the most frequent public benefit of a SME
growth is the contribution to the employment in a country (Dobbs & Hamilton, 2006, p. 297) and the clear benefit of firm growth for the business owners is the increase in return on investment (ROI). Firm growth goes typically hand in hand with high performance and therefore the gain of a monetary return is common and it also increases the chances of firm survival (Davidsson & Delmar, 1997; Taylor & Cosenza, 1997, cited in Dobbs & Hamilton, 2006, p. 297). A study made by Philips and Kirchoff (1989) showed that young growing firms had twice as high chance to survive than firms that did not grow.

Even though growth is important and sometimes crucial there are also barriers that can prevent firms to grow or slow down achievement towards firms’ goals. Firm growth is to a certain extent determined by the barriers. The barrier that firms with ambition to grow face varies with industries as well as the strategies that are developed. The reason why barriers to growth are relevant for this study is because they must be considerable to an extent since they are the mirror image to drivers of growth.

2.2.2 Barriers to growth for SMEs and immigrant entrepreneurs

Almost all SMEs face barriers to growth at some point in the business can either prevent or slow down the growth. Growth barriers can often be divided into internal and external barriers (Barlett & Bukvic, 2001, p. 180). Most of the SMEs have the ambition to grow but the internal and external environment can obstruct their desire and capability to achieve firm growth (Kransniqi, 2007, p. 73). We start by introducing some internal barriers such as the competence/knowledge within the firm, the owner/manager’s unwillingness to grow, lack of resources and recruitment of employees. Then we will discuss external barriers such as business environment and lack of external capital. We will end this section with describing some barriers that are especially related to immigrant entrepreneurs.

Internal barriers to growth

The internal barriers are the barriers that take place within the firm and it is possible for the firm to affect these barriers by themselves. Below we list some of the most common internal barriers for SMEs.

- Competence/knowledge
- The owner/manager’s unwillingness to grow
- Lack of resources
- Recruitment of employees

According to Berglund and Blomqvist (1999) can the competence/knowledge within the firm cab be a barrier to firm growth. If the managers or employees within the firms have difficulties to analyze the market, understand the demand and need for change in the product or service offerings it can become a barrier for growth.
Not all the managers of SMEs have the objective to grow and if they had an objective for growth it could have disappeared once they reach “minimum efficient scale of business activity” (Bartlett & Bukvic, 2001, p. 180).

SMEs tend to the lack resources needed to grow, which can be a barrier to growth and this can be related to the fact the SMEs often posses smaller networks than large firms (Bartlett & Bukvic, 2001, p. 180; Tödtling & Kaufmann, 2001). Another barrier according to Bartlett & Bukvic (2001, p. 181) is the hiring process of employees. A firm can be affected negatively if they are not able to hire staff in relation to the business expansion of the activities.

Now when we have describing internal barriers we will discuss external barriers.

**External barriers to growth**

Janssen (2002, cited in Kransniqi, 2007) explains external barriers such as dimensions of generosity, changes and the unknown. External barriers for growth are factors that either the firm or managers can affect rather something that occurs during the process of growth with the firm. According to the external changes that occur the firm itself must adjust to them as well as creates strategies that help them to overcome. Two of the most common external barriers are;

- Business environment
- Lack of external risk capital

There are theories and evidence that supports the view of business environment as an external factor that can put a barrier for growth within small firms (Krasniqi, 2007, p. 75). Lumpkin and Dess (1996) point out that business environments can influence firm development and growth regardless the type of strategy developed or the resources that the firm has. Business environment is a concept expressing the dynamism, business opportunities, industry growth and demand for the products (Zahra & Ellor, 1993). Other authors discuss business environment as hostile environment (Tsai et al., 1991; Wang et al., 2004) that can be seen as a barrier for the firm growth. Hostile environment can result from radical and unfavorable changes in the industry as well as the competitive rivalry in the market.

In the context of dynamism and complexity of the business environment it can be seen as the instability and uncertainty in the market as unpredictable factors (such as changes in the demand and technology) can increase the barriers for growth (Krasniqi, 2007, p. 75). These are factors are very important to take into consideration because business environment always have an impact of any type of firm, regardless if it is SMEs or large enterprises.

Having access to external finance is a key element for all businesses and can have an impact both on the establishment and expansions of the firm (Falcetti et al., 2003 cited in Krasniqi, 2007, p. 80). External finance can be seen as loan grants from public sectors as well as the owners own sources (Krasniqi, 2007, p. 80). If the firm is not progressing and developing within its business the growth orientation of the firm will be dependent on the need for external finance supplied from either banks, venture
capitalist and so on. This is an external risk and barrier that most SMEs face that prevent the firm to grow (Krasniqi, 2007, p. 80). Reason for taking this into consideration is because lack of capital can jeopardize the business and the survival of the firm. Although firm might be innovative and have the right ideas if there is no capital available it becomes difficult to invest in new markets, develop new products or expand the business.

We will end this section with describing some barriers to growth that are particular to immigrant entrepreneurs.

**Barriers to growth that are especially linked to immigrant entrepreneurs**

- Language
- Culture
- Lack of network
- Lack of external risk capital
- Limited markets

Immigrant entrepreneurs in Sweden are groups that often face barriers in terms of growth. Besides strategic difficulties, immigrant entrepreneurs face other barriers related to language difficulties, culture and society integration, rules and laws (Aldrich & Waldinger, 1990). These barriers can cause problems, discrimination and lack of networks (Swedish Agency for Economic and Regional Growth, 2010a).

As earlier mentioned, many immigrant entrepreneurs tend to limit the market serving ethnic groups or an area with a lot of immigrants, which in return decrease the chances to grow and find market opportunities (Aldrich & Waldinger, 1990; Basu & Goswani, 1999, p. 252). Because of the limit of target segmentation to ethic market it becomes harder to find or acquire resources needed in order to finance growth. It is often necessary and important to reach other markets to achieve growth (Aldrich & Waldinger, 1990; Basu & Goswani, 1999, p. 252).

Growth barriers exist but there are also ways on how firm can overcome or eliminate them. Strategies have been discovered to be a way for firms to overcome growth barriers. To achieve firm growth and to overcome these barrier, it is important that owner/manager of the SMEs develop suitable strategies (Barber et al., 1989 cited in O’Gorman, 2001; Hambrick & Mason, 1984). Firm growth gets influenced by the strategies that are used (Basu & Goswani, 1999, p. 254) and strategies within a firm can explain how firms reach growth. McKelvie and Wiklund (2010) state that firm growth includes different phenomenon’s and previous studies have focused on “how much” firms tend to grow and not “how” they actually achieve growth.

**2.3 Strategy**

Strategy is a term that can be used in different context and can mean lots of things. Therefore, we believe it is important introducing strategy management in general and then later on discuss strategies for growth to help the reader to follow up in the research.
In this section we start by presenting and discussing strategic management in general in order to give the reader a clear guiding for understanding. We then describe and discuss the most commonly used strategies for growth within SMEs.

2.3.1 Strategic management

Strategy is broad concept that can be defined in different ways depending on the content, context and process. Chandler (1969, cited in Johnsson et al., 2011) describes strategy as way to plan long-term goals and adapt to different actions as well as resource allocation needed in order to achieve firm goals. Porter (1996) is well known for his models of competitive strategies by delivering unique set of values in order to develop, compete, growth, and expand as well as the five forces for competing in a rival industry (Porter, 1996, p. 6). Johnson et al. (2011) describe strategy as the long-term direction of the organization divided into three different horizons frameworks. The three horizons explain that at each stage on the firms development, different types of strategies must be developed such as evaluating activities, adding new business that may add value to the firm in future, and observing for new opportunities to expand or grow (Johnston et al., 2011).

In reality, when some markets are stable, others are dramatically changing and it can be without warning (Eisenhardt & Martin, 2000, p. 1106). These changes can be within shifting customer value requirements, emerging technologies, new competition, different business models stemming from industry and value chain modification and so on. Strategic thinking plays important role and has a great impact on firms in order to grow and reach firms goals (Cravens et al., 2009, p. 32). The importance of strategic thinking lays on analyzing the relevant strengths that create new opportunities in the market. Ways on how to implement strategy may require changing market target and positioning strategies, adding new products into the product portfolio, entering new markets, developing and increasing networking and so on (Cravens et al., 2009, p. 3).

Proper strategic planning is needed for a firm to grow and it is not enough with goals to reach firm growth (Ansoff, 1968). By using strategies the firms get guidance in how to work to be able to reach and create firm growth (Coulter, 2008, p. 201).

As strategy can have many definitions depending on the content we believe that information provided above has given the reader a clearer interpretation of strategic management. Information below will focus on the area within our research, concentrating on different strategies that SMEs use in order to grow. It is important to keep in mind that not all strategies are relevant for SMEs and some growth strategies can only be pursued by large enterprises.

2.3.2 Strategies for firm growth

As this section looks at strategies for growth, the theories will be based on the market and product development, business collaboration, networking, internationalisation, human capital and financial bootstrapping. At first, we start by explaining and introducing Ansoff (1968) model for growth and later on move into our main focus
area. At each part when describing the theory, we also provide relevant information about the reason behind why we decided to use those strategies rather than other.

**Strategies for firm growth – Ansoff (1968) matrix model**

The achievement of growth is an arguable phenomenon that has been discussed to be the most difficult business challenge for firms. Without considering the importance or difficulties in the process of achieving growth, business practices, competitive tactics and strategies have been identified by literature to help firms achieve growth (Moreno & Casillas, 2008; Porter, 1990). In terms of strategies, Ansoff (1968, cited in Eitzen & Sartoius, 2012, p. 81) developed a model of four different strategic directions that firms can undertake in order to achieve growth such as “Market penetration, Product development, Market development or Diversification”. The market penetration is about increasing value to the existing customers (McGrath & MacMillan, 2005; Mascarenhas et al., 2002) by putting focus on serving the customers needs with intense dedication and increasing customer demand (Reichheld, 2003; Zook & Allen, 2003). Product development strategy focuses on developing a number of new products and bringing new values to the customers. Within this strategy, innovation is the power driver that can bring growth to the firm (McGrath & MacMillan, 2005; Mascarenhas et al., 2002 & Zook & Allen, 2003). Market development strategy focuses on discovering different ways on how the firm can effectively connect to its customers through the products and services. Diversification focuses on first mover advantage that involves taking a completely new direction and serving new customer within new markets. Controlling the market results only by first mover and if there is a perfect competition (Mascarenhas et al., 2002, p.325). The Ansoff (1968) growth Matrix presented above was the first published article in Harvard Business Review in the 60’s presenting growth strategies and has provided generations of owner-managers effective way of thinking when it comes to strategies on how to achieve different firm growth.

As Ansoff (1968) matrix model is considered to be an old strategic model, there are also other researchers (Bell et al., 2004; Armario et al., 2008; Hynes, 2010; Johanson & Vahlne, 1977; Acedo & Jones, 2007) who have written about different strategies that can help firm to grow such as expanding through internationalization and networking through acquisition by acquiring and consolidating firms in order to increase market share and growth (Zook & Allen, 2003) knowledge sharing within the firm by combining information with experience, context, interpretation and reflection (Kulkarni et al., 2007, p. 310).

Although there are different types of strategies that can bring growth to the firm, not all strategies are appropriate for SMEs. Because of resource limitations and the small size of the firm, SMEs cannot always develop the same growth strategies that are developed within large enterprises.

**Product and Market Development**

Perry (1986/87, cited in Wolf & Pett, 2006, p. 323) examined growth strategies that are appropriate for SMEs, niche strategies such as product development and market development with strong need for innovation. Further support from this position
comes from considering that SMEs economies of scale are not the same as larger firms and therefore, the competition tactic and growth strategies must primarily be based on innovation rather than price (Wolf & Pett, 2006; O’Gorman, 2001). Consequently, for this study product development and market development will be two of the several strategic theories taking into consideration within this study. A study conducted by Tuan and Yoshi (2009, p. 48) showed that SMEs engaged in new products or services and enter new markets generate higher growth than firm that do not.

Market penetration can to some extent be linked to market development but at the same time differ. The reason for not using market penetration is because of the difficulties for SMEs to increase marketing potential by serving same market size. A way to grow by using market penetration strategy is by increasing growth. A way to increase market share can be to lower prices of product and services, which is not a common case for SMEs. It can be more efficient and effective to expand the potential by selling existing product and services in new markets, since there is a potential of finding new users in new markets (Pleshko et al., 2008, p. 109). Diversification on the other hand by getting into new markets with completely new product can acquire large amount of investment and risk taking for SMEs (Pasanen, 2007, p. 320). This in return can be a risk for the firm neglecting its core capabilities. Acquisition is also another growth strategy that is commonly used by firms to grow. Here a firm purchases another firm in order to expand its operations or production (Pasanen, 2007, p. 323). It is important that the firm knows exactly what they want to achieve by using acquisition strategy, primarily because of the significant investment that is needed to implement the strategy (Grant & Baden-Fuller, 2004, p. 64).

Considering the position of SMEs, market penetration, diversification and acquisition can be hard to implement depending on what stage the firm is at, also it requires a large investment, knowledge and having a clear purpose of what the firm wants to achieve by pursuing these growth strategies. Therefore we decide to limit our research by looking at the common strategies developed by SMEs such as market and product development (Perry, 1986/87, cited in Wolf & Pett, 2006).

**Product development**

In product development strategy firm’s focus lays on developing new or updating the existing products from the product portfolio as well as providing new values to customers. Product development requires a lot of creative thinking and innovative ideas (McGrath & MacMillan, 2005; Mascarenhas et al., 2002 & Zook & Allen, 2003). Other important aspects within product development are how the firm can increase market share of the new products (Tuan & Yoshi, 2009, p. 40). In order to be able to eliminate the competitors it is also important for product portfolio to be renewed. It is not enough to just do an upgrade of products, firms must also be able to view the opportunities existing in the market (Eitzen & Sartorius, 2012). It is important that the firm has within it the ambitions for growth because new opportunities requires adjustments, which will never be implemented unless the management team as well as employees within the firm have positive ambitions toward growth (Morrison et al., 2003). Perry (1986/87, cited in Wolf & Pett, 2006)
states in his study that it is important that SMEs focus on niche strategies since the most suitable strategies for SMEs are within product and market development.

**Market development**

Market development strategy focuses on discovering different ways of how the firm can effectively connect to its customers that can help the firm to grow. Market development goes hand in hand with market penetration but differ to some extent with a focus to serve both existing customers and increase the customer base (Miles et al., 1978, p. 551). With product development firms try to increase their market, broaden customer base and sell more products in order to expand. Different ways of market development are discovering new segments or segments that are not currently served and convincing current customers to also buy the new products and services that have been developed.

For instance, when looking at the first generation immigrants serving ethics groups. Through implementation of market development, firms move from the ethic customers towards competing in the wider domestic market “gradually, the international market” (Basu & Goswani, 1999, p. 255). Aldrich and Waldinger (1990) assert that the success of ethnic businesses, in the sense of developing from small and growing, the ability lies on branching out from the ethic enclave economy which in turn is influenced by changes occurring within the community.

**Business collaboration**

Finding partners to collaborate and create relationships with can provide greater opportunities for growth and it is seen as an indication for growth intention (Grant & Baden-Fuller, 2004, p. 62). Collaboration relations comprise joint venture, strategic alliances, networks, and trade associations. The alliances involve cooperative relations that are not fully done by either formal contracts or through ownership (Grant & Baden-Fuller, 2004, p. 64). Strategic alliance and joint venture refers to commitment of two or more firms aiming to achieve the same goal with common resources and activities (Teece, 1992, p. 19). The activities of business collaboration can involve partnership with suppliers, technical collaborations, projects within joint venture through product development, shared manufacturing agreements etc. (Teece, 1992; Grant & Baden-Fuller, 2004). Partnership in joint ventures, networks and alliances can contribute growth achievement to firms by giving access to a larger amount of recourses, provide managers with knowledge and intellectual capabilities as well as help the firm find new market opportunities (Grant & Baden-Fuller, 2004, p. 63). As mentioned before, because of the resource limitations of small firms, collaborative relations are also vital for the success of firm’s internationalization (Barringer & Jones, 2004).

**Networking**

Networking has also been noted as an approach for growth and provides benefits in finding new customers, foreign market selections, marketing activities, and source of increasing market potential as well as if the firm has the ambition to expand in a
foreign market, it provides feedback on if the chosen entry mode is suitable for export strategy (Oviatt & McDougall, 2005, p. 545; Bell, 1995, p. 64). Johansson and Vahlne (2009, p. 1412) define a network as a set of two or more connected exchanging relationships through system of social and industrial relationships such as customers, suppliers, competitors, family, and friends (Vasilchenko & Morrish, 2011, p. 90).

Starr et al. (1990) state that networking skills and strategies provides a better understanding and factors for SMEs firm growth. The more networking firms are involved in, the more they acquire information and communication that can bring turnover and faster growth into the firms. Empirical studies have shown a combination between networking, activity and growth (Chell & Baines 2000; Huggins, 2000) but not much have specifically been explored about different type of networks developed in order to help firms to achieve growth. In a study by Ostgard and Birley (1996) the authors provide different networks such as social network, personal network, and organizational network that can have been seen to have a strong impact on SMEs. Social and personal networks are significant in preparing the entrepreneurial process since it involves relationships of an individual with other individuals (Ostgard & Birley, 1996, p. 38) and from the personal network the owner/manager can generate financial, human, and social capital (Johannisson, 2000, cited in Andersson et al., 2011). Networking can help to encourage motivation into the entrepreneurial mind-set. In some stance, nature of relations created between diverse parties and the network involving exchanging resources among different members will have an impact on strategic decisions (Coviello & Munro, 1997, p. 366). Firms are often in need of information and resources, which makes the heterogeneous contacts crucial for the firm. When a firm has a heterogeneous network it means that the firm has contacts in different industries, positions, localizations and so on (Aldrich, 1999). A homogeneous network does not bring the same value to the firm since the network is limited to a specific industry and maybe location.

Immigrant entrepreneurs do often have a strong personal network. Family, friends and people with the same ethnical background are common within a network of an immigrant, which gives them a flexible access to information, capital and cheap labor. Kloosterman et al. (1999) state that the information given is often limited to the specific area/location of the immigrant.

**Internationalization**

Internationalization is a phenomenon that has been researched intensively from diverse viewpoints with a focus on SMEs and large enterprises (Bell et al., 2004; Armario et al., 2008 & Hynes, 2010). In relation to SMEs there have been three different approaches of firm internationalization that early literature has focused on such as incremental stage model (Johanson & Vahlne, 1977), internationalization through networking (Johnson & Vahlne, 2009) and the born global approach (Acedo & Jones, 2007). Stage model approach allows SMEs to gradually internationalize through exporting and expanding its business in markets close to domestic markets (Oviatt & McDougall, 2005, p. 540) by developing knowledge and increasing experience in the foreign market for greater resource commitment (Johansson & Vahlne, 2006). Previous literature has discovered that SMEs do not often export (Storey, 1994) but export has been seen as a good way to achieve high growth for the
firms that have the ambition to grow (O’Gorman, 2001; Zahra et al., 2000). The process of exporting can itself be reflected as a part of a firm’s production and market development, a growth characteristic in its own right (Zahra et al., 2000, p. 929).

According to Johansson and Vahlne (1977) before a firm considers internationalizing and knowledge about the foreign markets it must be perceived as well that firm must find available resources in order for them to successful in the foreign markets (Johanson & Vahlne, 1977, p. 23). The stage approach of internationalization delivers benefits in reducing the risk of exporting and permits the owner-manager of the firm to maintain control over international business activities and the necessity of resources are limited for international expansion (Hynes, 2010, p. 90).

Controversy, the stage model were criticized by researcher explaining that not all firms internationalize incrementally but that some firms also pursue a more rapid way to internationalize (Gabrielsson & Kirpalani, 2004; Hedlund & Kverneland, 1985, cited in Moen & Servais, 2002). The stage model theory focuses on SMEs becoming international by first operating in the local markets before going aboard (Oviatt & McDougall, 1994). The “born global” international approach is more about firms having a global orientation from the start of the business (Gabrielsson & Kirpalani, 2004, p. 557) and these firms see business opportunities oversees (Chetty & Campbell-Hunt, 2004, p. 61). Madsen and Servais (1997) describe born global firms to pursue an international approach in order to expand directly from the establishment of the firm or a short time after the first market entry (Madsen & Servais, 1997, p. 562). The sales of born global firms often reaches different markets at the same time and the target market is always the foreign market rather than internationalizing in domestic markets as well as born globals are often not afraid of taking risks abroad (Knight et al., 2004). The three internationalization approaches provided above are different growth strategies that SMEs can use in order to achieve firm growth within SMEs (Hynes, 2010, p. 91).

Previous theories have stated that immigrant entrepreneurs tend to often import and export products or services from their home countries. The three types of internationalization such as stage model, born global and networking, will be used to find out if the immigrant entrepreneurs at the moment develop any type internalization strategies that can allow them to reach firm growth. Furthermore, found out if the owner-manager of the firm has the ambition to grow through internationalization by providing the products and service in the foreign markets. We decided not to exclude any of strategies because it can occur that the immigrant entrepreneurs are already from the start a born global firm or trying to increase their business through incrementally expanding organically as well as using networking in the foreign market in order to be able to sell their product.

**Human resource strategies**

A good way for a firm to develop and grow is if they can provide something that the market wants and the competencies within the firm can be the key to growth (Kay, 1993, cited in Foreman-Peck et al., 2006). Competence approach suggests that a firm takes advantage of the firm-specific knowledge and skills as well as adopting training plan for its employees (Foreman – Peck et al., 2006, p. 310). Cosh et al. (2006, cited
in Foreman-Peck et al., 2006) also state that employee training positively connected to growth, especially when it is surrounded by broader variety of human relations practices. It helps to improve business performance and competitiveness by communicating the firm objectives, mission and evolving employees to encounter these objectives (Foreman – Peck et al., 2006, p. 310). Since firm employees are viewed as the critical resource in the achievement of growth it is important that the firm manage their human capital and human resources management practices (Lin, 1998; Thakur, 1999). Robson and Bennett (2000) and Lin (1998) deliver empirical evidence showing that there is a positive association between employee skill level and firm growth as well as the skills of the employees is the crucial for the productivity of a firm operation. Storey (1994) also argued that firms adopting into training could be positively connected to the firm size (Storey, 1994, p. 145). The owner-manager must also enhance their capabilities in bringing out ongoing management concepts such as employee satisfaction, development needs, employee empowerment, and delegating responsibilities (Chaganti et al., 2002; Lin, 1998; Wood, 1999).

Financial strategy – bootstrapping

Bhide (1992) was the first one to recognize the potential of financial bootstrapping for new and small firms. There have been studies made in Sweden examining the financial bootstrapping among Swedish businesses in diverse sectors (Winborg & Landström, 2001).

The exploratory study by Winborg and Landström (2001) came across 32 different bootstrapping methods that owner-managers used in Swedish firms. The findings of the previous studies demonstrated the importance of bootstrapping methods in firms and the most common methods comprised the purchase of something used rather than purchasing completely new goods (Lam, 2010; Winborg & Landström, 2001; Winborg, 2009). Storey (1994) have also referred to the financial gap that SMEs face from attracting long term finance from market actors such as banks and venture capital firms. Winborg (2009) identifies financial bootstrapping as a method used to meet different needs for resources without depending on banks, debt holders or new owners. Harrison et al. (2004) view bootstrapping strategy in two different angles such as developing new and creative methods to limit the need for external financial such as banks and to obtain finance through being scarce about the resource and trying to limit cost.

Another example of financial bootstrapping was founded by the Asian immigrant entrepreneurship in the USA, the rotating credit association (RCA) that propose that certain ethnic groups are proactively involved in boosting the supply of entrepreneurial finance by starting up different type of saving between the social/ethnic group. This in return had a great impact on the values of the ethnic groups. Importance of bootstrapping have also been recognized as both implicit and explicit, including the source of financing the business with help from friends and family, business owners, own savings and trade credit, risk management, and social networks (Birley, 1985; Wetzel, 1986; Redding, 1990; Basu & Parker, 2001; Keh et al., 2002; Schwienbacher, 2007 cited in Lam, 2010, p. 274). In financial strategy, risk management, social networks, friends and family as well own savings have played an important role within immigrant entrepreneurs (Svensk Handel, 2000, p. 16).
Alongside the firm, financial bootstrapping is driven by the owner-managers as they have a strong impact on the decisions and creative means in managing the financial needs. Additionally, it has also been argued to be a culturally and socially influenced manner.

Now that we have described different strategies developed in SMEs in order to reach firm growth, we will move on looking at factors that influence the strategies for growth. When firms develop different strategies in order to grow it is important to take into consideration internal and external factors that can affect the strategies. Since we are looking at SMEs, previous studies have shown that the owner/manager has a big impact on the firm and firm growth. The size and age of the firm must also be taken into consideration since they influence the firm growth.

2.4 Factors influencing the strategies for growth

In the fourth and last main section for the literature review we discuss factors that can influence strategies for firm growth. It is not only different strategies that affect firm growth but firm growth can also be influenced by internal and external factors (Man & Chan, 2002). Storey (1994) and Smallbone and Wyer (2000, cited in Dobbs & Hamilton, 2006) argue that education and previous industry background of the owner/manager are critical to the success of firm growth since they influence the “ability to spot market opportunities, develop appropriate strategies and systems, and implement them”. Other factors such as motivation and the age size of the firm can also influence the firm growth, as well as location and industry (Dobbs & Hamilton, 2006; Storey, 1994, p. 128-142). Below we present some of the most common internal factors.

2.4.1 Characteristics of the owner/manager

In order to understand how SMEs achieve growth it is important to look at the SME owner/manager’s, the SMEs employees and the markets they operate in (Wolf & Pett, 2006, p. 269). Since the owner-managers characters’ dominants the small firms (Vesalainen, 1995 cited in Pasanen, 2007, p. 322) the SME owners can be exposed to challenges of achieving growth. In terms of the heterogeneity of small firm growth, there are differences in how it is managed by the owner (Gibb, 2000).

It is common that business owners in SMEs take the whole management role themselves or that they have a lot of control of the business (Dobbs & Hamilton, 2006; Miller, 2011, p. 875). The characteristics of the owner/manager have a huge impact on the growth orientation and how well the business is managed (Barkham, 1994; Barringer & Jones, 2004; Davidsson, 1991 cited in Dobbs & Hamilton, 2006; Entrialgo, 2002). According to Barringer and Jones (2004) the relationship between firm growth and characteristics of the owner/manager is important for two reasons. “First, it is believed that the founders of a firm place a lasting “stamp” on the business that influences the culture and behaviors of the firms. Second, establishing a new firm is a challenging process” (Dobbs & Hamilton, 2006, p. 307). Previous research suggest that characteristics of the owner/manager can contribute to firm growth but
that no single factor seems to have a dominant contribution (Dobbs & Hamilton, 2006).

Education

Education can make the owner/founder of a SME motivated to achieve higher performance as well have a positive impact on the management resource base of a firm (Dobbs & Hamilton, 2006, p. 308). Besides getting a lot of new knowledge related to the study area it is also assumed that people who educate themselves get skills in foresight, communication and imagination (Dobbs & Hamilton, 2006). Higher level of education can also be more motivated to improve and grow the business. This is probably related to their higher earning expectations (Dobbs & Hamilton, 2006, p. 308).

Casson (1991, cited in Basu & Goswani, 1999) states that although the education of an owner/manager is not directly relevant to the business it can contribute to firm growth in other ways. The education can help the owner/manager to improve his/her communication skills. This can help to extend the network and when meeting banks, which in turn can lead to more external financial resources. Besides contribution to increased communication skills, education can improve the analytical and managerial skills to define a strategy, planning, and the ability to recruit the right employees (Dobbs & Hamilton, 2006). Casson (1991, cited in Basu & Goswani, 1999, p. 259).

Prior work experience

A number of authors argue that entrepreneurs play a key role within a SME and that previous management experience of the owner/manager can have a big impact on small business growth due to higher expertise in managing a business (Dobbs & Hamilton, 2006, p. 309). Singer (1995) also states that an owner/managers previous work experience influence the performance of the business. Those who had prior experience of establishing a new venture before the current firm are believed to have advantages since they can avoid costly mistakes. A person who is involved in a number of firms can be called a portfolio entrepreneur (Smallbone & Wyer, 2000 cited in Dobbs & Hamilton, 2006). Those people are often associated with firms that are growth oriented (Dobbs & Hamilton, 2006). If the owner/manager has been working within the same industry it can benefit the firm in terms of already established networks within the industry and easy access to market information (Basu & Goswani, 1999, p. 260).

In terms of immigrant entrepreneurs it is common that they have gained prior industry experience from within the family business (Basu & Goswani, 1999, p. 254).

It is possible to reference entrepreneurs as “early starters” and “late starters”. The ones that start the firms later tend to have gained relevant prior industry experience from a family business, non-family business or as professional before starting up the firm (Basu & Goswani, 1999, p. 260). By being a “late starter” the entrepreneur have probably learnt valuable lessons from past experience. Studies have also showed that these entrepreneurs rely less on co-ethnic labor than the “early starters” and they do
not depend on family workers as much as the early starters (Basu & Goswani, 1999, p. 260).

**Ambition/Motivation to grow**

The owner’s motivation for establishing a new venture affects the firm growth (Dobbs & Hamilton, 2006, p. 308). A business that has been set up as a way for the owner to avoid unemployment does not have as high propensity to grow as a firm that is set up in order to explore opportunities on the markets (Smallbone & Wyer, 2000, cited in Dobbs & Hamilton, 2006; Hamilton & Lawrence, 2001). It is important to keep in mind that the motivation (thoughts/attitude) of the owner/manager does not lead to growth – it is the actions and operations that leads to firm growth. The motivation of the owner/manager is also seen as one of the most important factors in order to achieve growth (Heinonen et al., 2004 cited in Dobbs & Hamilton, 2006; Smallbone et al., 1995) but all owner/managers do not have a growth objective (Dobbs & Hamilton, 2006, p. 305). Firms that have a vision that includes growth orientation can ensure that “decisions are made with growth in mind” (Dobbs & Hamilton, 2006, p. 311).

A growth-oriented vision helps to manifest the importance of growth and by that increase the chance that decisions are made with growth in mind (Barringer & Jones, 2004). One reason for the lack of motivation for firm growth among some owners/managers is that they have succeeded to achieved the goals and objective that they formulated when establishing the firm (Dobbs & Hamilton, 2006, p. 311).

When talking about the motivation behind the start of the firm some refer to “push” and “pull” factors where push factors are related to a negative motive and pull is a positive motive. It is proved that some immigrant entrepreneurs in Sweden start their firms as a way to avoid unemployment. This could be referred as “push” factor with underpaid salary and discrimination (Basu & Goswani, 1999, p. 264). Pull factors, on the other hand, can be the desire of an owner/manager to get independence, improve the financial situation, get higher social status in the society, get more personal control in the work, a way the best get to use the knowledge and expertise, and to adapt previous industry experience. “Pull factors seem to be more important than push factors in explaining growth although the pattern is inconclusive” (Basu & Goswani, 1999, p. 264). Even though self-employment is a common motive behind starting a firm it is shown that immigrant entrepreneurs tend to have a more positive attitude towards firm growth than native entrepreneurs (Swedish Federation of Business Owners, 2010).

**2.4.2 Characteristics of the firm**

There are other factors that need to be taken into consideration when looking at the growth strategies for SMEs. All of the factors are not related to the characteristics of the owner/manager’s, they are related to the characteristics of the firm such as internal factors such as the number of years that the firm has been in business, the size of the firm (Dobbs & Hamilton, 2006, p. 310), and external factors such as which industry that the firm operates in and the location of the firm (Storey, 1994, p. 140-141).


**Age (year in business)**

Previous researches on firm growth in SMEs show that younger firms seem to grow faster in the initial years and that the growth rate normally tend to slow down in the long-term perspective (Basu & Goswani, 1999, p. 261; Storey, 1994, p. 139). The reason for this can be that once the SME has reached a satisfactory level of income, and the firm lack motivation to continue to grow (Storey, 1994, p. 139).

**Size (number of employees)**

Size of the firm is one of the most common factors when studying the impact on firm growth (Tuan & Yoshi, 2009, p. 40). It is said that the size of a firm has an impact on the growth potential in a firm and a number of research state that firm growth tend to decrease with firm size (Dobbs & Hamilton, 2006, p. 310). The main reason why firms start as small firms is because they are limited when it comes to how efficient they can be and that they also have financial limitations (Dobbs & Hamilton, 2006).

**Location**

The location of a SME is an element that can influence the firm growth and this is especially interesting to take into consideration since there normally are segregated and non-segregated areas when it comes to immigrants (M. Amovic, personal communication, 8th of April, 2013). According to Storey (1994, p. 142) the location of a firm does play a role when it comes to firm growth.

**Industry**

The industry in which the firm operates in should also be taken into consideration when studying form growth. According to Storey (1994, p. 140) can the industry influence the firm growth, and it is especially the firm growth rate that differs between the industries.

In the next section we will illustrate the theoretical perspective that we have gained from the literature review by illustrating a conceptual framework.

**2.5 Conceptual framework**

In order to show the focus of this study a conceptual framework has been developed. The conceptual framework indicates the research focus based on the theories that we have chosen.
Due to the big research gap identified in chapter one, “Background Discussion”, concerning immigrant entrepreneurs and firm growth, we decided to look at how these firms develop strategies in order to achieve firm growth.

Researchers and academics have provided different strategies that SMEs can develop in order to reach firm growth but not much focus has been put on different strategies developed by immigrant entrepreneurs. In the literature review we identified the most common strategies for firm growth for SMEs since most of the immigrant entrepreneurs in Sweden are SMEs. We aim to develop a new conceptual framework in chapter six “Conclusions and Recommendations” with the context of immigrant entrepreneurs. The reason for developing a conceptual framework with the context of SMEs is because we could not find enough literature about immigrant entrepreneurs and the strategies developed.

This conceptual framework illustrates the theoretical perspective of the study and consists of the four main sections of the literature review; firm growth, barriers to firm growth, strategies to firm growth, and internal and external factors that influence firm growth. We take into account different strategies since our research will covers different industries.

Since we are focusing on immigrant entrepreneurs considered as SMEs it is important to take into account some internal and external factors. Previous research has shown that characteristics of owner/manager’s of the SMEs and characteristics of the firm
can have a big impact on the firm and how the firm works. We have in this study presented the most common characteristics of owner-managers within SMEs.

Firms develop different strategies in order to grow, survive, and achieve firm goals. During the development of strategies until the strategies have been implemented, firms face barriers to growth that prevent them from growing or slow down growth pace. In the literature review we presented the most common barriers to growth within SMEs as well as highlighted the most common ones for immigrant entrepreneurs. These barriers can also be overcome through the use of strategies, which in return can help with and contribute to the achievement of firm growth. Therefore, in the conceptual framework model we have included two arrows between strategies and barriers. Barriers to firm growth, the characteristics of the founder/owner and characteristics of the firm can also be highly linked to each other in both directions. For instance, if the owner/manager of the firm has no prior work experience within the industry or educational background it can influence the firm growth in a negative way.

When collecting primary data in our study the conceptual framework will help and be used as the theoretical perspective and the direction when developing the interview guide. In other words, questions developed in the interview guide will be based on the conceptual framework above.
3. Methodology

In the third chapter, “Methodology”, we explain why we chose this specific topic and discuss research philosophy, research approach, research strategy, and research design. We also discuss data collection, interview guide, sample selection, and quality standards.

3.1 Preconceptions and the choice of the subject

The aim and motive behind the study is to provide a better understanding of strategies for firm growth developed by immigrant entrepreneurs. Both of the authors are students in the Master’s Program “Business Development & Internationalization” at Umeå School of Business and Economics. Both authors have a Bachelor’s Degree in International Business Administrations from two different universities and one of the authors is a first generation immigrant but moved to Sweden when she was a year old.

The interest behind the topic is not only based on our educational background but also from our previous experience of studying and working in foreign countries. We discovered that there are several areas that need to be explored to increase people’s understanding of how immigrant entrepreneurs develop strategies in order to achieve firm growth. The interest for immigrant entrepreneurship arise from the fact that one of the authors is an entrepreneur herself and run her own firm while the other author is considered as a first-generation immigrant with the ambition to start up her own firm in the future. As we both are interested in business enterprises we believe that by exploring strategies that SMEs/immigrant entrepreneurs develop in order to achieve firm growth, we can in return get more knowledge and understanding of firm growth.

We believe that this study will contribute with more knowledge both for new established firms as well as existing SMEs. Immigrant entrepreneurs can take advantages of different strategies that exist in order for firms to develop their business. Not only will SMEs and immigrant entrepreneurs benefit from gaining more knowledge from this study but also venture capitalist, different entrepreneurial institutions, and other associations who have the attention to develop more firms in Sweden.

3.2 Research philosophy

Saunders et al. (2009) describe research philosophy as beliefs gained from knowledge and having an understanding of how information can be used in the reality. Ontology and epistemology are two phenomenons within research philosophy, which helps to identify the nature of a study (Raadschelders, 2011). Those assumptions will allow us to have an understanding of how the research should be conducted and carried out (Saunders et al., 2009).
When deciding to conduct a study decisions have to be made whether a quantitative or a qualitative strategy approach is more suitable in terms of the problem definition and the purpose at hand. Nonetheless, philosophical considerations supports and guide the research throughout the whole process. In the next sections we present the two different philosophies; ontology and epistemology.

### 3.2.1 Ontology

Ontology focuses on the reality, meaning generating the theories of what is known, and perceives the view of the reality (Raaschelders, 2011, p. 920). Objectivism and constructionism are two approaches used in ontology. The view of objectivism is that the social phenomena and its meaning always are independent from each other while constructionism focuses on social phenomena and its meanings that are dependent on social factors (Bryman & Bell, 2011, p. 20). Our research purpose is to gain a deeper understanding of how immigrant entrepreneurs develop strategies in order to achieve firm growth. Since we believe that meaning cannot be separated from its social actions when it comes to strategies for firm growth, we think that the constructionism position is the most relevant position for our study. Constructionism is also the most relevant position since our research purpose is to gain a deeper understanding by interviewing immigrant entrepreneurs and allow them to describe their view on how the business is ran.

### 3.2.2 Epistemology

With epistemology we read different theories in order to find out if the knowledge we have suits with the information taken from the theories (Pinder & Moore, 1979, p. 102). Long et al. (2000) argue that associations with epistemological assumptions are about basis of knowledge and in what manner knowledge can be transmitted to others (Long et al., 2000, p. 190). Based on Long et al. (2000) definition of epistemology the first part of our research have been to read and gain knowledge about different theories within strategies for growth, immigrant entrepreneurship, barriers to growth and other theories related to our study. This has contributed with a theoretical perspective that we carry with us along the research.

Knowledge can be perceived from two different angles when using epistemology such as interpretivism and positivism (Golafshani, 2003, p. 600). As our aim is to increase the knowledge as well as gain deep understanding about the firm growth strategies developed by immigrant entrepreneurs this research has an interpretivist position. The reasons for having an interpretivist position are because we also gain knowledge from data that are subjective since the different managers/owners of the firms have different perceptions of the world and the immigrant entrepreneurs are who they are because of different experiences that they have faced during their lifetime (Johansson Lindfors, 1993). Furthermore, in accordance to the application of natural science methods to our study of social reality would not reflect upon hidden meaning concept. Interpretivism on the other hand, focuses on understanding the research problem by taking into consideration the social factors from the subjective perspective. The interpretive paradigm argues that the authors must be able to distinguish human roles and social actors (Saunders et al., 2009) meaning using the knowledge and entering
the social world the research subjects and understanding the phenomenon from the owner-managers point of view. As the research has a qualitative direction this study has an interpretivist position (Johansson Lindfors, 1993).

The combination of interpretive and constructive paradigm will help us to find out if we have interpreted the theories correctly and inter-subjective meaning of individuals’ opinions regarding development of strategies for growth, first-generation and second-generation immigrants and the internal and external factors that can influence the strategies. Furthermore, the choice of the paradigm also comes from that we take into account the context in which data will be collected and the environment of the research objects that we study. With such an approach we think that our work is willing to create some new knowledge rather than just testing if an existing theoretical framework fits to a sample studied.

3.3 Research approach

Saunders et al. (2009) provide three different research approaches such as abductive, inductive, and deductive approach that gives a clear direction on the type of methods to implement for the research. The three different research approaches will be described briefly below.

Abductive approach is a “continuous movement between empirical world and a model world” (Dubois & Gadde, 2002, p. 554) and also said to be a mix between deductive and inductive approach. The abductive approach do not follow a pure deductive nor a deductive approach. Another research approach is the deductive approach and can be described as “when research goes from theory to empirics” (Johansson Lindfors, 1993, p. 55) The deductive approach explains the relationships between variables (Saunders et al., 2009, p. 125) and does not focus on creating new theories (Kovács & Spens, 2005) rather testing theories to find out if they are correct. A general assumption according to Perry (1986/87, cited in Wolf & Pett, 2006) can be that product and market development are the most common strategies within SMEs and if this theory is not tested it becomes difficult to question if it is real or not. Inductive research approach on the other hand focuses on having theory as an outcome for the research and build theories (Johansson Lindfors, 1993, p. 57). When authors start with inductive approach there is a situation that is observed within a certain time. For instance, implementing interviews at first before moving into the theoretical part.

The first part of our study focused on finding relevant theories and developed a conceptual framework in order to get a better understanding of the subjective. We also based the interview guide on the theories. The reason for starting by reading different theories related to our study area is because we wanted to gain information and be able to develop a theoretical perspective. This theoretical perspective can be described as a pair of glasses that we wear along the research process. We do not want to just observe the people for the data collection instead we want to use the theoretical prescriptive when we move into the data collection but be open for new findings along the process. A reason for using abductive approach is also because our aim in the research is to answer the research question through the findings gathering from the data collection and analysis compared against proposed theoretical. Furthermore, as we are using qualitative research strategy, abductive approach suits well for this
study. Implementing abductive approach can also contribute to new and unexpected findings discovered from the empirical analysis, which could be added to our conceptual framework.

3.4 Research design

There are in general five different research designs and the choice depends mainly on the authors aim for the study. Research design can be defined as a way to gather data in order to find appropriate and relevant information for the research (Saunders et al., 2009). To be able to follow the ontological and epistemological perspective and to answer the research question in a good way it is really important that the authors choose the suitable research design to get a better understanding of how immigrant entrepreneurs develop different strategies in order to achieve growth.

Longitudinal study implies several interviews with the same firm over a long time in order to view the evolution (Siggelkow, 2007, p. 22). The idea of evolution is very interesting but due to limitations of time, longitudinal study is not appropriate for us. Although it would have been very interesting to follow a specific SME and see how they develop a strategy from start until the strategy is put into action and the result delivering from a certain time of phase still it is important to be realistic and conduct the study according to the time and resources available. This could be a suggestion for further research.

Cross-sectional design collects data on more than one variable or case. Cross sectional design is often used when the researcher are trying to represent a population and describe the relationship between different variables, which our thesis is not aiming for (Bryman & Bell, 2011, p. 53-55). Comparative design uses up to two or more cases and compares them with each other (Saunders et al., 2009). This is not suitable for our study since it often used in quantitative studies and mainly aims to conduct social surveys as well as large population.

The authors will use the case study design since it suits the topic and paradigmatic stance. A case study is defined as a detailed study of a single case (Bryman & Bell, 2011) and is the most well known and used research design (Dubois & Gadde, 2002). The design that fits our research best is case study design and according to Yin (2009) is case study related to exploratory approach. Our research question; “How do immigrant entrepreneurs in Sweden develop strategies in order to reach firm growth in their business?” and our research purpose is linked to case study since the question covers “how” (Yin, 2009). The purpose of this research is to explore how immigrant entrepreneurs in Sweden develop strategies in order to reach firm growth and we aim to build new theories from our case studies. By case we mean each firm and since we interview the owner/manager of each firm we will get a managerial perspective. At the same time we cover questions related to firm characteristics and the process of reaching firm growth, which in return gives more dimensions to our study.

When trying to build theory it is common that the research question address “how” in an unexplored research area (Eisenhardt, 1989). Remenyi et al. (1998) define four different case studies; single case design, multiple- case design, holistic design and embedded design. Case study design gives the possibility to the interviewees to
strengthen their arguments and for this reason we think that is could be relevant to conduct multiple caste study for our study.

The reason for choosing multiple case studies is because we will collect data from six immigrant entrepreneurs and as mentioned above we will define each firm as a case. It is also appropriate to our topic since we want to increase external validity and the ability to compare the immigrant entrepreneur firms. Case study design does also help to explore common strategies for firm growth that are developed by immigrant entrepreneurs in Sweden among our selected sample. We will be able to compare the different cases that will make it possible to explore differences and similarities that exist within the immigrant entrepreneurs and we can maybe find relationships between different variables. Furthermore, case study design is commonly related to qualitative research.

Beside the five different research designs it is also important to have a clear direction of the type of study that the authors want do whether it is exploratory or descriptive research. The process of the research is also very dependent on these two research designs (Bryman & Bell, 2011). The purpose with an exploratory design is to generate ideas and theories (Kent, 2007). A descriptive research design is “concerned with measuring or estimating size, quantities, or frequencies of things (Kent, 2007, p. 18). A descriptive design is not appropriate for our study since it only present different variables at one time and it is not looking at the relationship between the different variables (Kent, 2007). There is a possibility in exploratory research since we are investigating an unexplored area of immigrant entrepreneurs, strategies and firm growth.

Reasons behind implementation of exploratory research are because it fits our research most and it is also related to a qualitative study (Kent, 2007). By using an exploratory design the author can increase its familiarity with the topic (Kent, 2007). The end product from using the exploratory design is “generation of information, insight or understanding” (Kent, 2007, p. 17). When researchers want to explore a new research area the explorative research is most appropriate. Moreover, reasons for choosing exploratory design can be linked to the process of case and as stated above to find out “how” immigrant entrepreneurs in Sweden develop strategies in order to achieve firm growth.

3.5 Research strategy

Research strategy works as a general orientation for the business research (Bryman & Bell, 2011) and include two strategies; qualitative and quantitative. We have already from the previous section in this chapter stated the process of our study as well as we introduced the choice of research strategy. It is more relevant for us to have a qualitative research strategy since our aim is to gain a deeper understanding of different strategies that immigrant entrepreneurs develop in order to achieve firm growth as well as we have a constructivism and interpretivist paradigm.
Table 1: Distinction between Quantitative and Qualitative research strategy

<table>
<thead>
<tr>
<th>Qualitative Data</th>
<th>Quantitative Data</th>
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<tbody>
<tr>
<td>Bases on meanings expressed through words</td>
<td>Based on meanings and information derived from numbers</td>
</tr>
<tr>
<td>Collection results in non-standardised data</td>
<td>Collection results in numerical and standardised data</td>
</tr>
<tr>
<td>required classification into categories</td>
<td>Analysis conducted through the use of diagrams and statistics</td>
</tr>
<tr>
<td>Analysis conducted through the use of conceptualisation.</td>
<td>Analysis conducted through the use of diagrams and statistics</td>
</tr>
</tbody>
</table>

Source: Developed from Dey (1993); Healey and Rawlinson (1994), cited in Saunders et al., 2009. p. 482

The research strategy is very important because it is the fundamental base for the research when deciding either to focus on numbers or in-depth information. A qualitative research strategy aims to get a depth of understanding (Kent, 2007). The quantitative research strategy, on the other hand, “allows the researcher to familiarize him/herself with the problem or concept to be studied, and perhaps generate hypotheses to be tested” (Golafshani, 2003, p. 597). This is mostly used when researchers want to provide more information than just statistical or numerical data (Silverman, 2001). The choice between the methods is mostly depended on what type of information the researcher is trying to find out.

3.6 Data collection

This section provides information about the secondary and primary sources that have been used and collected for this study and we start by describing the secondary data. The secondary data have already been used in the beginning of the research when finding relevant information based on theories (Saunders et al., 2009). The secondary data in this study consists of scientific articles, books and appropriate Internet sources and information from these different sources have made it possible to develop a theoretical framework about firm growth strategies, barriers to growth and influential factors. To be able to find relevant articles we have used different keywords such as “SMEs”, “firm growth”, “barriers to firm growth”, “strategies”, “immigrant entrepreneurship” and “characteristics of the entrepreneur and the firm”. The articles have mostly been found from Umeå University library databases. The information that comes from Internet sources are mostly from SCB, ALMI, Swedish Agency for Economic and Regional Growth and so on. We have always strived to find the original sources in order to avoid misunderstandings.

Primary data on the other hand, covers different types of ways to collect data such as documentation, archival records, interviews, direct and participant observation as well as physical artifacts (Yin, 2009, p. 102). As the attention has been putted on qualitative research strategy throughout the study both face-to-face and telephone interviews with owner-managers of the firms are a logical way for gathering primary data. The information that we gather from the interviews is primary data collection whereas the questions from the interview guide itself were based on secondary data. Using primary data collection brings new information to the research rather standard
information from the existing theories (Saunders et al., 2009). The reason and choice behind conducting interviews for this particular research was to get reposes extensive information, in order to offer wider knowledge and understanding on the topic. The interviews with respondents will provide us with a wider explanation on the question than survey questionnaire would do since the authors have the possibility to ask follow-up questions. It is important to not forget that there are different types of interviews from the qualitative perspective that can be conducted when collecting primary data such as semi-structured interviews, in-depth interview, focus group and so on (Saunders et al., 2009; Bryman & Bell, 2011; May, 2001).

For this study we choose to mainly focus on semi-structured interviews since the design is flexible to conduct. Other reasons for this are the interaction that are brought between the researcher and the participants. The purpose is also to provide the respondent with a chance to think before replying, also have questions that can lead to short discussion and giving the respondents chance to express themselves (Bryman & Bell, 2011, p. 720). Semi-structured interviews decreases the errors for the researcher compared to an unstructured interview where the interviewer and respondents have both more leeway to speak about different topics (Bryman & Bell, 2011, p. 477). It also goes beyond the boundaries leading to communication between both parties rather than following a structured interview where questions must be followed according to the interview guide. Some of the questions in the interview guide are limited whereas others are extended using follow up questions, giving the respondent chance to elaborate the answers. The interview guide held more than 35 questions from different theories of the research. We strive to limit the questions by thinking carefully on the questions that will help us to collect the information needed for our study. Since we also using semi-structured interviews, we also know that new question will come up during the discussion with the respondents which will allow us to collect more information and provide us with findings that we have not earlier considered.

### 3.6.1 Development of Interview guide

Both primary and secondary data is used in order to answer the research question. The interview guide is based on the theories from the literature review and the conceptual framework.

It was a challenging process to formulate the right questions in order to answer our research questions and we also tried really hard to not pose leading questions. We asked friends and family to read through the interview guide to see how they interpret it. When doing the interview guide we also tried to “simplify” the language in order to make it easier for the respondents to understand but the context of the study was not changed. Since all immigrant entrepreneurs that participate in the research speak Swedish we chose to conduct the interviews in Swedish. Conducting the interview in the preferred language made it also easier for the respondents to answer the question as well as explain their answer. We believe that it would not be easy implementing the interview in English was many of the respondents were probably not familiar with the language. The interview questions were developed in line with the conceptual framework with no leading questions that would influence the respondent’s answer. The questions in the interview guide are also in line with the study’s interpretive
approach and constructionist concerns. In the beginning of the interview guide we provided the respondent with little written information about the nature and the objective of the interview. The interview guide was divided into four main sections; immigrant entrepreneurs, firm growth and barriers to growth, firm growth strategies, and factors that can influence the strategies.

The first section covers introduction questions were we look at questions about firm’s background information and reasons for starting the firm. Moreover, in the introduction section, we include questions about the founders, owner-managers focusing on their background, when they came to Sweden, their previous work experience, and educational background (see Appendix 1). For some firms, questions related to the introduction section could be found the firms’ homepages but since some firms do not have websites, it is important to include those questions on the interview guide.

Section two of the interview guide covered questions that were related firm growth such as what goals the firms have. Within this section we also asked some questions about the barriers that the firms have faced.

The third section of the interview guide was based on the strategies used within the firm in order to grow. Product development looks at their product and services which they offers today, their ambition to develop new products in the future and how they will manage to do it. Market development covers the question of customers and segmentation as well as how they research the potential customers and so on. (see Appendix 1). The following questions within section three (strategies) covers the area of partnership, networking, internationalization, human resources, and financial bootstrapping (see Appendix 1). Similar to section one, in section two we also took the chance of asking questions related to the barriers faced during development of strategies as well as what they have done in order to overcome those barriers.

The fourth and last section in the interview guide goes into the founders characteristics, asking question related what impact previous educational background, prior work experience have had or brought to the firm today and the owner-managers ambitions towards growth.

3.7 Sample selection and interview process

Choice of sample selection developed from the information read in the theories as well as the research question. As the purpose is to study immigrant entrepreneurs and their strategies for firm growth it was important to keep in mind that we chose the right firms specifically for the research itself. Our aim was to interview immigrant entrepreneurs from both first- and second-generation based in different regions in Sweden as well as different industries. The interviews were between the authors and the owner-managers of the firms, either through telephone or face-to-face interviews. All the firms interviewed also had to be SMEs with less than 250 employees.

Beside the choice of immigrant entrepreneurs, the criteria of the sample section were also based on the firms’ ambitions to grow and develop their businesses. Several researches have focused on immigrant entrepreneurs from different angles but we
decided to put more focus on the firms that want to grow as well as investigate the strategies developed in order to achieve firm growth. The reason for choosing immigrant entrepreneurs with the ambition to grow is because we believed that the information gathered from these firms would be more relevant for our study. Before selecting each firm we made sure that the firm had the ambition to grow by asking if the firms had the ambition to grow and develop. In order to know if the firm wants to grow, we strived for information related to their future plans and where they want to see themselves within few years. Firm that did not have information online websites, after introducing ourselves and explaining the aim of the study, we tried to bring up general questions in order to find out if the firm have ambitions to develop and grow.

Other than that, the authors have also been very interested in having firms from different regions in Sweden because when it comes to immigrant entrepreneurs the location as the theories describe, tend have a strong impact on the business. For instance when looking at the corner shops and restaurants driven by immigrant entrepreneurs they tend to be more successful in the middle and south of Sweden because of higher population within immigrants compared to north. We also wanted to collect data from firms within different industries in order to find out if there are any similarities or differences among the firms.

We decided to do semi-structured interviews with six immigrant entrepreneurs. When starting the process of reaching different firms that would like to participate in the research we had in mind a few firms but unfortunately none of them had the chance to participate. In order to get to know some more immigrant entrepreneurs in Northern Sweden we contacted IFS Rådgivning in Umeå and Luleå and these contacts helped us to get in touch with one immigrant entrepreneur, who participated in our research. The other five firms whom participated in the research were found in different magazines about immigrant entrepreneurs in Sweden. It turned out that it was not as easy as expected to get in touch with immigrant entrepreneurs and some of the contacted firms did not have the opportunity to participate.

The request for interview was with the respondents was made through phone calls and e-mail directly to the person whom the study would benefit from an interview. Both through the email and telephone calls we explained the purpose of the study and requested the receivers participation on 45 minutes interview. The authors’ the study contacted ten different immigrant entrepreneurs based in Sweden but came across six respondents who were willing to participate in the research. The aim was to reach a maximum of six companies with an equality of both first and second-generation immigrant entrepreneurs. During the process of case selection, we came across more of first generation immigrant entrepreneurs than second generation. Among the three respondents that could not participate, two of them were second generation and one first generation. Majority of the firm whom participated in the research were first generation where as one respondent was from the second generation.

Due to the limited time and the process of the research, we decided to carry on with the study with five first-generation and one second-generation immigrant entrepreneurs. Because of this it will not be as easy to draw conclusions between first- and second-generation immigrants but we do not consider this as a problem since our aim is not to do a comparative study, instead we want to see how immigrant entrepreneurs develop strategies in order to grow.
Since one of our goals with this study is to develop new theory it is important to make sure that all the firms are considered as immigrant entrepreneurs, which they are (Eisenhardt, 1989). Our selected sample will provide usable and relevant information to the research (Remenyi et al., 1998).

Two out of six interview were conducted through face-to-face whereas as four interview where done through phone because of the distance and location. There are both advantage and disadvantage with having face-to-face interview or phone interviews. Bryman and Bell (2011) describe the disadvantage with face-to-face interview to be the presence of the interviewer can influence the participant to answer the interview questions in a desirable way. During the face-to-face interviews none of the respondents appeared to have hide their point a view but rather gave us information that clearly come from how they carry on with the businesses. The advantage of having face-to-face interviews compared to the phone interview is that the authors could see the respondent’s expression when answering questions. In terms of telephone interviews, we though it will become difficult to gather relevant information since it can sometimes become difficult to record and hear the other person through the telephone. Also that the other person can hang up if the questions become to sensitive and they would not like to answer them. Since we arranged time and describe the aim as well as the time that the interview will hold, we did not experience any type of bias that did not allow us collect the relevant data. All the respondents were aware of how long the interview would take. We also made sure that we repeated and explained the question when the respondents were not able to answer the question in a proper way. In the end of the interview, we made show that we summarized the respondents answers briefly and asked for permission to call them back if it happened that we did not ask the question during the interview or misunderstood the answer. Moreover, one important aspect important to asked, was if the respondents wanted to be anonymous within the research or not. Mostly, all the respondents within the research decided to be anonymous as some of the information provided was related to their business and personal background information.

During the interviews, both authors took turn on conducting the interviews and took notes in all the interviews. Since we were recoding each interview, we put more focus on following up the respondents answer and making sure that the answer the questions rather than putting more focus on making good notes. The recorded information largely contributed to formulate the empirical findings of this study without leaving any doubts on what was discussed during the interview and finding hiding information.

### 3.8 Quality standards

The importance and challenges of conducting a research is also to make sure that the information provided meet the criteria of the study. There are several ways on how researcher can ensure if their thesis is credible or not. Common ways of measuring the quality standards of a quantitative study is trough validity and reliability (Golafshani, 2003, p. 587). Subsequently that our research is based on qualitative research strategy, we need to be able to use the reliability and validity in qualitative manners. Several authors have questioned quality standards in qualitative research as both term validity and reliability are used to measure quantitative studies (Bryman & Bell, 2011). Of
course it is not always relevant to question but also find solutions on how it could be used in both methods. Researcher developed other ways in how authors can assess quality standards of qualitative in terms of reliability and validity such as viewing trustworthiness (Shenton, 2004) and authenticity (Lincoln & Cuba, 1994, cited in Bryman & Bell, 2011).

3.8.1 Trustworthiness

Trustworthiness can be related to reliability but in qualitative standards (Golafshani, 2003). Within trustworthiness there are also four different criteria that need be taken into consideration such as credibility, transferability, dependability, and conformability (Shenton, 2004, p. 64). The findings that the authors will conclude in this research must be able to transferred to other context or different population (Shenton, 2004). The research has implemented large theories such as strategies, growth and focus on immigrant entrepreneurs. This strategies are used both in theoretical and practical perspectives. Since the aim was to get a better understanding of strategies developed in order grow, we believe the transferability can be high in this sense. The focus has been taking immigrant entrepreneurs from different Swedish regions in order to find out also if there is different depending on the location of the business. Therefore, the research can also be transferred to authors studying the similar area and wants to study immigrant entrepreneurship in Sweden. Accordingly, if other researcher would aim for same purpose on their study, conducted similar theories and using similar type of research methods there is a chance that the findings and results could be similar. Nonetheless, it all also depends on the sample selection and the number of firm interviewed for the research, also how the respondents have managed to answer the interviewers questions.

Dependability

At this part, we made sure that we recorded all our interviews in order to increase the reliability of the study and also disclosed our interview guide in the research (see Appendix 1). Bryman & Bell (2011, p. 398) describe dependability as “ensuring that complete records are kept of all phases of the research process”. Furthermore, research process was deeply described in the research methodology to increase the trustworthiness.

Conformability

Conformability is another way of assessing quality standards within trustworthiness. Shenton (2004) argues that the authors should not allow their individual beliefs affect the research. Meaning that it is important to look at the study itself and the aim of researching to the point were the research question can be answered rather than basing some information according to our personal beliefs or values. The personalities of the authors should not at any sense have any impact of the study or the result rather than provide faithful information that can contribute to new knowledge for other researchers, companies, and individuals.
Credibility

Credibility discusses the importance of knowing if the respondents would approve and acknowledge the interpretation we analyzed in the interview materials. Here it is also important to be able to fit our interpretation with the reality, meaning interpreting information in relation to the respondents’ answer without providing misleading or faulty information (Shenton, 2004). Shenton (2004) also states that credibility is also viewed as the most important criteria to carefully look at when looking at trustworthiness. To increase the credibility the same questions were asked to the respondents and as our aim was to record all interviews in relation to that we also had to make transcriptions. Reasons for recording and transcribing the data was to allow us to go back and forward in order to make sure we have taken into account the most important information for the research.

3.8.2 Authenticity

The importance of trustworthiness is discussed above, however it is also important to keep in mind the role of the authors within the thesis. As the authors are the writers for the thesis they play an important role in the study (Bryman & Bell, 2011). The authors did not take into account their cases when analyzing the findings but rather had the intention to provide a clear and right picture among all respondents. Finding all the sources and linking it to the topic were good challenges for the authors since it allow us to increase the quality of the study.

3.9 Ethical considerations

When doing a research it is important to take ethical considerations into consideration and this is because ethical considerations is about how the respondents got treated in the research (Bryman & Bell, 2011, p. 122). When doing this research we had this in mind from the start till the end.

Since we decided to include firms from the Northern part of Sweden to the Southern part of Sweden, the first contact with the participants were through telephone and e-mail. In the initial contact with the respondents we told the about the research purpose and the background of this study in order to let them know more about the study before making the decision if participating or not. We asked all of the respondents if they would like to get the interview guide in advance so they could go through the different questions. Some of the firms wanted to receive the interview guide in advance while other did not.

The interviews that were face-to-face interviews were conducted at the office of the respondents since we believed that it would made them more comfortable as well as they are familiar with the environment. Before stating the actual questions we told each respondents that they had the right to refuse the answer questions if the questions made them feel uncomfortable and if there was something that was sensitive to the respondents or the firm. The respondents were also informed if they did not understand a specific question they should let us know. We also asked if they were okay with the fact that we recorded the interviews and it was not a problem to any of
the respondents. We informed all the respondents that this study will be uploaded at the thesis portal and it will be available to others after that all the respondents were giving the choice to be anonymous or not. All the respondents chose to be anonymous and this was to different extent (some firms said it was okay to state exact industry and city). Although, we have worked hard in order to make each respondents as anonymous as possible.

The information in this study is true and due to the recording and transcription and the fact that two people we conducting the data and analyzing, we strongly believe that the right picture of each respondents is given.
4. Empirical Findings

In this chapter we present the collected data from the firms by following a case-by-case structure.

The six different cases within this chapter follow the same structure as the “Literature Review”. This means that we provide the reader with the empirical findings regarding the immigrant entrepreneurs, firm growth, strategies for firm growth, and factors influencing strategies for firm growth.

We chose to present the entrepreneur’s “ambition/motivation to grow”, which is a factor that influence strategies for growth, already in the section about firm growth goals. The reason for this is because they are highly related and linked to each other and we do not want to repeat the same information again. We also present product and market development in the same section because these strategies can be linked to some extent.

To simplify the empirical findings and chapter five, “Analysis”, we refer each founder/owner/manager as Respondent 1, Respondent 2, Respondent 3, Respondent 4, Respondent 5, and Respondent 6.

4.1 Respondent 1 - Construction firm in Stockholm

The firm is located in Stockholm and was established in 2005, offering different services related to scaffolding within the construction industry. Business idea is to provide safety, quality and high standard services. Within the firm there are 14 employees.

4.1.1 Immigrant entrepreneur (personal background)

Respondent 1 is the owner as well as the founder of the firm. Reasons for starting up the business was because of the thought of becoming a successful entrepreneur and not having the need to work for someone else. Respondent 1 is born in Syria and moved to Sweden in 1984 because of political reasons. The respondent 1’s fathers as well as brother run their own firms and the father has more than 20 years experience in running business in Sweden.

Prior work experience has been within the construction industry as well as the respondent 1 has worked within his fathers firm. In terms of educational background, the respondent has a high school diploma as well as occupational training within construction. However, the respondent does not have any higher education.

4.1.2 Firm growth goals and barriers to growth

When asking the respondent about his ambitions to firm growth he replied that he tries everyday to make the firm grow and has a strong desire to grow. The goal of the firm is to grow by increasing the amount of projects within the firm and within five
years the respondent plans to grow by 30 percent in turnover and recruit more people. When asking the respondent if the firm had faced any barriers to growth since 2005, the respondent replied “nothing in particular. All entrepreneurs have to be prepared for general problems and barriers. The purpose of being an entrepreneur is to be able to solve the problem and overcome barriers”.

4.1.3 Strategies for growth

Service and market development

When asking if the firm has any ambition of offering new services the respondent said “no, we want to provide the customers with the same services that we offer today”.

In the beginning of the business the customers were private individuals and small constructions firms. Now when the firm has developed they tend to focus more on the larger firms such as NCC, Skanska and PEAB. The reason for targeting larger firms is because it involves more money and increases the networking. The respondent also clarifies that working with larger firms is also very demanding since they aim for perfection. “If we have ten good jobs or projects and perform badly in one, it will might have a huge impact on the business. My employees need to be well-kept and have good communication skills since they are the ones who represent the firm”.

When we asked how the firm works in order to reach out to new customers the respondent replied that they call and arrange meetings with different firms. Sometimes the customers get in touch with the firm through advertisement. He also mentioned that it is important to have skilled employees at the same time offer a good price and quality on the services. This can in return help to attract new customers.

Business collaboration

The firm had never had business collaboration with another firm rather sees them as competitors.

Networking

The respondent has been in the industry for approximately eight years and mentioned that the network increases every year. When working with larger customers and projects it is normal that you meet different kinds of entrepreneurs within the industry. The network increases due to the free advertisement on the field and a positive-word-of-mouth among customers.

When asking the respondent what impact the network has had on the business he replied “the network is basically everything” and that the personal network has in some sense also had great impact on the business.
Internationalization

At the moment all the projects are conducted in Sweden, most in the Stockholm region. The suppliers are also based in Sweden and the firm has no intention of internationalizing through importing or exporting.

Human resource strategy

Since the firm has 14 employees the firm has experience the process of recruiting people. In order to recruit and find new employees, the manager uses different recruitment agencies such as Arbetsförmedligen. It is also common that people within the network recommend each other’s. All the projects are led and planned by the owner himself. In order to increase the knowledge and the skills within the firm the respondent believes it is important to educate the employees when they start working at the firm. Education regarding the constructing takes place externally at a school while the education for quality planning and environmental planning takes place internally.

Financial strategy – bootstrapping

During the development of the firm, external capital has been needed. The firm has been provided with loan through the bank. The firm has not used the personal network in order to get hold of external capital. The respondent said that the firm has to invest more in order to grow, which means that the firm will take more bank loans.

4.1.4 Factors influencing strategies for growth

Characteristics of the entrepreneurs

Education

The respondent’s prior education has made it possible for him to work within the industry that he works in today and run the business.

Prior work experience

While his previous work experiences have also had great impact on the business as before starting up the firm he worked at his fathers firm. He learned a lot from working with his further which also increased his knowledge within the field.

Characteristics of the firm

Age

When asking the question about how the numbers of years running the firm affect the development and growth of the firm, the respondent stated “it has had an impact on
the firm in the later phase of the business. In 2005 when the firm established they were quite unknown but after 2010 the firm got more known within the industry and started to grow.

**Size**

The firm size itself does not prevent the firm from growing or slow down the firm growth. In times when the firm has many project but are short of staff, the owner-managers hires external human resources in order to carry on with the business.

**Location**

When asking the question about his opinion about the location he replied that Stockholm is a good location for their business. He continues by saying that Stockholm is a city where most of the constructions occur as well as where most people want to move. At the moment Stockholm is where the firm will be based and they have no ambition to expand to other regions outside Stockholm, the respondent also state “It is better being in Stockholm than Kiruna”.

**Industry**

In terms of industry and how it affects the firm growth, the respondent mentioned industry to have an impact on the firm. Construction field is one of the most expansive industries and there are no limits on how much the industry can grow. Although there might be a recession in the economy, still there are needs of constructing. There is difficulties in finding housing but there is need for housing facilities in Sweden, therefore I believe it will occur more projects in the future”.

**4.2 Respondent 2 - Recycling-oriented firm in Northern Sweden**

A firm based in north Sweden with a focus of providing the customer with recycling and environmental friendly solutions. Established in 2009 by an entrepreneur with the ambition and desire to run her own business. At the moment there are two people working at the firm, the owner-manager of the firm and her husband. The idea behind the business was based on the question “why we only recycle at home but not outside, where everything is thrown in one garbage?” It took approximately a year for the idea owner to draw and make a sketching on the prototype for the product.

**4.2.1 Immigrant entrepreneur (personal background)**

The owner-manager moved from Russia to Sweden when she was 12 years old because different political reasons. Have educational degree within international business at a University in Sweden. During the interview the respondent 2 clarified other ambition of starting up the business, which is related to the influence of having a father who is an entrepreneur. Furthermore, reasons for starting up the firm “having
the freedom to develop and implement your own ideas as well as being able to make your own decisions” The respondent 2 have previous work experience within grocery store.

### 4.2.2 Firm growth goals and barriers to growth

The firm’s goals at the moment are to grow through an increased turnover, develop new products, recruit more employees, and expand into different markets. In terms of the owner-managers ambitions towards growth, the respondent state “It is essential that the firm have to grow in order to survive and this can be explained in terms goals that the firm have to reach”. The respondent gave us a five years plan of strategies to implement in order to grow such as recruiting two to three sales people and export to at least ten different countries through resellers and within the five years also have a product portfolio with at least ten different recycling products solutions.

When asking the respondent if the firm had faced any barriers that have prevented them to grow, the answer was “The biggest barrier for all entrepreneurs and innovators is to get loan from the banks”. Getting support from the banks has been the biggest challenge along the way since our products are new and unknown by the municipalities in Sweden.

In terms of being an immigrant entrepreneur, respondent 2 mentioned that she has not faced any kind of discrimination in Sweden when running the business. She points out that, when running a business, all entrepreneur faces similar problem and barriers no matter if you are Swedish or from a foreign country. She made an interesting note saying “I believe that if you are immigrant entrepreneur and have the thought that you will be discriminated, than you will take everything as discrimination. It is important to have confident, be prepared and act professional in order to treated in the way you want to be treated”.

### 4.2.3 Strategies for growth

**Product and Market development**

At the moment the firm has three products within their product portfolio. In the beginning, the first product focused only on municipalities in Sweden. In January 2012, they developed new product more suitable for indoor environment. The products were developed in order to reach new target and serve broader market. The respondent explains, “We have chosen to be niched and not get involved within park furniture but keep the products as recycling solutions for specific public spaces and not private house holds”. The respondent also says “The biggest challenge is to develop the first product but the rest of the product will follow up as soon as the first product goes through”. In 2013, the firm is on the process of introducing their third product. Beside the three products, there are also two more products in the process in mind.

The production phase within the firm involves different steps. The first step of the production start by that the owner-manager and her husband draws and designs the
products through agreements with the customers. The production is later on outsourced externally in order to carry on with the production.

The respondent gave some examples when describing the reasons for developing and introducing new products by saying “The process of one of the products was based on the demand discovered and the request from the reseller”. The owner went on by explaining that they have also managed to discover the demand through their customer’s customers in need of specific solutions. The fourth product was also based on the demand from the municipality. Further more, when asking the question of the development of new products, the respondent mentioned interesting fact about being able to discover and meet the demand in the market as well as provide the solutions at the right time”. The respondent said that they are trying to do something that is different in comparison to the competitors.

When the first product was developed, the firm started selling first examples in north Sweden. With a chance to meet face-to-face with different municipalities, the firm started investigating and considering the abilities to reach the 294 municipalities in Sweden. In order to reach customers, firm made public advertisement and got involved within different campaigns. The owner-manager decided to continuously reach the customers through the approach of contacting and meeting up with the different municipalities in Sweden. The respondent modifies that “meeting the customers gives us a chance to show the product and describe which is totally different from sending a picture via mail or showing on the website”.

**Business collaboration**

In terms of partnership and business collaboration with different firms, there is at the moment no direct collaboration with different parties rather working with supporting instances such as ALMI. For the future the firm plans to collaborate with different investors that can help them to find partners to work with.

**Networking**

When asking the question about how the firm contact networking looks like today, the respondent mentioned that during different lectures they have always tried to communicate with people in order to increase their networking. The contact networking has been important for the firm’s development. The respondent further explains, “Some contact networking has referred to customers that we otherwise would never had reached in the first place such as large enterprise”. Through contact networking the firm have also received innovation grants.

**Internationalization**

At the moment, there are no imports or exports but everything occurs in Sweden. The firm has only once exported products to a Norwegian reseller. Additionally, although the firm is not at the moment operating in international markets, they have the ambition within few years to expand by exporting and selling their product through
resellers in different countries. The respondent also mentioned “We are not planning to work alone rather work with other who will sell our products”.

**Human resource strategy**

At this stage, there are only two working within the firm, the owner-managers and her husband. The respondent mentioned that in order to grow, they would need sales people with good skills and expertise.

**Financial strategy - bootstrapping**

The firm was in need of external capital in the establishment of the firm. To be provided with grants the firm had to invest capital themselves. They applied for a bank loan but were not qualified, which made the respondent sell belongings in order to get the capital needed. After establishing the firm they continued to apply for different grants related to product development.

In order to cut down the costs they invested in a tool that could make the production more efficient and lower the production costs. The firm also tries to pursue work by themselves such as taking care of the accounting instead of hiring external accouters. Furthermore, in order to limit the costs and save capitals, the firm tries to rent cheap hotels when travelling as well as rigging the products themselves.

**4.2.4 Factors influencing strategies for growth**

**Characteristics of the entrepreneurs**

**Education**

When asking how the prior education had influenced how the firm works in order to reach firm growth the respondent answered that it influence not much at all.

**Prior work experience**

While the previous work experience of the owner-manager has no influence on the firm growth.

**Characteristics of the firm**

**Age**

The owner-managers describe the age to have some impact on the firm growth. At beginning having only one product, the sales increased a lot. During the coming two years, sales decreased. The respondent also mentioned this could be referred to one of
the reasons for introducing new products. Furthermore, since they have been in the market for few years, they have also become more attractive to the investors.

Size

When asking the question of what impact the size of the firm could have on the firm’s growth, the respondent replied that there are some possibilities that the size can affect the growth. An explanation for this goes by “At the start, we decided to expand organically and not recruiting people since we wanted to get more knowledge about the industry as well as our own business”. She continuous by saying “Now that we know much about the markets and believe there are market potential, we have plans to recruit sales person as well as other employees”. She also explains the important of having other people within the firm by saying that “It would be relevant to have someone with another ideas and point of view”.

An interesting fact that the respondent mentioned during the interview was when customers ask how many people work within the firm. A common response from the customers is often “Is it only two of you, how come have not expanded within employees yet”?

Location

In terms of the location, the respondent believes that because of the good infrastructure Sweden and the advantages of Internet, location has no impact on the firm growth. However, if it occurs damages on the products and it needs to be repaired, then it becomes difficult. If the customers are based in Stockholm, it becomes difficult to travel at once. Something that could have taken only few hours to repair, will now take at least a day. Beside that, there are also positive correlations with having the business in north. The respondent mentioned that they often experience being well treated and people always associate them with people whom to trust and very accurate since they are from north Sweden.

Industry

The owner-manager describes the position in the market as pioneer since they have been able to see the needs and demand at the right time. Some municipalities choose to use the competitors’ products rather than their products since they believe the respondents product are not suitable for their space. Since there are competitors everywhere the respondent mentioned that it is very important to react according to environmental changes.

4.3 Respondent 3 - IT-firm working with translations in Northern Sweden

The firm was established in 2007 in Northern Sweden and offers products and services related to translation of Internet pages and IT as well as project leading. There are no employees at the moment expect the owner-manager.
4.3.1 Immigrant entrepreneur (personal background)

The respondent 3 is the founder and the owner of the firm. The reason for starting the firm was based on unemployment and the fact that his prior employer had shutdown. Starting new firm seemed to be the only way to get a new job.

The respondent 3 is born and raised in Iran but came to Sweden in 1979 as a visiting student. The first plan was to travel directly from Iran to USA but due to the circumstances, it was impossible to get into the USA, which lead to respondent 3 moving to Sweden. The respondent 3 is raised up in an entrepreneurial family and his father ran three firms within the fashion industry with over 15 employees.

When respondent 3 moved to Sweden he studied Swedish and English for six months and then studied civil engineering at a University. The respondent 3 has previous work experience within the IT-industry with over 20 years of work experience within the industry.

4.3.2 Firm growth goals and barriers to growth

When asking, respondent 3 ambitions towards firm growth he replied “I have the ambition to grow and it would be the dream to be able to grow since I have put so much time and effort on the business. I know it is hard but I believe it will occur in the future”. The goal of the firm is to increase customer base, the number of new projects and hire sales people. The owner-manager sees the benefit and the advantage of the product but face difficulties in attracting new customers. He states, “Unfortunately, this has something to do with racism”. He further explains his argument by saying, “I am not a person who blames everything on the fact that I am an immigrant and I have never really seen the face of racism myself although it has been there. It was first when I was asked to be a guest lecture at a University and talk about my immigrant history that I realized I had faced racism around 30 times”. Moreover, the respondent could also feel that his foreign background has had a negative impact on the sales.

Other barriers that has prevent the firm from growing has been the difficulties faced with his previous staff member who were going to be responsible for sales but did not succeed to sell any products.

The respondent said that the outcome of the business could have been different if he made different strategic decision. “Maybe if I had taken loan in order to hire staff, the firm could have increased their sales. But on the other hand, it could also lead to bankruptcy.
4.3.3 Strategies for firm growth

Product and Market Development

The firm offers one product and consultant services related to translation and IT as well as project leading. When introducing the product to the market, there was no other similar product available. The product has been the main income for the business but the respondent has also been involved in few consultant projects. At the start of the business, the respondent planned to offer products and services within different areas such as translation of internet pages, translation and interpretation to make sure that the business kept going but due time limitations it was not possible in reality.

The respondent has tried to develop one more service but due to money limitations it has not been possible. The previous work experience has helped him to come up with new ideas but as time goes it becomes more difficult and there no resources available to be able to participate in seminars and conferences around the world.

The firm got their first customer right after establishment and after participating in a conference he was able to get one more customer. The two first customers were both municipalities and the business went really well and the next challenge was based on the price. The respondent said that it was difficult to set a price since it was a new product. He got advice to put high prices on the products, which he today regrets. “I was not experienced in negotiating price and many of the customers were not interested in the product after being confronted with the price”.

In 2008 the number of customers decreased due to coming recession in 2009. It was first in the second half of 2010 that respondent 3 started attracting customers again. The firm is still targeting the same customers as in the beginning, municipalities and the respondent said, “You have to be patient with these customers and have a patient mind to continuously contacting them. Besides the municipalities, the firm has reached other customers where the selling process is a bit faster. The respondent put a lot of efforts and energy on finding customers.

Business collaboration

The firm has two types of business collaborations; one where the firm receives capitals when selling other firm’s products and vice versa. The second collaboration is working together within different projects.

Networking

The contact networking of the firm is divided into different categories such as old colleges, classmates, business collaboration partners, personal contacts, and ALMI. ALMI is the contact that has had the biggest impact on the firm.
Internationalization

The firm does not import or export but the respondent is thinking of expanding through internationalization. The plan is to go international with some new offerings.

Human resource strategy

The respondent was recommended to hire a Swedish sales woman in order to increase sales. To be able to find new sales person, respondent 3 participated in different seminars and meetings. This recruitment did not end up well for the firm and the person left after 30 working hours, which made the respondent feel as he had been betrayed.

The reason for not hiring new employees although he really wants to is because of the economy and taking a bank loan in order to pay salaries might be a risky option that can lead to the whole firm going bankrupt.

Finance strategy – bootstrapping

In order to finance the business at start, the respondent worked at a University for two years during the daytime and with his own firm during the night. “If I asked the bank for a loan, I am sure that they would have said no since I only had a business plan and a completely new business idea”. The respondent has never used the personal network in order to finance the business. No one really knows that I have counted every penny to survive. The firm got some financial support from ALMI in order to finance the patent.

4.3.4 Factors influence strategies for firm growth

Characteristics of the entrepreneurs

Education

The education of the respondent has open up his mind and improved his skills in working in groups of people, communication skills and solving problems.

Prior work experience

From his previous work experience, he has become more innovative and creative, which has been useful in this firm in terms of product development and the fact that he has been working in the IT industry for about 20 years.

Characteristics of the firm
Age

The first year of the firm development went well while the second and third years slowed down. It was around 2011-2012 when the business took off.

Size

When asking the respondent how the number of employees influenced the firm’s growth, he replied that he would like to hire sales person and he really misses to have someone to share ideas with and support each other. “He believes that having more employees within the firm will positively have great impact on the firm growth”, he states.

Location

The industry has influence the firm growth. When he established the firm he was alone and now there are competitors.

Industry

When it comes to the location of the firm the respondent believe that the business would be successful if the firm where located in cities such as Stockholm, where the potential customers are based. The distance limits the possibilities of meeting face to face with potential customers.

4.4 Respondent 4 - Beauty Salon in Northern Sweden

It is a beauty salon based in Northern Sweden dealing with cosmetic treatment for men, women and children. The beauty salon provides their clients with sets of treatments and more generalized services such as hair cut, color, comb, shave, and blow dry and so on. The firm has existed in approximately 35 years but the current owner-manager has worked within the firm in 13 years. The owner-manager started by renting a sit at the hair salon and later on got the offer to buy the in tire firm. At the moment the owner-manager runs two hair/beauty salons in north Sweden with approximately 5-7 employees.

4.4.1 Immigrant entrepreneur (personal background)

The respondent 4 is born Bosnia but moved to northern Sweden with her two children in 1994 because of the war. The respondent 4 started learning the Swedish language and went for a cooking school. As the dream has always been working within the cosmetics and beauty industry, the respondent saw the opportunity of searching to hairdressing school. In 1999, respondent 4 moved to Gothenburg to pursue her studies and after the studies the respondent decided to move back to northern Sweden because she did view any opportunities in terms of starting business in Gothenburg.
Previous work experience has been within cosmetic and beauty. At her first job she worked only 50 percent. Reasons for this, she switched to a new job. Furthermore, no one in her family runs their own business but both of her parents were highly graduated students. The respondent 4 shared with us and explained the challenges of moving with two children to a completely new country without knowing anyone. Her first thought was to learn the language and get involved with the Swedish society. The respondent knew that being involved and communicating with Swedish people would help her to learn the language as well as get a better understanding of how the society works.

4.4.2 Firm growth goals and barriers to firm growth

The respondent’s ambition to grow was described in terms of “One has to have the ambition to explore new opportunities and be curious”. The respondent wants the firm to continuously expand by open news salon around Sweden and recruit more young unemployed students. In 2014 she plans to open a new salon in Northern Sweden. When we asked if the firm has faced any barriers related to owner-mangers foreign background, the respondent replied “No, definitely not. With any firm, it is always ups and downs but you have to be dedicated in what you are doing and as a manager owner you need to work harder”.

She states, “I put my goals in front of me and chase them everyday. Everyone has the opportunity to chase their goals but it is the matter of working hard in order to achieve them. The respondent further explains, “The challenges that I face today is nothing in comparison to war. I continuously fight for what I want and believe”.

4.4.3 Strategies for firm growth

Service and Market development

Compared to the old owner, the respondent pointed out that much within the salon has changed. Before, the beauty salon was only providing treatments for men and ten percent for women. When the current owner-manager of the firm took over, she changed the firm name sent employees on training courses and introduced more service for men, women and children in all ages. The respondent also says “One of the reasons why I wanted more women and children, was to widespread the varieties of services within the firm as well as increase customer base. Work becomes more fun if there are a variety of tasks and offerings to the customers.”

She has plans to introduce new services such as hair extensions but believe it is very expensive and time consuming. In order to come up with new offerings the firm tries to explore new opportunities by being curious and look at other salons around Sweden and Europe to get new inspiration. The respondent said that the unique thing about the firm is that it is the only firm that only offers drop-in. The firm has a lot of customers due to people being so stressed today and they do not have time to plan in advance, instead they can fix the hair whenever they want.

To reach the customers, they mostly use the positive-word-of-mouth rather than advertisements. The respondent says, “I am a sponsor within the organization “student
benefit” and through that I have been able to find customer”. The respondent says that they do not put much effort on looking for customer rather than the customers comes to them.

**Business collaborations**

At the moment the firm is not collaborating with other firm.

**Networking**

The respondent explains networking to have a great impact on the firm. The sellers have been seen as good networking, which has made it possible to get fair prices. Other part of networking comes from customer’s customer and many of these customers are entrepreneurs running their own business. The respondent clarified that the hair salon recently open in another city were through her contact network, the customer.

**Internationalization**

The respondent explained that all products are bought in Sweden rather than imported from foreign countries. Reasons for not importing products from foreign countries, referred trusting the products imported from outside. Further more, respondent 4 states, “It is important to provide the customer something that you have knowledge of and can stand for if questions occurs. Also, there are no guaranties that the product imported from foreign countries are good”. The firm has no ambition of going international.

**Human resource strategy**

The recruitment process occurs through the recruitment agency “Arbetsförmedligen”. Most of the firm employees are skilled and educated within the beauty industry before starting to work at the beauty salon. Some of the employees are recruited after they have pursued an internship. The respondent has strong interest in helping unemployed students by providing internship to them. Since it is a drop in salon, the employees and student are able to quickly learn. The respondent describes her leadership role as someone who wants to collaborate with the employees. “I am not directly a chief who runs and puts everything in control rather view myself and my colleagues as working partners who are here to work”. In order to achieve higher firm growth the firm is planning to recruit more staff.

**Financial strategy – bootstrapping**

The respondent has used external personal capital to run the business by taking loan from the previous owner-manager. The respondent state, “The bank knew how we work and they are very close based. I have very a good contact with the bank”.

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4.4.4 Factors influencing strategies for growth

**Characteristics of the entrepreneurs**

**Education**

When asking how the prior education of the respondent has influenced the firm growth she replied that it has had a strong impact but it is also important to continue to develop since you never get fully educated. The education has also helped her to lead and manage the employees.

**Prior work experience**

No prior work experience.

**Characteristics of the firm**

**Age**

The age of the firm does not have any influence on the business since the firm has been operating in many years. But the other beauty salon that has recently opened grew fast in the beginning, which surprised the respondent. “It is common that it takes one or two years for the business to take off but the new salon has performed very well and it keep on growing”.

**Size**

When asking the respondent if the firm needs more employees in order to grow she reply that it is crucial to recruit new employees in order to achieve firm growth.

**Location**

The respondent explains the firm location to be positive related to the firm growth said It can also be proven in the number of years that the firm has been in business. The firm was also one of the pioneers in the area. The location of the new beauty salon is also an advantage. She believes that the location in Northern Sweden is better than Stockholm since there are too many beauty/hair salons in Stockholm.

**Industry**

The respondent does not experience strong competition within the business but find difficulties in recruiting well-educated staff.
4.5 Respondent 5 – Firm in the cleaning industry Middle/Southern Sweden

The firm is located in middle/Southern Sweden and was established in 2009. The firm offers a number of different services related to cleaning and has at the moment 13 full-time employees.

4.5.1 Immigrant entrepreneur (personal background)

Respondent 5 is the founder of the firm and sold the firm in December 2012 to a new owner in order to get more time with her family. The respondent is still an employee within the firm and has the title of “place manager”. The reason for starting the firm was mainly because of the unsatisfied feeling that she had while working at the previous work but the respondent never had dreams of starting her own firm.

The respondent 5 is born in Iraq but has lived in Iran, Pakistan and Norway where she moved to as an asylum seeker because of the war. Nine years ago the respondent moved to Sweden from Norway because of love (her husband lives in Sweden).

The respondent 5 studied the first years of the “Doctor’s Program” in Norway and moved to Sweden where she worked as a “medical assistant” for a couple of months before and during the established of the firm. As a teenager she used to help her mother with working related to cleaning. This in return helped her to gain knowledge about the industry itself. The respondent also has taken courses within marketing and business administration while running the firm in order to improve the skills and knowledge within these subjects, which has helped her to run the firm.

4.5.2 Firm growth goals and barriers to growth

The firm has a two-year plan and a five-year plan. According the respondent the two-year plan aims “to duplicate the current turnover, the number of employees, and increase the number of larger projects such as stores and clothing chains” and also starting to serve the public sector. The five-year plan aims “to extend to new geographical areas and open up a new office in a smaller city near by”. The biggest barrier to growth that the respondent has faced is the language since she started the firm only two months after moving to Sweden. In the beginning she was shy and had bad self-confidence, which made it difficult to reach out to potential customers.

4.5.3 Strategies for firm growth

Product and Market development

The firm offers several services related to cleaning and have four main areas, serving different customers. Although the firm offers a lot of services they still have the ambition to develop and introduce new services to attract new customers that they do not serve at the moment.
60 to 70 percent of the customers today are the same as in the beginning and only a few customers have chosen to change to another firm. The customers consist of private people and companies from the private sector. The reason for not serving the public sector at the moment is because of the strategic decision that the firm has taken, not working with large projects because of limited resources and employees.

When asking the respondent how the firm works in order to attract new customers she said that most of the customers choose the firm through positive word of mouth, “95 to 90 percent of our customers find us through family, relatives, friends and colleagues”. In order to find the rest of the customers the firm sometimes uses advertisements and they also buy information from companies who gather information about people in need of cleaning services. In order to further reach more customers, the firm plan to recruit a sales person.

Business collaboration

In terms of business collaboration with other firms, at the moment there are no collaboration but have earlier used subcontractors to pursue work in different projects.

Networking

The respondent explains that the contact networking has had impact on the firm at different stages and also that the contact networks have been used in different ways. During establishment of the firm, the respondent did not have any contacts at all in Sweden but after selling the firm, the firm networking increased. Respondent stated that the current owner of the firm have a huge networking since he has in many years run several companies.

Internationalization

The respondent explains that the firm does not use internationalisation in terms of import or export. Furthermore, there are no plans to start exporting or importing since she believes it is not relevant for this industry.

Human resource strategy

The firm recruit employees from both the recruitment agency “Arbetsförmedligen” and through personal contacts. In the recruitment process, during the two first weeks, the firm provides internal training where the new employee has the chance to learn by working with someone within the firm who has experience and expertise. The manager also provides theoretical training before sending the employees out to work. Furthermore, she explains that it also depends on the employee’s previous work experience and skills.
Financial strategy – bootstrapping

The respondent explains that much of the capitals have been used for investment to buy new machines and products but they have not taken any bank loans. During the startup, in order to save capitals, the firm used old cars to pursue work instead of purchasing a brand new car. They also tried to lower the salary in order to cut down the costs. They have not used the personal network to finance the business but worked hard to save capital.

4.5.4 Factors influencing strategies for growth

Characteristics of the entrepreneurs

Education

The first year of studying “Doctor’s program” has not influenced the firm growth. But during the development of the firm, the respondent has taken courses within marketing, sales, business administration which has had a great impact on the firm and its development.

Prior work experience

When it comes to previous work experience, the respondent explains that it has increased her language skills. Furthermore, helping her mother have also contributed with knowledge that has today helped her to run the firm.

Characteristics of the firm

Age

When looking at the age of the firm, the respondent elaborate that during the last three years the firm has developed and grew most while the firm was not growing much the first five years.

Size

In terms of the size of the firm, respondent 3 explains the firm to be too small to undertake large projects.

Location

In terms of the location, the respondent explains it to not have an impact on the firm’s growth since they choose to operate within this region. Respondent state “It takes me five minutes to reach the customer within this region but having the business in Stockholm would probably take me an hour. If I had to choose, I would never had
started up a hygiene business in Stockholm or other big cities since it is totally different market and different realities”.

Industry

The respondent describes the industry to have an impact on the firm’s growth. She also went on by comparing the cleaning industry today and 15 years ago, explaining that it is an industry continuously growing.

4.6 Respondent 6 - Firm in the cleaning industry Southern Sweden

The firm is located in Southern Sweden and was established in 1991. The firm offers several services related to cleaning and has around 180 employees where the majority has foreign background.

4.6.1 Immigrant entrepreneur (personal background)

Respondent 6 established the firm together with his parents and is the owner of the firm but has hired another person to take the position as CEO. The reason for starting the firm was because he did not want to study and instead he wanted to run his own firm together with his parents.

Respondent 6 is born in Sweden but his parents are from Macedonia. He moved back to Macedonia with his parents but due to the war in Macedonia in the end of the 80’s his parents decided to move back to Sweden in 1990’s.

The respondent does has a high school diploma and due to difficulties to transfers his credits from Macedonia to Sweden he decided to not continue with his studies in Sweden. He has gained prior work experience from working extra shifts within the cleaning industry as a teenager.

4.6.2 Firm goals and barriers to firm growth

The goals of the firm are to continuously develop and operate on the same geographical areas. The firm wants to be the best cleaning in terms of offering the best equipment and skilled employees. In the future, the respondents dream is to become a more environmental-friendly cleaning firm.

One of the barriers that the firm faces is the difficulty of finding skilled employees. Another barrier is related to the fact that the firm hires mostly people with foreign background. The respondent said, “some of the customers complain that my employees cannot speak fluent Swedish and then I try to explain that the firm wants to integrate the people with the society and if I do not hire them – no one else will and they will never get the chance to learn Swedish”.

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4.6.3 Strategies for firm growth

Service and Market development

The firm offers several services related to cleaning and offers the same services today as the start of the business. The firm has no ambition of introducing new services instead they want to focus on the services that they offer today and improve skills and knowledge within specific areas.

The customer base has not change since the start up, offering services to companies within the private and public sector. The public sector was one of the first large customers of the firm. When asking the respondent how they work in order to get in touch with the customer he replied, “The two first years, were the years when we tried to reach the customers ourselves. After few years, this was no longer needed”. The firms often attract customer through a positive-word-of-mouth among customers.

Business collaborations

The firm collaborates with other firms and uses outsourcing to pursue different project.

Networking

The respondent describes the contact networking as an extended and widespread network. At the start up, he only had contacts with sales people but–has today succeeded to get to know managers and CEO’s within other firms. The owner-manager’s networking has had a great impact on the business.

Internationalization

At the moment, the firm does not import or export products from the foreign country. The respondent explains that his father had the idea of starting to export product to Macedonian but the business did not go through.

Human resource strategy

In the recruitment process the owner-manager of the firm explains the recruitment process to focus on employees with foreign background as well as any unemployed person. They advertise jobs through the recruitment agency “Arbetsformedlingen” in order to hire staff. The first two weeks the new employee is provided with training were spend 2-3 hours a day are spent with a supervisor. As they recruit people with foreign background, it happens that the employee need guide in terms opening a bank account or in need of direction to fit in the society etc.
Financial strategy – bootstrapping

The owner-manager of the firm explains that the firm has not taken any external loan from banks or other venture capitalist but rather saved in order to fund the business. He went on by explaining, “At the start of the business we avoided the need for buying expensive furniture’s for the office and bought cheaper cars rather than brain new ones. Today we also tend to choose profitable customers”.

4.6.4 Factors influencing strategies for growth

Characteristics of the entrepreneurs

Education

The respondent explains that his prior education have not had any impact on the firm rather provided him with general knowledge.

Prior work experience

His working experience, working on the weekends has contributed him with knowledge and skills. He clarifies this by saying “I have benefited from the work experience in terms of being more social, meeting and communicating with customers”.

Characteristics of the firm

Age

The years have not had any strong impact on the firm but the firm has had a stable growth throughout the years. The owner-managers explain, “Of course, before we did not have any sales person to hunt the customers, but now that when we do, the firm is growing faster.

Size

In terms of the size of the firm, the respondent explains that there are enough employees to take on projects but he has the ambition to recruit younger people. He believes that it can be difficult since many of the youngster want to work within professional jobs. He wants to make the cleaning branch more attracting for young people by making it more modern, technical as well as increase the brand image of an ecological firm.
Location

In terms of the location, the respondent sees the location as a positive because of the large population, cultural differences, many people who wants to work and a lot of housing.

Industry

The respondent explain the industry to be more though today compared with 20 years ago but the competition have often been based on the price. The respondent says” It’s very difficult to compete on price at the same time providing high quality”.

Table 2: Summary of Empirical Findings

<table>
<thead>
<tr>
<th>Firms / concepts</th>
<th>Respondent 1</th>
<th>Respondent 2</th>
<th>Respondent 3</th>
<th>Respondent 4</th>
<th>Respondent 5</th>
<th>Respondent 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immigrant entrepreneur/ personal background</td>
<td>Founder and owner, Born in Syria, Asylum-seeker,</td>
<td>Founder and owner, Born in Russia, Asylum-seeker,</td>
<td>Founder and owner, Born in Iran, Visiting student,</td>
<td>Owner, Born in Bosnia, Asylum-seeker,</td>
<td>Founder and now only manager, Born in Iraq, marriage immigrant</td>
<td>Founder and owner, Born in Sweden but parents origin from Macedonia</td>
</tr>
<tr>
<td>Reason for starting the firm</td>
<td>Become more successful and independency</td>
<td>Get independence and work control, Influenced by her father who ran his own firm</td>
<td>Self-employment</td>
<td>Dreams of becoming an entrepreneur within the beauty cosmetic industry</td>
<td>Unsatisfied with her previous employer</td>
<td>Wanted to work with something new</td>
</tr>
<tr>
<td>Firm growth goals</td>
<td>Increase number of projects, increase turnover, recruit more people</td>
<td>Increase turnover, introduce new products, reach new customers within Sweden and abroad, recruit staff</td>
<td>Increase customers, increase sales of products and projects, recruit staff</td>
<td>Open new salons, recruit staff</td>
<td>Increase turnover, employees, projects, extend into public sectors and geographical markets</td>
<td>Develop and focus on the same geographical market, become the best cleaning firm with high-quality and good price</td>
</tr>
<tr>
<td>Barriers for firm growth</td>
<td>Daily problems - nothing related to being an immigrant</td>
<td>External capital - nothing related to being an immigrant</td>
<td>External capital, lack trust of staff, wrong strategic</td>
<td>No barriers – nothing related to being an immigrant</td>
<td>Language – related to being an immigrant</td>
<td>Finding skilled employees. Employees with foreign</td>
</tr>
<tr>
<td>Strategies for firm growth</td>
<td>Market development, networking, Human resource strategy,</td>
<td>Product and market development, networking, business collaboration, internationalization, Human resource strategy, financial bootstrapping</td>
<td>Product and market development, networking, business collaboration, financial bootstrapping</td>
<td>Service and market development, networking, human resource strategy, financial bootstrapping</td>
<td>Market development, networking, human resource strategy</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Factors influencing strategies</td>
<td>Education, prior work experience, age, size, industry, location</td>
<td>Education, age, size, industry, location</td>
<td>Education, prior work experience, size, age, industry, location</td>
<td>Education, prior work experience, size, age, industry, location</td>
<td>Prior work experience, size, industry</td>
<td></td>
</tr>
</tbody>
</table>
5. Analysis

*In this chapter we analyze the theoretical framework and the empirical findings. New findings from the empirical results are considered since this research aims to develop a new conceptual framework.*

The analysis chapter follows the same structure as chapter two “Literature Review” and chapter four, “Empirical findings”. As described in chapter four we decided to combine the sections firm growth and the entrepreneur’s ambition/motivation to grow since they are connected to each other and we believe that this gives the thesis a better flow. Product and market development are analyzed together since they are linked and we believe that it benefits the analysis since we can maybe find patterns between the two strategies.

The table below is developed to remind the readers of the different respondents and the industries operating in.

**Table 3: Respondents and Industries**

<table>
<thead>
<tr>
<th>Respondent 1</th>
<th>Respondent 2</th>
<th>Respondent 3</th>
<th>Respondent 4</th>
<th>Respondent 5</th>
<th>Respondent 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction industry</td>
<td>Recycling industry</td>
<td>IT/translation industry</td>
<td>Beauty cosmetic industry</td>
<td>Cleaning industry</td>
<td>Cleaning Industry</td>
</tr>
</tbody>
</table>

5.1 Immigrant entrepreneurs

As our aim with the study was to investigate immigrant entrepreneurs, all six respondents falls under the definition of an immigrant, “a person who is born in a foreign country or born in Sweden, where both parents are born in a foreign country” (Swedish Agency for Economic and Regional Growth, 2012). Five out of the six respondents are first-generation immigrants, which means that they are born in a foreign country but moved to Sweden because of a specific reason. One of the respondents is considered as a second-generation immigrant since he is born in Sweden but has parents from foreign country. Three of the respondents (respondent 1, 2, and 4) came to Sweden with their families as asylum seekers. Respondent 3 came to Sweden as a visiting student and respondent 5 moved to Sweden because she had found her love/husband. This information above clarifies the different categories of immigrants in Sweden as well as it shows that all immigrants cannot be categorized as one type.

According to theories it has been a shift within the industries that immigrant entrepreneurs tend to operate in. Meaning, it is more common today that immigrant entrepreneurs are presented in industries such as consultancy, IT and having more knowledge intensive firms. According to Swedish Agency for Economic and Regional Growth (2001) immigrant entrepreneurs are underrepresented in these industries. The theories also describe that immigrant entrepreneurs tend to focus on their own ethnic groups (Behrenz & Hammerstedt, 2002). Our findings indicate that the respondents are not basing their businesses upon personal and cultural products.
and services instead develop products and service based on the demand as well as business opportunities. This does not support the theory.

The theories describe that the most common reasons for immigrant entrepreneurs to start up new firms are because of self-employment, difficulties in integration within the society, and interest in starting to import products from the home country (Behrenz & Hammerstedt, 2002; Behrenz et al., 2007). Other reasons can be the desire to get independence and personal control, use knowledge and expertise, as well as becoming more successful (Basu & Goswani, 1999, p. 264). The results of our study emphasize that self-employment is not the driving force of starting a new venture. The reasons for starting the firm depend on the personal ambition and goals of the entrepreneurs.

5.2 Firm growth

According to theories of firm growth, the definition can include several different factors and not only number of employees and turnover (Hynes, 2010, p. 89; Delmar & Wiklund, 2003; Dobbs & Hamilton, 2006; Storey, 1994). Our findings support the theories since the goals of the firms were, beside increase turnover and number of employees, to introduce new products, increase market shares, achieve set-up goals, firm survival, and expand the business by opening up new offices in new geographical areas.

When looking at immigrant entrepreneurship there are several motives behind the ambition of firm growth. We believe that it is important to take into consideration the entrepreneurs background when discussing goals of the firm and the ambitions to achieve firm grow. Those immigrant entrepreneurs who have been involved in war tended to have an extremely strong ambition to grow. What they have been involved and gone through has made them stronger and increase their ambition to strive for higher goals. Other ambitions toward firm growth have also been related to the positive feeling of contributing to the society and environment, achieving firm growth, survive, as well as decreasing unemployment among youth.

The owner’s motivation for establishing the firm is said to affect the firm growth (Dobbs & Hamilton, 2006, p. 308). An entrepreneur that starts the business in order to avoid unemployment tend to have less propensity to grow in comparison to an entrepreneur that set up a firm in order to explore market opportunities (Smallbone & Wyer, 2000, cited in Dobbs & Hamilton, 2006; Hamilton & Lawrence, 2001). The motivation for starting the firm can be divided into “push” and “pull factors”, where push factors can be self-employment and pull factors can be desire to become independent and successful (Basu & Goswani, 1999). The pull factors tend to have a more positive impact on firm growth, which goes hand in hand with the findings from Dobbs & Hamilton, 2006).

A clear pattern among all respondents is that they have the ambition to grow, which affects the firm goals since all of the firms have set-up goals in order to achieve firm growth. Two of the respondents were especially interesting to analyze. Respondent 3 was the respondent that was least motivated of all the respondents and we believe that this could be related to the fact that he was the only one who feels that he has face
racism several times. Another reason for the respondent 3 to be less motivated could be due to the fact that he was the only one who established the firm because of a push factor; self-employment, which supports the theory. While the other firms saw the establishment of an own firm as a way to become independent, become more successful or to fulfill dreams.

The respondent 4 was the person that we believe had the highest motivation for firm growth and we believe that this could be connect to the fact that she left Bosnia because of the war and saw things that we cannot imagine. Respondent 5 moved to Sweden from the war with to babies and had worked very hard to integrate her in the society, which we believe has made her become a stronger person. She also said that any challenge that she is facing today is nothing in comparison to the war. This is something that we believe has made her more driven and motivated.

5.2.1 Barriers to growth

As we have mentioned in the previous chapters there are internal and external barriers that can prevent or slow down the growth of a firm (Kransniqi, 2007, p. 73). Barriers that are common for SMEs are lack of competence, skilled employees, resources, network, and external risk capital. The business environment can also be considered as a barrier. Lack of resources and external risk capital were the two most common barriers among the respondents. The firms who had face difficulties in getting external risk capital were the two firms that had completely new innovative products and it was difficult for the lenders to analyze if these products had any potential. We believe that this is a common problem for many firms that offers innovative products and not specific to immigrant entrepreneurs.

Difficulties in analyzing the market, understanding the demand and need for change in the service or product tend to also be common barriers among SMEs (Berglund & Blomqvist, 1999) but none of the respondents had face these kinds of barriers since they all managed it by having high competence.

Besides common barriers for SMEs there are some barriers that are related to being an immigrant entrepreneur such as language, culture, serving ethnic groups, network, and external risk capital (Aldrich & Waldinger, 1990; Swedish Agency for Economic and Regional Growth, 2012).

It was only two respondents that had faced language barriers but in different ways. Respondent 5’s language barrier was related to that she could not speak fluent Swedish when starting the firm. The other respondent faced language barrier because his employees cannot speak fluent Swedish, which has made it hard for them to communicate with the customers. This has to do with the firm recruiting employees who have difficulties in speaking the language.

Rest of the respondents had lived in Sweden a couple of years before starting up the firm. Beside the language barrier, it was only respondent 3 that felt that his foreign background had a negative impact on the firm growth. Reasons for this might be the thought of considering himself as an immigrant entrepreneur than just an
entrepreneur. Other respondents within the study put the professional sense of an entrepreneurs rather than viewing themselves as immigrant entrepreneurs.

5.3 Strategies for firm growth

5.3.1 Product and Market development

Product and market development will be analyzed together in order to find a pattern between the firms and how the firms use the strategies in order to grow. The firms that we interviewed used either both strategies together or developed one of the strategies in order to increase the customer base. Mascarenhas et al. (2002) and Zook and Allen (2003) describe product development as a strategy to grow by providing the customers with new products or services and extending the values. In order to grow and develop, respondent 2 and 3 saw the potential of introducing new products. Respondent 1 and 6 have chosen to increase the knowledge and competence within the services rather than providing the customers with new services. Respondent 4 and 5 have the ambition to expand the services that the firm provides to today and getting into new services. What we discovered is that the type of strategy whether it is product or market development depends much on the industry, the demand discovered in market as well as the phase of the firm development.

The firms operating within the service industry put more focus on increasing the market share by attracting more customers rather than continuously developing new services to its customers. It also depends on the size of the firm when looking at market or product development. For instance if we compare the firms within service industry from each other’s we can see that the firms who want increase the number of projects rather than develop new services have more employees than the firms with ambition to develop new services. Introducing new services will also mean finding the right people to implement the work, which in return leads to more employees. The choice of not taking the strategy of service development can also depend on the owner-managers strategic decision as well as the firm resources or capabilities.

If looking at the firms who provide products rather than services we can see that there is a pattern between respondent 2 and respondent 3. In order to grow and develop as well as survive, there is a strong need for new product development in order to increase market share or provide values to the existing customers. This can be related to the theory of Pleshko et al. (2008) firms can sell existing products to new markets but also develop new products to serve new markets. As respondent 3 has plans to introduce more products into the market this has to do with the demand and the potential of knowing that they will not be able to survive with only one product offerings. We can completely agree with Eitzen & Sartorious, (2012) that is not just enough to develop new products or upgrading the product portfolio but the firm must also be able to predict market demand and see the market opportunities. Additionally, it does not only depend on finding the opportunities but also as Morrison et al, (2003) state, it is important that both the manager and the employees has positive ambitions to grow which can help the firm to reach the goal although they may want to develop new products.
As respondent 2 and 3 developed totally new products, it requires a lot of creative thinking and innovative ideas in order to compete (McGrath & MacMillan, 2005; Mascarenhas et al., 2002; Zook & Allen, 2003). Furthermore, because of the products being new and innovative it is also important to be able to differentiate the firm from the competitors, which is a strategy that respondent 2 firm tries to develop. Looking at the respondent 3’s positions with one product offering can be related to the challenges the owner-manager have faced in the past such as people stealing his ideas, racism or trusting the wrong people have slowed down his business and prevented the firm from developing new products in order to grow. However, we also believe that it has do with the owner-managers strategic decision, marketing strategies, not knowing how to find the right competence and right people for the firm.

The theories also tells us that immigrant entrepreneurs tend to limit their markets by offering products and services to the ethic groups in segregated areas (Aldrich & Waldinger, 1990; Basu & Goswani, 1999, p. 252). This statement it relevant when looking at immigrant entrepreneurs who provide products and services that is brought from their home countries and is hard to find in Sweden. Mostly these businesses tend to be located in areas where there are high population of immigrants. However, providing products or services that are not specified to any cultural group, it allows the firm to not limit the customer base. Furthermore, the respondents within this study tend to grow and find market opportunities because their products and services do not focus on ethical groups.

What we discovered among the respondents is that if we compare the business from start until today, the firms has managed to increase their customer base providing variety of diverse services and products. This can be related to the time operating within the business, understanding the customer demand, and being able to read the trend and forecasting.

**5.3.2 Business collaborations**

Our study has provided three different kinds of business collaboration such as joint venture, strategic alliances, and trade associations. These collaborations can provide greater opportunities for growth (Grant & Baden-Fuller, 2004, p. 64; Teece, 1992, p. 19) and some common reasons for SMEs to start with business collaboration can be because of limited resources (Barringer & Jones, 2004) and that they want to increase the customer base and network.

Four out of the six firms (respondent 1, 3, 5, and 6) have some kind of business collaboration at the moment. Respondent 3 has two different kinds of collaborations. The first one can be seen as a strategic alliance where he integrates his product with another firm’s product. This often led to new project and allows the firm to reach new customers. The other collaboration is to start new projects with another entrepreneur, which might lead to a joint venture in the future.

Respondent 1, respondent 5 and respondent 6 take help from other firms in order to cover the demand of the customers, and this could be related to that both firms offer services. We believe that these relationships with other firms are crucial in order for the firm to fulfill and complete certain projects. This kind of relationship could be
seen as an outsourcing strategy since they use external human resource in order to carry on with the work. Respondent 2 use an external firm for the process of product development, which can be seen as outsourcing.

5.3.3 Networking

According to Starr et al. (1990) does networking have an impact on the firm growth of the SMEs. Having a heterogeneous network can be crucial for the firm since it means that the firm has contacts within different industries, localizations, and positions (Aldrich, 1999).

The network has a big impact on all the firms by reaching new customers expect respondent 3 since he has not benefit from the network. It was interesting to se that respondent 5 did not at all have many contacts in the start-up phase since she only had lived in Sweden for two months and did not know anyone. When she sold the business to the new owner, the network increased a lot, which we believe has a positive impact on the firm growth. If respondent 5 still would own the firm, the firm would maybe not have all the contacts as they have today. The firm of respondent 6 had a really extended network and we believe that this is because he has been running his firm since he was 19 years old, which makes it 20 years. The reason for respondent 6’s extended networks could also be related to the fact that he is a second-generation immigrant. Respondent 6 has been integrated in the society his whole life and therefore knows how the Swedish society works in comparison to a first-generation immigrant.

It is common that immigrant entrepreneurs have a strong personal network within the same ethnical background, which can give them access to limited information and cheap labor and capital (Kloosterman et al., 1999). It was very interesting that none of the firms had a strong personal network within the same ethnical background that had any impact on the firm growth. We believe that this could be related to the industry. For example, if interviewing an Indian or a Chinese restaurant we believe that this theory would have been supported to some extent since it might be more common to have employees and customers coming from the same ethnical background if offering services that are highly related to the ethnical background such as food.

One thing that all the firms have in common is that they are all trying to extend the network. Since respondent 1 works within the construction industry he meet people and companies right on the field, which generates new contacts. We believe that this is highly related to the construction industry. The network of respondent 4 has made it possible to get lower prices when purchasing products to the salon as well as the network has allowed her to expand in the area by opening up one more salon, which both seem to have a clear positive impact on the firm growth.

5.3.4 Internationalization

Internationalization can be one strategy developed in order for the firm to grow. As mentioned in chapter two, there are three kinds of internationalization approaches; incremental internationalization, rapid internationalization (Johanson & Vahlne, 1977;
Acedo & Jones, 2007), and networking (Johnson & Vahlne, 2009). Previous theories have stated that immigrant entrepreneurs tend to often import and export products or services from their home countries. It was interesting to see that none of the firms are absent on foreign markets nor do they import or export at the moment. We believe that this could be highly related to the fact that four of the six firms (respondent 1, 4, 5, and 6) offer services and not products. The two firms that offer physical products (respondent 2 and respondent 3) have the ambition of exporting in the future. We believe this is because the firms offer products that have the potential to succeed in foreign markets.

The four firms that offer services do not have the same potential for expanding international as the two firms with products. Since the all the services that the firms offer require the employees to be present on the actual field we believe it would not be profitable for the service firms to export their services due to high travel costs, neither would it contribute to firm growth. It would be much easier for a service firm that offers business consultancy to start internationalize since it does not require employees on the actual field. We also believe that the only way for these service firms to become international is to acquire another firm abroad or start up an office/salon abroad. It does not feel like this is likely to happen.

5.3.5 Human resource strategy

The competence and knowledge of the employees within the firm is important in terms of firm growth (Kay, 1993, cited in Foreman-Peck et al., 2006; Robson & Bennett, 2000). In order to take advantage of the competences and skills, firms can adopt training for its employees (Foreman-Peck et al., 2006, p. 310), which also can have a positive connection to growth (Cosh et al., 2006). Training and education within a firm can also help the employees to communicate the firm objectives and missions (Foreman-Peck et al., 2006, p. 310).

Four out of the six firms (respondent 1, 4, 5, and 6) that we interviewed have employees and these firms all are operating within the service sector. We believe this is related to the fact that in order for the service firms to deliver a job and to be able to complete the job – human resources are needed. The firms that offer physical products are not in need of human resources to the same extent as service firms since their offers do not require employees to be present on the actual field. The two firms see the potential to hire a sales person that would allow the firm to increase the firm growth. In the case of the respondent 3, he believes that he has to hire a sales person since he thinks that he lack the skills of sales techniques. Respondent 2 has developed a larger customer base and the firm does not have enough resources for the future to cover the increasing demand without any employees. Respondent 6 has 180 employees, which makes him to the firm with most employees and we believe that this can be connected to the fact that he started to serve large customers as municipalities right from the beginning, which allowed him to grow fast in terms of employees. It was also interesting that the majority of the employees have foreign background (mostly from Macedonia) and we believe that this is possible since he knows the language himself.
All the firms that have employees at the moment follow the same pattern in the way that they all have recruit through the recruit agency “Arbetsförmedlingen”. We can also see that some of the firms have used the network to recruit staff. All the firms also believe that it is extremely important to educate and train the employees in order to grow, which supports the theory.

According to Kloosterman et al. (1999) it is common that immigrant entrepreneurs use the personal network to get cheap labor. It was also interesting to see that only one of the immigrant entrepreneurs (respondent 2) used the personal network (friends or family) to build up the employee-base, which clearly does not support the theory. The firm of respondent 6 is a family business since the three owners are family members but except them it did not seem to be any other family members or friends involved in the firm. As mentioned above, we believe that this is related to the industry and if we for example would have interview a Chinese or an Indian restaurant the result could be different since it is more common that they build up the employee-base on friends and family that have the same ethnical background.

5.3.6 Financial strategy – bootstrapping

The theory of bootstrapping discuss the financial bootstrapping in terms of having access to external finance with help from friends and family, business owners, own savings and trade credit, risk management, and social networks (Birley, 1985; Wetzel, 1986; Redding, 1990; Basu and Parker, 2001; Keh et al., 2002; Schwienbacher, 2007 cited in Lam, 2010, p. 274). We interpret that all respondents within our study has used the approach of bootstrapping in some extent even though some have used external finance such as bank loans since they try to limit the expenses/costs in order to achieve firm growth. In the sense of meeting different needs for resources without depending on banks, debt holders, venture capitalists (Lam, 2010; Winborg & Landström, 2001; Winborg, 2009), three out of six immigrant entrepreneurs within our study have used external finance such as bank loan and loan from business owner in order to achieve the firm growth as well as specific goals. “Instead of trying to get a bank loan respondent 3 financed the establishment of the firm by working two shifts and he also got patent grant from the instance ALMI”. Only two respondents (respondent 5 and 6) have managed to finance their own business without the need of external loan from banks, venture capitalist or capitals from friends or family.

We understand that the need for external capital of bank loans has to do with investing in new products and materials, which allowed the firms to continue increase product portfolio and be able to get involved within large projects. However, although the banks have provided three firms with loan, in some extent the firms had to invest deposit from their own business in order to perceive bank loan. This is logical for the financial providers since if you do not have deposit, have no track record in business and have poor credit history, there are no guarantees that you can get bank loans. As there are many requirements from the financial providers, we interpret that the respondent 3 and 5 did not try to use external finance because they could not be able to meet those requirement of providing evidence to the financial provider that their business will become profitable. Respondent 3 also stated “If I asked the bank for a loan, I am sure that they would have said no since I only had a business plan and a completely new business idea”. This can also be related to financial provider not
having access to the entrepreneurs' credit record and there were no guarantee that
the business would be able to survive. Furthermore, respondent 5 started the business
two months after she moved to Sweden, due to language barriers and not knowing
how things work in Sweden, we interpret it as the reasons for not requesting from
bank loan.

Furthermore, when looking at the service industry of cleaning, as both respondent 5
and 6 have not used the external finance in order to fund their business we believe
that it does not require as much investment to start up a cleaning agency but work
force of people doing the job compared to a firm who wants to invent new products or
works within the construction industry. It requires more to develop a new product and
getting it into the market.

For instance, respondent 1, 2, 3, 4, 5, and 6 use the financial bootstrapping in order to
cut costs and expenses within the firm by using renting less expensive hotels when
traveling, buying an expensive furniture for the offices, buying and using old car to
carry on the business and cleaning the office themselves instead of having an external
cleaner. This financial bootstrapping approach according to (Lam, 2010; Winborg &
Landström, 2001; Winborg, 2009) it is discussed to be the most common method for
financing and limiting expenses within the firm. As firm goes through different stages
in the process of firm development, we believe the approach of limiting costs and
expenses (Harrison et al., 2004) might also be used in circumstances such as though
economic times and when the firm the firm want to make large investment. It is a
natural behavior for all entrepreneurs of finding creative ways to achieve the firm
objective and we interpret financial bootstrapping to not always have to do with
earning finance though investment.

Moreover, the theories have also discussed financial strategy of borrowing capitals
from friends, family, social networks as important for immigrant entrepreneurs
(Svensk Handel, 2000, p. 16). We can agree with this to some extent since we
discovered from our study that only one of the entrepreneurs have used the personal
network to run the business. Furthermore, Farcetti et al., (2003) also describe that
access to external finance can be seen as a key element for business and have an
impact on the firm survival (Falcetti et al., 2003 cited in Krasniqi, 2007, p. 80). External
finance is important but has been clarified in our study to not be the key
element for the firm establishment and development rather there are many different
ways as Winborg and Landström (2001) explain for firm to finance their business.
Additionally, we believe it is also driven by the owner-managers strong impact on
decision-making and creative means in managing the financial needs as well as the
industry.

5.4 Factors that influence strategies for firm growth

5.4.1 Characteristics of the entrepreneurs

Education

Theories state that entrepreneurs with higher education can be more motivated to
reach firm growth (Dobbs & Hamilton, 2006, p. 308) and this can be because of
expecting a higher income. Besides maybe getting higher motivation and increased knowledge in the study area, it can also improve the skills in foresight, communication and imagination (Casson, 1991; Dobbs & Hamilton, 2006). Education can also improve the analytical and managerial skills to define a strategy, planning and ability to recruit right people (Casson, 1991 cited in Basu & Goswani, 1999, p. 259).

It is interesting to see that it is only the founders of the more “knowledge-intensive firms” – the firms that offer physical products that have a higher education in terms of a university degree. Two of the respondents that offer services have an occupational education in relation to the business. We believe that the higher education can have helped the respondents to come up with a more advanced offering. The more advanced offering could also depend on that people with higher education usually want to get a higher income.

Although, only one (respondent 3) of the two respondents with a university degree believes that the degree has influenced the firm growth in a positive way. Even though respondent 2 did not believe that her education has influenced the firm we believe that it has. The firm tries to cut down the costs by doing things themselves, such as the accounting, which we think it possible because of her degree in business administration. The two respondents (1 and 4) that have occupational education believe that the education has have a positive influence on the firm growth - it is thanks to the education that they can run the firm. Respondent 5 has taken some courses in marketing and business administration, which influence the firm growth in a positive way since it improved her skills within these areas that have been useful for the business. No matter the level of the education, the education has helped some respondents by open up the mind, improved skills such as communication, solving problems, and manage employees, which supports the theory.

Prior work experience

As mentioned before, the entrepreneurs play a key role within an SME and prior work experience of the entrepreneur can have a big impact on the firm growth (Singer, 1995) in terms of having experience in how the run a firm (Dobbs & Hamilton, 2006, p. 309). If the prior work experience has been within the same industry it can benefit the firm in terms of networks and easy access to information (Basu & Goswani, 1999, p. 260). Basu and Goswani (1999, p. 260) reference entrepreneurs as “late starters” or “early starters”, where the late starters tend to have relevant prior work experience before starting the firm. Studies have showed that the late starters tend to rely less on co-ethnic labor than the early starters. It is also common that immigrant entrepreneurs have gained prior work experience within the family business (Basu & Goswani, 1999, p. 254).

Five out of the six respondents (respondent 1, 3, 4, 5, and 6) have prior work experience from the industry that they operate in today. It was interesting to see that all the respondents think that the prior work experience has a positive impact on the firm growth, which supports the theory. The prior work experience has had a positive impact since it helped the firms to understand the market. Respondent 3 who offer a physical product said that his prior work experience has improved the product
development since it made him more innovative and creative, which also supports the theory.

Three of the five respondents (respondent 1, 3, and 4) that had prior work experience from the same industry are considered as late starters since they worked a couple of years before establishing the firm. Respondent 5 and respondent 6 gained experience from the industry when they were a teenager and are considered as an early starter as well as respondent 2 who established the firm almost directly after the graduation. Respondent 2 had only worked a couple of months at a grocery store, which did not influence the firm growth.

5.4.2 Characteristics of the firm

Age

The theories provide us with different factors to take into consideration when looking at strategies firm growth such as the number of years the firm has been in the business and the size of the firm (Dobbs & Hamilton, 2006, p. 310). The theories have discussed the years for growth within SMEs to be fast in the initial years but slow down in the long-term perspective (Basu & Goswani, 1999, p. 261; Storey, 1994, p. 139). From our study, we experience a complete different era from this perspective where three of the respondents, (respondent 1, 2 and 5) explained that the firm has taken off in the last years operating but still in the initial years it went good. This can be explained in terms of the firm being new and unknown and not having enough networking as well being able to understand the market as well as the customers. Respondent 6 explained the firm to have a stable growth from start, we construct it have to do with the firm operating within large market such as public sectors already from the start, as well as their customer focus.

However, respondent 2, experience the increase sales within the first years of the business because of the introduction of a complete new product. The sales where drifting down later on in the phase of development, which led to the firm developing new products in, order to increase the customer base. When looking at the impact of the years, we can see that demand can have a great impact on the growth in terms of years. Meaning if there is a demand in the market and the entrepreneurs establish the firm based on the demand, it is clear that the firm will grow in the initial years since the firm developed something that the customers wants. Consequently, with no clear demand from the customer but just the potential of starting up a business base on the interest, ambition, it obvious that the firm will grow in the later phase because it takes time in order to know how to satisfy, attract the right customers for the business and build a network.

Size

Size of the firm is another factors that can have an impact on the firm strategies and growth, meaning if there are not enough people within the firm, it becomes difficult to implement strategies, satisfy customer and be able to work on projects (Dobbs & Hamilton, 2006). Dobbs & Hamilton (2006) also describe that the reasons why small business are small is because of limited resources in terms how efficient they can be
and the financial limitations. We completely agree with SMEs financial limitations and sometimes not have enough resources to carry on can affect the business. However, our study has clarified that there are ways on how SMEs work in order to overcome these factors. An example can be the strategy used by respondent 1 (construction industry), in times when there are involved in many projects at the same time short on staff, they tend to hire external human resources. It is an effective strategy for limiting the need for recruitment process and saving time. At the same time, if the firm does not have enough capitals to invest in external human resources this in return can put the firm in danger. The Respondent 2 uses outsourcing as a strategy. Respondents 5 uses the strategy of subcontractors when there are limited resources. All the firms agreed with size of the firm to have an impact on their business as well as describe sales person to be very important for its business while other described the need to be able to share ideas with between each other, take on large projects and being satisfied with the size so on.

Rather than that, based on our own experience, the customers of SMEs tend to questions the firms if they will be able to carry on the work since they are small firms in terms of resources and employees. Often large firm under estimate the SMEs because of their limited resources and always questions how they will manage with limited resources rather than considering the capabilities that the firms’ employees have. The size has an impact but it is more important have the right people for the job. Often within the small firms, managers are very careful with the people they choose within the firm and always look for the best employees with the right skills in order to eliminate the chance of investing in someone who will not be able to do the job.

**Location**

Although the theories have describe the location to be a factor influencing the firms strategies and growth (Storey, 1994) most of the respondents did not see any negativity with the location which they operates in. Five out of six (respondent 1, 2, 4, 5, and 6) tend to be satisfied with the location of their business and have seen the benefit of having the business where it is. Some of the respondents that run the firms in Northern Sweden mentioned that other people from Southern Sweden find them to be trustworthy and good people to collaborate with since they come from Northern Sweden. The respondent 2, 3 and 6 saw the possibilities of being in large cities since they customers are based in these regions. The reasons for this can be related with having the access of solving customer problems straightaway rather than taking longer hours. Some other saw the big cities as an advantage for the business because of the population, cultural differences, stronger work force and the number of people living within the particular region. The theory also describes immigrant entrepreneurs to normally run their businesses in segregated areas (M. Amovic, personal communication, 8th of April, 2013). Based on our study, the location of the business can be related to where the entrepreneurs have been raised, lived or the city they came for studies. Since none of the respondent focuses their business on the ethical groups but rather than any kind of customers, we believe the theory of Storey (1994) is not credible to some extent.
External factors such as industry the firm operates in can have an impact on the firm. Lumpkin and Dess (1996) describe the business environment to influence the development of the firm nevertheless the resources the firm has, competence or strategies developed. The business environment can change which can in return affect the industry and influence the firm. The industry can be factors that can affect the firm different dynamism. The construction, beauty and cosmetic and cleaning industry is field that continues grow and there are always customers. This is an industry that will never fade since it something that people need. People will always need housing, fix their hair or cleaning schools and department but it all dependent on the quality of the service, price and how satisfied the customers are. Although there might be strong competition in the market, these businesses are able to survive as long as the hold on to their customers and market themselves in the right way. The most difficult phase we believe it to be able to compete on price and at the same time be able to keep the quality of the service.

In terms of the firms providing products, the survival of the firm, strategies and growth of the firm can easily depend on the industry since buyers power can increase, the supplier power can also increase if there are many customers who are working for one suppliers as well as the threat of substitute of customer switching to the competitors can also have an impact on the firm. For instance with respondent 2’s products, there is a high power for substitute since other competitors provides similar products. As the business idea of the firm is different and they know how to react according to the environment, this in return has helped them to continuously growing. Respondent 3 sells his products for customer to integrate to their computer while Google provide the similar service for free. Due to this the industry has a strong impact on the firm since there are no guarantee that product will be able to survive in the market. Within the IT-industry, there are development of new technology every day and if you not able to follow each step of the technological changes, you will be left behind which will also mean the business wont survive. The firm of respondent 3 has difficulties with selling the products, which could be related to the cost of the product since some of the competitors allow the end users to use it for free.
6. Conclusions and Recommendations

Based on the information from the “Literature Review” and “Empirical Findings” we answer the research question. We present the theoretical and practical contributions. We also suggest future studies for the academic scholar that would like to further do research within the area of immigrant entrepreneurship and firm growth.

6.1 Conclusions – research question and theoretical perspective

As immigrants have increased in Sweden, the area of firms run by a person with foreign background such as immigrant entrepreneurship has brought much attention in research and media. Different studies conducted by researcher have shown the impact immigrant entrepreneurs have on the Swedish economical growth and increased employment. The study of ALMI clarified that today there are more than 75 000 firms in Sweden that are ran by entrepreneurs with foreign (ALMI, 2013), which means that the immigrant entrepreneurs represent 14 percent of all firms in Sweden. The authors of the study managed to find much information about immigrant entrepreneurs but still when it came to strategies for firm growth within immigrant entrepreneurs, there were lack of studies within these areas. The purpose of the study was to get deeper understanding, knowledge and lift up the area of immigrant entrepreneurs as well as explore how they develop strategies to run their businesses and achieve firm growth. The empirical findings and the analysis of the research allow us to answer the research question;

- How do immigrant entrepreneurs in Sweden develop strategies in order to reach firm growth in their business?

In chapter two, “Literature Review” different strategies were described looking at SMEs and the empirical findings showed that the immigrant entrepreneurs in this study develop several strategies in order to reach firm growth. Not all strategies introduced in chapter two “Literature Review”/theoretical perspective were used and some of the strategies were more common than others. In figure 2 “Modified conceptual framework with new findings”, the authors illustrate and summarize the strategies that are developed as well as which factors and barriers that influence the firm growth.

The two most frequently developed strategies within immigrant entrepreneurs are product/service- and market development. All the immigrant entrepreneurs who participated in the research develop product/service- and market development as strategies in order to reach firm growth. Some develop new products in order to reach new customers, while other tried to get involved in more projects in order to increase market share. What was most surprising is that none of the firms limit their markets by serving customers within their ethnical groups instead put focus on providing products and services for specific customer demand in the market. Nor do they either focus on personal and cultural products or services but their offerings are attractive to customers from both the ethnical group and people outside the group. Furthermore, most of the immigrant entrepreneurs offered products and services based on their prior work experiences. These findings are not in line with the prejudices that exist. We believe that this is also common among Swedish entrepreneurs since it is easier to
continue within the same industry or start up a firm within an area that you already have knowledge in.

What has been discovered from the analysis is that most of the firms are not at the moment very proactive in terms of finding and attracting new customers. They are very dependent on the loyal customers through the advertisement of positive-word-of-mouth instead of marketing themselves in a proactive way.

Networking were in the research shown to be one of the most common strategies developed by immigrant entrepreneurs in order achieve firm growth. Networking tends to have a very strong impact on the firm growth, since it have helped the firms to find new contacts, find new projects, attract new customers and increase networking. The personal network of the immigrant entrepreneurs in our study showed not to be very useful for the firms in terms of getting access to information, capital and cheap labor, which does not support the prejudice.

Moreover, human resource strategies were commonly developed by immigrant entrepreneurs, which also were proven in our study. The firms invest in human capital and training employees and this has to do with the offers require specific skills and knowledge before starting the work. None of the immigrant entrepreneurs in our study relied on family or friends when building up the staff base. This shows that the prejudice of immigrant entrepreneurs building up the staff base is not correct in this study.

The use of financial bootstrapping differed among the firms and had different impact but were not the strongest strategies developed in order to reach firm growth but a strategy used in order to cut cost and expenses as well as manage the economy in though economical situation.

The business collaboration was used to some extent mainly. While interviewing the respondents we found that some of the firms developed outsourcing of using external human resources to carry on the work and be able to keep up with the increasing demand for the offerings, as well as using external firms for the process of product development.

Internationalization was probably not very strong within the study since it is believed that more of the firms where based on service industry were as two firms with products saw the potential of internationalizing in the future.

Factors influencing strategies were not the main focus on the study but since our aim was to look at the strategies developed in order to reach firm growth within immigrant entrepreneurs/SMEs, it was important to take into consideration the characteristics of the owner/manger and the firm, as well as barriers to firm growth since it can influence how the firm works in order to reach firm growth. Although this was not the main focus on the study, the findings clarified that they have strong impact on the firm growth. The empirical findings clarified that all factors such as education, prior work experience, ambition to growth, age, size, industry, and location influence the strategies for firm growth to some extent.
When it comes to the ambition to grow it showed that the personal history of the immigrant entrepreneur could have a big impact. This is something that can be useful for the Swedish business life since people that have a though personal history might develop firms that achieve firm growth. Maybe this could be transferred to younger people that have been in prison and that get a second chance, or people that have experience a loss of a family member. The mindset of the entrepreneurs (whether he or she sees himself/herself as an entrepreneur or an immigrant) was also discovered to influence the strategies for firm growth.

Most of the immigrant entrepreneur’s business developed and grew after few years operating within the business as it takes time to establish a name and extend networking.

The literature described the firm growth is to a certain extent determined by the internal and external barriers which were also experience when conducting our research but to some extent the firm business grow did not depend on the barriers rather than some of the firms managed and found ways on how to turn barriers into opportunities. One common barrier that the firms have faced during the process and development of their businesses has been in the area of limited resources, which is a common view of all SMEs. External barriers such as business environment and lack of capital tend to have impact on all firms, either if it is an immigrant entrepreneur or not. Further in terms of the barriers that immigrant entrepreneurs face, it showed that it is mainly dependent on the time when the person moved to Sweden as well as the time they manage to establish the firm. If the entrepreneur has lived in Sweden for many years and has managed to integrate him or herself in the society, the language, culture, networking tends not to have an impact on the firm growth.

Below we present the new modified conceptual framework from chapter two, “Literature Review”, with the new findings from chapter four, “Empirical Findings”.

The modified conceptual framework consists of three different colors. The color green illustrates new findings and these findings were not in the first theoretical perspective. The color red illustrates strategies, factors, and barriers that were developed and that influenced the firm growth, while the color black illustrates the strategies, factors, and barriers that were not developed or that did not influence the firm growth of the immigrant entrepreneurs in the study. By reading the answer to the research question and looking at the modified conceptual framework it is obvious that the theoretical perspective has change since the start.

The arrows in the modified conceptual framework confirm that there still is a relationship among strategies, firm growth, internal and external factors, as well as internal and external barriers, as the first conceptual framework shows (see figure 1).
In the next section we describe the new findings and the new theoretical perspective more in detail.

6.2 Theoretical and practical contribution summary

As seen above we have managed to come up with theoretical contributions, which will be summarized in the next section. From the empirical findings and our knowledge within entrepreneurship we give some recommendations to the managers, which is the practical contribution of this study.

6.2.1 Theoretical contribution

This research contributes with an enlarge knowledge and also an understanding of how immigrant entrepreneurs in Sweden develop different strategies in order to reach firm growth. Only a quantitative study have been made within the area of immigrant entrepreneurs and firm growth in Sweden and therefore all of the empirical findings
can contribute to research to some extent. This research contributes with data of how immigrant entrepreneurs actually run their businesses to reach firm growth. Further, this research has proven that characteristics of the owner/manager and the firm, as well as barriers for firm growth need to be taken into consideration when doing research about firm growth within SMEs and how these firms develop strategies.

From the empirical findings we have managed to find new strategies and internal factors that can influence strategies for firm growth and below we will present these findings.

Strategies:

- **Market Development (no market limitations in terms of ethnical group)** – The previous theories have explained that firms that are run by first-generation immigrants focus often on personal and cultural products and services, and they tend to offer goods and services to their ethical groups. Our study have clarified other findings, since majority of the firms participated in the research were from the first-generation and did not focus on personal and cultural products as well as ethics groups in terms of customers but rather provided products and services that are suitable for anyone.

- **Human resources (ethnical group – family/friends)** – There have been theories suggesting that immigrant entrepreneurs tend to recruit friends and family’s to get cheap labor. This can be agreed on to some extent since it is dependent on the type of business. In our study, none of the respondent recruited personal networking for cheap labor but rather took the employees with the specific knowledge within the area.

- **Outsourcing** – One strategy not mentioned in the theories but a common strategy that majority of the respondents tend to use was outsourcing. Both firms that offer products outsource their production for system integration, design implementation and product development in overall. Most within the service industry, in times when they are short of stuff, they tend to recruit external employees to carry on the work, or outsource the working task to collaborative partners since they have many projects going on.

Characteristics of the owner/manager and the firm:

- **Mindset** – From the empirical findings we could see that if the owner/manager perceives himself/herself as an immigrant instead of an entrepreneur it was more likely that this person would face discrimination and racism. The entrepreneurs that saw themselves as entrepreneurs and not immigrants did not think that they had face any barriers related to being an immigrant nor racism or discrimination. The respondent who where thinking of himself as an immigrant did also had lower motivation for firm growth than the rest of the respondents.

- **Personal history** – It showed that the personal history of the respondents had an impact on the motivation and ambition of firm growth. One of the
respondents left her home country together with her to children because of war. This seemed to have a huge impact on her ambition and motivation to firm growth since she was used to fight and work hard in order to integrate with the Swedish society. The respondent also said that challenges that she now faces when running her firm is nothing in comparison to what she experienced from the war. This shows the importance of taking the personal history of immigrant entrepreneurs into consideration since some of they have experienced things that native Swedes never had that affect how they are as a person – and owner/manager.

Age of the firm – Previous research state that it is normal that SMEs grow most during the first years of establishment. This theory was not fully supported and some of the firms grew faster after a couple of years in business. We believe this is related to increasing network and establishing a “name” in the industry.

6.2.2 Practical contributions

By doing this research we have manage to come up with four suggestions and recommendations for immigrant entrepreneurs and its managers;

✓ Extend the networks – As we have seen in this study networking is very important when running a business and can often be crucial for firm growth and sometimes even survival. Some firms tend not to see the importance of networking since they often see the firm to work independent. We believe that networking is always important for a firm and therefore we recommend the firms to see the value from networking and that they work hard to increase the different kinds of networks that exist. We believe that it is especially important for first-generation immigrant entrepreneurs that have moved to Sweden when being older to work hard to increase the network since they logically do not have as an extended network as a native Sweden.

✓ Be proactive – Most of the firms in our study were not very proactive in terms of attracting new customers, and interestingly all of these firms operate in the service industry. These firms tend to be very relying on their customers and the effect of positive-word-of-mouth. No matter how well firms develop strategies we believe that it is important to market them and use the right marketing strategy. This is especially important if the numbers of competitors increase.

✓ Collaborate – We recommend the firms that offer services to collaborate more in order to expand the services – and businesses. When we talk about business collaborations we recommend them to work with other firms within a specific project. They can collaborate with other firms that offer different but complementing services to their business. For example, respondent 4 run a beauty salon and by collaborating with another firm within the beauty cosmetic industry they can together offer a package to customers and this could be especially useful for bigger events such as weddings. Business collaborations can in a long-term perspective lead to new knowledge and
competences, which in return can increase the new ideas and help the firm to develop and grow.

- Mindset – In terms of being an immigrant entrepreneur it is pretty likely that these firms face discrimination or racism when having a foreign background. What was positive in our study was the fact that most of the immigrant entrepreneurs considered themselves, as an entrepreneur as everybody else in Sweden and most of them did not believed that there were any disadvantages of being an immigrant entrepreneur.

6.3 Overall quality assessment

During the research we strived for a high quality on this study and it was important that the quality standards are met. In this section we follow up by the criteria standard assessments of qualitative research as mentioned in chapter three “Methodology”. As mentioned in chapter three the quality is ensured by trustworthiness and authenticity.

This study responds to all the four criterions within trustworthiness; transferability, dependability, conformability, and credibility. We believe that the transferability for this study is high within Sweden since we conducted information regarding immigrant entrepreneurship and strategies for firm growth from different industries and geographical areas. But the study might have less transferability in other countries as it can depend on the rules and regulation in terms of SMEs as well as what is considered as immigrant entrepreneurs in other countries. In order to increase the credibility of the findings we recorded all the interviews and transcribed the information on Word documents. We have not included our personal beliefs or thoughts into the study rather based the research on data collection and theories, which are in line with the conformability criteria. It was really important for us that the information within this study is not misleading and therefore we transcribed the data in order to be the study credible.

When it comes to authenticity we strived to give the right picture of each respondents. Therefore, all respondents within the research were provided and asked the same questions and we made sure that the information was analysed in the same way. It was important that our findings were in line with the social reality and that we gave the right picture of each respondent.

Since qualitative study is about getting a deep understanding for a specific area it is common that the generalizations are limited (Kent, 2007). The study can be further transferred and replicated by other with the ambition to further investigate the area of immigrant entrepreneurs, strategies as well as industries, both in different regions in Sweden as well as other parts of Sweden.

6.4 Limitations of the study

There are some limitations of this study that we discovered along the research process. These limitations are highlighted below.
• This study did not measure the firm growth (such as the turnover or number of employees) within a period of time. Our study is limited in the sense that it has only focused on the strategies immigrant entrepreneurs develop in order to achieve firm growth. When looking at implementation of the strategies, this study has not provided any in-depth information. For instance, when the firm has enough resources, capital and competence to implement a strategy, there might be other barriers that can prevent the firm from growing such as customer preference, environmental changes or completion that might create new barriers.

• Marketing strategy is also a very important strategy tool used in order to reach and attract new customers. This is a strategy that cannot be generalised since it is very broad. This can also be considered as a limitation within the study, since marketing tend to be very important during the implementation of strategies.

• The study focuses on different strategies developed by immigrant entrepreneurs in Sweden in order to grow, however there are other strategies such as merger, acquisition and partnership that firms can undertake which have not been a focus in our study.

• The result of the study accordance with the empirical data from firms based only in Sweden can be limited in generalization for other countries.

• The limitation can also be the view of having more first-generation immigrant rather than an equality of both first- and second-generation immigrants.

6.5 Suggestions for further research

For this research we manage to interview six immigrant entrepreneurs within different industries and geographical locations within Sweden. As mentioned in chapter one “Introduction background” we stated that immigrant entrepreneurs represent 14 percent of all firms in Sweden. A study conducted by ALMI (2013) shows that 75 percent of youth with foreign background in Sweden are considering starting their own firm. This strengthens the importance of continuing to study immigrant entrepreneurs in Sweden.

Due to the fact that we found a big research gap when it comes to how immigrant entrepreneurs in Sweden develop strategies in order to reach firm growth we strongly believe that more research should be done within this research gap. Before starting the research we had a discussion with Swedish Agency for Economic and Regional Growth and their department of immigrant entrepreneurs and got the research gap confirmed that we found when reading through scientific articles about immigrant entrepreneurs around the world and Sweden. When studying SMEs firm growth it is important to take the characteristics of the manager, firm, and barriers into consideration as well since these influences the firm growth. We also think that these factors should attain more research.
Although, we believe that our study has contributed with some new findings. For further research it could be useful to continue with a qualitative study but interview more firms, even though we strongly believe that our empirical findings from six immigrant entrepreneurs are trustworthy.

It could be interesting to niche the study even more and only focus on immigrant entrepreneurs that offer products or services in order to see what strategies for firm growth that they are trying to develop. A possible research question within this area could be; “How immigrant entrepreneurs that offer products develop strategies in order to achieve firm growth?” Besides choosing either firms that provide products or services further research could also be conducted in a specific industry. From the research gap we found that most of the studies have been done by comparing first-generation and second-generation immigrant entrepreneurs in general we believe that it could be useful to conduct a study where the researches compare the differences between these generations when it comes to strategy developed in order to reach firm growth. A possible research question here could be “What is the difference among first- and second-generation immigrants when developing strategies for firm growth?”

It would also be interesting to do a longitudinal study to see if the strategies that are developed in order to reach firm growth change with time or within different phases of the firm. Since our study aimed to investigate the strategies that immigrant entrepreneurs developed in order to reach firm growth it could also be important to study how these firms actually implement these strategies that they have developed. Due to the shift in industries when it comes to immigrant entrepreneurs it would be interesting to study which industry that actually represent the majority of the immigrant entrepreneurs.
References


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Appendix 1: Interview Guide (English)

Introduction questions

- You are the owner/manager of the firm XXXX. Can you please tell us about the corporate history in brief?
- *If founder* – Did you start the firm from scratch or did you purchase or inherit the firm?
- What were the reasons and motives behind starting or purchasing the firm?

About the owner/manager

- Please, tell us about your background. Where are you from and how long have you lived in Sweden?
- What was the reason for coming to Sweden?
- Do you have any education? If yes, please tell us about your education.
- Do you have any prior work experience? If yes, please tell us about your prior work experience.
- Have any of your family members or relatives experience in running a business?

Firm growth and barriers to firm growth

- Does the firm have any goals or milestones in order to grow and develop? If yes, please describe these goals and milestones.
- Have you and the firm faced any barriers to firm growth? If yes, please describe these barriers.
- Do you believe that any of these barriers can be related to the fact that you have foreign background? If yes, please describe in what way.

Strategies for firm growth

*Product development*

- What products and services does the firm offer?
- Does the firm have any ambitions/intentions to develop more products or services? If yes, please describe these products and services.

*Market development*

- Who are your customers today and are those customers the same as the customers from the start?
- How come that you have another customer base today?
• How did you reach out to these customers?
• How much effort do you put to find new customers?

**Business collaborations**

• Is the firm collaborating with any other firm? If yes, please describe how the collaboration works.

**Networking**

• How would you describe your network?
• Has the network impact the development and growth of the firm? If yes, please tell us how.

**Internationalization**

• Are you doing business in foreign market now (import/export)?
• Does the firm have any ambitions/intentions to start doing business in foreign markets?

**Financial strategy**

• Has the firm been in need of capital since the establishment of the firm? If yes, how did you get the capital needed for the firm?
• Do the firm tries to cut down the costs? If yes, please describe how.

**Human resource strategy**

• How does the recruitment process look like?
• Do you provide training to your employees in order to increase the knowledge and competence? If yes, please describe what type of training and how often the firm provides training.

• Is it something that you would like to add when it comes to how you run the firm?

**Factors influencing strategy for firm growth**

**Characteristics of the owner/manager**

**Education**

• How do you believe that your education influence the way the firm works and the firm growth?
Prior work experience

- How do you believe that your prior work experience influence the way the firm works and the firm growth? If yes, please describe how.

Motivation/growth objective

- Do you have any motivation or ambition that the firm should grow? If yes, please develop.

Characteristics of the firm

Age of the firm

- How do you believe that the age of the firm influences the way the firm works and the firm growth?

Size of the firm

- How do you believe that the size of the firm (number of employees) influence the way the firm works and the firm growth?

Industry

- How do you believe that the industry that the firm operates in influence the way the firm works and the firm growth?

Location

- How do you believe that the location of the firm influence the way the firm works and the firm growth?
Appendix 2: Interview Guide (Swedish)

Introduktionsfrågor

- Du är grundare/ägare/chef på företaget XX. Kan du beskriva kortfattat om företagets historia?
- Om grundare av företaget - Startade du företaget från grunden eller köptes/ärvde du företaget?
- Vad var anledningen/motivet till att starta/ta över företaget?

Frågor om grundaren/ägaren/chefen

- Vad var orsaken till att du flyttade till Sverige?
- Har du någon utbildning? Om ja, vad för utbildning?
- Har du någon tidigare arbetslivserfarenhet innan du började på XX? Om ja, inom vilken bransch?
- Bedriver någon i din familj eller släkt eget företag?

Företagstillväxt och tillväxthinder

- Har ni haft några uppsatta mål för att företaget ska utvecklas och växa? Om ja, kan du kortfattat beskriva dessa mål?
- Har företaget mött några hinder längs vägen som har gjort det svårt för er att utvecklas och växa? Om ja, kan du beskriva vilka dessa hinder har varit?
- Tror du att några av dessa hinder kan ha uppstått på grund av att du har utländsk bakgrund? Om ja, vilka?

Arbetssätt

Produktutveckling

- Vilka produkter och tjänster erbjuder företaget?
- Har ni ambitionen att utveckla nya tjänster/produkter? Om ja, beskriv produkterna eller tjänsterna.

Marknadsutveckling

- Vilka kunder arbetar ni med idag och är det samma kunder som ni arbetade med vid start av företaget?
- Hur kommet det sig att ni har valt att fokusera på dessa specifika kunder?
- Hur går ni tillväga för att komma i kontakt med dessa kunder?
- Hur mycket tid och resurser lägger på att hitta nya kunder?
Samarbetspartners

- Har ni använt er av någon form av partnerskap? Om ja, vad för typ av partnerskap?

Nätverk

- Beskriv hur ert nätverk ser ut idag?
- Har ert nätverk haft stor betydelse för företagets utveckling? Om ja, hur?

Internationalisering

- Bedriver företaget någon import eller export? Om ja, till/inom vilka länder?
- Om ni inte arbetar på internationella marknader – Har ni några planer på att inte nya marknader utanför Sverige?

Finansiering

- Har ni någon gång under företagets utveckling varit i behov av kapital? Om ja, hur gick ni tillväga för att för att få tillgång till kapitalet?
- Försöker företaget att skära ner kostnaderna? Om ja, beskriv hur.

Rekrytering

- Hur ser rekrytering process ut?
- Erbjuder ni någon typ av utbildning/träning till era anställda för att utöka kunskap och drivkraft inom företaget? Om ja, hur ofta?

- Använder ni er av något annat för att utveckla företaget/nå tillväxt inom företaget?

Grundaren/ägares/chefens egenskaper

Utbildning

- Hur tror du att din utbildning har påverkat hur företaget arbetar och hur ni växer?
**Tidigare arbetserfarenhet**

- Hur tror du att din tidigare arbetslivserfarenhet har påverkat hur företaget arbetar och hur ni växer?

**Ambition att växa**

- Har du någon ambition om att företaget ska utvecklas och växa? Om ja, beskriv hur dessa ambitioner ser ut.

**Företagets egenskaper**

**Älder**

- Hur tror du att de antal år som företaget har varit verksam kan påverka hur företaget utvecklas och växer?

**Storlek**

- Hur tror du att ”företagets storlek” kan påverka hur företaget utvecklas och växer?

**Bransch**

- Hur tror du att branschen som ni befinner er i kan påverka hur företaget utvecklas och växer?

**Läge**

- Hur tror du att företagets läge (vart företaget finns) kan påverka hur företaget utvecklas och växer?