UNIVERSITE CATHOLIQUE DE LOUVAIN

LOUVAIN SCHOOL OF MANAGEMENT

The Social Capital approach to rapid internationalization among International New Ventures: *The case of the accelerator Plug and Play Tech Center, USA*

Supervisors:

Christophe Lejeune

Régis Coeurderoy

Research Master Thesis submitted by

Arnaud Evrard

With a view of getting the degree

Master in Business Management

ACADEMIC YEAR 2015-2016

ABSTRACT

Nowadays, we live in a world where reaching towards the international arena is not only considered as an option for some firms, but has also become a strategic necessity. For the last previous decades, internationalization models have considerably changed, as numerous new ventures have been able to start assessing the international chessboard from inception. While specific models such as the "Uppsala model" provide a framework of gradual involvement in foreign market, we have discovered new phenomena of "International New Venture" that challenges the previous model. A large number of new ventures, especially in high technology, have showed the ability to internationalize faster and often from inception. However, some liabilities still subsist and impede the internationalization process to occur rapidly for those international new ventures. These liabilities result from a lack of access to resources that mitigate the ability of these new ventures to access immediately the international level. In our thesis, we shed the light on the importance of business networks, as initiated by Johanson and Vahlne (2009), by focusing on the social capital.

Social capital is "*the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit.*" *(Nahapiet & Ghoshal 1998, p.243)*. In our study, we focus on explaining how the access to resources, conveyed by specific network of relationships, successfully mitigates these liabilities.

The ultimate purpose of this thesis is to understand how the access to specific social capital can alleviate the intrinsic liabilities depicted by Cuervo-Cazura (2007). In order to do so, we developed a theoretical framework of the impact of the social capital on the speed of internationalization. We subsequently challenged this framework with a substantive qualitative case study of an accelerator located in the Silicon Valley: The Plug and Play Tech Center. Consequently, we challenged each of these theoretical liabilities with the resources available within the accelerator Plug and Play Tech Center. We eventually shared our recommendations for this specific case and we also propose suggestions for future researches on the thematic of the accelerator industry.

Keywords: International Entrepreneurship, Social Capital, Speed of Internationalization, Accelerator

ACKNOWLEDGEMENTS

This dissertation is the culmination of one entire year of work and its achievement would not have been possible without the invaluable support from many people, to whom we would like to express our gratitude.

Foremost, we would like to thank our promoters **Régis Coeurderoy** and **Christophe Lejeune** for all the freedom we have been given to elaborate a thesis concerning such a fascinating subject.

We also take this opportunity to show our gratitude towards **Baudouin de Hemptinne**, our internship advisor, who has been a real mentor to us during our internship in San Francisco and whose guidance was inestimable.

We would like to appreciate our family for their constant moral and intellectual support during the last twelve months. We express specifically our deep gratitude to our father **Daniel Evrard** and our sister **Johanne Evrard** who continuously advised and guided us during the different phases of our dissertation.

We would like to express our gratitude to all our interviewees who generously devoted their time to help us elaborate our researches. Without their collaboration, the elaboration of this thesis would not have been possible.

Finally we would like to thank **Fanny Delcroix** for being a source of motivation and whose support has made the realization of this thesis possible.

New York, USA, July 2016

Arnaud Evrard

TABLE OF CONTENTS

List of Figures

INTRODUCTION

A. CONTEXT

We live in a world that has become more and more integrated thanks to information technology that has reshaped the business world. The international arena is henceforth considered for some companies not only as an option but also as a strategic necessity (Oviatt & McDougall, 1994). New ventures have not been an exception to that. The growing proportion of companies that, early in their existence, develop rapidly at the international scale, which means without consolidating their activities in their local environment, has drawn the attention of the public authority since the 90's (Servantie, 2007).

The phenomenon of globalization puts pressure on new ventures to develop strategies for internationalization and represents an opportunity that may be essential to grasp in order to remain competitive. The importance of International Entrepreneurship defined as "*the process of creatively discovering and exploiting opportunities that lie outside a firm's domestic markets in the pursuit of competitive advantage*" *(Zahra & George, 2002, p.262)* has never been more obvious than today. In today's increasingly fast developing markets, windows of opportunity are small and therefore speed, defined as the time difference between founding and internationalization, has become essential (Arenius, 2002).

A lot of ink has been spilled to attempt to define the internationalization's pattern of firms and more recently the specificities that are related to new ventures. New terms such as "Born Global", " Born again Global" or " International New Venture" have been created and recognized by various authors among others Arenius (2002), Knight and Cavusgil (1996), Oviatt and McDougall (1994) and Rennie (1993). These new terms shed the light on the importance of the rapidity of some new ventures to cross their native borders despite relatively limited resources (financial, managerial, information, business knowledge etc.). This lack of resources makes the new venture more prone to face specific liabilities such as newness, foreignness and expansion.

In order to accelerate the internationalization process, and to overcome these intrinsic liabilities of new ventures, some authors have evoked the possibility of leveraging resources through the development of a social network (Johanson & Vahlne, 2006; Oviatt & Mc Dougall, 2005). According to them, the elaboration of network relationships may then provide a solution to the challenge of globalization for new ventures. “Social capital”, as representing the access to resources embedded within a network of relationship, may therefore offer a less costly alternative for obtaining access to local centers of knowledge around the world. It may eventually speed up the internationalization process of new ventures and help them to reach the international key milestones at a faster pace.

B. PROBLEMATIC

We started our researches by formulating our **initial question** as: “How does the social network of a new venture impacts the speed of its internationalization process?”. This question features the quality of clarity, feasibility and relevance proposed by Van Campenhoudt and Quivy (2011). After the exploration phase, during which we started to gather information through lectures and exploratory interviews, we developed our problematic. The **problematic** is the theoretical perspective the author decides to adopt in order to address the issue related to the initial question (Van Campenhoudt & Quivy, 2011). A lot of different factors have an impact on the speed of internationalization: the network, the organizational capabilities, the industry of the new venture, the environment stability, the entrepreneur’s characteristics, the political environment etc. (Oviatt & Mc Dougall, 2005). In this dissertation, we have decided that the focus would be on two major concepts: the international new venture (alias INV) and the social capital. More precisely, we want to determine the effect of the social capital on the speed of the internationalization’s process of ventures willing to internationalize from inception.

The objective of this thesis is to contribute to the body of literature of international entrepreneurship and social capital. More concretely, the focus is on the understanding of the major barriers to the internationalization’s process for new ventures and the impact the social capital can have on the speed of this process by leveraging these barriers.

C. STRUCTURE OF THE THESIS

The thesis is separated in two main parts that represent a coherent piece of work. The first part of this paper is the **theoretical part** composed of a thorough literature review. The latter represents a wide scan of the literature made by the researcher. It permitted to embrace the context of the evolution of the theories related to the internationalization process and the specificities of an emergent concept: the international new ventures. We started by gathering researches on the concept of social networks in order to explain more comprehensively the social capital. Subsequently we have focused on the importance of the social capital to mitigate fundamental internationalization liabilities of INV. Therefore, we concluded that social capital acts theoretically as a catalyst to increase the speed of internationalization.

The second section of this paper is the **practical part**, which represents a systematic empirical work that addresses the concepts explained in the theoretical part. In order to do so, we have decided to conduct a case study of an accelerator located in the Silicon Valley: The Plug and Play Tech Center. The interest was on the access of a third party's social capital as a catalyst for internationalization. Our focus of the practical part can be summarized in the following global research question: "*How does the social capital conveyed by an accelerator affect the speed of internationalization of International New Ventures? Study case Plug & Play Tech Center, United States*"

Eventually, we conclude the thesis with a summary of the findings of the literature review and the case study, a few managerial recommendations and several future research propositions.

THEORETICAL PART: THE LITERATURE REVIEW

SECTION 1: A REVIEW OF EXISTING THEORIES ON INTERNATIONALIZATION

In this section we will go through the evolution of the major theories of internationalization. We will focus on the limitations of previous theories and shed the light on the impact of the changing environment on the new theory. A typology of enterprises crossing their national borders and the main challenges they are facing while internationalizing will be depicted. In this paper, the different dimensions of a firm's classification will be superficially reviewed in order to develop more in details the time dimension that refers to the speed and the precocity of firms going abroad.

I. THEORETICAL FOUNDATION OF INTERNATIONALIZATION

Internationalization is *"the process of increasing involvement in international operations" (Welch & Luostarinen, 1993, p.156)*

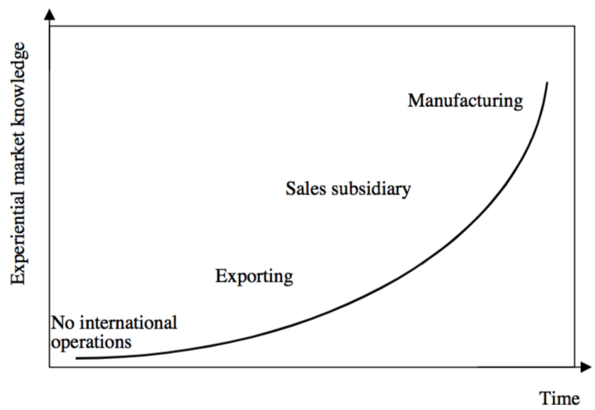
A. THE UPPSALA INTERNATIONALIZATION MODEL

1. SUMMARY OF THE MODEL

The development of the "*stage model*" or "*Uppsala internationalization model*" was conceptualized in 1977 by Johanson and Vahlne and finds roots on the behavioral theory (Penrose, 1966; Cyert & March, 1963). The authors insisted at that time on the dynamic and sequential mode of the internationalization process with underlying assumption being uncertainty and bounded rationality. According to this model, every incremental stage can be decomposed from the first exportation to eventually become a multinational enterprise (MNE). Johanson and Vahlne (1977) developed this model in 4 incremental steps:

1. No regular export activities (sporadic export);
2. Export via independent representative (export mode);
3. Implantation of a foreign sales subsidiary;
4. Establishment of foreign production/manufacturing.

Figure 1: The Uppsala Internationalization Model (Arenius, 2002, p.28)



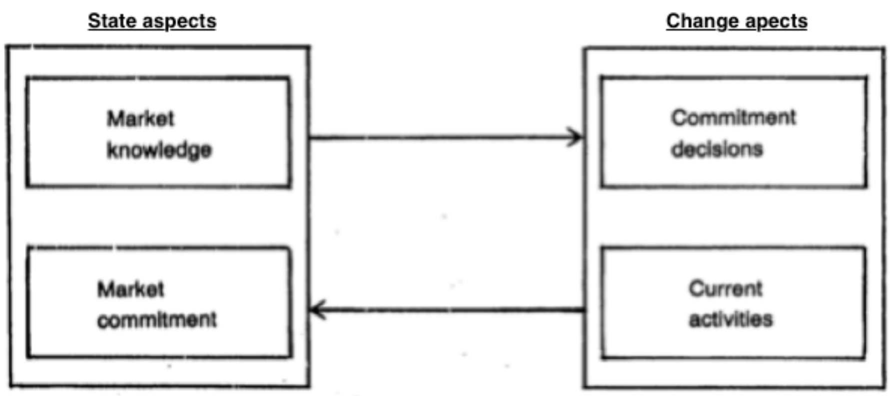
This incremental model considers that internationalization starts with low risk and low commitment mode of entry while successive stages involve higher degrees of international involvement and risk. The authors depicted the internationalization model as an "*establishment chain*" where the steps are reflected according to the time and the experiential market knowledge acquired (Johanson & Vahlne, 1977). This step-by-step process provides an explanation to the reason why companies start late to expand their business to other countries and why the process is slow as well (Bacq & Coeurderoy, 2010). This preceding model is principally applicable to smaller firms and the authors consider that the process could be faster in only 3 circumstances (Johanson & Vahlne, 1990):

1. The enterprise is large and has substantial resources;
2. The members of the organization have considerable experiential and objective knowledge in similar countries;
3. The market conditions are stable and homogeneous.

According to this model, it is required to gather an important amount of information concerning the specificities related to the new market before committing to enter a new market. This gradual search of knowledge and experience in different markets reveals the dynamic aspect of this model. The higher the "*psychic distance*" the more complicated it becomes to have access and interpret information of a foreign environment correctly. Psychic distance is defined as "*the sum of factors preventing the flow of information from and to the market. Examples are differences in language, education, business practices, culture, and industrial development*" (Johanson & Vahlne, 1977, p.24). It provides an explanation to foreign market selection since companies are keener to expand in a minimal psychic distance first (most likely surrounding countries) before gradually broadening to more distant one.

The Uppsala model is a causal cycle that considers the market knowledge and the market commitment as having an important effect on the internationalization process (Johanson & Vahlne, 1990). The basic mechanism of internationalization according to these authors is illustrated in the following figure:

<u>Figure 2: The basic mechanism of internationalization: The State and Change Aspects (Johanson & Vahlne, 1977, p.26)</u>



The left hand side of the schema represents the "*state aspects*", which depicts the resources committed to the foreign market as well as the knowledge of a foreign market possessed by a firm at one given point. On the other hand, the "*change aspects*" are decision to commit resources and the performance of the current activities. Static aspects are assumed to affect perceived opportunities and risk and henceforth impact commitment decisions and performance of current activities. These in turn impact knowledge and commitment as well (Johanson & Vahlne, 1977).

In other words, firm changes by learning from their experience of current operations in foreign market and through the commitment decisions they take to boost their position in the foreign market. This experience builds the firm's knowledge of a market and influence consequently the level of commitment in a foreign market, hence the dynamic aspect of the model (Johanson & Vahlne, 2009).

2. LIMITS AND WEAKNESSES OF THE MODEL IN THE LIGHT OF THE NEW GLOBAL ERA

The Uppsala model has been one of the most discussed dynamic models and contributed greatly to a better understanding of the process of internationalization companies. However, even before considering the massive changes in the business environment during the last decades due to globalization, Brush, Edelman and Manolova (2015) considered that the model itself presents weaknesses in some fundamental bases. Other scholars have also questioned the validity of the aforementioned model; Anderson (1993) believed that the internationalization process model should be subjected to a critical evaluation. He first highlighted that the model lacks explanatory power, it does not justify why and how the process starts and the sequences are not discussed either. There is also no explanation or specification about the speed at which organizations go from one stage to another. Finally, he determined that the core explanation of the model that the market knowledge is positively correlated to the market commitment and vice versa is tautological (Anderson, 1993). Wolff and Pett (2002) contested the lack of longitudinal studies that would validate the dynamic and incremental progression and they also argued against the deterministic approach Johanson and Vahlne took.

Another argument against the model is its the inability of the model to include additional types of market entries such as franchising, licensing, strategic alliances and other market operations. The model also represents the foreign direct investment as the ultimate market operation while an intermediary step might be the final step of internationalization for some firms (Doole & Lower, 2008).

Globalization and the development of new information technology (alias IT) in the 80's and 90's have brought many changes in the international economy. The Uppsala model has several shortfalls for the contemporary business environment as it looks at the internationalization process as an internal process while external factors can play an important role in our globalized world (Hamilton & Webster, 2015).

Another evolution in the business environment showed the limit of the original Uppsala model: the emergence of new ventures that from inception count an important proportion of firm's sales abroad. Those firms are leapfrogging and do not follow up the incremental steps as suggested by the model (Oviatt & Mc Dougall, 1994). Unlike traditional firms, they overcome their lack of resource like knowledge by combining experimental knowledge with other mode of knowledge creation such as imitating and developing a network of relationship (Saarenketo et al., 2004). The investigation about this new kind of venture was developed by Oviatt and Mc Dougall (1994) and led eventually to the new term: "*International New Venture*" and "*Born Global*" that will be explained more in details in a further section. Nowadays, firms are seen as entities embedded in a business network that includes actors engaged in a broad variety of interdependent relationships and in which knowledge is developed and shared through relationship (Johanson & Vahlne, 2009). Johanson and Vahlne revisited their previous model in 2009 in order to incorporate the previous shortfalls and to adapt to the new business environment, which ultimately led to the elaboration of the "*Business Network Internationalization Process Model*".

B. The Uppsala Internationalization Model Revisited

1. *The Business Network Internationalization Process Model*

The world as a whole has changed a lot since the publication of Johanson and Vahlne in the Journal Business Studies in 1977. The last few decades have brought to the world new disruptive technologies that have made communication, and henceforth the sharing of knowledge, easier (Porter, 1990). The business world has tremendously changed and is seen more like a web of relationships compared to the previous neoclassical market composed of many independent suppliers and customers (Coviello, 2006; Coviello & Munro, 1995; Vahlne & Johanson, 2002). Recently, the literature has emphasized more on the role of cooperative strategies, strategic alliances and networks while talking about early steps abroad (Schweizer, Vahlne, & Johanson, 2010).

Those changes have homogenized the world and consequently decrease the Psychic Distance (Nordstrom, 1990), which implies the need to revisit the previous Uppsala model.

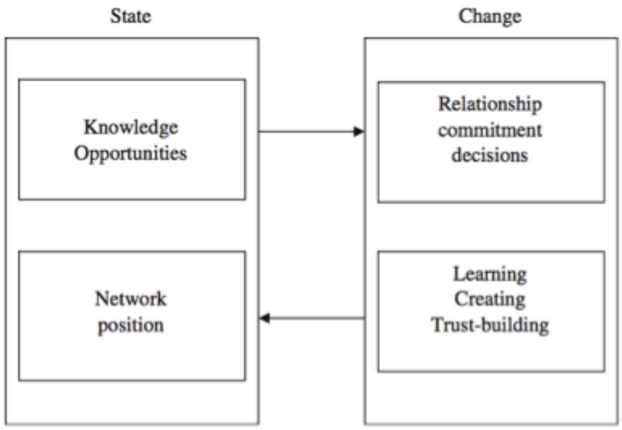
Johanson and Vahlne revisited their theory and decided to include “*business network*” as the markets are considered today as an intertwined network of relationships. Access to those networks can provide knowledge and permits to build trust and commitment, which are both considered as prerequisites for internationalization (Casillas & Acedo, 2013). The authors pictured the focal firm in the center of a web of enabling and constraining relationships. Those mutually dependent relationships enable the focal firm to have access to resources. The authors also discovered the importance of reciprocal commitment within the relationship in order to enact internationalization (Johanson & Vahlne, 1990). The typical gradual approach of internationalization has evolved from gradual expansion to the evolution in leaps by becoming part of the nets (Johanson & Vahlne, 2009).

Business relationships are the outcome of massive investment but in the meantime represent an important firm resource. A relationship is socially constructed on an informal process. Its subtle creation makes it extremely hard for an outsider to judge the scope of the investment and its value. The term connected signify that exchange in one relationship is linked to exchange in another one. A business network is the result of the web of the interconnections of all those relationships (Johanson & Vahlne, 2009). Ardichvili, Cardozo and Ray (2003) also drew the attention on the importance of social network claiming that entrepreneurs who have extended networks can significantly identify more opportunities than their counterparts with limited networks.

Like the “*Resource Based View*” (Penrose, 1959), the “*Business Network View*” considers resource as heterogeneous and the idiosyncratic bundle of resources leads to value creation. In addition, the “*Business Network View*” assumes that exchanges within a network permit a firm to have access to resources, knowledge and contacts thanks to its partner’s relationships. In contrast to the “*Network Model*” established by Johanson and Mattson (1988), the model is viewed as a multilateral network development process. The success of a firm lies in the capability of being well established in one or more networks, hence the importance of being part of a network. The latter gives access to insider opportunity, which are invisible for those who are not part of the relationship.

The basic mechanism of internationalization of their new theory remains based on the "*State*" and "*Change*" aspects. The two aspects still affect each other and the model remains therefore dynamic and depicts cumulative processes of learning and trust and commitment building. However, some changes occur within the two aspects and the internationalization is assumed to be pursued within the network.

Figure 3: The Business Network Internationalization Process Model (Johanson & Vahlne, 2009, p.1424)



On the left hand side, there is still the state aspect including the knowledge and more especially of opportunities. The more knowledge firms share with each other the closer the relationship. Knowledge is therefore unavailable for firms not part of the relationship, which makes opportunities only visible to a limited number of actors and shows the importance of insidership. Hence the lack of specific market knowledge constitutes the liability of outsidership, which does therefore not specifically refer to one country but to a network. There is also the position within a network that can provide a beneficial access to opportunities and knowledge. On the other side, the change aspect allows learning, creating and trust building through relationship commitment decisions. This is through these actions and decisions that the firm positions itself in a network.

In their model, Johanson and Vahlne consider internationalization as being the result of opportunity-seeking attempts made by the firm in order to defend its position in a network. They postulate that internationalization can be considered as a by-product of a firm's attempt to develop its position within a network. They posit that challenges and opportunities faced by international ventures are becoming more relationship-specific than country-specific as networks are borderless. One of the most interesting outcomes of their new model has been the ability to include the emerging ventures that are assessing international markets from inception like the "*International New Venture*" defined by Oviatt and Mc Dougall (1994).

II. THE EMERGENCE OF A NEW CONCEPT

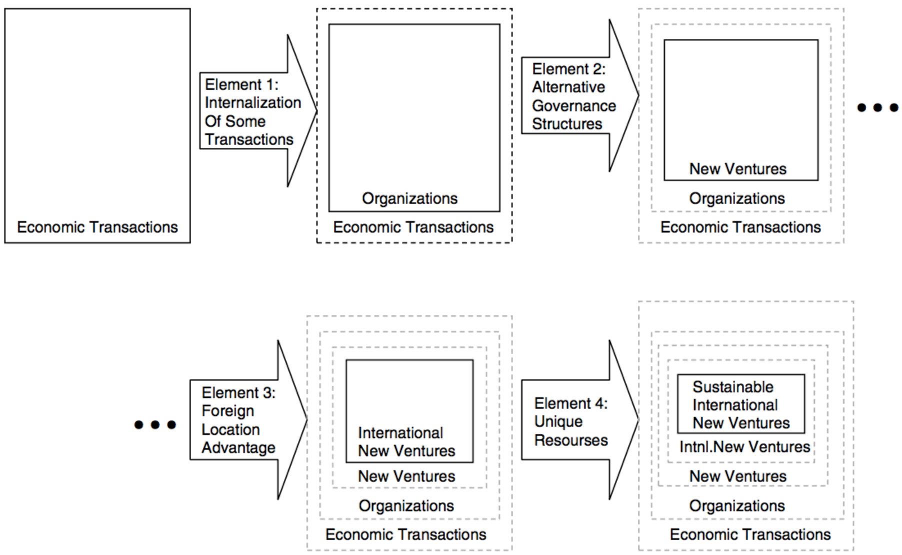
The Uppsala model, with its *establishment chain,* was a good descriptive model for traditional internationalizing firm at the end of the 20th century. However, the previous model lacks explanation of nascent companies that leapfrog over stages such as companies called "*International New Venture*" (Knight & Cavusgil, 2004; Mc Dougall, Shane, & Oviatt 1994). Those companies internationalize soon after their birth and the order in which companies enter does not corresponds with psychic distance as argued by Johanson and Vahlne (Madsen & Servais, 1997). One of the most discussed issues in international business is whether the phenomena of international new ventures (Oviatt & Mc Dougall, 1994, 2005) and "Born Global" (Knight & Cavusgil, 1996) are consistent with the "*Business Network*" internationalization process model proposed by Johanson and Vahlne (2009).

A. INTERNATIONAL NEW VENTURE

As mentioned in the introduction, going abroad has become essential for a large number of ventures. Leveraging resources in various markets makes new ventures able to capitalize on the imperfection of each market and therefore achieve higher returns on their resources (Lu & Beamish, 2001). In 1994, Oviatt and Mc Dougall introduced the concept of International New Venture (INV) as being *" a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries. " (Oviatt & Mc Dougall, 1994, p.49)*. Our practical part in this thesis will be based on this latter definition. International new ventures have existed for centuries but scholars of organizational science ignored this concept until recently. The idea was to integrate the accepted "*Multinational Enterprises Theory*" with more up to date development in entrepreneurship research (Autio, 2005). Multinational enterprises were considered to evolve according to systematic steps, for instance after a period of domestic maturation and home market saturation (Porter, 1990). The focus here was not on the size but on the age of the firms when they become international and the time aspect was therefore extremely important in this concept. This definition is clear and explicit since it highlights the strategic aspect of the internationalization and explains that a firm can be international, both by using resources (material, human, financial, time…) and through the commercial actions with another country. Oviatt and Mc Dougall (1994) developed a framework that integrates international business, entrepreneurship and strategic management theory. Their framework requires 4 necessary and sufficient conditions for the existence of a sustainable international new venture:

1. Organizational formation through internationalization of some transactions;
2. Strong reliance on alternative governance structure (such as network) to access resources;
3. Establishment of foreign location advantages by combining resources across national borders;
4. Control over unique and inimitable resources (licensing, network and patent);

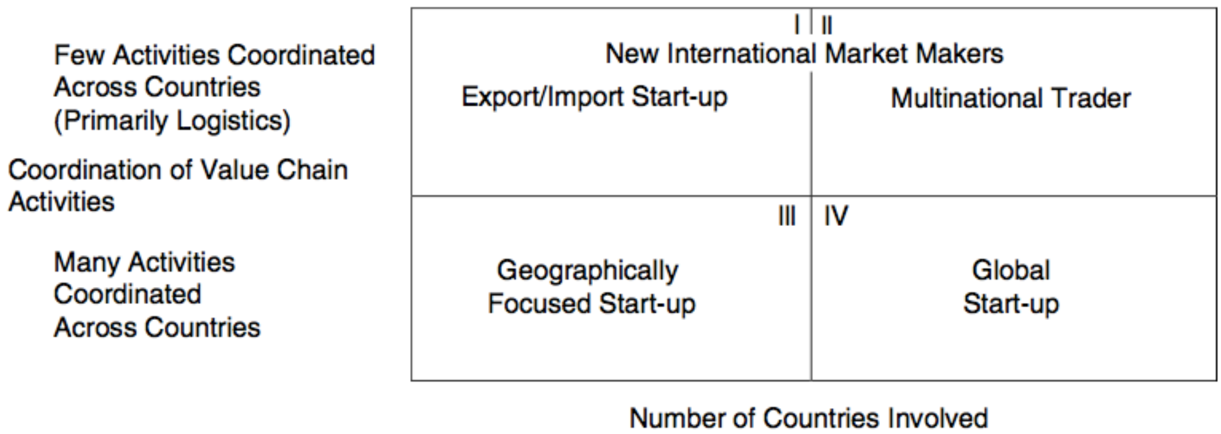
Figure 4: Necessary and sufficient elements for a sustainable international new venture (Oviatt & Mc Dougall, 1994, p.54)



In their article, Oviatt and Mc Dougall explained the strength of unique assets since they can circumvent constrained resources typical of new ventures. This allows them to skip stages of the international development and therefore to play straight on the worldwide chessboard. In 1997, the authors actualized the definition of international new ventures being "*firms that make observable foreign commitments (e.g., sales efforts, investments) within a conventionally accepted short period after formation." (Oviatt & McDougall, 1997, p.92).* They also specified the short period as being smaller than 6 years.

The authors also created a matrix that represents the four different types of international new ventures, which can be distinguished by the number of countries the enterprise is involved with and the number of value chain activities that are coordinated. The matrix in figure 5 represents the extreme of both continua, but mixed type exist and the same company can go from one group to another over time.

Figure 5: Types of international new ventures (Oviatt & Mc Dougall, 1994, p.9)



1. *THE NEW INTERNATIONAL MARKET MAKERS*

This section includes the quadrant I (Export/Import Start-Up) and II (Multinational Trader) of the precedent matrix, the new international market makers seek countries where there is a demand of what they produce. The first one focuses more on serving a limited number of countries which the entrepreneur is familiar with while the second seeks more broadly for nations where their network is already established or can be easily set up (often with low psychic distance). Usually, the major value chain activity is related to the system and knowledge of inbound and outbound logistics, which are the more likely to be internalized. On the investment side, those companies try to keep direct investment as low as possible and their location vary according to their capacity to create a market where the demand was not present yet (Oviatt & Mc Dougall, 1994).

2. THE GEOGRAPHICALLY FOCUSED START-UP

Geographically focused start-ups derive a sustainable advantage by serving countries in which they have specific knowledge or they understand the needs and they have developed close alliances in specific geographical areas. The competitive advantage lies in the coordination of multiple value chain of activities (i.e technological development, human resources, production, etc.) that leads to a strong competitive advantage. This coordination might be complicated to replicate successfully and can be further secured by a close and exclusive network. They differentiate themselves from multinational traders by focusing on the location of the specific need (Oviatt & Mc Dougall, 1994).

3. THE GLOBAL START-UP

The Global Start-Up is the most radical manifestation of the international new venture since it acquires competitive advantage from coordination among multiple organizational activities whose location can be boundless. It is the most difficult to elaborate since it requires skills and activity coordination in both geographic and also the ability to develop and maintain a complex network of alliances in various countries. Despite its complexity, it remains the option that generates the best inimitable and sustainable competitive advantage. The "*Global Start-Up* " represent the same category as the "*Born Global*" (Oviatt and McDougall, 2005) and it is therefore important to consider the "*Born Global*" as a category of "*International New Venture"* and not a synonym (Servantie, 2007).

4. THE BORN GLOBAL

The terminology "*Born Global*" appeared for the first time in the early 1990's by Rennie is his report " *McKinsey & co*" (1993) related to the importance of exportation of Australian SMEs. In his report he categorized really distinctively the born global as being "*a company that started to export, on average, only 2 years before their creation and realize 76% of their turnover out of their borders.*" *(Rennie, 1993, p.46).* The major result was the distinction of 2 types of exporters:

- "*The Home market based firms*" that represent firms which are well established in Australia with a stable financial situation. After having created a solid base in their home market with many years of experience, expanding abroad is a major choice and the willingness of growth is often a motive for export while reduction of cost competition is rarely seen as the motive for export. This category can be considered as the new international market makers proposed by Oviatt and Mc Dougall (1994).

- "*The Born Global*" which represent approximately 25% of the firms in the selected sample in Australia. This kind of firms starts to export within the 2 years after the creation of the firm. They were young firms whose foreign sales represented almost 20% of the total export. The major characteristic for these firms was the fact that "*these firms view the world as their marketplace from the outset and see the domestic market as a support for their international business."*(Rennie, 1993, p.52).

A plethora of authors contributed to the definition and adapted some characteristics such as the time span before the first international action, the percentage of international sales, … (Knight & Cavusgil, 1996; Madsen, Rasmussen, & Servais, 2000; Rennie, 1993). One of the most used definitions of born global's in the literature is an "*entrepreneurial start-ups that, from or near their founding, seek to derive a substantial proportion of their revenue from the sale of products in international markets.*" (Knight & Cavusgil, 2004, p.54). This definition can be related to the French appellation "Entreprises à Internationalisation Rapide et Précoce" (alias EIRP) that has the following characteristics according to Bacq and Coeurderoy (2010):

- Being an enterprise that internationalize since its creation or on average 3 years and maximum 6 years after its creation;
- After this time span, being present on diverse market (not especially global);
- The competitive advantage is based on innovation.

B. Main liabilities for international new ventures

The internationalizing process of INV is characterized by many uncertainties due to the intrinsic liabilities such as these firms' lack of knowledge, competencies or resource limitation (Oviatt & Mc Dougall, 1994). The international business literature has long established that firms operating in a foreign country incur additional costs that domestic firms do not have to bear (Johanson & Vahlne, 1977). In the literature, liability is a term that has been widely used as all the additional cost a firm operating in a market overseas incurs and that a local firm would not incur (Falize & Coeurderoy, 2012). Cuervo-Cazurra (2007), determined three sets of causes of the difficulties in internationalization:

- The loss of an advantage that arises when resources lose their advantageous nature when transferred abroad;
- The creation of a disadvantage, that arises when resources generate a disadvantage when transferred in another country;
- The lack of complementary resources, that arises when the firms lacks complementary resources required to operate in the new country.

We will focus on the third aspect that seems the most relevant for our study. Companies going abroad often face difficulties since they have to incur expenses that local firms do not. Hence the lack of those resources can negatively affect the operation in the new country compared to competitors. Cuervo-Cazura (2007) separated this cause in three different types related to the nature of the lack of resources: the liability of expansion, the liability of foreignness and the liability of newness. Casillas and Acedo (2013) postulated that the ability to reduce those liabilities would permit a new venture to attain international milestones more quickly and henceforth increase the speed of internationalization.

1. Liability of Expansion

Liability of expansion is the lack of complementary resources needed to operate at a larger scale. Usually the internationalization process is followed by an increase in the scale of a venture's activities. Firms do not only face liability of expansion when they cross their borders, similar difficulties are faced by organizations while growing within the same market or when diversifying. However, the coordination cost due to internationalization is often higher than in a domestic market (Hitt, Hoskisson,& Kim, 1997).

The liability of expansion therefore represents the additional costs of doing a business abroad. Resources are extremely precious in an international context since this is often accompanied with an increasing number of costs and complexities (supply chain, communication, coordination, etc.). If the company doesn't have enough resources, it might lead to stretching the remaining ones so strongly that the firm becomes ineffective (Penrose, 1959). Furthermore, the cost of managing resources is directly proportional to the distance and represents therefore an additional cost when doing business abroad (Cuervo-Cazura, 2007).

The same author considered that previous experience in coordinating dispersed operations could diminish the liability. He therefore made the assumption that this liability might be circumvented by the elaboration of international business knowledge.

2. *Liability of Newness*

Liability of newness is the lack of complementary resources needed to compete in a new competitive environment. This liability can also be faced domestically. For instance when a firm is competing in a new industry sector with established companies owning specific resources that provide them competitive advantage.

However, this situation is exacerbated once again for companies expanding abroad because the new complementary resources needed might not seem that obvious or understandable and also more complicated to replicate or to get. In addition, the firm lacks of legitimacy, endorsement and reliability impede potential suppliers, partners and customers to enter in a business relationship with them. Due to that, the firms will be facing transaction costs, negotiation costs in order to determine the right partner and compliance costs to locate potential customers, suitable partners and close deals.

Moreover, the lack of knowledge about the reliability and competences of the new venture plays a major role on the choice of the customer purchasing the product or the service. All these costs hinder the pace at which an international venture penetrates a new market (Falize & Coeurderoy, 2012). Cuervo-Cazura (2007) made the assumption that developing internally the necessary resources might circumvent this liability or externally acquire the resources in the target market.

3. *Liability of Foreignness*

Liability of foreignness is the lack of complementary resources needed to operate in a new institutional environment. North (1990) defined the institutional environment as the set of norms and rules that constraint the neophyte, such as culture, language, religion, and the political, legal and economic system. The institutional environment affects all the organizations operating within the same country, and moving to another country requires resources in order to deal and understand other organizations established in a non-similar institutional environment. The firm may lack capacity of understanding relationships needed for dealing with other enterprises and prevailing rules of behavior (Cuervo-Cazura, 2007).

The liability of foreignness might be diminished when a company is trying to assess a country that has a similar institutional environment and therefore a low psychic distance. In this situation, the firm can adopt the resources developed in existing operations to deal with institutions in the new country (Cuervo-Cazura, 2007).

The liability of foreignness resembles the liability of newness since they both derive from lack of legitimacy and endorsement (Arenius, 2002). However, while the liability of newness is linked to the age of the firm, the liability is of foreignness affects any organization internationalizing. This liability arises from differences in the social and the institutional context that exists across countries. In the case of a venture internationalizing within the same country that faces a mosaic of culture, religion, language and ethnic group (i.e India, China, etc.) they are facing some aspects of this liability but they still have a political, economic and legal aspect that remains the same (Cuervo- Cazura, 2007).

Zaheer (2002) established that a lack of knowledge of local culture and institution increases the failure rate of internationalization. Overcoming this liability is more challenging than the two previous ones because it requires transforming deep-rooted assumptions, the development of tacit knowledge, and the creation of new information network (Zaheer, 2002). Cuervo Cazura (2007) also made the assumption that this liability can be circumvented internally through learning-by-doing in increasing progressively the commitment in the new country. It can be also palliated externally by acquisitions or the creation of alliances with a local organization.

III. TIME DIMENSION FOR INTERNATIONALIZING NEW VENTURES

The time dimension has been at the center of this thesis from the slow step-by-step, gradual process proposed by Johanson and Vahlne (1977) to the emergence of the rapid international new ventures depicted by Oviatt and Mc Dougall (1994). The topic of speed of internationalization has appeared as a cornerstone concept of the international entrepreneurship literature since the evolution of technologies, which permits the facilitation of knowledge transfers, has made the world as a whole going at a faster pace (Oviatt & McDougall, 2005).

A. THE MODEL OF ZAHRA AND GEORGE

Zahra and George (2002) developed a three dimensional model that allows categorizing comprehensively the major different types of internationalizing firms: "*Traditional Firms*", "*Born Global*" firms and "*Born Again Global*" firms respectively. The aforementioned dimensions comprise: Scope, Scale and Time. The scope dimension refers to the number of countries in which the company generates sales; the scale dimension describes the extent or the intensity of a firm's international operations and the time dimension represents either the speed or the precocity of the firm assessing a new market (Madsen & Rasmussen, 2000). The table below depicts the differences within each dimension for the traditional, the born global and the born again global firms (Falize & Coeurderoy, 2012).

Figure 6: Exploratory typology of international SMEs (Falize & Coeurderoy, 2012, p.6)

	Traditional Firms	**Born-Global firms**	**Born-Again Global firms**
TIME (precocity)	Operate for a long time in their home markets	Aim for international markets from inception	Operate for a long time in their home markets
TIME (speed)	Gradually increase the number of markets	Reach a certain degree of internationalization within a small number of years	Reach a certain degree of internationalization within a small number of years
SCOPE	Market concentration (narrow geographic scope at the beginning of international operations)	Market diversification (broad geographic scope almost from inception)	Market diversification (broad geographic scope almost from the first international involvement)
SCALE	Slow, evolutionary path of development	Internationalize rapidly with a high share of foreign sales	Internationalize rapidly with a high share of foreign sales

Our attention for this thesis is on the time dimension in order to determine the speed of internationalizations. Time is the key element that distinguishes studies focusing on classical new venture's internationalization's process from studies focused on international new venture. Time in that measure can be divided in two major aspects: firstly the time taken to start an international activity (precocity) and the pace at which the internationalization occurs (speed) (Jones & Coviello, 2007).

B. TIME: PRECOCITY AND SPEED

Time is as a conceptual dimension that is essential to understand entrepreneurial internationalization, in the sense that every company that crosses its borders has a chronology of various events that occur at different points in time. Starting to have a relationship or a connection with a foreign country is literally a landmark in the chronology of the firm's internationalization. Time also needs to be actively managed in terms of order, timing and speed to ensure the success of the internationalization process (Jones & Coviello, 2007).

Nowadays, ventures are unquestionably internationalizing in higher numbers and more rapidly than ever before (Teixeira & Coimbra, 2014). The speed dimension has seldom been the major focus of research efforts while the attention was mainly brought on other factors such as location and entry mode decision (Eden, 2009). However, since the emergence of international entrepreneurship, speed has been brought in the center of researches (Casillas & Acedo, 2013). The speed remains the most relevant time-based dimension in the development of a firm's internationalization. The literature advances that a high-speed internationalization has a positive effect on the firm's performance (Teixeira & Coimbra, 2014).

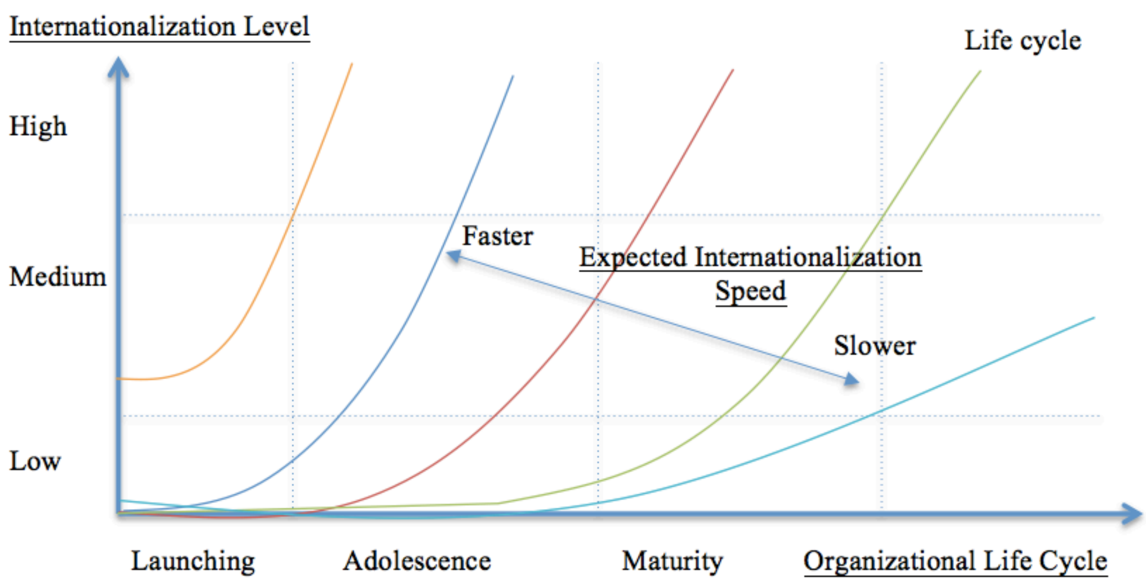
As mentioned before, the time dimension encompasses two areas of research: Precocity and Speed. Precocity represents the time lag that exists between the founding of the company and its first international activity. Concerning the speed, it can be defined as "*how rapidly it increases international sales once an initial commitment has been made*." *(Autio, Sapienza, & Almienda, 2000, p. 909).*

C. The Organizational Life Cycle

The literature review created by Servantie (2007) (Appendix 1) showed the discrepancies related to the age of the venture in order to be considered as the most radical manifestation of INV: the "*Global Startup*". Authors argue about the age of the new venture with a range varying between 2 years (Rennie, 1993) and 6 years (Oviatt & Mc Dougall, 1994). The authors raised concerns in order to determine the accurate age. Chronological time is fundamental as it is the same for all companies. However, the notion of fast or precocity might be different according to the industry of the company.

Servantie (2007) proposed to use the notion of "*Organizational Life Cycle*" (OLC) to compare the maturity or the precocity of their respective internationalization levels. Some sectors are keener to be international quickly, like high technology where companies that started to have international sales since their inception can be easily encountered. However in other industries, you can observe companies with an international development that can be considered abnormally quick despite a more advanced age. On the following graph, the curve of the organizational life cycle of a technology company might look to have a higher slope due the rapidity at which this industry is going while the organizational life cycle of a cruise vessels company might look less steep. In other words, some companies are able to develop internationally and coordinate everything simultaneously while the majority of their peers working within the same industry would not be able to manage that: those who develop faster than the majority of their peer in an industry sector can also be considered as a "*Global Startup*" (Servantie, 2007).

Figure 7: Internationalization level and Organizational Life Cycle (Servantie, 2007, p.14)



IV. SUMMARY OF THE INTERNATIONALIZATION'S APPROACH

Initially, the internationalization process was viewed as a slow step-by-step process (Johanson & Vahlne, 1977). Internationalizing companies were depicted as trying to minimize uncertainties through a sequential process of acquisition of experiential learning. However, Johanson and Vahlne (2009) subsequently revisited their model in order to be more in adequacy with the current evolving globalization context. After a few critiques of their previous theory, they created a new model that included rapidly internationalizing companies such as "*international new ventures*" previously analyzed by Oviatt and Mc Dougall (1994). We therefore analyzed in details this emergent concept of INV and we focused more particularly on the liabilities these new ventures were facing: liability of expansion, newness and foreignness respectively. The major effect of these liabilities was the fact that each of those has been recognized as hampering the speed of the internationalization process (Cuervo-Cazura, 2007).

The same author also determined that those liabilities could be circumvented. He found that the access to international knowledge conveyed by some business networks could act as a highway to a foreign market. Business networks can enhance the acquisition of essential resources within the network that would henceforth hamper the liabilities INV are facing while internationalizing (Arenius, 2002).

Since business network seems to be a catalyst for new ventures willing to expand internationally, we will therefore analyze more in detail the characteristics of these networks relationship in the subsequent section: The theories on Social Capital.

SECTION 2: A REVIEW OF EXISTING THEORIES ON SOCIAL CAPITAL

When Johansson and Vahlne revisited their theory of internationalization, they emphasized on the network relationships and its impact on the internationalization process. In this second section of the literature review we will analyze the theory related to the network theory: the concept of social capital. We will define it and develop the theoretical ground necessary to understand the impact it might have on the internationalization's process. The following analysis in this section will demonstrate that most new ventures can reach instantly international market only through the access of network. Researchers have proposed and empirically demonstrated that generating network relationships, and the social capital hence created, is essential. They discovered that it also accelerates firms' international performance by mitigating their intrinsic liabilities (Arenius, 2002; Johanson & Vahlne, 2006; Lamb & Liesch, 2002; Oviatt & Mc Dougall, 2005).

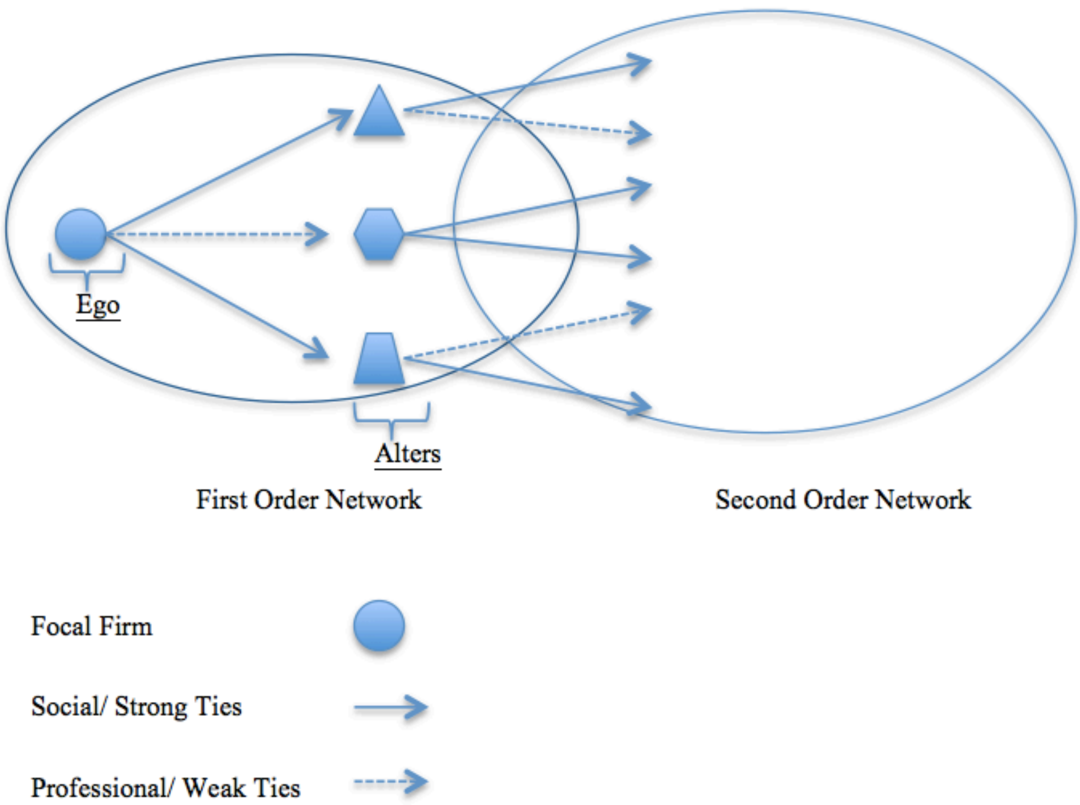
I. THEORETICAL FOUNDATION OF SOCIAL CAPITAL

Social Capital is "*the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit.*" (*Nahapiet & Ghoshal 1998, p.243)*

A. ROOT OF THE CONCEPT: THE SOCIAL NETWORK THEORY

Bourdieu (1986) identified three forms of capital: economic, cultural and social. The central premise of the latter is the valuation of a given interconnection between different people that can be defined as a "*social network*" or "*network of relationship*". Social capital has the specificities of social network that involve the importance of factors such as communication, commitment, trust and sympathy (Coleman, 1994). A social network comprises all people who communicate with each other and enable to discover and identify opportunities. The social capital theory is therefore distinct from, but convergent and embedded with, the social network theory that can be illustrated as follow (William Kate & Durance, 2008).

Figure 8: The composition of a Network (Arenius, 2002, p.10)



According to Arenius (2002) a network is a set of nodes and a set of ties. The nodes represent entities (persons or organizations) and the ties represent the relationships among the nodes. This graph is a representation of an "*egocentric network*" and can be analyzed from the left hand side with a focal firm called the "*ego*" and where the other entities are called *"alters"* We can differentiate personal network, as the networks centered on a person, while the business or organizational network is centered on an organization. In the context of new venture, the organizational network is often similar to the personal network of the founder of the venture (Arenius, 2002).

Precedent theories shifted from a binary consideration of the network (existence or absence of the relationship) towards a more detailed distinction of the ties among the nodes. The ego can be in contact with alters through "*social ties*" or through "*professional ties*". The former (*social ties*) can be understand as "*the degree to which commercial transactions take place through social relations and networks of relations that use exchange protocols associated with social, non-commercial attachments to govern business dealings*" like family or friends for instance (Hite & Hesterly, 2001, p. 280). The second (*professional ties*) can be defined as "*the relationships originating in the task or business environment*" (Hite & Hesterly, 2001, p.282). Granovetter (1973) initiated this distinction by making the difference between "*weak ties*" which involve relationship with rare contact and which do not involve close friends while "*strong ties*" involve close friends and family members.

Those ties between the ego and the alters represent a dyadic relationship and form what is called the "*first order network*". Those ties can be ranged from embedded to professional and "*alters*"' tie are considered as being the "*second order network*". In the network theory, the egocentric network can be divided in three aspects:

1. The Degree: The number of ties the ego possess
2. The Closeness: The length of the ties between the ego and the alters
3. Betweenness: The ability to access the position of a broker between entities

Those three aspects are important since they define where the entity is located on the map of the decision and their position to the center of the action in a network (Burt, 2009). Coviello (2006) characterized later the network by the "*structure dimension*" (what the network looks like) and the "*interaction dimension*" (who is involved and how are they related). Resources shared among ties are generally scarce and finite which produces as a result a hierarchy between the various nodes. This means that some nodes are at the centers of a network while others are less connected. The flow of resources attenuates the further you are from the principal node. The location on the map of relationship becomes therefore paramount since it will be naturally linked with the access to resources (William & Durance, 2008).

The creation of a network is a complex iterative process, which means that it is dynamic and it evolves over time (Arenius, 2002). Hite and Hesterly (2001) defined that early venture relied mainly on dyadic social ties with families and friends while the growth phase imposes the organization to balance with "*professional ties*". They therefore proposed that the entrepreneurial network would shift from a strong and densely connected network to a more intentionally developed network to increase growth. Eventually, scholars have recognized that network relationships generate social capital for new ventures which can improve the access to resources, accelerate growth and enable entrepreneurial firm mobilization at the international scale (Arenius, 2002; Autio, 2005).

B. THE SOCIAL CAPITAL THEORY

Since the early work of Bourdieu (1983), the concept of social capital has appeared as one of the most prominent in social science and has been exploited by economists, organizational theorists, psychologists, political scientists, sociologists, etc. (Partanen, Möller, Westerlund, & Rajala, 2008). The multiplicity of aspects of this concept has led to an extended body of literature that has provided more than 20 different definitions (Adler & Kwon, 2002). Despite a large number of various definitions, all studies concur that the acts of goodwill social entities have between each other create value. This means that social resources, created through relationship, can create economic value and the value is greater than the sum of each individual contribution (Coleman, 1994). Scholars agree on the fundamental definition of social capital as being an investment in social relation with expected returns (Gordon & Cheah, 2014).

Pierre Bourdieu (1985) produced one of the first systematic contemporary analysis of social capital. The central proposition of social capital theory is the fact that network of relationships constitute a valuable resource providing their members with collectively owned-capital. He considered that social capital consisted in the network and the resources that can be mobilized through the network. He defined the concept as *"the aggregate of actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationship of mutual acquaintance or recognition.* " (Bourdieu, 1985, p.248). He instrumentally developed the concept and decomposed the social capital into two elements. The social relationship allows individual to claim access to resources possessed by their associates and secondly, the amount and quality of those relationships.

In 1998, Nahapiet and Ghoshal worked on the structural and relational elements of the above definition and emphasized on the numbers of ties and the potential outcomes. They eventually defined social capital as "*the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit.*" (Nahapiet & Ghoshal 1998, p.243). The authors also emphasized the value of social capital as being something that permits to reach achievement that would not be possible without it or only at extra cost.

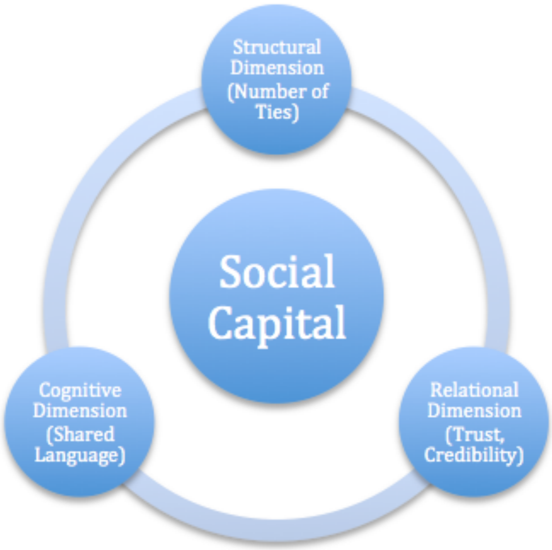
Anderson and Jack (2002) considered building social capital as a process that links individuals and provide a necessary condition for the effective exchange of information. Furthermore, it gives access to resources such as technology, financial and human resources that could lead to a competitive advantage and to the discovery of international opportunities. Social Capital and international entrepreneurship are therefore strongly linked. Zahra and George (2002) defined international entrepreneurship as "*the process of creatively discovering and exploiting opportunities that lie outside a firm's domestic markets in the pursuit of competitive advantage*" and many researchers consider social capital as a pipeline to international opportunities (Johanson & Vahlne, 2006; Oviatt & McDougall, 2005; Sharma & Blomstermo, 2003). In our context, social capital can be represented as the organization's relations and contacts with other units, which can provide the means for identifying opportunities, or obtaining resources that can eventually lead to a potential competitive advantage. We can therefore notice that social capital and its outcomes are defined in term of their access to resources, which means that an entity possessing social capital has access to resources.

The short definition of social capital as *"an investment in social relation with expected returns"* remains consistent with many definition provided by scholars like Adler and Kwon (2002), Bourdieu (1983), Nahapiet and Goshal (1998), Putnam (1992). These authors also agreed on the central role of relationship in social capital and Putnam (1992) went further by also including Coleman's characteristics of a social network and defined social capital as "*the relationship between individuals and organizations that facilitates action and yield opportunities to the member of the social network or structure." (Coleman, 1994, p.56).* He also emphasized on its characterization of a sense of trust and mutual interconnectedness enhanced over time through positive interaction.

Some researchers like Nahapiet and Goshal (1998) focused mainly on the number of ties a social entity might have. Others focused on the quality of ties by differencing between strong and weak ties (Granovetter, 1973) while some believe that social capital is leveraged through human pattern of behavior such as trust, norms, willingness to cooperate, contributing to a common effort (Nahapiet & Ghoshal, 1998). The various perspectives authors have taken over the years has led to define social capital has having structural, relational and cognitive dimensions for creation social network that will be explained in details in the following section.

II. THE 3 DISTINCTIVE DIMENSIONS OF SOCIAL CAPITAL

In this dissertation, we use the definition of social capital as "*the sum of actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit.* "(Nahapiet and Ghoshal, 1998, p.243). This definition is quite comprehensive, as it encompasses the network as well as the assets (tangible or intangible) that can be mobilized through the network. The same authors also developed further the theory by including three interrelated dimensions: structural, relational and cognitive respectively.



A. STRUCTURAL SOCIAL CAPITAL

This dimension locates the source of social capital in the formal structure of the ties in the social network within which the entity is embedded. Coleman (1990) developed the general wide scale social capital theory that most scholars use nowadays. He defined it as a social-structural relationship that an entity could mobilize in order to "*make possible the achievement of certain end that would not be attainable in its absence.*" (Coleman 1990, p.302). Baker (1990) defined it as the stock of formal and informal networks. These previous authors focused on the structural dimension as being the number of ties between different entities in the social network. This dimension focuses on the configuration of the network; this graphical structure of tie network has been proven to be a strong indicator of social capital benefits (Mouw, 2006). Scholars made a positive correlation between the number of direct exchange partners in a network and the amount of information, ideas, and resources accessible (Hislop, 2005).

B. Relational Social Capital

Beside the number of ties and the formal structure, the quality of relationships has also been discussed in the literature. Nahapiet and Ghoshal (1998), emphasized on the non-contractual and non-formal elements in developing and maintaining entities relationship. They also discussed the relational dimension as being the assets that are created and leveraged through relationships embedded in trust and norms that reflects consensus among the actors. The focus remains on a system of relationship that provides an incentive for social exchange and shows level of commitment for future activities (Staber, 2006). Other aspects such as the willingness and the capacity to cooperate or contribute to a common effort have been considered being decisive in the elaboration of a strong relationship. Reputation, credibility and trustworthiness may compensate for a lack in dyadic relational social capital and play an important role in initiating social and business relationship as well as strategic alliance (Coleman, 1990). Various criteria can measure the strength of the ties such as the length of the time two actors spend together and the length of their relationship, the emotional intensity between them, the frequency of interaction, the degree of trust and acquaintance between related people (Hislop, 2005).

C. Cognitive social capital

The last dimension addresses the relevance of the resources that refers to "*the shared understanding, representation, interpretation and systems of meanings among parties embodied in shared codes, visions and languages and shared narratives*" (Nahapiet & Ghoshal 1998, p.251). Cognitive social capital is created through communicative language, narratives and codes, which influence perceptions of meaning and reality in relationships and create a perception of trustworthiness. The sharing can be among dyadic partners or among the entities within a network. On the level of the dyad, cognitive social capital and relational social capital are interrelated. Some level of cognitive social capital is required in order to be able to create and build a relational social capital. However, cognitive social capital and relational social capital are not the only one to be interconnected.

D. INTERRELATEDNESS BETWEEN THE DIFFERENT DIMENSIONS

Social capital consists of the structural, relational and cognitive dimensions. Each dimension has its own characteristics but they all remain highly intertwined. The following figure shows two two-way links between the three dimensions. Relational capital generates structural capital since trustworthiness would permit to create easily relationships with strategically related units. This would increase cooperation and will overtime enhance the willingness to share resources between the two social units (Tsai & Ghoshal, 1998). On the other hand, developing strong ties with strong social interactions also helps to develop trust and therefore disclose important information. A shared vision or values, the main manifestation of the cognitive dimension, also influences trustworthiness which is the major characteristic of relational dimension. When social units share the same goals and values it decreases the willingness to behave opportunistically.

Figure 9: the interrelatedness of the dimension of social capital (Arenius, 2002, p.66)

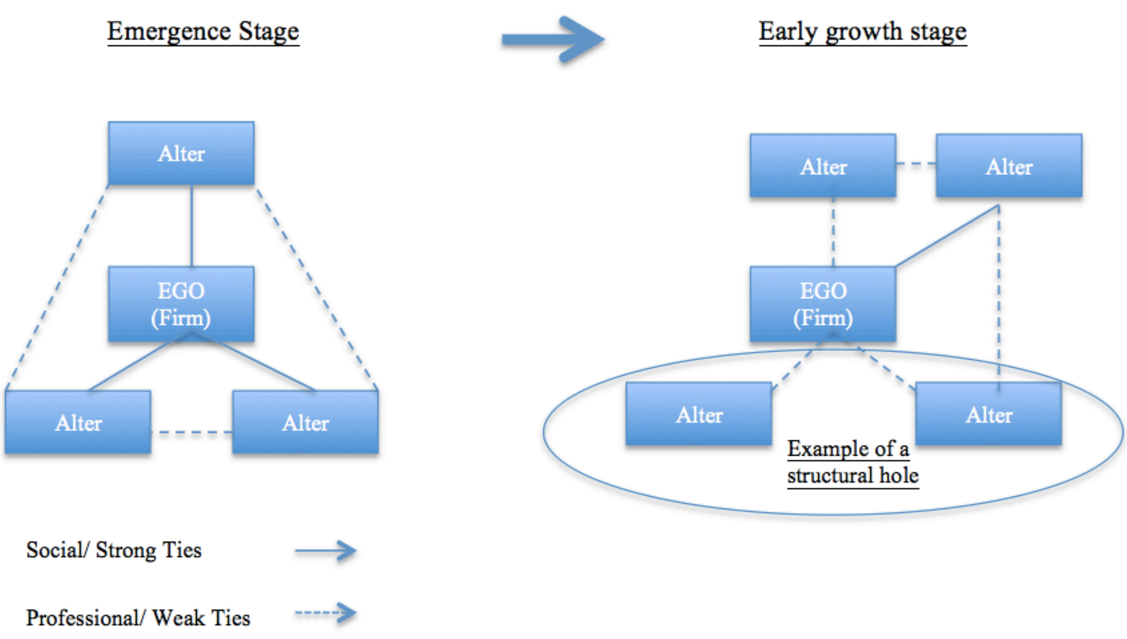
III. SOURCE OF SOCIAL CAPITAL

Social capital should not be considered as something that accumulates over time as a consequence of the firm's other activities. Instead, social capital should be treated as a resource that could and should be actively managed and harnessed (Rodrigues & Child, 2012). Tsai and Ghoshal (1998) proposed that ventures should invest in the creation of social capital because it eventually creates value for them. There are at least two approaches to the creation of social capital: the first one locates the source of social capital in the formal structure and the pattern of the ties, "*Structural hole approach*", while the second focuses on the content of those ties, "*Weak tie approach*" (Adler & Kwon, 2002).

The most prominent research on the formal structure as a source to develop social capital is Burt's (1997) "*structural hole approach*" that does not focus on the characteristic's of the ego's immediate ties but on the pattern of the relationship among the alters in the ego's social network. A "*structural hole*", as represented in the graph bellow, is said to exist when two actors are not connected to each other. In order to create a strong network, an ego should be able to be connected to many alters who are themselves connected to other alters in the ego's network. According to this theory, the ego has an advantage to be connected to many alters who are not connected to the other alters in ego's network. A network rich in structural holes grant a central entity with three major benefits (Gordon & Cheah, 2014):

- Unique access to information
- Greater bargaining power and control over resources
- Greater visibility through the social system

Figure 10: Structural Hole Approach (Hite & Hesterly, 2001, p.38)



The second approach on the content as a source to develop social capital is characterized by the "*weak tie approach*" (Granovetter, 1973), which stresses on the strength of the social tie that is correlated to the emotional intensity, frequency and is likely to be strong if part of the same "*clan*". Information accessibility within the same clan, strong ties, is likely to be shared and therefore redundant. However, weak ties (emotionally non intense, infrequent and limited to a narrow type of relationship) can be considered as a bridge between densely interconnected social clans and could eventually provide a source of unique information and resources (Granovetter, 1973). In order to create a strong social capital, an entity should try to build diverse and weak ties. The graph above also shows the transition of the classical network of a firm in the "*emergence stage*" whose network is mainly composed of strong ties while the "*early growth stage*" requires broadening the network and developing weak ties. The formation of a wide network of weak ties grants the ego firm with a strong social capital in order to have access to new knowledge and resources (Hite & Hesterly, 2001).

IV. BENEFITS AND RISKS DERIVED FROM LEVERAGING SOCIAL CAPITAL

"*Differences between firms, including differences in performances, may represent differences in their ability to create and exploit social capital*" (Nahapiet & Ghoshal, 1998, p.260). In order to achieve international entrepreneurial objectives and identify opportunities, an organization needs knowledgeable people, information and financial resources that can be accessed through social networks (Putman, 1993). An effective social network can be considered as a network whose ties can yield access to essential economic resources that the organization could not have access without it. Social relationships can often replace the ownership of a physical resource by having access to it. However, the quench of social relationships is not consequence free and might induce some downsides that will be explained as well.

A. BENEFITS FROM LEVERAGING SOCIAL CAPITAL

1. *ACCESS TO KNOWLEDGE AND OPPORTUNITY*

Knowledge sharing is one of the main benefits from social capital because it eases the access to extensive sources of information and enhances the quality and the relevance of information and henceforth opportunity recognition (Wu, 2008). Social capital can be extremely beneficial for international knowledge by becoming a catalyst for innovation while providing an access to economic resources, essential information and new business opportunities (Dana & Anderson, 2011). Such network ties are essential for internationalizing new venture in order to detect international opportunities and enter in contact with foreign intermediaries or partners (Zhou, Wu, & Luo, 2007).

The importance of opportunity recognition at the domestic and international level in the entrepreneurial process has been well established (Ellis, 2011; Schumpeter, 1939; Zahra & George, 2002). It has been empirically proven that social networks are essential to the identification of new opportunities (Zhou, Wu, & Luo, 2007). Developing social capital across border can provide essential information advantages thanks to the creation of relational assets such as trust, familiarities, reciprocities. The latter increases knowledge disclosure that can lead to a competitive advantage (Dana & Anderson, 2011). The reason why some entities and not others discover and exploit opportunities comes from the fact that opportunity recognition is dependent to the entrepreneur's participation in a social and business network (Coviello, 2006; Johansson & Mattson, 1988).

2. *ACCESS TO SCARCE RESOURCES*

Resource availability is one of the major barriers to early internationalization for new venture firms. Entrepreneurs tend to draw resources from other sources in order to seize opportunities and compete with organizations with more resources. They therefore internationalize by building social capital in order to overcome resources limitation. Owning external ties helps the firm to circumvent the problem of lack of financials and physical resources, access to information to analyze foreign market and finding suitable partners (Arenius, 2002). This growth strategy permits the entrepreneur to access global market quicker and at lower cost (Mc Dougall & Oviatt, 2000). Many studies have shed the light on the positive correlation between the social capital and the access to financial resources. Sacks (2002) showed that entrepreneurial funding is extremely underestimated if they lack of social ties. Because of this, many startups cannot secure initial funding despite a competitive and well-designed business plan or a good business idea. Venture capitalists often rely on signals from their ties, which depict the importance of either the network or the reputation of the new venture. Freeman and Cavusgil (2007) showed that start-up businesses were able to obtain loans at lower interest rates by enhancing the duration and the number of acquaintances within financial institutions. Alliance partners have therefore an important role in the new venture's credibility and enable easier access to financial resources through bank institution, venture capitalist, etc.

Concerning human resources, Blyler and Coff (2003) found that weak ties could provide significant cost savings while recruiting and training. The authors also suggested that social network could also permit to have access to local talent that would otherwise consider the company as a second tier employers and potential partner might also refrain from collaborating with a venture that lacks from reputation.

3. *Creation of competitive advantage and solidarity*

Barney (2007) considered a firm with a competitive advantage as a firm that has resources that are valuable and rare and must be also inimitable, non-substitutable and non-transferrable to become sustainable. A firm's network can be considered as inimitable resources since social capital is created by a specific path process and is therefore idiosyncratic and extremely complicated to imitate or substitute. Moreover, strong social norms and beliefs promote compliance, higher commitment and lessen monitoring cost. Trust network can relay richer information than other networks thanks to the solidarity it creates (Coviello, 2006).

B. Downsides from leveraging Social Capital

An important number of researchers have agreed that social capital can have a significant positive influence in the growth and internationalization process of a firm (Adler & Kwon, 2002; Arenius, 2002; Kontinen & Ojala, 2012; Wu, 2008). However, even though literature on its hindrance is much sparser, some scientists have focused their research on the non-positive outcomes of developing a social capital. Indeed, recent studies have shown that too much social capital squelches innovation and entrepreneurship by protecting mediocrities, ejecting outsiders and therefore creating conformity within the whole group (Dana & Anderson, 2011; Mačerinskienė & Vasiliauskaitė, 2007). As Adler and Kwon (2002) stressed, there are three mains consideration needed to be taken into account in order to have a more balanced view:

- Investing in social capital may represent an important cost that is not convertible from investment in physical capital and is often not cost effective. Building social capital requires considerable investment in establishing and maintaining relationships. Furthermore, unplanned constraints or liabilities can emerge from under or over-investment;
- In some situation, even though it is beneficial to a focal actor, it can have negative effects on entities part of the broader aggregate of the network. This multi-level issue is exacerbated in complex enterprises;
- The ultimate value of a set of social capital benefits and risks is different for any actors depending on the intrinsic moderating factors of each company taken individually.

V. SUMMARY OF THE SOCIAL CAPITAL APPROACH

We started by laying the theoretical foundation of the social capital: the "*social network theory*". We explained the construction and the composition of a network as a set of nodes and a set of ties linked to each other. We described the three major aspects of an egocentric network and the importance of the location on the map of decision. Eventually, we discovered that scholars acknowledged that network relationships were conveying resources, which subsequently were generating social capital.

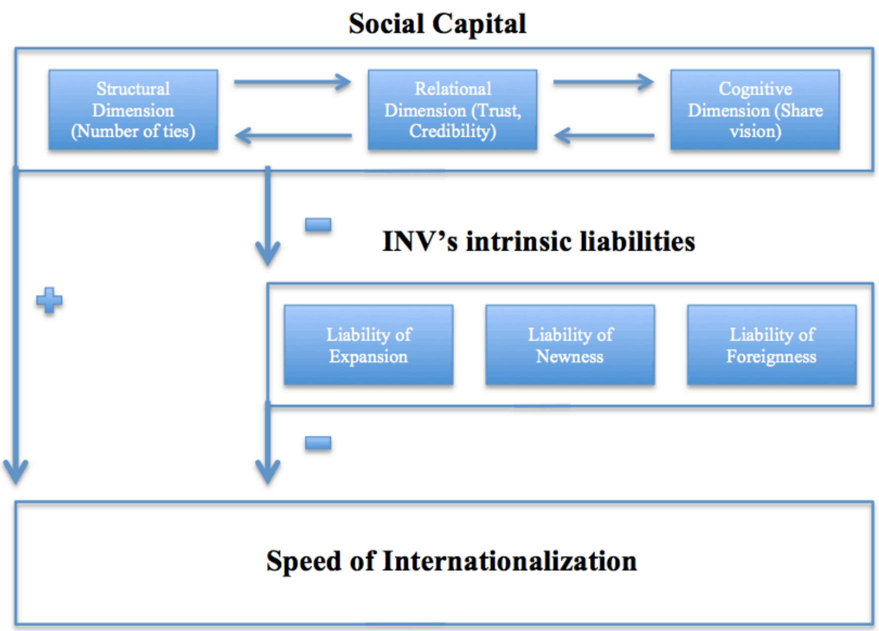
We analyzed dutifully the various perspectives of researchers about this new concept and we eventually used the definition of social capital as "*the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit*" (Nahapiet & Ghoshal 1998, p.243). These different standpoints led to a conception of the social capital as being composed of three major interrelated dimensions: structural, relational and cognitive. We subsequently investigated the "structural hole approach" and the "weak tie approach" as the two branches of sources of social capital.

We finally drew the major benefits and downsides deriving from leveraging social capital and we suggested that the network of social contacts that surrounds a venture could play a decisive role in the success of the internationalization process of a venture.

VI. LITERATURE REVIEW CONCLUSION: THE MODEL

The literature review presented in this thesis shed light on the essential theoretical foundation necessary to conduct a research related to the impact of social capital on the speed of internationalization. By reviewing the literature on the internationalization process, the intrinsic liabilities of the international new ventures and the specificities of the social capital, we were able to draw this theoretical model that will be the base of our practical part:

Figure 11: The theoretical model of the impact of social capital on the speed of internationalization



This framework, based on theoretical assumptions from the literature, represents a positive correlation between the access to a well-developed social capital and the speed of internationalization as a consequence from the ability of social capital to alleviate intrinsic liabilities. We discovered in the literature review that social networks accelerate new ventures' internationalization process by acting as a substitute for resources that the international new ventures could not access otherwise (Mc Dougall & Oviatt, 2000; Sack, 2002). Social capital provides an access to market knowledge and international opportunities, it also mitigates the liability of newness and foreignness through business relationship learning and it enhances competitive advantage which improves overall firm's performance and internationalization speed (Arenius, 2002; Falize & Coeurderoy, 2012; Johanson & Vahlne, 2003 ; Kiss and Danis, 2010 ; Partanen, Möller, Westerlund, & Rajala, 2008).

In the following section, we will use the theory we have gathered in this literature review as a valuable base in order to analyze a substantive case. The purpose will be to determine to what extend our practical findings correlate the previous theoretical model.

Practical part: The case study research

In our thorough literature review, we unveiled the particularities of two major concepts: "*International New Venture*" and "*Social Capital*" respectively. We eventually elaborated a theoretical framework of the impact of social capital on the speed of internationalization. In this section, we will analyze rigorously the case of the American-based accelerator Plug and Play Tech Center and determine whether our theoretical framework is applicable.

Before analyzing this study case, we will lay out the research questions we seek to answer as well as the global research question. In addition, we will justify the methodological tools adopted such as the research and scope strategy, the research method, the data collection and the method of analysis.

As a first step, we will explain in details the context of the accelerator industry. We will define this sector and differentiate it with the incubator industry. After having laid the groundwork of the accelerator industry, we will analyze the specific case of the accelerator Plug and Play Tech Center. We will eventually draw its social capital and determine whether it has any impact on the intrinsic liabilities that hinder the speed of internationalization as developed in the literature review.

I. Research questions

Over the last decades, the concept of social capital has gained ground as one of the most important concept in social science. At the same time, the number of companies looking for international market as from inception has dramatically increased over the years. In the context of this thesis, we will explore, explain and determine the influence of possessing social capital on the speed of internationalizing new ventures.

In this paper, the focus will be more specifically on the importance of an accelerator's social capital on the speed of internationalizing ventures participating to its program. The first accelerator was created in 2005 and since then, this new industry has spread all around the world. This effervescence is mainly due to the famous success stories of some of their attendees. In some accelerator's portfolio, companies valued at over a billion dollars (alias "unicorns") can be found such as Airbnb (valued at $25,5 billion), Dropbox ($10 billion), Stripe ($5 billion), Zenefits ($4,5 billion) (Forbes, 2016). However, accelerators constitute a challenging research topic due to the youngness of this industry. This involves an ambiguous definition and little data suggesting what metrics define their success. In the context of this study, we have decided to shed the light on the access of a third party social capital, belonging to an accelerator, and its effect while conveying its resources to the international new ventures participating to its program.

The main purpose of this study will be to determine how resources available inside the accelerator's network (in other words its social capital) affect the intrinsic liabilities of international new ventures and ultimately the speed of their internationalization. As we progressed through the analysis, we decomposed the initial question into more specific topics:

- What is an accelerator and how does it differentiate from an incubator?
- What do accelerators propose in their acceleration program?
- What are the resources available within an accelerator's social capital?
- How does the accelerator's social capital affect the speed of internationalization?

The list of the above questions will be answered and can be summarized by the following global research question that will permit to operationalize the conceptual frame:

"*How does the social capital conveyed by an accelerator affect the speed of internationalization of international new ventures? Study case The Plug & Play Tech Center, United States*"

II. METHODOLOGY

Starting from the theoretical model built in our literature review, we applied a research methodology to support the field analysis. This methodology consisted in choosing the right research strategy, confirming the scope of the analysis and identifying the relevant case study. Once this had been done, we chose the research method to apply a structured approach to data gathering and analysis. With the information obtained, we came back an revisited the major concept of the thesis, namely the impact of social capital on international new venture, to draw the conclusion of both the literature review and the case study.

A. RESEARCH STRATEGY AND SCOPE

In order to answer the research question, it remains of utmost importance to construct a research strategy with the adequate tools and relevant methods. **The research strategy** started with an analysis of the literature review of the two major concepts stated in the research question: international new venture and the social capital. The second part of this thesis focuses on finding a case study that would permit to determine the practical application of the theoretical concepts defined beforehand.

According to us, the study case seemed to be the most appropriate tool. As Yin (2003: 20) stated, case studies "*are the preferred strategy when 'how' or 'why' questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within some real-life context*" which is the case in our global research question. Case studies have been exploited in a variety of fields of learning such as anthropology, psychology, education, medicine, law, business management, political science, etc. Case studies are an important research tool in the field of management and the interest in it, as a method for generating and testing theory, has lately gain more and more ground (Mariotto, Zanni & Moraes, 2014).

From a practical standpoint, **the scope of the study** needed to be narrowed down in order to fit with the limitation of time and resources available to a master student doing an internship abroad in the meantime. The decision was therefore to limit the research to a substantive single case study that could help understanding the potential contribution of a third party social capital on new ventures' internationalization.

Once the strategy and the scope defined, we went through the selection of the case study. In the context of our internship at the Belgian Chamber Trade Commission (Awex), we had the chance to develop a thorough report concerning the various accelerators located in the area close to San Francisco. The major focus was to determine what programs the accelerators were proposing and to what extent it could be interesting for Belgian companies willing to expand in the United-States.

Within 6 months of our internship in San Francisco, we had the opportunity to visit 12 different accelerators and to meet either the founder or the person in charge of running the international accelerator program. We visited YCombinator, The Alchemist, The Founders Space, Plug & Play, Highway 1, Hax hardware, The Refiners, French Tech Hub, Tie Launchpad, The founder institute, Black Box and Powerhouse. After having visited all those accelerators and being able to apprehend more comprehensively what each of them were offering, we were able to decide which case study would be the richest and the most substantive for this thesis.

Our focus was eventually on the program proposed by Plug & Play Tech center (alias P&P). We were rapidly acquainted with the directors of the program and we had the opportunity to attend various events such as networking nights or even a final "*Demo day*" of the FinTech vertical branch. The participation to those events allowed us to enter in contact with all the layers of the accelerator's social capital and therefore to have a deep understanding of the functioning of the program. Furthermore, our selection of Plug and Play accelerator as the single case study was motivated for two major reasons:

- First, the accelerator has attracted ventures from every corner of the globe. Since 2006, their international accelerator program has helped a total of 450 start-up companies around the world to plug into the Silicon Valley ecosystem. P&P help them to make rapid connection and move fast in order to assess the American market and expand internationally.

- Second, Plug and Play has always strived to possess an extent social capital derived from a broad network created thanks to its relatively long existence: 10 years. Their network is counting a large number of investors, venture capitalists, corporate relationships, legal experts, mentors, advisors and alumni. Moreover, the accelerator is self-sufficient and does not need funding from external party and is therefore able to develop and design its program the way they believe the best for the ventures.

B. RESEARCH METHOD

Two paradigms of data collections are most often used in research: **qualitative** and **quantitative** methods (Alwood, 2012). The distinction between qualitative and quantitative research is conceptual and very general but each are characterized by some specificities we will depict in the following section:

Marais (2010) defined **quantitative research** as a "*Research that approaches phenomena from an outsider's perspective to explain and predict the phenomenon under study in isolation; this approach uses numerical indicators of abstract concepts; its methodology is normally relatively formalized, rigid, crossreferenced and explicated, but more parsimoniously recorded by means of statistics.*"(Marais, 2010, p.238).

On the other hand, the same author defined **qualitative research** as a "*Research that approaches phenomena from the insider's or subject's perspective to understand it in its natural context; this approach uses qualitative indicators such as words, stories, pictures and other communicative representations as non-numerical symbolic information on phenomena; its methodologies are normally less formalized, rigid, specific and explicated, but more comprehensively recorded.*"(Marais, 2010, p.240).

Several areas of research fit particularly well with qualitative research such as theory development, theory testing, model development construct validation and the unveiling of emerging phenomena. Qualitative methods have been an ideal approach in understanding evolving and changing context by including concerns of complex multi-stakeholders. This makes this method particularly adapted for the studies of international organization (Garcia & Gluesing, 2013). Over the past decades, management researchers have called for more frequently using qualitative methods since a lot of researches suffer from a lack of deep understanding (Edmonson & Macmanus, 2007; Garcia & Gluesing, 2013).

In addition to the two paradigms of data collection, two different processes can be adopted while acquiring new knowledge: namely **inductive reasoning** and **deductive reasoning**. Inductive reasoning "*is a theory building process, starting with observations of specific instances, and seeking to establish generalisations about the phenomenon under investigation*". This means that the researcher endeavors to discern patterns in the data rather than formally test pre-determined hypotheses. On the other hand, deductive reasoning " *is a theory testing process which commences with an established theory or generalisation, and seeks to see if the theory applies to specific instances."* (Hyde, 2000, p.90). The inductive approach is often linked with qualitative research but this is not always true since most research combine both elements (Hyde, 2000). In this thesis, we initially developed a theoretical framework and we seek to see if the theory applies in a substantive case, which fits more with the **deductive reasoning**.

With the objective of understanding more significantly about the impact of social capital on the speed of internationalizing ventures, it appears clearly that a **qualitative research method** answers best the research needs. Furthermore, since social capital exists between individuals and groups, qualitative and participatory methods are better suited in order to discern the causes and nuances of the relationships (Dudwick, Kuehnast, Jones, & Woolcock, 2006) Therefore, we have conducted a **qualitative research** with qualitative tools to gather the needed data. We started interviewing the people at the core of the program such as the community leaders of the program proposed by P&P. We also gathered participant observations in interviewing people who are still part of, or have participated to P&P program.

C. DATA COLLECTION AND METHOD OF ANALYSIS

For the literature review, we collected information about Internationalization and social capital scientific in publications issued from databases such as Google Scholar, ProQuest and Cairns. Concerning the collection of information for the case study, the literature specifies three major qualitative methods: **questionnaire**, **research interview** and **direct observation** (Quivy & Van Campenhoudt, 2011). In this study, the research was performed under the form of semi-structured in depth interviews. The research interview is one of the most important qualitative data collections but is also often used for quantitative study as a pilot study to collect preliminary data (Qu & Dumay, 2011). Using interviews provide a rich way to learn deeply about the perception of others and represent a precious set of data. Interviews can take a very large spectrum of forms, from completely unstructured to fully structured. The method chosen for the collection of data for this thesis were the semi-structured interviews.

The semi-structured interview is the most common tool for of all qualitative research method and "*involves prepared questioning guided by identified themes in a consistent and systematic manner interposed with probes designed to elicit more elaborate responses"* (Qu & Dumay, 2011, p.246). The strength of this type of interview is to be flexible and to make the interviewer able to adapt to the interview and steer the conversation to topics that were not expected when realizing the guide. This method allows disclosing important and often hidden aspects of human and organizational behavior. Despite its flexibility, it remains important to prepare an interview guide. The latter is essential in order to conduct the conversation towards the specific issues and topics interesting for the researcher while letting the interviewee to express himself freely (Quivy & Van Campenhoudt, 2011). The interview guide created for the semi-structured interview necessary for our research is located in the appendix 2 and 3.

In choosing our sample of interviewees, we were looking for a representative selection across the accelerator. Firstly, we were favoring high responsibility members of the organization of the international program proposed by Plug and Play Tech Center: the International Operation Manager and the Director of International Operations. Secondly, we also wanted to meet companies that had the opportunity to go through their program and we were introduced by the Director of International Operation to four companies that fitted with our definition of international new venture as "*a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries.* " (Oviatt & Mc Dougall, 1994, p.49). Therefore we met the following companies: Bloom (Belgium), CriskCo (Israël), Novi Flow (Canada) and Softkinetic (Belgium). We have also enriched our understanding thanks to the attendance to various events organized by Plug and Play Tech Center that permitted us to gather precious information during informal conversations. This qualitative fieldwork was used to witness the use of using network in seeking opportunities and to gather extensive information on the micro-level processes by which accelerators influence the ventures attending their programs. This data collection method permitted us to better understand the mechanism within the accelerators and also their effects.

Concretely, we had between January and July a plethora of informal conversations with accelerators' directors and attendees, which eventually led to a better understanding of the accelerator phenomena. In addition, we also conducted 6 formal interviews with directors of the international program of Plug & Play Tech Center, previously accelerated companies and a company still running a vertical program. The interviews were typically 30 to 50 minutes long and based on the interview guide found in Appendix 1 and 2. 5 interviews were recorded and transcribed (transcripts are available in the Appendix 3). Simultaneously, we collected complementary information related to P&P available on Internet or in the brochures available. In addition, we reinforced our understanding during informal conversation while attending business events such as the “Demo Day” of the vertical accelerator FinTech.

Our method of analysis can be decomposed in 3 steps: first we assembled the information we gathered through the interviews and informal discussions and clarified the concepts of incubators and accelerators, which appeared to be a potential source of confusion. Secondly, we analyzed the characteristics of the case study accelerator in the light of the conceptual framework derived from the literature review and thirdly we reviewed the impact of the accelerator on the intrinsic liabilities of international new ventures. We present the outcome of these 3 steps in the next chapters, before drawing our final conclusion.

III. BUSINESS ACCELERATOR INDUSTRY

The business accelerator industry appeared in the United-States in 2005, but little can be found in the literature due to the newness of this phenomenon. Despite a large proliferation of this new concept, from 16 programs in the United States in 2007 to 170 programs in 2014, there is little known about the real effects of the programs proposed by accelerators. Most accelerators are lean organizations with small staff and little organized data collection. Moreover, there is a lack of published research about this new concept due to the fact that not enough time has passed since the inception of the programs proposed. The youngness of this new concept also implies discordant definitions that make the research arduous, which is exacerbated by the high heterogeneity between programs (Cohen, 2013).

A. ROOT OF THE ACCELERATOR CONCEPT: YCOMBINATOR

In 2005, an American serial entrepreneur, created the first business accelerator program of its kind in the United States; YCombinator. This accelerator also known as YC, had started by investing in a small batch of promising startups, then worked 3 months intensively together to prepare them to pitch to an invited only audience of venture capitalists. Since then, this concept has spread all around the world. YC accelerator has significantly changed the face of the incubation industry and has funded more than 1200 startups worldwide so far (Katrina Malanac, Interview, June 1st 2016).

Accelerators constitute a new incubation model that has developed into an umbrella of terms for any program providing structured mentoring, networking opportunities and access to funding for cohort of cyclical selected entrepreneurs (Clarysse, Right, & Van Hove, 2015). The accelerator boom really occurred after the high success profile of some of YC's "graduates" such as AirBnB, Dropbox, Zenefits, Stripe and 6 others whose valuation exceeds one billion of dollars (Cohen, 2013). Today, the total valuation of companies that went through YC has reached $70 billion (Katrina Malanac, Interview, June 1st 2016). The growing popularity of this new trend has kept flourishing in the United-States and in Europe and reached an estimated 300-400 accelerators program worldwide in 2014 (Cohen, 2013).

B. TWO DISTINCT TERMINOLOGIES: INCUBATOR AND ACCELERATOR

The past decade has seen a profusion of programs such as incubators and accelerators that propose to support early stage ventures and offer to make the entrepreneurial journey less solitary and precarious for founders. Those two terms have been used a lot lately and are often being misinterpreted and misunderstood. We considered it as of the paramount importance to determine their distinctive characteristics since people have too often used these terms erroneously. Despite their willingness to help nascent fledgling ventures, incubator and accelerators are two different concepts.

1. INCUBATOR

A business incubator can be defined as a "*shared office facility that seeks to provide to its incubatees with a strategic, value adding intervention system of monitoring and business assistance. This system controls and links resources with the objectives of facilitating the successful new venture development while simultaneously are containing the cost of their potential failure.*" (Hackett & Dilts, 2004, p.57). The first business incubator started more than 50 years ago in New York: The Batavia Industrial Center. In 1959, a local real estate developer acquired a 79.000 square meters and was unable to lease the entire facility all together. He decided to sublet subdivision of the building to a various number of tenants and proposed business advices and assistance with raising capital for some of them. The first incubator was born (Hackett & Dilts, 2004). The International Business Incubation Association (INBIA) defines business incubators as "*organisms that nurture the development of entrepreneurial companies, helping them survive and grow during the start-up period, when they are most vulnerable. These programs provide their client companies with business support services and resources tailored to young firms*"(INBIA, 2016).

The association estimates that there are about 7 000 business incubators worldwide whose models can be broadly defined: from supporting commercialization of university technologies to enhancing employment in economically perturbed communities to serving as an investment vehicle. The INBIA revealed in 2012 that more than 90 percent of all incubators were not profit organization whose major focus was on economic development and almost one third of them are associated with a university.

In general, ventures receive access to office spaces, administrative support services, introduction to financiers, access guidance and advice from professional advisors in various fields (accounting, legal, marketing, business development, etc). The time spent in incubation centers vary from 3 to 5 years on average with no maximum period (Bergek & Norrman, 2008).

Philosophically, incubators tend to nurture nascent ventures by shielding them from the environment to give them space to grow. However, the incubator environment might not be totally aligned with the reality of the market. Venture may develop in a way that permits them to survive within the accelerator but not outside. By shielding those ventures from the market forces, they might miss the important red flags that could enable the companies to adapt to the competitive environment. This situation might lead to incubators investing resources in ventures that could not survive without the incubators (Cohen, 2013).

2. *ACCELERATOR*

On the other hand, an accelerator is *"a fixed-term, cohort-based program, including mentorship and educational components, that culminates in a public pitch event or demo day"* (Cohen & Hochberg, 2014). Accelerators, also called "Value based venture capital", constitute a new incubation model that helps early stage ventures through education, mentorship and financing in a fixed period, cohort based settings (Birdsall et al, 2013). Accelerators programs are programs of finite duration (on average 3 months) that help cohorts of previously selected startups to accelerate their venture process. These accelerators usually provide working spaces and small amount of seed capital for equity. No accelerators are alike and they try to differentiate themselves according to their strategic focus, the program package they provide (alias Curriculum), the amount of stipend, the equity stake taken, the fixed length of the program, the funding system (of the accelerator itself and available for start-ups), the intensity, the selection processes and the alumni services (Pauwels, Claryse, Wright, & Van Hoven, 2016).

Usually, accelerators identified their target audience as their major differentiator which can be related to specific industries, targeted customers or even the development stage level, etc. Three major categories of accelerators can be eventually defined (Birdsall et al., 2013):

- Vertical accelerators: These accelerators propose to startups targeting a specific industry, trade or customer type. The entire ecosystem is based on a vertical theme (i.e: FinTech, Health, Retail, Energy, Media, Fashion, Hardware, etc). The accelerator is engaged to develop a strong mentor network and a highly committed investor community specific to each vertical particularly. These accelerators can range from very specific to very generic (no vertical focus at all);

- Horizontal accelerator: On the other hand, these accelerators do not focus on an industry but rather on startups targeting on a specific products or services that caters similar customer needs across a variety of markets (i.e: Hardware, SaaS, Cloud, IoT, Mobile, Internet, etc);

- Corporate accelerator: These are sponsored accelerator by companies that investigate to support and back startups that are developing product or services that are related to their specific area of expertise (i.e: Samsung accelerator, Disney accelerator, Orange Lab, Westfield accelerator etc).

Most of the accelerators also propose to end the program with a "Demo Day" which permits all participants to pitch their idea to a large audience of competent investors. The most common characteristics is to offer a large number of networking opportunities, with peer ventures, mentors, program graduates (alumni), venture capitalist, angel investors, corporate executives, etc. All in all the most valuable resource an accelerator can give is the network it has thrived to create (Yaël Oppenheimer, Interview, May 3rd 2016).

Brad Feld (2012), the founder of the second accelerator created after YC: "Tech Star", considers immersive experiential as being the specific characteristic of a successful accelerator. He promotes the "learn by doing" aspect of starting a company. He sees accelerator as a way to accelerate years of learning within a short lapse of time. In an accelerator the idea is not to incubate your business, the purpose is to accelerate time and learn more than 2 years of learning within a few months. Accelerators also concentrate a lot of the startup community activity for around 90 days and permit to make a high innovative environment (Birdsall et al., 2013).

Business accelerators play in mediating the relationship between new ventures (the demand) and investors (the offer). Due to the volatile business environment, investors require more and more high and fast return on investment (less than 3-5 years). Thanks to Business Accelerator's program, companies are learning at a fast pace and permit them to fail and rebound quickly if necessary. Moreover, the highly selective processes of these accelerators are a quality guarantee of their potential success for potential investors. For instance, at YC only less than 3% of applicants get selected (Katrina Malanac, Interview, June 1st 2016).

As mentioned before, measuring accelerator success is not easy due to the youngness of this new concept, which implies little systematic research so far. Furthermore, there are multitudes of various accelerators and they make the performance based on different metrics which can be funding, exits, local job created, number of outside firms investing in the region, growth of the startup local ecosystem, time to internationalize, company survivorship (Pauwels, Claryse, Wright, & Van Hove 2016).

3. *Incubator versus Accelerator*

Incubators and Accelerators both help develop nascent ventures. Incubators provide ventures services and space for varying lengths of time based on company needs. Accelerators take a group of ventures (cohort) through a specific process over a predefined period of time ending with a public pitch event (Demo Day). Accelerators also often make seed stage investment in each participation company for equity while this type of financial commitment is rare in incubators as they are mostly not profit organization (INBIA, 2016). Incubators tend to bolster fledging ventures by protecting them from the external environment to give them a protected place to develop. In contrast, accelerators enhance market interactions to help new ventures to adapt quickly and learn fast. Practically, accelerators and incubators differ in four key ways (Duration, Cohort, Selection, Business model, Venture stage Education and Mentorship), which are designated in the following table and are further detailed (Cohen, 2013):

Figure 12: Table of the differences between accelerators and incubators (Cohen, 2013: 20)

	Accelerators	**Incubators**
Duration	3 months	1 to 5 years
Cohorts	Yes	No
Business Model	Investment, Non profit	Rent, Non profit
Selection	Competitive, Cyclical	Non competitive
Venture Stage	Early	Early or Late
Education	Seminars	Ad hoc
Venture Location	On site	On site

- Duration

The major characteristic, which mostly defines accelerators programs is the limited duration, most of the time 3 months. However most of the programs, allow companies to benefit from the workspace and the accelerator's community after program completion with extended support from staff and mentors (Birdsall et al,. 2013). At the end of this period, the batch of selected startups "graduate" and the end of the duration is marked by a "Demo Day" where founders pitch their businesses to large audience of potential investors. On the other hand, firms graduate from incubator stay on average from 1 to 5 years after the start of the program with no time constraint. The major purpose of rigid graduation dates is to reduce the codependence between the venture and the accelerator. By doing so, the venture is quickly facing the selection mechanism occurring by the market. The participation of an accelerator program does not keep the venture alive –like in an incubator- but it does enhance the speed of the cycle of the venture, which permits the venture to quickly succeed or fail (Cohen, 2013).

- Cohorts

Another specific characteristic of accelerator is the willingness to organize their program per group of selected ventures called cohort or batches. Most likely these batch would account for 6 to 10 founders per batch but it varies a lot between accelerators. The major idea is to create a small size ecosystem that will permit to foster mutual aid within the group and force them to communicate and develop their social skill to share their mutual knowledge, strive together and motivate each other. On the other side, incubator work on an ongoing basis and does not limit to a specific number of companies (Birdsall et al,. 2013).

- Selection

The selection process is the third core component. While this works on an on-going basis for the incubator, accelerator have defined period of selection process for their batches which occurs usually one or twice a year only. Their open and online application process permits them to attract ventures form a wide if not global pool. The selection process varies for each accelerator and can be from a simple two-staged process to a multi stage processes with specific selection committee comprising mentors, investors and alumni. Accelerators are extremely selective since they are often investing in the venture. Furthermore, their reputation is also at stake every time they miss really successful and lucrative ventures or when they attract unsuccessful companies (Pauwels, Claryse, Wright, & Van Hove, 2016).

- Business Model

Pauwels, Clarysse, Wright and Vanhove (2016) classified the accelerators around 3 archetypes: The “Investor-led accelerator’, the “Match Maker Accelerator” and the “Ecosystem Accelerator”. These 3 archetypes can overlap the three categories defined previously by Birdsall (2013) and be represented as the following matrix:

Figure 13: Matrix of the categories and archetypes of accelerators

	Vertical Accelerator	Horizontal Accelerator	Corporate Accelerator
Investor-led Accelerator			
Match Maker Accelerator			
Ecosystem Accelerator			

The investor-led archetype, receive funding most likely from private investors such as business angels, venture capital funds or corporate venture capital. This system is the most common, the accelerator seek for seed financing for equity in ventures that seems to provide attractive return on investment (like initially YCombinator, Tech Star and Plug and Play) (Yaël Oppenheimer, Interview, May 3rd 2016). The matchmaker archetype is most likely set up by corporations that want to provide a service or their own customers or stakeholders that they want to be innovative. The ecosystem archetype, are most likely sponsored by government agencies whose interest is to stimulate the startup ecosystem (i.e Knowledge and Innovation Communities sponsored by the European Commission or the Dubai Internet City). Incubators are most likely publicly owned and do not have their own investment fund while this is most likely the case in an accelerator (Pauwels, Claryse, Wright, & Van Hove, 2016).

Accelerators are often investing directly in the ventures, which help them to be more closely aligned with the venture. Most of the time, accelerators focus more on a fast growth that would eventually lead to a positive exit while incubators focus more on a slower growth. This major difference make the venture stay longer in the incubator program and be more likely less attuned to the reality of the market (Cohen, 2013).

- Education, mentorship and network development

Intense educational program, mentorship and access to a myriad of network connection is the cornerstone of the accelerator program and is extremely used and valued as the primary reason for the participant to be affiliated to the program. Sean, Hackett and Dilts (2004) describe that even though incubator tenants had access to a large array of services provided by the incubator, they take rarely taking full advantage of it. The way accelerator share their knowledge with the participant is through seminars given by either directors, alumni, mentors, invited guest speakers,etc. A large variety of entrepreneurial topics are brought every week which permit the participant to broaden their knowledge about variety of topics such as legal compliance, hiring system, business tricks, negotiation skills, fund raising models, etc.(M. Ramies, Interview, May 19th 2016). It also allows the entrepreneurs to be in contact with experts in specific domain who can answer their questions and be extremely valuable for the growth of the venture. Mentorship is also one of the most beneficial aspects of accelerator program. Every program is designed differently and some program propose schedule with a dozen of mentors during the first week while other propose to make introduction and on an “as needed” basis (Pauwels, Claryse, Wright, & Van Hoven 2016). This can provide an exclusive opportunity to extend dramatically their social network that is also cited as a paramount aspect of accelerators programs (Cohen, 2013).

IV. STUDY CASE: THE PLUG AND PLAY TECH CENTER

After having thoroughly explained the rationale of accelerators and their distinctive characteristics from incubators, we here below analyze the substantive case of the accelerator Plug and Play Tech Center. Within this section, we describe the accelerator as well as the various programs and services offered. We also apply the two major concepts previously detailed in the literature review namely: International New Venture and the Social Capital.

In order to do so, we will first map the Social Capital of P&P by representing all the resources available within its network of relationships. Secondly, we will describe and determine the effect of the access to these resources on the intrinsic liabilities of international new ventures described previously in the literature review.

A. THE MEN BEHIND THE ACCELERATOR: SAEED AMIDI AND PEJMAN NOZAD

In order to have a better understanding of Plug and Play Tech Center, it is important to understand the background of the 2 men who created it: Saeed Amidi and Pejman Nozad. On the one hand, Saeed Amidi is the son of Amir Amidi, the owner and founder of the prestigious "Medalion Rug Gallery" located in the Silicon Valley. On the other hand, Pejman was an Iranian who left his country in order to grasp new opportunities in the USA with only a few hundreds dollars in his pocket. After a few months in the United States, Pejman Nozad managed to be hired by Amir Amidi to become a successful salesman. The wealthy Persian rug dealer was well known in the Silicon Valley. He created a strong network with people who trusted him through selling superior quality rugs to extremely wealthy people from Sand Hill Road.

Amidi's family and Pejman had initially scant knowledge and connections in the technology world. However, by being located in the midst of the Silicon Valley they became more and more acquainted with the entrepreneurial and the venture capitalist environment. They met at separate time tremendous number of entrepreneurs with revolutionary projects and on the other hand wealthy people willing to invest their money in high return investment projects. Back then, the terms "angel investing" and "seed investing" were barely known. They saw this as an opportunity and they decided to capitalize on the reputation they created in order to make these two worlds meet each other. Their plan was to help ambitious entrepreneurs to learn the basics of starting a business from those who knows the best such as serial entrepreneurs or venture capitalists from the valley. Once the new venture would be apt, the founders could meet venture capitalists to gather the necessary funding to access quickly the market and accelerate the growth (Barret, 2012).

Saeed and Pejman started to organize meet and greet events in the back of the rug shop where investors and founders could gather together and discuss about the potentiality of a partnerships or investments. The family decided then to invest in a small office building down the road from the rug store and they started to lease the space to some, back then, unknown companies such as Google, PayPal, Logitech and Danger. They initially created "Plug and Play Real Estate" but they rapidly noticed that just leasing space would not be the lucrative part of being close to founders.

It gave the idea to the Amidi's family and Nozad in 1999 to start investing in them as well as providing them with advices and contacts in the Valley. They eventually gathered $2 million and started an investment firm, "Amidzad investment", which will invest in their tenants in exchange of small stakes in the company. "Amidzad investment" was built as a seed and early stage investment firm whose focus was on investing in emerging growth companies from all around the world but willing to be located on the west coast of the United States (Helft, 2007). One of their first investment was $100.000 in the company Lending Club and they introduced them to Norwest Venture Partners who subsequently provided them with their first round of $10 million funding. The idea of investing in tenants and providing them advices and contacts started to materialize in a new entity in 2006: the "Plug and Play Tech Center" (Yaël Oppenheimer, Interview, May 3rd 2016).

B. PRESENTATION OF THE ACCELERATOR

Plug and Play Tech Center (P&P) is a seed stage investor that proposes 3 months acceleration programs to two batches of about 100 ventures a year. Nowadays, more than 8000 startups from every corner of the planet apply annually. Once selected, the new ventures are split into one of the 11 vertical programs that fit the best the venture's profile (Internet of Things, Fin Tech, Media and Mobile, Retail, Pre-Seed, International, Connected Health, New material and packaging, Travel and hospitality, Mobility, Insurance) (M. Ramies, Interview, May 19th 2016).

Today, P&P is the world's largest global technology accelerator with programs extending to 24 countries. Their purpose is to provide the necessary resources and tools to succeed in the Silicon Valley and to access to the market faster. One of the particularities of the accelerator is its location: the Silicon Valley. This region has succeeded to differentiate itself from any other region in the world as the most fertile tech-entrepreneur ground. P&P is located next to the best talents and expertise coming from the top universities in the world: such as Berkeley and Stanford. Moreover, the close access to the large amount of "smart money" available from the venture capitalist located in Sand Hill Road plays a key factor for new venture willing to assess the market internationally from inception (Yaël Oppenheimer, Interview, May 3rd 2016).

In addition to the investment available from the venture capitalists, P&P invests itself yearly in about 100 of companies participating to their program by injecting from $25,000 to $500,000 in return to 3 to 7% equity. At the end of their 3 months program, the most promising startups get to pitch during the Plug and Play's expo event alias "Demo Day" in front of the corporate and VC partners. The 10 following figures give in a nutshell what has Plug and Play realized so far:

2000+	Startups accelerated since 2006
200+	Startups accelerated every year
350+	Startups located in their Head Quarter today
8000+	Startups Reviewed annually
2,5%	Acceptance Rate
$3,5bn	Amount raised by their startups since 2006
300+	Corporate partners
180+	Venture Capital partners
30+	International partners
50+	University partners

As we can see in the previous table, within a decade P&P has strived to have an extensive network composed of alumni, mentors, corporate partners, venture capital partners, International partners and University partners. In the following section we will determine the resources that are available from P&P's network of relationships or in other word, the social capital of Plug and Play Tech Center.

V. THE SOCIAL CAPITAL OF THE ACCELERATOR

A. RESOURCES AVAILABLE THROUGH PLUG & PLAY COMMUNITY

Some studies have already been conducted to learn more about the importance of the social network in the internationalization process and to what extent the performance of international new ventures possessing it will be better than those without it or with low level of it (Arenius, 2002; Falize & Coeurderoy, 2012). However, in this case we do not focus on the resources available within the personal network of relationship of the venture's founder but rather on the resources available within a third party organizational network of relationship: the Plug and Play's Social Capital. Over the years, Plug and Play has assembled a world-class network of entrepreneurs, strategic investors and industry leaders who actively support the attendees and represent therefore a powerful social capital.

1. LOGISTICAL SUPPORT FROM PLUG AND PLAY TECH CENTER

The first observable and accessible resource at P&P is the logistical support the accelerator provides to the participants. P&P provides 26.000 square meters of office space and amenities for startups and technology companies of all sizes. More than 350 active companies, participating to their various programs, are based within this micro ecosystem in the Head Quarter of P&P in Sunnyvale, California. The co-working space is filled with international entrepreneurs from all over the planet. This environment promotes high productivity as well as collaboration and understanding of business tricks from all around the globe (D. Jodoin, Interview, May 18th 2016). The office can accommodate to let the selected entrepreneurs to set up their office and grow at their own pace up to one-year after the completion of the accelerator program (from one person to over 50 people). It permits to any companies to have a branch or a subsidiary with an official address in the Silicon Valley for a minimum cost and it permits therefore to create easily a legal entity in the United-States. P&P provides co-working spaces, meeting rooms, private offices, cafeteria, dining room as well as fully equipped conference room to auditorium and event center that can host up to 500 people (M. Ramies, Interview, May 19th 2016).

Another important aspect of the logistic of P&P is the access to their internal data center that owns a Statement on Standards for Attestation Engagement 16 (SSAE), a redundant backup generator, a UPS backup system and a redundant cooling all of this in a secured facility within the infrastructure of P&P. This permits the tenants to have all their data securely protected and to have access to the direct pipeline to the servers and to be close to the hardware and the people who run it. This secured access can be crucial to a lot of companies for whom security and access to the data is a prime concern like high technology companies (Yaël Oppenheimer, May 3rd 2016).

Despite the fact that this logistical support does not belong to any network strictly speaking, it remains an undeniable essential resource in the early development of startups. It gives them the opportunity to meet potential partners, investors, clients in an adequate environment which provides them credibility and trustworthiness (D. Jodoin, Interview, May 18th 2016).

2. Knowledge and advices from mentors, advisors, alumni

One of the major strength of P&P is the whole body of entrepreneur's partners who provide their time to share their experience on the startups' technology, business model, legal compliance etc. These entrepreneur's partners are composed of serial entrepreneurs, experienced executives, industry visionaries, academics and venture capitalists. Most of them have already co-founded a company, co-invest in firms, been member of a board of director or an executive team.

P&P has also a full group of executives in residence that are available to be advisors, mentors, consultant or even eventual potential co-founder. They provide indirect learning and guidance, through mainly educational courses, for any problems the startup may be facing, from the creation of an elaborated business plan to the help of the creation of a legal entity in the United States. In order to make the interaction happen, Plug and Play organizes classes as well as hundreds of networking events throughout the year. The latter are essential to connect the program attendees with their larger network. Those events can be considered as the oil in the engine since it basically brings people together to do business and get exposure on the market (D. Jodoin, Interview, May

18th 2016). During those events the P&P event coordination crew pushes startup to get on stage and present their ideas. These events could be from 20 students from Stanford who are here for a tech trek tour to a 500 persons export event where 50 companies will give a quick 3 min fast speech in front of hundreds of VCs.

The alumni network plays also a strong role in the high willingness of companies to be selected for the acceleration program. Firstly, new ventures freshly enrolled in the program benefit from the gathered knowledge by their previous counterpart. Secondly, alumni are member "ad vitam eternam" to the alumni network and can therefore participate to every events proposed by Plug and Play Tech Center. (J. Pender, Interview, June 5th 2016).

3. *Funding and support from investors*

Funding and access to capital is essential for the launch of a rapid and successful startup. It is critical for venture during the first years of formations to be able to raise capital in order to survive. It requires a lot of persuasion skills and often a well-developed network to benefit from the right introduction (E. Saf, Interview, May 31st 2016). Plug and Play is trying to fill this gap by two different means. The first means is the act as a "connector"; Plug and Play provides intense training sessions to teach their attendees to refine their business model and to learn how to pitch their project to invited-session of investors during the "Demo Days". The accelerator is providing a "quality certificate" to its attendees thanks to its thorough selection process. This system permits the attendees to have access to a broad network of investors they would have never had the chance to meet otherwise. In addition, P&P is endorsing them, which provide them with more credibility as well (E. Saf, Interview, May 31st 2016).

The second means is by investing itself in the venture. As explained before, Plug and Play has its own investment arm called "Amidzad". The latter is a seed and early stage investment branch that invests in about 100 companies a year and syndicate funding rounds to their startups through their World Class VC and Angel network. However, the purpose is to contribute more than just investing capital to all new ventures, hence the strength of the P&P accelerator program. So far, P&P has invested in over 1000 companies and they partner with entrepreneurs and leverage their resource of their network to build successful companies.

Plug & Play ventures participate in Seed, Angel and Serie A funding where they co-invest with their strategic partners. After years of experience and as part of their network, P&P has developed a world-class group of serial entrepreneurs, strategic investors and industry leaders who actively support new ventures. When Plug and Play invests itself in the company it provides an additional layer of "quality certification" that encourage investors to invest as well.

- Seed round (Raised up to $500k/ 1M)

P&P ventures participate in seed round investing through the program called "Startup Camp". The latter is a 3 months program based in the Silicon Valley for prime entrepreneurs to work intensively on building out their business. The purpose is to give to the selected startup the possibility to refine their business models with the help of the P&P community by assisting structured workshop, mentorship sessions, active coaching from the investment team and by the end of the startup camps, founders will have the chance to present their business plan and pitch their project to the venture capital community at the EXPO Demo Day.

- Angel Round (raised up to $1M/2M)

P&P ventures organize angel round investment throughout the year sourced from their monthly Plug and Play Angels (PAPA) sessions. P&P has developed a large network of local angels investors in Silicon Valley who participate to PAPA to discover the most promising startups.

- Series A (raised up to $10M)

Series A are in a critical step in the funding in a company. Typically, Series A rounds range from $2 million to $10 million and is expected to provide operating capital for the company from 6 months to 2 years. This round capitalizes the company as it develops its products, perform initial marketing and branding, acquire talent, etc… In this stage, P&P venture will invest with over 180 venture capital partners. So far they have contributed to create some of the most well-known technology leaders such as PayPal, Danger, Google, DropBox, Lending Club, SoundHound and over 150 more hot startups in their portfolio.

4. ORIENTATION AND POTENTIAL ACQUISITION FROM CORPORATE RELATIONSHIP

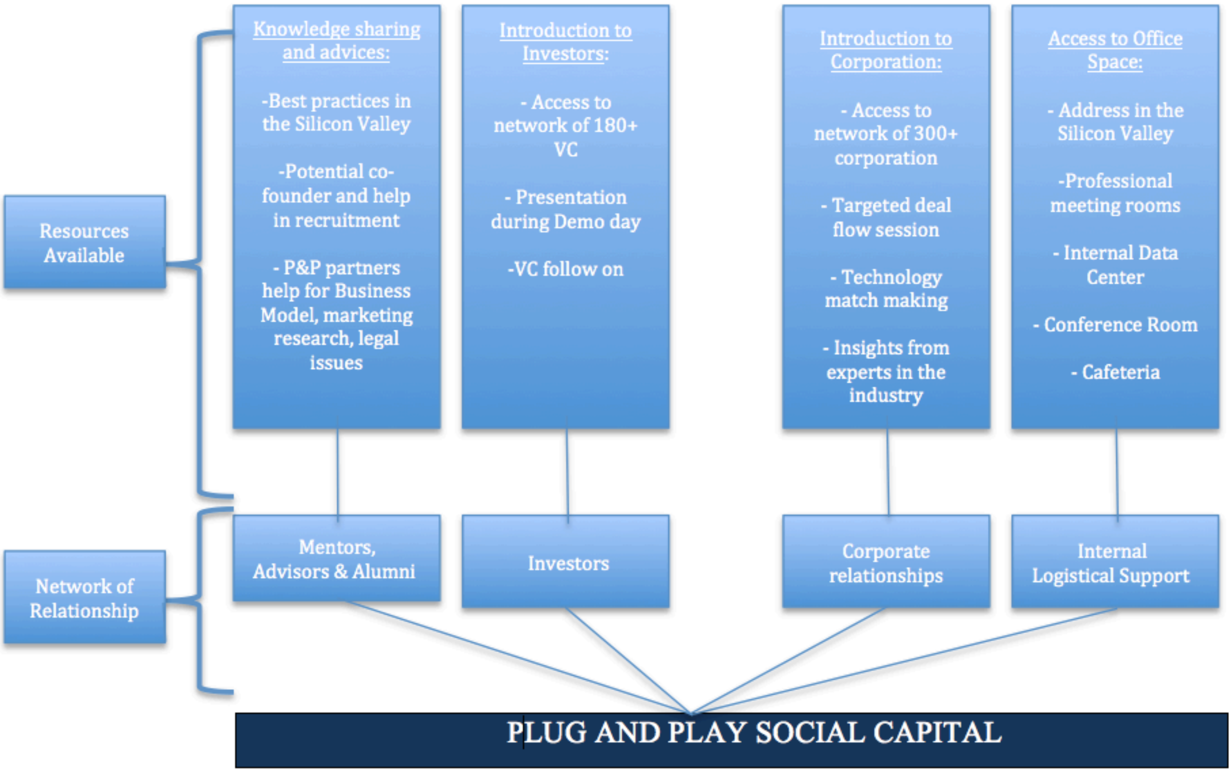
Corporate relationship has become the most important added value of P&P compared to other accelerators. Beside the 365 networking events proposed each year, as a startup when you walk through the door of P&P you have access to over 300 corporate partners across verticals such as media, retail, automotive, banking, etc. P&P is working with very broad type of companies, from seed stage to very late stage. The accelerator connects them with corporations for business development, licensing, strategic investment and acquisition opportunities. P&P works with them at the highest level, CEOs, CTOs, CMOs. P&P is able to provide access in the form of a structured deal review sessions where the startups present their solutions to these partners for 30' and see if there is any opportunities to work on business development front, investment fund and sometimes acquisition. At the end of the day, P&P is pulling a lot of different network resources together to help startups create value (Yaël Oppenheimer, Interview, May 3rd 2016).

B. THE SOCIAL CAPITAL DIMENSIONS OF PLUG AND PLAY

In the literature review, we took the definition of social capital from Nahapiet and Ghoshal (1998 : 243) as "*the sum of actual and potential* ***resources*** *embedded within,* ***available*** *through, and derived from the* ***network of relationships*** *possessed by an individual or social unit".* The authors also developed three interrelated dimensions of this concept: structural, relational and cognitive respectively.

The structural dimension is a representation of the formal structure of the number of ties in the social network (Adler & Kwon, 2001). This graphical representation has been proven to be a strong indicator of social capital benefits (Mouw, 2006). In collaboration with the International Operations Manager and the Director of International Operations and with the post-approval of the interviewees, we have been able to create the graphical following framework that represents the social capital of Plug and Play.

Figure 14: Representation of the social capital of Plug and Play Tech Center



The prime concern of this representation was to be clear and comprehensive. In general, the structural dimension can also be portrayed as an acutely well-detailed web of nets of dyads. The interest of representing every relationship with the formal entity is to understand the quality of every relationship. In this sort of representation, every relationship is represented by dyads with the lengths between the nodes as a parameter of closeness and trust (Nahapiet & Ghoshal, 1998).

However, we believe that the interest in our case was more about a holistic understanding of the composition of P&P's social capital than in an extremely accurate representation of its internal composition.

The **relational dimension** is also extremely important in P&P context. The accelerator has to create a system of relationship that provides an incentive for social exchange and shows level of commitment for future activities. Indeed, relational capital in one dyad eases the creation of new dyad. Three major factors are essential for the elaboration of strong relationship: reputation, credibility and trustworthiness (Coleman, 1990). In our case, Plug and Play Tech Center gains good reputation from successful and thriving companies participating to their program (success as being a creator of employment, high return of investment, high exit, etc.). Having successful success stories in its portfolio of companies drains potential successful companies willing to participate to their program and mimic their predecessors. In addition, it gives incentives to investors to be on board when detecting the next high return new venture. It also attracts corporations that want to know what are the latest trends and innovation on the market that might disrupt their position on the market. Alumni are mostly interested in giving back from what they have received from the community and it gives them the opportunity to jump on the board of companies that interest them (M. Ramies, Interview, May 19th 2016).

The **cognitive dimension** is "*the shared understanding, representation, interpretation and systems of meanings among parties embodied in shared codes, visions and languages and shared narratives*" (Nahapiet & Ghoshal 1998: 251). The cognitive social capital remains the least discernable for an external observer. During our interview with the director of the international program she mentioned that in the Silicon Valley everyone was speaking "Vallish" and she highlighted the importance of being able to understand it. "Vallish" is more than a language; it is a way of understanding everyone position and interests. Everything is in balance at Plug and Play because there is a win-win situation on every side and it is important to understand what is at stakes for each individual and how it individually benefits the community (Y. Oppenheimer, Interview, May 3rd 2016).

VI. Analysis of the Social Capital of Plug and Play and the INV intrinsic liabilities

As we defined it earlier, the social capital represents the resources available within a network of relationships. The social capital is therefore by essence a palliative to resource scarcity for the ventures able to activate it. In our literature review, Cuervo-Cazurra (2007) identified three sets of liabilities that cause difficulties to the internationalization process of International New Venture (liability of newness, foreignness and expansion respectively). Each of these liabilities represents additional resources scarcities that impede the new venture to establish abroad on an equivalent basis than a local firm.

In our empirical research, we focus on determining how does the social capital of Plug and Play Tech Center impacts fundamentally the INV's intrinsic liabilities and how this eventually affects the speed of internationalization. Within the frame of this study we would like to understand the impact of INV's access to Plug and Play's Social Capital. We hypothesize that the access to a well-established third party's social capital permits to reduce fundamentally the INV's intrinsic liabilities as it permits to overcome the resources limitations. We posit that the social capital offered by Plug and play to its participants acts as a catalyst of the internationalization process of INV.

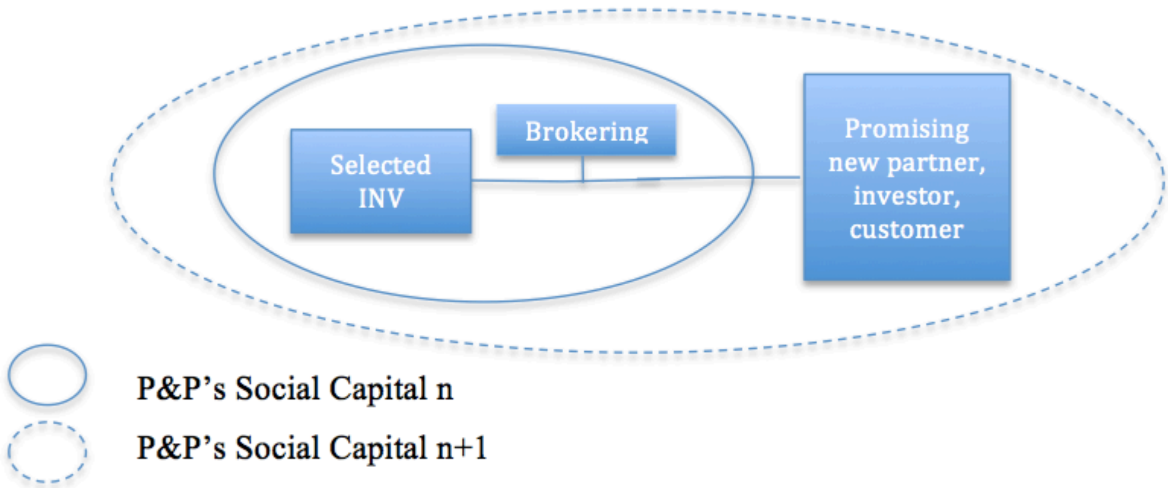
A. ACCELERATOR'S SOCIAL CAPITAL ALLEVIATING LIABILITY OF NEWNESS

The major cause of the liability of newness is a lack of credibility from essence (Cuervo-Cazura, 2007). The credibility is the quality of being generally accepted and trusted which is linked to the quality of the relationship (Arenius, 2002). The latter indicates trustworthiness to potential partners, which increases the credibility of the early venture and subsequently eases the sharing of resources. However, new ventures when they assess a new market lack bases of influence, endorsement and legitimacy. Having the right product for the right customer is not enough; you need also to be backed and introduced by the right person as well (Y. Oppenheimer, Interview, May 3rd 2016).

Arenius (2002) emphasized that one of the first things a new venture needs to do is to be accepted by the social system, which requires developing trust gradually through continuing interactions and exchanges. Because of the lack of credibility, the customers may doubt the reliability of the product or service offered. In addition, local talent might consider the new venture as a second tier employers and potential partner might refrain from collaborating with a venture that lacks from reputation. These are the reasons why liability of newness contributes importantly to the massive early death of new venture abroad (Arenius, 2002).

In this regard, P&P conveys new ventures to its social capital and represents therefore a significant source of credibility and trustworthiness. Firms are keener to engage in a relationship with an organization that has already demonstrated its cooperative ability previously (Y. Oppenheimer, Interview, May 3rd 2016). One of the major strength of P&P program is to act as an influential and credible third party to introduce to potential customers, investors, partners, talents within its social network as well as outside. This action is termed "brokering" and often facilitates the acquisition of additional dyads if the new organization lies outside the present social capital of the focal firm. This creation of cycle of trust benefit also P&P has it also drains new incumbents within P&P's social capital. In other words, the relational capital created between two dyads contributes to the creation of new dyads (in other words the structural social capital).

Figure 15: Representation of the brokering's role of Plug and Play Tech Center



Plug and Play goes even further than just being a trustworthy third party; it also plays an important referral role. As mentioned earlier, one of the most important added values of Plug and Play is its strong connection with corporation's partners. One of the most critical missions of the directors working at Plug and Play is to be the "connector" between the disruptive solutions brought by the new ventures with the knowledge and the means of established corporations. The role of Plug and Play is to ensure that the right name is mentioned at the right time so opportunities occur for both parties: the new venture and the corporation (M. Ramies, Interview, May 19th 2016).

By acting as a broker and playing an active role in referring ventures, Plug and Plays ensure to broaden its network and also fill the structural holes in its network at the same time.

B. Accelerator's social capital alleviating liability of Foreignness

The liability of foreignness features the liability of newness since they both derive from lack of legitimacy and endorsement (Arenius, 2002). However, the liability of foreignness is the only one that affects only ventures willing to expand internationally. Gaining access to tacit knowledge about cultural, social norms is essential for new venture ability to internationalize rapidly. We find here the importance of the cognitive dimension within the social capital within Plug and Play, and its lack of knowledge plays an important role in the failure of an internationalizing new venture.

In an ideal situation, the international new venture should have as one of its prior team member someone with an extensive international experience (D. Jodoin, Interview, May 18th 2016). If it is not the case, Plug and Play commits to teach the attendees with international courses provided by alumni and mentors. Both academics and practitioners recognize trial and error as a successful tool for diminishing cognitive biases and therefore overcoming the liability of foreignness. However this often comes with a lot of misallocated resources and time, which often lead the new venture to bankruptcy (Cohen, 2014). The lack of knowledge of the local businesses practices can be palliated thanks to the intensive indirect learning (alias schooling) provided by mentors, accelerator's directors and invited speakers. This is the reason why Plug and Play set up "P&P University" whose role is to organize various learning sessions during the accelerator program that is designed to introduce the entrepreneurs to specificities of the Silicon Valley ecosystem and business environment. At the beginning of the program, common sessions are organized to explain the fundamentals of the San Franciscan's business landscape, the legal compliance and the specificities of doing business in the Silicon Valley etc. Plug and Play postulates that new ventures participating to their program need to integrate quickly the business basics through intense indirect learning. It permits to the participants to bypass the costs and the time associated with accumulating experience (Y. Oppenheimer, Interview, May 3rd 2016).

For those purposes, P&P organizes non-mandatory, frequent and intense mentoring and coaching "seminars". During those regularly sessions, the participants benefit from experience and knowledge delivered by P&P's network of advisors and guest speakers. Those prior experiences provide a rich set of examples that can help new entrepreneurs to overcome international constraints.

Within the first three weeks, the accelerator gives the opportunity to the selected startups to meet on average 50 mentors. Their network of advisors and mentors is mainly composed of successful alumni who are asked to share with the community the experience they have gained in their field of competences (turning ideas into business, working in teams, gather customer feedback, etc.). Beside intensive mentoring, P&P organize also academic education program that helps the new venture's development by equipping them with high level frameworks (Strategic canvas, structure of a pitch, supply chain models, etc.) (M. Ramies, Interview, May 19th 2016).

C. ACCELERATOR'S SOCIAL CAPITAL ALLEVIATING LIABILITY OF EXPANSION

While the liability of newness and foreignness mainly depend on intangible resources, the liability of expansion seems often due to a lack of tangible resource such as logistic and financing.

When new ventures are internationalizing, they are facing additional costs and complexities that often require stretching their remaining resources so strongly that the venture is becoming ineffective (Penrose, 1959). In that sense, Plug and Play Tech Center is playing a significant role. The accelerator provides two major resources that permit to lessen this liability: an office space and an easy access to fundraising.

The extent of the internal logistical support provided by the office space was explained in the above section but a few consequences ensue from Plug and play's specific structure. The access to the facilities provides more than just an address and an open space with a full-equipped cafeteria, meeting room and a conference room. When a new venture is willing to expand in another country, location plays a primordial role. The new ventures need to be close to their customers to gather a profusion of information about them and react fast. They need to have access to valuable workforce that can help the future expansion and they need to be close to people with more understanding of the environment than them. By providing a free co-working space with 350 other companies, including a large number of international corporations Plug and Play act as "Business-to-Business catalyst" (M. Ramies, Interview, May 19th 2016).

This format with a co-working space enhances the number of interactions within a small ecosystem and more reactions occur faster with less resource necessary. This micro ecosystem permits venture to share knowledge about their past experiences and also the do's and don'ts in order to not face the same issues than other entrepreneurs. Plug and Play encourages strongly interactions between all the members of the Plug and Play community (J. Pender, Interview, June 5th 2016). From this constant on going interaction within the co-working space, business knowledge is henceforth created and permit to reduce the liability of expansion thanks to a collaborative mindset within the Plug and Play community.

The financing also plays a critical role in the early life of an international new venture. Plug and Play acts on different layers of the financing rounds: from extremely early stage venture to series A as explained in the precedent section. Raising funds can dramatically speed up the internationalization of a new venture as it helps to activate levers that were unaffordable beforehand (M. Ramies, Interview, May 19th 2016). The allocation of the funds hence raised can be dedicated for marketing purposes, business development, research and development, Human Resources, etc.

The indirect effect of injecting money into a new venture is the development of external business knowledge. With the additional financing resources available, new ventures often externally acquire knowledge in marketing, law or strategy by requesting help of experts or consultants in those specific domains. Moreover, International New ventures can henceforth externally acquire American talent in their team in order to ensure a proper understanding of the market (E. Saf, Interview, May 31st 2016). In this sense, Plug and play is extremely well located by being close to some of the most prestigious universities in the world: UCSF, Berkley, Stanford (Y. Oppenheimer, Interview, May 3rd 2016).

VII. General Conclusion

A. Summary of the findings of the literature review and the study case

Our research dissertation belongs to the field of international entrepreneurship. From this standpoint, we decided to decompose the reasons explaining how the social capital affects the speed of internationalization.

As a first step, we elaborated a literature review that explains thoroughly the evolution of the internationalization theories and the disruptive concept of International New Venture. Subsequently, a review of the concept of Social Capital was conducted in parallel. Eventually, we combined those two theories and we created a framework that theoretically creates a positive correlation between the amount of social capital possessed by an individual or an entity with the speed of internationalization.

Then we decided to find a substantive case study that would allow us to corroborate our findings from the literature review. After having reviewed a dozen of accelerators, our target was ultimately on the social capital of the accelerator Plug and Play Tech Center. From then, the focus of the study was on the impact of the social capital, conveyed by a third party, on the speed of internationalization of International New Ventures participating to the accelerator program.

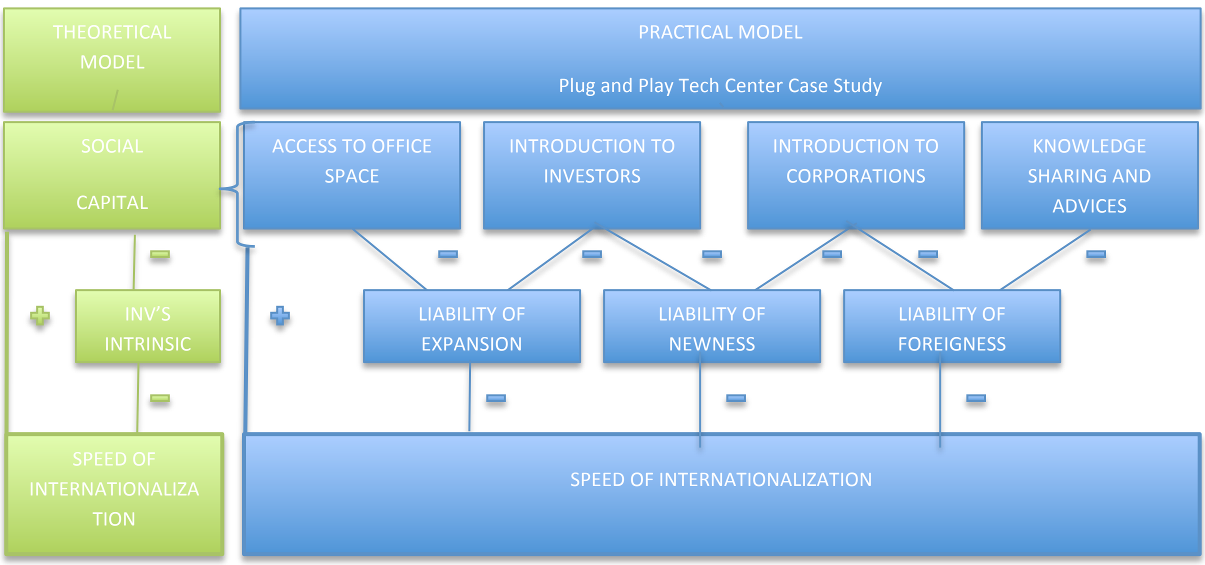
In the third step, we conducted semi-directive interviews with the international directors from the accelerator, International New Ventures that went through the program and actual participants. We also had the opportunity to participate to various networking events organized by Plug and Play Tech Center that allowed us to be in contact with partners, investors and corporate partners. Those formal interviews and informal conversation allowed us to better understand the functioning of their programs.

With this knowledge and practical understanding, we were able to build a model of Plug and Play's social capital. It allowed us to test the different variables on the intrinsic liabilities developed by Cuervo-Cazura. The hypotheses were based on the identified resources available and their impact on each liability defined beforehand.

Through our analysis, we defined the social capital as being composed of 4 major resources available from 4 networks of relationship. We found evidences that those resources were able to mitigate the intrinsic liabilities that were hampering the speed at which a new venture could internationalize. We found that the more business knowledge the venture would get from P&P's social capital, the higher is the propensity to access quickly a foreign market.

The findings reported in our thesis illustrate how resources available within the accelerator's social capital mitigate each liability sketched by Cuervo Cazura. **In conclusion, we postulate that the speed of internationalization is positively correlated with the access to resources conveyed by an accelerator**. The accelerator programs do in fact reduce the time span for reaching key international milestones including, finding a potential supplier, time to raise money from venture capitalist and achievement of customer traction. We eventually drew this following model that incorporates all the findings from our case study in parallel with the theoretical model depicted in the literature review:

Figure 16: Summary of the findings of the literature review and the study case



B. MANAGERIAL RECOMMENDATIONS

Plug and Play Tech Center has been able to accelerate more than 2000 ventures since its creation in 2006. Among those 2000 ventures, P&P has accelerated the international process of more than 450 ventures from abroad (100 Canadians, 230 Europeans, 50 Latin Americans, 20 from Middle East, 45 Asians, 15 Oceanians). As explained before, the accelerator provides specific courses for them for a perfect integration in the Silicon Valley through workshops at P&P University. However, P&P doesn't propose any program that would help these companies for further expansion to any other country. During our interviews, it has been brought to our attention as one major lack of the program since most of these ventures are willing to assess more markets than only the United-States. We argue that P&P has to **develop further its international program and integrate bilateral international partnerships**. The accelerator could integrate into its vertical program a partnership with countries that prove to have a better comparative advantage in specific area. Some accelerators, such as HAX, already propose this kind of program that is divided in two different countries with courses specified for each country.

The second recommendation is related to the indirect learning the accelerator provides. Due to the short period of acceleration time (12 weeks), P&P proposes time-compressed schooling that may provide insufficient time to reflect upon, absorb, and learn revealed information. The system of quick succession of mentoring and guest speakers sessions may lead to information overload. This can lead to a lot of misunderstandings and in the worst case even be counter-productive. We would suggest either **extending the acceleration time or proposing further classes** that would occur after the acceleration program. This system of continuous education would permit the venture to process and apply the information learned.

The third and last recommendation comes after the discussion we had with a partner at YCombinator, Kat Malanac. As explained earlier, YC is the first accelerator in the world and was created in 2005. They are holding a portfolio of companies that is worth more than $70 billion today. FastCompany even mentioned YC as the "*the world's most powerful start-up incubator*" (Chafkin, 2015). Unlike P&P, YC participants do not work in a common space. Most of them work at their homes, YC believe that it is quite distracting to work in a shared environment, because they believe tech entrepreneurs should be doing two things: coding and talking to users to get feedbacks. At YC they believe that during the acceleration process, the only goal is the development of the product fueled by feedbacks. This system of autarky has proved to be efficient since they have been able to create 8 unicorns so far. However, we recommend the Plug and Play Tech Center to **keep promoting interactions within its ecosystem** since it seems to be one of the most valuable aspects according to the interviewees.

C. LIMITS AND SUGGESTIONS FOR FUTURE RESEARCHES

In our view, it remains of utmost importance to relativize the conclusion elaborated in this case study. Indeed, the accelerator industry remains new and lacks from systematic research, which limits the exhaustive comprehension of this new concept.

In the frame of this thesis, the first limit is related to the **scope of the study**. As explained in the research and strategy section, due to our limited resources we decided to focus on a unique substantive case study: The Plug and Play Tech Center. Unique case studies, or even the analysis of only a few cases, does not allow statistical generalization and suffers therefore from the absence of external validity (Mariotto & Zanni, 2014).

The second limit lies in the selected **research method**. As a matter of fact, a triangulated analysis using hybrid methods that both combine quantitative and qualitative analysis would have permitted to strengthen the findings of this thesis. Triangulation would have allowed overcoming the limitation of individual research methods. Moreover, it would have permitted to understand better the underlying consequences using statistical methods (Kaplan, 2015). In addition, we believe that a longitudinal research would have been a necessary tool in order to better comprehend in a holistic manner the consequences on the long term of these accelerators on new ventures. Especially since researches on the outcome of these accelerator programs have been anemic and not enough time has been passed since the creation of accelerators (Cohen, 2014).

The third limit lies in the **diversity of the interviews**. We have decided to focus our researches on a sample of 6 interviews and a collection of informal conversations. This sample cannot represent accurately the 2000 ventures that went through their programs, the 300 corporation partners and 180 investors collaborating with Plug and Play Tech Center.

We believe that further research need to be carried out to determine the long-term effects from those accelerators on the venture's development. Therefore we call for more longitudinal triangulated in depth research on the impact of accelerators on their attendees. We believe that the findings of our study contribute to a better comprehension of the concepts of social capital and international entrepreneurship. We provided a strong case that showed the strong positive correlation between the access to the resources conveyed by an accelerator's network and the rapidity at which a company internationalize. We hope our research and findings will provide the foundation for further systematic analyses of the processes and outcomes of accelerator programs.

VIII. BIBLIOGRAPHY

Adler, P. S., & Kwon, S. W. (2002). Social capital: Prospects for a new concept. Academy of management review, 27(1), 17-40.

Allwood, C. M. (2012). The distinction between qualitative and quantitative research methods is problematic. Quality & Quantity, 46(5), 1417-1429.

Andersen, O. (1993). On the internationalization process of firms: A critical analysis. Journal of international business studies, 209-231.

Anderson, A. R., & Jack, S. L. (2002). The articulation of social capital in entrepreneurial networks: a glue or a lubricant?. Entrepreneurship & Regional Development, 14(3), 193-210.

Ardichvili, A., Cardozo, R., & Ray, S. (2003). A theory of entrepreneurial opportunity identification and development. Journal of Business venturing, 18(1), 105-123.

Arenius, P.M. (2002), Creation of Firm-Level Social Capital, its exploitation and the process of early internationalization, Helsinki University of Technology, Helsinki.

Autio, E. (2005). Creative tension: the significance of Ben Oviatt's and Patricia McDougall's article ‘toward a theory of international new ventures’. Journal of International Business Studies, 36(1), 9-19.

Autio, E., Sapienza, H. J., & Almeida, J. G. (2000). Effects of age at entry, knowledge intensity, and imitability on international growth. Academy of management journal, 43(5), 909-924.

Bacq, S., & Coeurderoy, R. (2010). La théorie de l’«entreprise à internationalisation rapide et précoce» à l’épreuve des faits: Évaluation de l’apport des travaux empiriques à ce champ de recherche. Revue internationale PME: économie et gestion de la petite et moyenne entreprise, 23(1), 91-124.

Baker, W. E. (1990). Market networks and corporate behavior. American journal of sociology, 589-625.

Barney, J. B., & Clark, D. N. (2007). Resource-based theory: Creating and sustaining competitive advantage. Oxford University Press on Demand.

Barret, V. (2012). *Silicon Valley hottest VC is a rug dealer.* On line http://www.forbes.com/global/2012/0409/companies-people-pejman-nozad-entrepreneur-capitalist-silicon-valley-cinderella.html, retrieved March 20th 2016.

Bergek, A., & Norrman, C. (2008). Incubator best practice: A framework. Technovation, 28(1), 20-28.

Birdsall, M., Jones, C., Lee, C., Somerset, C., & Takaki, S. (2013). Business accelerators: The evolution of a rapidly growing industry. University of Cambridge, Cambridge.

Blyler, M., & Coff, R. W. (2003). Dynamic capabilities, social capital, and rent appropriation: Ties that split pies. Strategic Management Journal, 24(7), 677-686.

Bourdieu, P. (1985). The social space and the genesis of groups. Theory and society, 14(6), 723-744.

Brush, C. G., Edelman, L. F., & Manolova, T. (2015). The impact of resources on small firm internationalization. Journal of Small Business Strategy, 13(1), 1-17.

Burt, R. S. (2009). Structural holes: The social structure of competition. Harvard university press.

Casillas, J. C., & Acedo, F. J. (2013). Speed in the internationalization process of the firm. International Journal of Management Reviews, 15(1), 15-29.

Chafkin, M. (2015). *Here's what it looks like when a startup wins big at YCombinator.* On line http://www.fastcompany.com/3044452/the-y-combinator-chronicles/heres-what-it-looks-like-when-a-startup-wins-y-combinator, retrieved June 24th 2016

Clarysse, B., Wright, M., & Van Hove, J. (2015). *A look inside Accelerators: Building businesses.* On line http://www.nesta.org.uk/sites/default/files/a_look_inside_accelerators/, retrieved July 9th 2016

Cohen, S. (2013). What do accelerators do? Insights from incubators and angels. innovations, 8(3-4), 19-25.

Coleman, J. S., & Coleman, J. S. (1994). Foundations of social theory. Harvard university press.

Coviello, N. E. (2006). The network dynamics of international new ventures. Journal of International Business Studies, 37(5), 713-731.

Coviello, N. E., & Munro, H. J. (1995). Growing the entrepreneurial firm: networking for international market development. European journal of marketing, 29(7), 49-61.

Cuervo-Cazurra, A., Maloney, M. M., & Manrakhan, S. (2007). Causes of the difficulties in internationalization. Journal of International Business Studies, 38(5), 709-725.

Cyert, R. M., & March, J. G. (1963). A behavioral theory of the firm. Englewood Cliffs, NJ, 2.

Dana, L. P., & Anderson, R. B. (2011). The evolution of entrepreneurship in Arviat: the southernmost community of mainland Nunavut. International Journal of Entrepreneurship and Small Business, 14(4), 508-532.

Doole, I., & Lowe, R. (2008). International marketing strategy: analysis, development and implementation. Cengage Learning EMEA.

Dudwick, N., Kuehnast, K., Jones, V. N., & Woolcock, M. (2006). Analyzing social capital in context. A guide to using qualitative methods and data.

Edmondson, A. C., & McManus, S. E. (2007). Methodological fit in management field research. Academy of management review, 32(4), 1246-1264.

Ellis, P. D. (2011). Social ties and international entrepreneurship: Opportunities and constraints affecting firm internationalization. Journal of International business studies, 42(1), 99-127.

Falize, M., & Coeurderoy, R. (2012). The Network Approach to Rapid Internationalization among Born-Global and Born-again Global Firms: The Case of the 'Global Innovation Network'. Louvain School of Management Research Institute WP series.

Forbes. (2016). *The unicorn's list*. On line http://fortune.com/unicorns/, retrieved June 10th 2016

Freeman, S., & Cavusgil, S. T. (2007). Toward a typology of commitment states among managers of born-global firms: A study of accelerated internationalization. Journal of International Marketing, 15(4), 1-40.

Garcia, D., & Gluesing, J. C. (2013). Qualitative research methods in international organizational change research. Journal of Organizational Change Management, 26(2), 423-444.

Gordon, C., & Cheah, S. (2014). Inter-Firm Relationships and the Creation of Social Capital. The Journal of Applied Business and Economics, 16(3), 90.

Granovetter, M. S. (1973). The strength of weak ties. American journal of sociology, 1360-1380.

Hackett, S. M., & Dilts, D. M. (2004). A real options-driven theory of business incubation. The Journal of Technology Transfer, 29(1), 41-54.

Hamilton, L., & Webster, P. (2015). The international business environment. Oxford University Press, USA.

Helft, M. (2007). *Rental Building's good Karma nurtures success.* On line http://www.nytimes.com/2007/09/14/technology/14landlord.html?_r=0, retrieved June 8th 2016.

Hislop, D. (2005). The effect of network size on intra-network knowledge processes. Knowledge Management Research & Practice, 3(4), 244-252.

Hite, J. M., & Hesterly, W. S. (2001). The evolution of firm networks: From emergence to early growth of the firm. Strategic management journal, 22(3), 275-286.

Hitt, M. A., Hoskisson, R. E., & Kim, H. (1997). International diversification: Effects on innovation and firm performance in product-diversified firms. Academy of Management journal, 40(4), 767-798.

Hyde, K. F. (2000). Recognising deductive processes in qualitative research. Qualitative market research: An international journal, 3(2), 82-90.

INBIA. (2016). *Business Incubation FAQ.* On line https://www.inbia.org/resources/business-incubation-faq, retrieved March 24th 2016.

Johanson, J. M., & Mattson, Y. LG (1988):«Internationalization in Industrial Systems–A Network Approach». Strategies in Global Competition. Croom Helm, London, 287-314.

Johanson, J., & Vahlne, J. E. (1977). The internationalization process of the firm—a model of knowledge development and increasing foreign market commitments. Journal of international business studies, 8(1), 23-32.

Johanson, J., & Vahlne, J. E. (1990). The mechanism of internationalisation. International marketing review, 7(4).

Johanson, J., & Vahlne, J. E. (2006). Commitment and opportunity development in the internationalization process: A note on the Uppsala internationalization process model. Management International Review, 46(2), 165-178.

Johanson, J., & Vahlne, J. E. (2009). The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. Journal of international business studies, 40(9), 1411-1431.

Jones, M. V., & Coviello, N. E. (2007). Internationalisation: conceptualizing an entrepreneurial process of behaviour in time.

Kiss, A. N., & Danis, W. M. (2010). Social networks and speed of new venture internationalization during institutional transition: A conceptual model. Journal of International Entrepreneurship, 8(3), 273-287.

Knight, G. A. & Cavusgil, S. T. (1996). The Born Global Firm: A Challenge to Traditional Internationalization Theory, Advances in International Marketing, vol. 8, pp. 11 - 27.

Knight, G. A., & Cavusgil, S. T. (2004). Innovation, organizational capabilities, and the born-global firm. Journal of International Business Studies, 35(2), 124-141.

Kontinen, T., & Ojala, A. (2012). Social capital in the international operations of family SMEs. Journal of Small Business and Enterprise Development, 19(1), 39-55.

Lamb, P. W., & Liesch, P. W. (2002). The internationalization process of the smaller firm: re-framing the relationships between market commitment, knowledge and involvement. MIR: Management International Review, 7-26.

Lu, J. W., & Beamish, P. W. (2001). The internationalization and performance of SMEs. Strategic management journal, 22(6-7), 565-586.

Marais, H. (2010). Towards Bridging the Quantitative–Qualitative Divide in Business and Management Research. In ECRM2012-9th European Conference on Research Methods in Business Management: ECRM 2012 (p. 248). Academic Conferences Limited.

Madsen, T. K., Rasmussen, E., & Servais, P. (2000). Differences and similarities between born globals and other types of exporters. Advances in international marketing, 10(2), 247-265.

Madsen, T. K., & Servais, P. (1997). The internationalization of born globals: an evolutionary process?. International business review, 6(6), 561-583.

Madsen, T. K., Rasmussen, E., & Servais, P. (2000). Differences and similarities between born globals and other types of exporters. Advances in international marketing, 10(2), 247-265.

Mariotto, F. L., Zanni, P. P., & Moraes, G. H. S. (2014). What is the use of a single study-case study in management research?. Revista de Administração de Empresas, 54(4), 358-369.

McDougall, P. P., & Oviatt, B. M. (2000). International entrepreneurship: the intersection of two research paths. Academy of management Journal, 43(5), 902-906.

McDougall, P. P., Shane, S., & Oviatt, B. M. (1994). Explaining the formation of international new ventures: The limits of theories from international business research. Journal of business venturing, 9(6), 469-487.

Mouw, T. (2006). Estimating the causal effect of social capital: A review of recent research. Annual review of sociology, 79-102.

Nahapiet, J., & Ghoshal, S. (1998). Social capital, intellectual capital, and the organizational advantage. Academy of management review, 23(2), 242-266.

North, D. C. (1990). Institutions, institutional change and economic performance. Cambridge university press.

Nordstrom, K. A. (1990). The internationalization process of the firm in a new perspective. Stockholm: Institute of International Business.

Oviatt, B. M., & McDougall, P. P.(1994), Toward a Theory of International New Ventures, *Journal of International Business Studies*, 25(1), 45-64.

Oviatt, B. M., & McDougall, P. P. (1997). Challenges for internationalization process theory: The case of international new ventures. MIR: Management International Review, 85-99.

Oviatt, B. M., & McDougall, P. P. (2005). Defining international entrepreneurship and modeling the speed of internationalization. Entrepreneurship theory and practice, 29(5), 537-554.

Partanen, J., Möller, K., Westerlund, M., Rajala, R., & Rajala, A. (2008). Social capital in the growth of science-and-technology-based SMEs. Industrial Marketing Management, 37(5), 513-522.

Pauwels, C., Clarysse, B., Wright, M., & Van Hove, J. (2016). Understanding a new generation incubation model: The accelerator. Technovation, 50, 13-24.

Penrose, E.T. (1959). Theory of the Growth of the Firm. New York: Wiley.

Porter, M. E. (1990). The competitive advantage of notions. Harvard business review, 68(2), 73-93.

Qu, S. Q., & Dumay, J. (2011). The qualitative research interview. Qualitative Research in Accounting & Management, 8(3), 238-264.

Quivy, R., & Van Campenhoudt, L. (2011). *Manuel de recherche en sciences sociales*. 4°Édition. Dunod.

Rennie, M. W. (1993). Born global. The McKinsey Quarterly, (4), 45-53.

Rodrigues, S. B., & Child, J. (2012). Building social capital for internationalization. Revista de Administração Contemporânea, 16(1), 23-38.

Saarenketo, S., Puumalainen, K., Kuivalainen, O. and Kylaheiko, K. (2004), "Dynamic knowledge-related learning processes in internationalizing high-tech SMEs", International Journal of Production Economics, Vol. 89 No. 3, pp. 363-78.

Sacks, M. (2002). The social structure of new venture funding: stratification and the differential liability of newness. Research in the Sociology of Organizations, 19, 263-294.

Schumpeter, J. A. (1939). Business cycles (Vol. 1, pp. 161-74). New York: McGraw-Hill.

Schweizer, R., Vahlne, J. E., & Johanson, J. (2010). Internationalization as an entrepreneurial process. Journal of International Entrepreneurship, 8(4), 343-370.

Servantie, V. (2007), Les entreprises à internationalisation rapide et précoce : revue de littérature., *Revue de l'Entrepreneuriat* 1(6), 1-28.

Sharma, D. D., & Blomstermo, A. (2003). The internationalization process of born globals: a network view. International business review, 12(6), 739-753.

Staber, U. (2006). Social capital processes in cross cultural management. International Journal of Cross Cultural Management, 6(2), 189-203.

Teixeira, A. A., & Coimbra, C. (2014). The determinants of the internationalization speed of Portuguese university spin-offs: An empirical investigation. Journal of International Entrepreneurship, 12(3), 270-308.

Tsai, W., & Ghoshal, S. (1998). Social capital and value creation: The role of intrafirm networks. Academy of management Journal, 41(4), 464-476.

Vahlne, J. E., & Johanson, J. (2002). New Technology, New Companies, New Business Environments and New Internationalization Processes. Critical perspectives on internationalization. 209–228.

Van Campenhoudt, L., & Quivy, R. (2011). Manuel de recherche en sciences sociales, 4e edition. Dunod.

Vasiliauskaitė, J., & Mačerinskienė, I. (2007). The Model of Evaluation of the Impact of Corporate Social Capital on the Operation of Enterprise. Engineering Economics, (4 (54)), 53-60.

Welch, L. S., & Luostarinen, R. K. (1993). Inward-outward connections in internationalization. Journal of International Marketing, 44-56.

Williams, K., & Durrance, J. C. (2008). Social networks and social capital: Rethinking theory in community informatics. The Journal of Community Informatics, 4(3).

Wolff, J.A. & T.L. Pett (2000). Internationalization of Small Firms: An Examination of Export Competitive Patterns, Firm Size and Export Performance. Journal of Small Business Management April: 34-47.

Wu, W. P. (2008). Dimensions of social capital and firm competitiveness improvement: The mediating role of information sharing. Journal of management studies, 45(1), 122-146.

Yin, R. K. (2003). Designing case studies. Case study research: Design and methods, 19-56.

Zaheer, S. (2002). The liability of foreignness, redux: A commentary. Journal of International Management, 8(3), 351-358.

Zahra, S. A., & George, G. (2002). International entrepreneurship: The current status of the field and future research agenda.

Zhou, L., Wu, W. P., & Luo, X. (2007). Internationalization and the performance of born-global SMEs: the mediating role of social networks. Journal of International Business Studies, 673-690.

IX. APPENDICES

List of Appendices

A. APPENDIX 1: USE OF THE TERM BORN GLOBAL BY AUTHORS AND LIMITS OF THEIR DEFINITION (SERVANTIE, 2007, P.10)

AUTEURS *(SUPPORT DE PUBLICATION)*	**ANNÉE**	**LIMITE TEMPS**	**NIVEAU DE VENTE**	**INTÉGRATION DE L'INTERNATIONALISATION DANS LA CHAÎNE DE VALEUR**
Rennie, M. *(McKinsey Quarterly)*	1993	2 ans	76% et plus	Ventes à l'international
Cavusgil, T. *(Marketing News)*	1994	2 ans	Très élevé	Ventes à l'international
Knight, G. et T. Cavusgil *(Advances in international marketing)*	1996	Dès les premiers jours	Ne dit pas	Opère à l'international Secteur de la haute technologie
Madsen, T., E. Rasmussen et P. Servais *(Advances in international marketing)*	2000	3 ans	25% et plus	Ventes à l'international
Andersson, S. et I. Wictor *(Journal of International Entrepreneurship)*	2003	3 ans	25% et plus	Développer un avantage compétitif significatif de l'utilisation de ressources et de la vente de ses produits
Knight, G. et T. Cavusgil *(Journal of International Business Studies)*	2004	Dès sa création ou presque	Ne dit pas	Utilisation de ressources basées sur la connaissance jusqu'à la vente de produits dans plusieurs pays

B. APPENDIX 2: INTERVIEW GUIDE FOR THE INTERNATIONAL DIRECTORS OF P&P

IB Master Thesis – Arnaud Evrard – Interview Guide for the International directors of Plug and Play Accelerator

The impact of the social capital on the speed of internationalization: Case study at Plug and Play Tech Center

Semi-directive approach

Introduction

Presentation – Purpose – confidentiality- length (30min-60min) – record

- Could you present Plug&Play and the International Program?

International Aspect

International New Ventures

- What are the **major characteristics** and **requirements** of the new ventures participating to the international program?

- Do the enterprises participating to the program are seeking to assess international market from inception (<6 years)?

Speed of internationalisation

- How does P&P **contribute** to the success of internationalization of the participant of the program?
- Do you have examples of **success** stories?
- Do you have examples of **failures**?
- What were the reasons of the failure? What has P&P changed since these failures occurred?

Social Capital

Dimension 1: Structural (Configuration of the network)

- Who are the **main partners/contributors** of P&P's network and what are their respective roles? (i.e Investors, Mentors, Advisors, Alumnis,)

- How does P&P **construct its network** and ensure retention?

- What are the **key resources available** in the community? (i.e knowledge, experience, money etc.) How is access to these resources distributed among participants?

- What key services are provided in the community? (i.e law advices, access to corporations,) How is access to these services distributed among participants?

Dimension 2: Relational dimension (Trust and Solidarity)

- What characteristics are most valued among network members (i.e trustworthiness, reciprocity, cooperation, honesty, community respect, etc.)?

- How does P&P make the companies participating their program trustworthy to their network?

- How does P&P make its network willing to share their resources with the participants?

Dimension 3: Cognitive dimension (Codes and Norms)

- Do you have specific rules/ codes within the P&P Network ?
- Why are they important within the network ?
- How does P&P ensure that all the international companies understand and follow the same codes and norms within the community?

Anything to add? Impression about the interview?

The elaboration of this interview guide was based on the following researches:

Dudwick, N., Kuehnast, K., Jones, V. N., & Woolcock, M. (2006). Analyzing social capital in context. *A guide to using qualitative methods and data*.

Qu, S. Q., & Dumay, J. (2011). The qualitative research interview. *Qualitative Research in Accounting & Management*, *8*(3), 238-264.

Quivy, R., Van Campenhoudt, L. (2011). *Manuel de recherche en sciences sociales*. 4°Édition. Dunod.

C. APPENDIX 2 : INTERVIEW GUIDE FOR THE PROGRAM PARTICIPANTS OF P&P

IB Master Thesis – Arnaud Evrard – Interview Guide for the Program participants of Plug and Play Accelerator

The impact of the social capital on the speed of internationalization: Case study at Plug and Play Tech Center

Semi-directive approach

Introduction

Presentation – Purpose – confidentiality- length (30min-60min) – record

- Could you present briefly introduce yourself and your company?

International Aspect

- Why have you decided to assess another market than yours?
- When was your initial international commitment? How long was it after the initial formation of your company?
- To what extend do you depend on the American market?

Social capital

- Have you applied for another accelerator than P&P?
- Why have you applied to their international program?
- What is according to you the biggest strength/weaknesses of the international Program proposed by P&P?
- To what extend do you believe P&P has permit your company to have access to the American market quicker than without it?

Intrinsic liabilities

Resource scarcity

- To what kind of resources have you had access to with P&P?

- Did P&P provide you information about potential partners or alternative resource provider in the Silicon Valley?
- Was P&P helpful in the recruitment process?

Liability of Newness

- Do you think that P&P was a good broker in a sense that it provided you credibility and trustworthiness in the Silicon Valley?

Liability of Foreignness

- What were your previous international experiences?
- What were the most important entry barriers to assess the American market and how did P&P help you to overpass it?
- Did P&P introduced you to domestic third party?

The elaboration of this interview guide was based on the following researches:

Cuervo-Cazurra, A., Maloney, M. M., & Manrakhan, S. (2007). Causes of the difficulties in internationalization. Journal of International Business Studies, 38(5), 709-725.

Dudwick, N., Kuehnast, K., Jones, V. N., & Woolcock, M. (2006). Analyzing social capital in context. *A guide to using qualitative methods and data*.

Qu, S. Q., & Dumay, J. (2011). The qualitative research interview. *Qualitative Research in Accounting & Management*, *8*(3), 238-264.

Quivy, R., Van Campenhoudt, L. (2011). *Manuel de recherche en sciences sociales*. 4°Édition. Dunod.

D. APPENDIX 3: TRANSCRIPT OF INTERVIEWS

Interview transcript of the International Director of Plug and Play Accelerator – Yaël Oppenheimer

IB Master Thesis – Arnaud Evrard – Interview transcript of the International director of Plug and Play Accelerator

The impact of the social capital on the speed of internationalization: Case study at Plug and Play Tech Center

Yaël Oppenheimer – Plug and Play Tech Center

Name, Surname interviewee	Yaël Oppenheimer + Introduction Saeed Amidi
Name of the company	Plug and Play Tech Center
Position in the company	Director International Operation
Description of the Company	Plug and Play Tech Center is an accelerator that specializes in growing tech startups. Headquartered in Sunnyvale California, Plug and Play's global network includes over 300 tech startups, 180 investors and a community of leading Universities and Corporate partners. Since its founding in 2006, Plug and Play startups have raised over $1 Billion in funding. In 2011 Plug and Play's startups raised over $350 Million and went through M&A valued in excess of $500 Million. From unique industry networking events and education-emersion programs, to M&A advisement, Plug and Play has everything tech startups need to get organized, connect and grow.
Internationalization from Inception	Does not applied
Initial country	USA
Date of the Interview	05/03/2016
Lenght of the Interview	45'

A: Arnaud Evrard

E: Yaël Oppenheimer Director International Operation

A : Basically what I'm going explain you is how I ended up here and why I decided to do my thesis related to international companies willing to go abroad. Basically I'm a student from Belgium and I'm doing my second year of master and I've been selected for a specific program called international business which require me to do one year abroad : six months exchange and six months internship. I did my exchange in Thailand Bangkok and I'm doing my internship here in San Francisco for the

Belgian Chamber of Commerce. So this is really interesting and concerning the thesis, we have to select a subject that is related to internationalization and stuff like that. So I decided, basically my initial question was why do some new venture decide to go abroad and why some of them are more successful and quicker than others. So this subject was really broad so I had to focus and I decided to focus on two major concepts. The first one being INV, I don't know if you are familiar with that term?

Y: not particularly

A: It is International New Venture. Basically those are the companies that expend and access the international market from inception. So those are the INV. The second concept is the social capital, which represents all the resources that are accessible within a network. For instance you want to launch a venture in Mexico and you have your best friend who has been working for ten years, you have a relative working in a banking institution and all those resources accessible in your network is called your social capital. I work on a lot of academic researches in order to create my literature review and then I didn't know what to do with all those information and how does it work in reality. Meanwhile I was working in the Belgian Trade Commission on this report related to accelerator and I noticed that accelerator would fit perfectly with my theory of social capital. I therefore asked myself how does plug and play share its resources with all the startup participating to their program. Because P&P has created an extended network with lawyers, VC, mentors, … and all those are the social capital of P&P and you are the link between all the startups willing to go abroad and all the network you have created. So What I wanted to know is all the information I cannot have access from my computer or on your website. I wanted to know how does it work in reality and how what you provide can affect the speed of an INV? What is exactly the international program and what do you propose them ? What are the challenges they are facing ? Can you explain me what is the international program you have created

Y: Of course, so the international program, the all concept was built to help international startups get a feel of silicon Valley and how can those startups qualified and more specifically how does it work in the silicon valley. If they have a good product market fit, if they have a good business model, what is their market strategy , I mean all those aspects. So the way we built this program is part of specifically early age startup up to series A pretty much that do not have a lot of funding or do not have any cashflow. So we needed to find a way to help these startup coming without putting a lot of investment for it. This is the reason why we came to government agencies in order to sponsor them and help them to create knowledge-based economy also back home benefiting from the high tech ecosystem of the valley. This is the reason why you see so much international startup here and also you see a lot of accelerators created by a lot of different countries so that's what the trend went through. The international program is exactly that, this is an immerging program , this what we called **getting you feet wet in the silicon valley before you jump your head in and hit yourself against the rocks.** Make sure that when you are going to jump in you know what you are doing. So the government sponsor the startup we bring them in the ecosystem for three months all of this aspects you know from legal accounting to setting up a company here, that’s what they are looking also gaining experience from other startups and getting along with the way of doing a business model here whether it fits or does not fit. We are working with a Singaporean startup that are focus on the marketing and that have 2 million dollars revenue in Asia but they have absolutely zero in the US and that’s their next step. So right now, what they are doing is determine if there is a good product market fit. So we help them through this process, we have dedicated mentors, we extend our network, we introduce to different people and we try to make match with people that have a better expertise in that industry or area for instance technology focus, and we help them and guide them through this process. So yes there is a lot of social network that we have. I would say it is like 90% of social network than anything else. We have this other company from Hong Kong that does cyber security and malware security and one of the first thing we wanted to know is whether the security requirements here were fitting with their model. The first thing we did was to introduce them to a tech guy from Deutsche Bank. So we went to this guy Tchad and we asked him whether he could grab a coffee with this Hong Kong company and share their knowledge about the American requirements. They had a really great and empowering conversation so those are the things we are trying to make happen. This is part of what we do, you probably have already noticed on our website that we are a vertical accelerator and that’s part of our concept too. Meaning that we can work with startup in a large variety of industries and we have more relationship with entrepreneurs that the startup itself because the concept is that good entrepreneur will exit and come back while good startups could just have an exit and that’s it but we want to create good relationship with entrepreneurs because at the end of the day, they come back launch a new startup **and most importantly, their network becomes an extension of ours** so they are obviously increasing our social capital as you said

A: exactly, so basically what I saw it is that you have maybe 6 different organisms that satellite around Plug and Play. So you have the investors that provide all the resources like money

Y: yea and we also do that too, we have also an investment arm within P&P

A: You have also corporate relationships, so those are located in the building right ?

Y: A lots of them but actually not all of them. But all of them at least come within the building 4 to 6 times a year. And we do a lot of introduction when a startup is here and doesn't have the time to cross the entire country.

A: you also have a legal support and accounting support to explain the companies how to initiate a C Delaware corp etc,…

Y: It is more like a service partners and not just legal, it is in general the other aspect like legal, accounting to office supplies, pitch polishing, human resources, talent acquiring, CFO servicing, banking, this is all those services that a propose by service partners so all these other aspect that we do not provide ourselves

A: and this is also part of the social capital therefore within reach of the companies part of the program

Y: Correct, and we make sure that they have easy access to all what they need in order to succeed

A: You also have mentors , advisors and alumni, I don't know to what extend those two categories are together or not?

Y: They are basically extremely intricate to be honest

A: How do you make in order to create this network what was the basic idea and how do you still make them interested to be part of the program and be part of the social capital of P&P?

Y: it depends on which one of the relationship. Basically, everything started because we had this big building and we had all those startups that wanted to benefit from a cheap rental for cubicles or whatever, and our CEO encounter and his family they were playing golf with all those people from Sand Hill road so the Saheed family got a really extended network of friends and they became business partner at the moment. So they were, we have all those bunch of startups why don't you come in, you can meet them, maybe there is an investment opportunity. All of a sudden corporation started to be interested. Ebay acquired Paypal and Paypal was our first investment and the Ebay came back and ask hey why don't we start an accelerator together ? then it was Volkswagen then organically corporations started be interested in what we had to offer: all the ingeniosity of the world compress in the silicon ecosystem. We started to really value the match between entrepreneurs and those corporate partners. For the sevice partners, they basically get clients we give them startups and entrepreneurs who have been already filtered through plug and play meaning that there is a higher chance that if they work with them they will just cover the cost , so there is no extra profit beside the relationship at the beginning but they can grow with the company. When it comes to mentors and alumnis it was an opportunity to become boards members or even be hire by the company so we have had so often some mentors being hire as CTO of a company. This often for people that are not building their own startups providing their expertise in the industry but we are talking about 20-30 years of expertise and they are pouring this experience and knowledge into startups as well and for Alumnis, this is entrepreneurs that have acceded , are looking for new connection and is a perfect way to get introduction. You probably the way you have already noticed how it works in the Silicon Valley, this is not about what someone can do for you but more what you can do for them. This is the reason why a lot of relationship like alumni they have been doing they startups and they have been excellent and they want to give it back because this is the mentality.

A: Yea that's right , by the way, the fact that it is an international network, how do you make in order that everyone understands the basics rules of the Silicon valley ? If you have someone from Mexico or Germany, they do not behave the same back home I mean their business model back home is not the same than the one here. How do you make in order that everyone understand each other and work on the same level of understanding of doing business or even talk to each other ?

Y: Once you arrived in Silicon Valley, it takes you a couple of weeks and then you start speaking Vallish which is actually something than one of our entrepreneur Assad said that one of the major thing that any international firms need to learn; whatever where you are coming from, he is Israeli and Israel is already pretty similar to the silicon valley compared to the rest of the world. He said no matter where you are coming from, even if you are from Israel you need to learn how to speak Vallish. English is not enough, this is Vallish. That's part of the workshop and that's part of the concept of being a startup in this very intense one week . We pretty much sit them in front of our international network and we start making them understand this concept. **Everyone knows SV is different and that SV has its own way of working, its own vocabulary, own way of communicating and its own culture.** So it happens that everyone knows that and are quite open to that. This is just about learning it and how fast you can learn and being part of this community where there are so many people and not in those small cubicles in theses small spaces in the city or somewhere else. **Being here really gives you the opportunity to talk to people and even if things might not be connected to you and you might not build any business relationship but you start talking to all**

those different people and you get new perspective from people from the outside. It might be outside your business but it is inside the SV way and everyone one of us interact and is interesting.

A: Do you believe that all the companies located here have the same patterns ? that they all look the same somehow? And this is the reason why they can succeed faster here ?

Y: Everyone here is definitely not Vallish. Asian are for instance very more polite and due to that they are maybe less

A: Assertive ?

Y: Yea Assertive, exactly. Or at least not enough when it comes to talk to VC or other startups. On the other hand you have Israeli who are so assertive that it even looks aggressive for some people. So they are too assertive and it is perceived wrong here. SO everyone has its own differences and for example latinos, we have a group of Mexicans and we were in the middle of a networking event and they were all talking to each other in Spanish I came to them and I said No, I split them up and start talking English to other people. There are certain trend in some culture and some countries but in general most people come just between themselves and we try to do our best not make them lock into themselves. So that's the all concept. I think that SV can be considered as **the great Equalizer of all the different cultures**. If you come here from Japan, Italy or Germany all the different cultures are different, they behave differently, they observe things differently. Some behaviors can be perceived as polite while it can be offensive in another culture. When you come here, you have to know that, you have to set up an open minded and accept everybody who they are.

A: Do you put that as a requirement for companies willing to be part of your program or do you transform them?

Y: It is more like a requirement, we do not say, you have to be this way but it is more like when we start meeting those startups we immediately realize and most of them understands the specific requirements of being in the SV. However a lot of people perceive SV like you are part of the US, California, etc But I'm like hum hum this is not the US culture, the only thing that is similar to the US is that things actually work. So if you have something online and you get hacked, you get a return from you credit card and in most of the other country you have to fight through to get back 3 dollars. That's probably the only American side of it, it is pretty much a very global aspect of it. A lot of people say that NY is the most diverse city in the world and I disagree, I went to NY and SV is way more diverse than NY because for NY this mainly tourism. Here this is actual business. I believe it is more diverse here than anywhere in the world, so that's really the mindset of the people coming here it is like everyone is different but we are coming for the same thing and it is also one of the reason I believe this is more diverse. This is more like an Equilizer than NY because you can go there for any type of businesses here, you come for tech. This is pretty much that or you are in tech or in service tech there is no other way around it so everyone is in the same mindset so it pretty much come by itself , it is rare that you have to change someone culture or open someone mind. Usually by the first week they are here they are bombarded with so much that they are like ok. If they come here and they are close minded, they are not gonna succeed

A: How do you make the contact between all the network you have and the selected startup, do you make the startup be in contact with them or you just try to define what is the need for them and you are going to pick all the network you have and define, this guy might be a good fit for you ?

Y: We always make sure this is a win-win situation, we introduce them to someone no matter who it is it must be a win-win situation. So if a company comes to us and say hey I would like to meet Panasonic we answer, Ok, why ? What are you providing to Panasonic, why would they be interested in you?

A: So you work as a filter in between?

Y: Exactly the major things is to not burn bridges, you need to make sure that your network, and that's something extremely important in the SV, that you have to give something back to them. That's on the side of formal introduction, there is a whole other side in which I think we specialize in, is the formal introduction, we have more than 300 social events here. There might be the head of Turkish Airlines at a cocktail party and you might be a new venture doing airlines entertainments and it is important to make those connections. So we do the informal introduction as well as hard rock introduction. We always ensure that both side are interesting in meeting each other even sometimes just if they are interested to know what the venture is doing. It can provide the insight from a head in the airline industry on what they are doing and it can help to even pivot the company at the same time it opens up the mind of the companies on what ventures are working on.

A: So your job is basically to understand every startups and what are their needs and how could you set a rendez-vous with someone working in the same area of expertise and might be interested in meeting this startup ?

Y: Exactly, we break down from the concept to exactly what they want from both sides: startups, corporations and all different resources. And then we try to make introduction to the interested companies and corporations?

A: How many people are working on that? I know you are working for the international programme and that P&P is a vertical accelerator so you have basically a dedicated team for every category?

Y: P&P is around 60 people, but it depends who you consider? For instance, the kitchen is also part of the team and without them we would not survive. Logistic and facilities are also a separate team but again without them we would not survive. Give or take, considering everyone, we might be 70 people and that doesn't count anything that's happening outside the US. People in Singapore, Germany or Mexico so let's say we are under a hundred?

A: What is exactly the difference between the international program and the accelerator program?

Y: SO the difference between the international program and all the vertical programs is that IP we are bringing people from the outside of SV, getting them emerged, we tailor them in order to fit the market in the silicon valley ways, and the vertical program helps you when you are ready and let's work on the development aspect. So this is a stepping stone into the vertical. On the international side, we work with the government, institution, government agencies, … Within the vertical we work with large corporations which are sponsoring the programs. So Startups in the international programme still have access to the corporations if it makes sense to them. It has happened that companies are ready in less than three months and jump from International Program into the vertical program. They can, we do make a lot of corporate introductions for the international companies and usually it takes a little bit longer because we have to prep them. Because at the same time, we are not interested in a corporation coming in and acquiring or buying the technology of the new venture and then killing it. That's not what we are interested in. We would rather have the company ready before meeting the corporation , so the corporations doesn't kill them. Because we want them to grow, our programmes are focus on entrepreneurs. Once we bring them in, we help them, we train them for example the Singaporean company I was referring, they are making revenues in Asia but they want to assess the American market so that's what we are doing is , we introduce them to people, to help them tailor what they need. We introduced them to the head of security here and he explained what kind of things they were doing and started to talk about the deep technology they use and he follow up and told them to have meeting with this person this person and this person … explain why he would be a good match for this this and that. So basically what we do is to prep them and once they are ready we are making the straight introduction.

A: I now totally understand how and why all the network is representing and why companies are interested to be part of it especially with the success story such as Paypal, Dropbox etc… But how did you initially create the necessary network without any traction?

Y: Just for the startup?

A: No both because it is definitely an equilibrium between the successful startups, the corporations willing to help and the investors ready to invest their money.

Y: At the beginning there was much less competition because we started in 2006 and we were basically just leasing office spaces to startups. It was basically co-working spaces. Saheed started to learn the investment side from his VC friends, he is self-taught, he had no clue what investing in a startup would imply. So from there as he started to learn more about why this startup is more successful than this one? Why this one can gain from doing this this and that. He had the best startups in his building already, it was more of a matter of opening the door and making them visible and create connection with his VC friends. What happened was basically he wanted to invest early in startup and he had the VC friends but the startups would not let him invest because he was friends with the VC he was at that time not worth money. But by being the landlord it was easier for me to create a relationship and that's how it get started. And all the startups started coming because they get a space where they are in contact with the ecosystem we had already all the connection with people from Sand Hill road because of golf and we had success story, we had paypal, dropbox, google we already knew a lot of people and we got traction from this and we literally created an ecosystem. But most importantly of all, we are in the Silicon Valley.

A: Do you think this could work if you were not in the silicon Valley ?

Y: Not in this scale. We have had people willing to start a p&p in Korea, yes they can do it it is not about how we can train, you, help you do this but at the end of the day you don't have the MIT , Carmelo and Stanford , Berkeley all these universities. You don't have all the R&D arms of all the bigger companies located here. You don't have a twitter, you don't have a facebook, you don't have a airbnb, uber, paypal, apple, those a really the one that create the ecosystem and of course you don't have sand hill road. It is not only about the money they bring which is already a lot, it more about how smart their money is. They have a huge amount of money they get out of the stock market due to the instability and now they are willing to invest it in the startup market. But this also money that is family owned that hasn't been into the technology market yet we started there too and we were and still are family based company but we had no clue about the technology market but we were friends with Sand hill road and we learned from them over ten years. Which makes the big differences, so we have companies coming in and out but even Israel which is the biggest up or Seatlle which are the top two hub beside SV but they all eventually come up here at one point or another. At the end of the day location, location, location

Saheed: All right guys, what are you doing today ?

Y: This is Arnaud, he is from Belgium and is gathering information about our program, he is working for the Belgian Chamber of Commerce. We have a proposal with them and we are working on the different concept of the international program and how the internationalization of startups.

Saheed: I would love to work closer to Belgium, we are currently opening a couple of facilities in Paris but soon Belgium will be owned by France right ?

A: hopefully this will not happen but who knows what will be the future right?

Saheed: Great we now look forward to know you better! It was my pleasure

A: Nice meeting you

Y: Those are the kind of things that happen, we see and talk to him everyday but in general as a startup you have the chance to chat with him or anyone here.

A: We really do not have that kind of mentality back in Europe, Hierarchy is still really important so basically it is hard to talk to the CEO. And I was not expecting to meet him today.

Y: And that was not planned I promise. What Saheed just did is really the culture of here. You just walk through the door and talk to anyone as soon as you step in P&P you are part of a family and we will do whatever we can to make you succeed and grow. We can go to your graduation, maybe your exit.

A: Do you know or have failure story ?

Y: Way too many

A: Because I would like to know what is your role in this case why didn't they succeed , What how did you manage your network to make it succeed or internationalize faster? I would like therefore interview a successful fast international company as well as a failed one. I got in contact with Dominique Jodoin of Novi Flow

Y: one of our best success story You definitely got your success story then !

A: I already got in contact with him via LinkedIn and I have a Skype session with him soon. And I was thinking about interviewing Erez Saf from Crisko as well?

Y: He went through the startup camp Program which is the investment program we propose but that's another aspect, he didn't follow the international programme.

A: Do you know any companies that maybe didn't succeed well in their fast internationalization?

Y: I would not say failure company but maybe you can ask Markus from Cairo/ Payro, this is an Austrian company because they move faster than expected and they didn't pivot on time. They are still here with us.

A: That would be great to meet them so I could understand better the engineering behind the social capital of p&p and if you can maybe give me interesting contacts for my thesis?

Y: I will try to contact them prior and I will let you know! I have a meeting soon so I will unfortunately have to leave but it was a pleasure to meet you !

A: It was a shared pleasure, thank you so much for your time !

Interview transcript of participant to Plug and Play Accelerator: Dominique Jodoin- Noviflow

IB Master Thesis – Arnaud Evrard – Interview transcript of participant to Plug and Play Accelerator

The impact of the social capital on the speed of internationalization: Case study at Plug and Play Tech Center

Dominique Jodoin – Plug and Play Tech Center

Name, Surname interviewee	Dominique Jodoin
Name of the company	NoviFlow
Position in the company	Ceo and President
Description of the Company	NoviFlow develops high performance Ethernet switches compliant with the latest OpenFlow protocol and designed to provide high

	performance, programmability, and solutions that can scale. Our products provide the industry's broadest support of the OpenFlow 1.3 specification, including all actions, instructions and match fields as well as key OpenFlow 1.4 features, delivering up to 240 Gbps of throughput, up to 1 million flow entries and up to 12,000 flow-mods/second. Through strategic partnerships, NoviFlow offers end-to-end solutions for data center and network operators that combine its advanced data plane processing capabilities with leading OpenFlow controllers and applications. NoviFlow OpenFlow switches are the ideal platform for the implementation of SDN and NFV in today's high volume networks. NoviFlow was established in 2012 and has offices in Montreal, Sunnyvale and Seattle.
Internationalization from Inception	Yes
Initial country	Canada
Year of participation to the program	2013
Date of the Interview	05/18/2016
Length of the Interview	33'

A: Arnaud Evrard

D: Dominique Jodoin CEO and president of Noviflow

A : Bonjour Monsieur Jodoin

D : Bonjour Arnaud, nous avons finalement réussi à trouver un créneau qui nous arrangeait tous les deux

A : Je vous propose de commencer peut être à me présenter brièvement et peut être vous expliquer par la suite la raison de mon appel et de quelle manière vous pourriez éventuellement m'aider. Je suis étudiant en Belgique en deuxième année de master pour un programme appelé IB , international Business, qui requiert de passer une année à l'étranger. Je suis parti ce premier semestre faire un part MBA à Bangkok et ce semestre ci je travaille pour la chambre de commerce belge situé à San Francisco pour 6 mois

D : Bien, félicitation

A : Je vous remercie, alors dans le cadre de ce programme, nous devons avoir une thèse dont la problématique se doit d'être internationale, en ce qui me concerne, j'avais un certain attrait pour les startups et effectivement tout ce qui est lié à l'international. J'ai décidé de me baser donc sur l'internationalisation des startups, et comme c'est un projet très vaste j'ai du le réduire en deux concepts principaux. Le premier étant les International New Venture qui sont en fait les startups qui au départ de leur conception voient un aspect international et sont donc désireuses d'attaquer le marché international dès leur conception. Le second concept est le social capital qui représente toutes les ressources accessibles au sein d'un réseau. Prenons donc que vous êtes canadien vous avez le désir de pouvoir attaquer le marché américain votre frère s'avère être un lawyer et votre meilleur ami a déjà attaqué le marché américain, les ressources au sein de ces deux personnes et donc au sein de votre network fais partie de votre social capital. Alors l'intérêt est véritblement de lié ces deux concepts : donc le social capital et les International New Ventures afin de déterminer à quel point le réseau que vous avez vous permet de pouvoir attaquer un marché étranger plus rapidement. Donc l'intérêt se trouve véritablement dans la capacité de pouvoir assesser un nouveau marché grâce au réseau que vous avez développé ou le réseau qui est intrinsèque au votre. Donc la véritable question est que j'ai voulu utiliser un study case qui est celui de plug and play. J'ai donc voulu savoir comment un accélérateur tels que plug and play peut mettre son social capital qu'il a créé tels que les investors, les collaborateurs, les corporations , le réseau alumni qu'ils ont afin de le mettre à disposition à ces international new ventures pour qu'ils puissent s'internationaliser plus rapidement.

D : C'est très bien, et j'ai une très bonne expérience avec ça. Alors nous on a été heu le gouvernement canadien qui fait et participe dans le plug and play, ils ont un programme qui s'appelle Canadian Technology accelerator donc CTA. Moi j'avais postulé pour ce programme là et j'avais été sélectionné. Et je crois que c'était au début 2014 et puis il nous offre dans ce programme la un bureau à la Silicon Valley pendant trois mois dans le plug and play et vous savez il y'a un emplacement où il y'a des companies canadienne. Alors on reçoit un bureau avec un ordinateur et une ligne internet et puis au départ c'est comme ça puis il y'a les programmes du Plug and Play par exemple chaque trimestre ils font les grand évenements où ils font venir tous les investisseurs vc, des avocats, toutes sortes de gens qui s'intéressent aux startups et j'ai eu la chance d'être présenté à ce groupe la et puis il se trouve que ça été très utile dans mon cas puisque le propriétaire du Plug and Play Tech centre qui était un des membre du jury qui juge la qualité des présentations qui sont assez courtes, ce sont des pitchs vous avez été ?

A : Oui j'ai eu l'occasion de passer à un de leur Demo day et j'ai eu l'occasion de rencontrer les directeurs du programme international et c'est eux qui m'ont conseillé de vous rencontré car vous étiez une de leur véritable success story.

D : Oui c'est vrai parce que suit à cette présentation le président du P&P m'a fait venir à son bureau et m'a dit qu'il était intéressé à ce que nous faisions et serait intéressé de mettre un certain montant d'argent lors d'une rounde d'investissement. C'était à l'époque où nous avions jamais fait de financement alors c'est suite à ça que j'ai, vous savez **le financement ça commence avec une personne qui met de l'argent sur la table, les autres c'est beaucoup plus facile de les attirer la dedans après**. C'est comme ça que cela s'est passé. Le directeur de P&P a mis les premiers dollars de financement par le Plug and Play tech center dans le capital de risque de Noviflow. **Si on avait pas eu cette chance la d'être dans ce réseau-là qui existe parce que c'est eux qui m'ont introduit**. En fait je vais vous en dire un peu plus sur la nature de ce financement. C'est un investissement à deux sens

1) le P&P à la chance d'investir rapidement dans une startup et c'est possible de faire beaucoup d'argent comme cela comme vous avez le tableau en rentrant.
2) C'est donc dans leur avantage à eux et l'avantage à nous , les companies c'est qu'ils promettent de vous introduire à une certain nombre de VC ou clients potentiels dans l'année qui suit et ça c'est le programme d'investissement de P&P alors évidemment les autres connaissent tout le monde dans la Silicon Valley et plus loin mais surtout la SV

Au travers d'eux, j'ai non seulement rencontré des VC , plusieurs VC, des clients potentiels notamment des clients japonais, des grands opérateurs japonais qui ont leur bureaux dans P&P mais également d'autres intervenants importants pour une startups dont par exemple des avocats qui eux même ont des réseaux de contact avec les Tiers 1 et ça aussi ça m'a permis de , c'est comme une espèce de réaction en chaine , ça commence d'abord avec le directeur de plug and play qui m'a mis en contact avec des VC qui eux même m'ont mis en contact avec d'autres VCs **tout d'un coup je me suis retrouvé à rencontrer tout un paquet de VC que j'aurais jamais eu la chance de rencontré car quand on appel un VC comme ça j'ai un produit et j'aimerais vous parler, cela ne marche pas comme ça**. Il faut toujours toujours être introduit, avec ces gars-là ils m'introduisaient directement avec les partners donc j'avais enfin ça nous a fait économiser beaucoup de temps

A : Donc vous avez directement fait partie de leur programme international ou c'est à partir du moment où ils ont investi dans votre projet ?

D : C'est à partir du moment où ils ont investi, pour le programme international ils en ont un mais c'est avec le programme Canadien, CTA, que j'ai eu accès à P&P. C'est donc bien eux qui loue des emplacements et puis ils ont leur propre programme et c'est grâce au plug and play que j'ai été découvert

A : Votre intérêt de faire partie d'un programme américain c'est parce que vous vouliez vous expendre au Etats-Unis ? Quel était la véritable raison de votre application ?

D : Dans le domaine des équipements des réseaux, c'est le centre du monde je veux dire la Silicon Valley. **Tu ne peux pas ne pas être dans la silicon valley**. Pour nous c'était donc notre objectif numéro 1. Tantôt vous parliez de votre premier terme des compagnies qui veulent être internationale c'est comme ça beaucoup en Belgique, j'ai vécu en Belgique pendant plusieurs années et c'est comme ça au Canada quand on fait un produit High Tech les compagnies canadiennes ne sont pas très early adopters et assez averse au risque et il faut donc aller au sud de la frontière. Et c'est exactement ça que l'on a fait aujourd'hui, 99% de nos ventes sont à l'extérieur du Canada

A : Ah oui quand même et c'est principalement où que vous exportez ?

D : On exporte aux Etats-Unis , à Taiwan en Australie au japon et un peu en Israel.

A : En effet vous faites véritablement partie du canevas des international new venture qui dépendent du marché étranger

D : Totalement

A : Lorsque vous étiez au sein de Plug and Play , quels était les véritables atouts qu'eux vous ont apporté ? Donc à part avoir accès à ce réseau la qui de manière en chaine vous a permis de rencontrer chaque fois de plus en plus de gens, qu'est-ce que Plug and Play vous a véritablement apporté ?

D : Un pignon sur rue véritablement dans la SV et ce qui est très important. Et puis tout le côté matériel. Quand on est une startup qui commence et qui fait des meetings dans des salles de meetings qui ont l'air sérieuse avec un projecteur, un système de cafétéria avec café etc,… tout ça est là. Nous je sais qu'on a pas utilisé beaucoup tous les services de mentors parce que moi-même personnellement j'ai déjà pas mal d'expérience dans les startups, c'est ma 5^{ième}. Par contre pour les jeunes entrepreneurs qui arrivent là, c'est fantastique d'avoir un mentor qui vient régulièrement à Plug and Play, qui discute avec eux et leur donne des idées, c'est vraiment très riche comme expérience et je sais que même si moi je ne l'ai pas vécu personnellement mais on d'autre m'en a beaucoup parlé et je sais que c'est extrêmement important pour le réseautage. Qu'est-ce que je vous dirais d'autre de mon expérience ? Vraiment le centre, c'est comme le centre nerveux de la SV c'est vraiment les contacts et le buzz quand on est dans l'environnement, c'est important aussi si tout le monde autour de nous sont tous pareil, tout le monde parle au téléphone, conclu des deals cherche des investisseurs et ça c'est vraiment l'importance.

A : Et donc pour vous le fait que ça a permis d'accélérer votre startups pour l'amener à l'international c'était véritablement le réseau qu'ils vous ont fourni, le label de fidélité qui est propre à P&P c'est à dire qu'à partir du moment où ils ont décidé d'investir 100k dans votre projet cela a permis une réaction en chaine de tous les investisseurs qui ont continué ?

D : plus le lease plus la press release etc etc **cela nous a donné beaucoup beaucoup de crédibilité**. Les premiers dollars sont souvent les plus difficiles à aller chercher. Au niveau des rounds, les rounds A sont les plus difficile. Le round a on l'a fait l'année dernière

A : et il me semble que vous avez levé près de 9millions de dollars non ? Félicitation

D : Merci merci on a fait effectivement la round juste avant que la porte tombe parce que les investissement dans les rounds a chuté sur les derniers 6-7 mois la

A : félicitation en tout cas pour ça ! Concernant P&P vous êtes donc resté 3 mois dans leur programme ?

D : Alors on est resté 3 mois puis ensuite on a fait le programme donc en fait plus longtemps que ça car ils nous ont donné chez plug and play 1 an de bureau gratuit. Cela faisait partie de l'investissement, donc on a un cubicle et non pas dans l'emplacement même des companies canadienne mais un cubicle qu'on a encore aujourd'hui. Et ça c'est un véritable avantage car on a des bureaux dans la silicon valley qu'on utilise chaque fois qu'on descend aux etats-unis et c'est donc encore notre bureau et on peut laisser nos baguages on a nos ordinateurs, un écran, une ligne , une imprimante c'est notre bureau.

A : c'est donc ce que j'avais vu sur votre site, vous êtes donc bien dans la silicon valley pas dans votre office privée mais donc bien chez Plug and Play ?

D : Ben oui, on sait pas quand on voit ça on se dit ooh ils sont dans la silicon Valley waouw c'est impressionant car ça donne une image d'avoir un burau là. Mais c'est surtout un pignon sur rue. Si on nous envoie des enveloppe, on a un système de poste et tout ça chez plug and play et ça aussi c'est bien d'avoir un bureau comme ça.

A : Avez-vous encore une team qui est localisée là-bas ou c'est uniquement lorsque vous passez dans la SV de pouvoir utiliser ce bureau ?

D : Alors on a déjà nos ventes, quand on a nos ventes qui vont là, ils font escale là, on utilise ce bureau la chaque fois qu'on en a besoin quand on est dans la SV.

A : Si vous devriez voir des weaknesses ou des manques par rapport au programme, quels seraient-elles ?

D : Weaknesses, hum weaknesses c'est dur de trouver des faiblesses car je ne sais pas comparer. Je n'arrive pas à vraiment voir de faiblesse, on pourrait dire il faudrait un peu plus de ceci et moins de cela mais il n'y a pas vraiment de faiblesse la dessus. Non je ne vois pas vraiment de faiblesses au programme peut-être en ce qui concerne les investissements, je ne sais pas à quel point ils font des investissements comme ça car on m'a dit que c'est pas très fréquent qu'ils fassent des investissements, ils en font mais 2-3 par années apparemment car je pense qu'ils investissent dans 25-30 compagnies mais par année il doit bien en avoir 200 et ils les choisissent mais je pense que ce serait bien si toutes pouvaient avoir un investissement et un espace chez plug and play mais encore je ne pourrais pas appeler ça une faiblesse car je trouve que c'est vraiment un beau programme. Un programme extrêmement énergétique qui permet de profiter d'un réseautage, toutes les semaines je reçois encore un email de réseautage, un barbecue par si un cocktail par la c'est sans arrêt et ça ils font bien !

A : Alors j'ai une petite question car j'ai essayé de matérialiser entre guillemet la manière dont se présentait le social capital et donc les ressources accessible au sein d'un réseau, alors peut être que vous auriez des idées en plus, alors je vois ça comme le social capital qui satellite autour de plug and play et donc ce sont les investors, corporate relationship alors je ne sais pas si vous en avez personnellement bénéficié

D : oui nous avons eu de l'aide des avocats par exemple

A :j'ai vu également tout ce qui était niveau mentors and advisors et tout ce qui fait partie des alumni et donc j'avais séparé le legal support de corporate relationship car quand je les ai rencontré, ils m'avaient parlé de deutsche bank ou d'autre companie qui pouvait vous aider à vous immerger dans certaines industries

D : Alors c'est vrai c'est vrai il y'a beaucoup de corporations qui ont leur bureau dans Plug and Play, des opérateurs donc dans le domaine des opérateurs ils sont la aussi et ils sont effectivement une solide valeur ajoutée et pendant l'année où l'on est présent aussi

A : Voyez-vous d'autres entités qui satelliterait autour du social capital, autres que celles que je viens de citer ? donc les corporate relationship, les advisors and mentors, les alumni et du coup tout ce qui est légal support et le logistical support car ça aussi c'est très important comme vous le disiez, avoir un bureau , un accès internet,…

D :Ils ont d'autres programmes qu'ils ont aussi ça me revient, ils ont un programme avec une personne qui s'occupe de ça , c'était relatif avec des aspects légaux avec des gens qui peuvent aider pour ouvrir un bureau en Californie. Alors en plus je dirais que c'est une place pour faire du recrutement et c'est extrêmement important de pouvoir recruter des spécialistes.

A : Concernant Noviflow, combien de personnes avez-vous à votre effectif ?

D : 22 personnes

A : Et où sont-elles localisées ?

D : Principalement à Montreal

A : Et concernant vos chiffres d'affaires , d'où proviennent vos principaux chiffres ?

D : Alors principalement les Etats-Unis, l'Asie avec le japon surtout et l'Australie

A : Comment avez-vous décidé de vous internationalisé si largement ? Est-ce plug and play qui vous a poussé à élargir dramatiquement votre scope

D : Alors pour ce coup-la, c'est surtout mon réseau personnel en fait c'est mes contacts et les contacts des membres de la directions, les contacts des membres du conseil en principe comment ça fonctionne, on va dans des show ou des foires commerciales où l'on show nos produits et on reçoit des inbounds de clients potentiels de droite à gauche et nos premières relations s'établissent et maintenant on va avoir besoin d'une présence plus constante dans la ville ou dans la région et donc à partir de la on fait activer nos réseaux et principalement linkedin, on commence de plus en plus à utiliser linkedin et pusi c'est comme ça qu'on a déniché notre responsable pour l'Asie qui est basé à Singapour et lui c'est pas au travers de Linkedin mais au travers d'un des membres du conseil qu'on la déniché. On utilise ces réseaux la de personne pour le recrutement aussi donc ici également au Canada mais aussi ailleurs alors pour les distributeurs alors aussi un des gros avantages du réseau Canadien c'est qu'on a un réseau qui s'appelle trade commissioner qui sont dans beaucoup de pays et généralement ils sont très bien pluggé alors on les utlise à Hong Kong à Tawain ,au Japon, en Ausralie, dans les pays du golfes ectetera, ils sont vraiment très fort et puis moi je les ai rencontré plusieurs fois et ils sont connecté avec des CTO et à très haut niveau et ça c'est aussi pour nous un réseau très important .

A : Alors effectivement en général pour les startups quand elles veulent assesser le marché international ,le background du fondateur est extrêmement important et je me suis donc permis d'aller sur votre linkedin et j'ai vu que vous aviez déjà travailler en Belgique , en Nouvelle Zélande, en suède et au Canada et donc vous avez en effet un background très international et généralement le réseau que vous créer grâce à cela permet de diminuer les barrières à l'internationalisation alors pour revenir à P&P quels ont été véritablement les barrières qui ont été levée grâce à P&p car en ce qui vous concerne, vous aviez déjà un réseau construit

D : Cela n'a pas aidé pour être honnête. Cependant si tu prends un Canadiens ou un Belge fraichement arrivé pour lu c'est une mine d'or, Plug and Play c'est totalement international et en plus c'est un vrai microcosme de la planète et ça c'est bon , et surtout ce sont tous des gens qui sont la pendant trois mois et sont jeunes comme vous et vous avez déjà eu la chance de développer un réseau de gens dans un paquet de pays et ça ça permet d'avoir une connaissance du marché des affaires internationales qui passent au travers ça. Et donc Plug and play est véritablement un environnement unique au monde pour ce que j'ai vu en date-la pour avoir vu cette internationalisation. C'est vraiment une énorme force de Plug and Play

A : Je me demandais également quels étaient les services que plug and play mettait en œuvre pour les entreprises désireuses d'assesser le marché américian mais dont le culture gap était assez important car je suppose que le Canada et les Etats-Unis ont peut-être plus de similitudes quant à la méthode de travailler et de faire du business qu'un belge et un américain. J'avais entendu parlé d'une plug and play university qui permettait d'avoir tous les outils nécessaire en tant que néophyte afin de pouvoir comprendre mieux le marché américains

D : Ben c'est ça c'est le programme dont je parlais tantôt qui accompagne les jeunes entrepreneurs je pense qu'ils les prennent vraiment par la main et leur apprennent tout comme à l'université, ils appellent vraiment ça p&p university ?

A : C'est en effet p&p univerisity et c'est apparemment un module qui durent plusieurs jours et c'est pour apprendre comment faire du business ici aux Etats-Unis mais surtout pour ici dans la valley car les modèles de business sont véritablement différents.

D : Oh c'est gai ça c'est vraiment génial c'est donc un autre exemple d'internationalisme de Plug and Play. Mme Ernandez qui est donc la personne qui se charge de toute la logistique justement à droit de l'entrée, je présume qu'elle a des origines latinos tu vois, même leur staf se doit d'être international.

A : Et donc vous n'avez pas participé à ce genre de programme ?

D : Ben non étant donné mon international backgroud comme tu dis et puis le business Canada états unis est effectivement très proche, on a pratiquement pas de dépaysement. Je suis vraiment désolé mon cher Arnaud mais je vais devoir vous laisser car mes journées sont assez chargées et j'ai un rendez-vous qui est sur le point de tomber !

<u>Interview transcript of the International Operation Manager of Plug and Play Accelerator- Megan Ramies</u>

IB Master Thesis – Arnaud Evrard – Interview transcript of the International operation manager of Plug and Play Accelerator

The impact of the social capital on the speed of internationalization: Case study at Plug and Play Tech Center

Megan Ramies – Plug and Play Tech Center

Name, Surname interviewee	Megan Ramies
Name of the company	Plug and Play Tech Center
Position in the company	International Operation Manager
Description of the Company	Plug and Play Tech Center is an accelerator that specializes in growing tech startups. Headquartered in Sunnyvale California, Plug and Play's global network includes over 300 tech startups, 180 investors and a community of leading Universities and Corporate partners. Since its founding in 2006, Plug and Play startups have raised over $1 Billion in funding. In 2011 Plug and Play's startups raised over $350 Million and went through M&A valued in excess of $500 Million. From unique industry networking events and education-emersion programs, to M&A advisement, Plug and Play has everything tech startups need to get organized, connect and grow.
Internationalization from Inception	Does not applied
Initial country	USA
Date of the Interview	05/19/2016
Lenght of the Interview	35'

A: Arnaud Evrard

M: Megan Ramies International Operation Manager

A: Basically I'm a student from Belgium and I'm doing my second year of master and I've been selected for a specific program called international business which require me to do one year abroad : six months exchange and six months internship. I did my exchange in Thailand Bangkok and I'm doing my internship here in San Francisco for the Belgian Chamber of Commerce. So this is really interesting and concerning the thesis, we have to select a subject that is related to internationalization and stuff like that. So I decided, basically my initial question was why do some new venture decide to go abroad and why some of them are more successful and quicker than others. So this subject was really broad so I had to focus and I decided to focus on two major concepts. The first one being INV, I don't know if you heard it?

M: Yes Yaël told me about those companies that want to be international since the beginning!

A: Great so, you are already familiar with the conversation I had with Yaël! Can you give us two words about your background?

M: I did a lot of things in my life, I worked for two major International corporation: infospaces and fries entertainment. I also founded a few different startups, after my third startup, I actually was taking a break and this is when I strated to work for plug and play. So I did it because all my friends here in San Francisco were coming to me and told me, Megan , you did it before, you raised money, you did the whole thing, how do I do it ? So I started just talking to them around a coffee, this what you should do, this is what you should not do. And then they all had questions and it was 5 years ago. And all their questions were similar. So I started to answer those questions on my blog and that started to get popular so I needed more space and people started to share the questions and answer and then all those people started to come to me and I decided to invite all those startups founders around a table some of them I knew and some others I just met and then It started to have more and more people keeping coming from here San Francisco, then Silicon Valley, then New York , Texas then as far as Singapore. All over the world. It got so big we started to organize education seminars, and we started to develop our own curriculum and own methodology teaching startup and it was 3 and half years and we didn't take equity and I didn't even get paid , I was doing that for fun. For me it was a fun project it was not even like I was starting a new business. It was just great but all of a sudden it started to be really consuming and then everyone wanted a more structured program so I started to found the P&P and that was part of the birth of the incubator since then we have been really fortunate, we have been growing a lot not just here in the bay area but internationally. We have partners all over the world, we are opening up a lot of spaces especially in China. In June we will open in Shangai then Benjing, shengen , Korea, Turkey , Austria. We are opening accelerators as well as incubators. Our model has become do just come to plug and play but plug and play will come to you. Right? We got partnership with a lot of government and we also launch seminars all over these places. The partnership we have with the government occurs like this. This summer we are going to China and Korea, we work with the government agencies there and we educate stratups there. One of my instructors is doing China while I will be in Taiwan. We set up programs, run them, do events at night that can reach large scale and then workshops and hands on. Then I also worked a lot on the investment side . So basically Plug and Play Tech Center (P&P) is seed stage investor that proposes 3 months acceleration program to two batches of about 100 ventures a year. More than 8000 startups from every corner of the planet apply annually. Once selected, the new ventures are split into one of the 11 vertical programs that fit the best the venture's profile (Internet of Things, Fin Tech, Media and Mobile, Retail, Pre-Seed, International, Connected Health, New material and packaging, Travel and hospitality, Mobility, Insurance)

A: How do you organize this international exposure? Do you go by yourself? Do you do all the tasks alone?

M: We can either go by group of people , of only one person depending on how much money they are ready to give. Most of the case it is only one person because you do not want to spend too much money. We use our curriculum that we use all the time, that we teach and we also offer them the online program since they do not need to be in the silicon Valley and that's a huge advantage. One of the most critical missions of the directors working at Plug and Play is to be the "connector" between the disruptive solution brought by the new ventures with the knowledge and the means of established corporations. The role of Plug and Play is to ensure that the right name is mentioned at the right time so opportunities occur for both parties: the new venture and the corporation

A: What make your program different from the others?

M : So you know for building this global startup community, one big difference between us and others is that like Ycombinator for example they require the startups to actually to move here set a corporation here hum and hum they don't admit them in their program. So they have to take a big jump from overseas but they have to be essentially in the silicon valley. Beside intensive mentoring, P&P organize also academic education program that helps the new venture's development by equipping them with high level frameworks (Strategic canvas, structure of a pitch, supply chain models,…). A large variety of entrepreneurial topics are brought every weeks which permit the participant to broaden their knowledge about variety of topics such as legal compliance, hiring system, business tricks, negotiation skills, fund raising models…

A: In Which stage are the companies participating to your program, Serie A, Pre seed ?

M: YC is later now, they are more like a venture fund, by the time you get funded by YC, you could be funded by any other guys.

A: Do you locate yourself before YC ?

M : Yea we would be, YC has moved , they used to be at that stage but they definitely pre series A or right before you get your serie A that's their sweet spot. We are more angel and seeds, basically our startups have raised from nothing to a million dollars and then they come here. Usually if they have raised more than a million they move forwards alone and they do not really need investors. We do not really care about how much our strat up have raised the focus is more on what the potential is. Some of them have really bad investors and the startups have spent millions of dollar and they are now what do I do now ? They can have raised more than 10 million dollars we do not care. The new ventures need to be close to their customers to gather a profusion of information about them and react fast, they need to have access to valuable workforce that can help the future expansion and they need to be close to people with more understanding of the environment than us

A: Do these companies need a proof of concept prior to apply for your program ?

M : All of the startup coming in our program either have, most of them have their product launched, some are just about to launch their project, but other they have at least a prototype, they can't just have an idea. We do two tracks, one for the accelerator program, one for the educational program. Like you have a group of startup coming and they want education for anywhere from one afternoon to one week, we can do that and there is no requirement. We believe every startup have an education but you know it is always good to learn and for the accelerator program, we are more selective, they have to be selected beforehands.

A: Do you have a lot of international companies or it is mainly US based companies coming here ?

M: oww it is 70% international companies the big difference between us and many others, it's the fact that we are really focus on international companies and especially our structure, you were asking about this. Most Program do 3/4 months and they do one day a week when they educate people . So you are coming only one day a week so the education is spread out we deal with a lot of startups that cannot afford to spent that time out here. Sometimes, it is visa issues, a lot of times it is just money, it is just so expensive here. So they are coming for a month or they are coming for two weeks and what we do we take that same amount of education and we combine it in two weeks. So instead of doing one day or one night a week, we do like everyday into the night for two consecutive weeks it is like really solid. You can just ask any startup that graduated , they just love dit because this is exactely what they wanted so it really depends on the startups, if the startups wants a long program, where they work here and set up a corporation here, and they do all that, then anoter program might be better. But if they want a compact program that is two weeks, that is very educational focus that really teach the startups. Most of the program give office spaces and they do not educate, some of them litteraly do nothing and they just have the space and the environment which is totally ok but then you have to call it a coworking space. We are strating a new program every minute, we are surrounded by a strong network composed of founders that comes here to teach, we have marketing expert, lawyer coming and talking about issues that are mostly for startups that want to be established here but also or international startups like if you want to establish a corporation here, how are you going to do it ? Do you make a parent company or a subsidy? For the company here or the company back home ? How the convertible notes works here because they are not used to convertible notes outside the USA but it is extremely important in the Silicon Valley, so does that work. We have angel investors that comes and explain how the funding process works, it is basically a real accelerator and in two weeks you get all the basics we are trying the new pitches at the same time. A lot of start up and especially the foreign one do not know how to pitch their ideas in a way that will be receptive to what an investor used to hear. So we train them on how to do a pitch deck, how to do the pitch, how to do a investor pitch which is different than a pitch deck. We help them to prepare all that and we of course go through their core business model, validate and teach them the basics about the business model here in the silicon valley and all that. So when they go in front of the investors they can actually present even if they are on prototype stage they can present whatever data they have in the right way to secure at least an initial investment. YC and 500 startups are more like funds now and they have raised so much money and it is really their focus. So we tackle more what do you need to do as a startup ? How do we help you ? We also have a really deep investment network , so we introduce them to our investors network. We aren't a fund.

A: Do you take any equity ?

M: Raising funds can dramatically speed up the internationalization of a new venture as it helps to activate levers that were unaffordable beforehand. we have a huge investment network but we don't have our own venture funds. That hasn't been our focus. Of course we bring them to our partners but we never take equity stake in the educational program, we just educate our stratups, zero equity involved. We do take stakes in our accelerator program which is more selective. However if they come into our program, we actually offer scale and we take some equity in the stratup and we usually not take a lot from 0.5 to 3.5% usually it is around 2%.

A: And the accelerator program last 3 months ?

M: So we do a two weeks educational intensive course and we have a three month online program that they take and then they can the following year coming back at P&P.

A: So there are three modules : The educational program that everyone can take where you are not so selective and so on, where you do not take equity

M: let make it very simple: Our accelerator program has three components: first they come in here for intense two weeks, core education program which is different from the one we do for the educational program. Then they can keep coming back the whole year and they have the two weeks module. That's how we do. The education is separate, so if you just want a group of startup and stuff you can contact us and we can schedule something for half a day or more. And that will be pure educational with no equity. We do take equity for the accelerator program from 0.5 for two weeks and if we take more then we take 3.5% and organize a month. So we do both month and two weeks.

A: How many program do you do per year ?

M: So we do 4 to 6 per year for the accelerator and for the education, we do a lot. Actually we have huge number of groups coming all the time to be educated we have some coming this afternoon and they are Chinese. It is majoritarily group of startups but sometime sit is also groups of investors or corporate executives so we educate on innovation, we educate on investing in the silicon valley or Angel investors invest their money and startups so pretty much everything.

A: Which was your most interesting equity stakes you have taken so far?

M: We started one year and a half and let me show you something, I will go through my presentation and then you will have a better overview of what we are doing and what we have done so far.

A: Concerning the online program, how is it presented ? Is it like a mooc ?something online with an interactive program ? with people taking class at the same time ? How do you deal with people abroad , the jetlag etc,…

M: Jetlag and mainly the cost!, if you do an online session it ends up to be extremely expensive because you need to have the people meeting at the same time, you need to arrange with the instructors and it becomes extremely complicated to handle this and it is harder to scale because every country is under another time zone. So you have to do separate one for any time zone countries. What we do is an hybrid model so our core programe is very inexpensive and that is only $500 for stratups for 3 months and the whole stratup can have access to it even ten people. Instead of making you watch the website every day and make you watch video for three hours lectures we know it will not work , they might do it for the two or three first time then they might stop doing it so we did 5 to 10 minute segments, some are text material others are videos and we deliver it straight to your phone as a pop up. If you are already aware of the subject you can delete if not you can watch it or watch it later. Those videos cover everything. The first month you get 3 videos a days then the second month 2 then 1 for the last one , we try to scale down because a lot of people will come here after. We try to give the core subject at the beginning when the startup need the most to learn. Everything is all online you go on the website and then boom it pops up, you just need a credit card. If you have a list with all the batches you want to activate we can deliver that individually. It starts anytime of the year and it is a program of three months but you have access to the video content until two years after the first registration. It does not matter if you get sick. We also have an exam at the end of the program and all the answers are actually located in the course material. Everything in our office is about creativity, exploring new ideas and not narrowing yourself down.

A: How do you handle to teach people from other countries the way of working in the US, the fear of failure?

M: Actually, some countries are really different towards the way of doing business, We noticed that in China they are really into working, they even avoid doing any hobbies and would rather work on their project. We believe it actually kills the creativity because you can have new ideas by doing new things. We can talk forever on that. But we are here very passionating about education. We are very into creativity, bringing new ideas, not being rigid. We do really care and the business is second we do not make much money on this. Especially since most of the stratup will fail, no matter what, in silicon valley , 95% of startups that are angel funded do not succeed until series A. Imagine those that does not get any funding. The bottom line is: you need to come here to learn, you should not come here just to raise money, because if you learn what you need to know, I can guarantee you that you will raised money. If you learn how to have a viable business then you have a viable business and you will figure out how to raise money and make money.

A: Concerning the serie A do you think that the death Valley is behind you once you have reach that step?

M: Actually not, it is in front of you, when you look in an angel investor's portfolio and agenda, it is all based on what they are funding, the basic math is that one out f ten pay for all the others and that their model and they have this model because they want it and brag about that because that is the way it works and this is the reason why we talk about the same startups over and over like twitter, airbnb, … because there aren't that many huge one. Nowadays we have seen more around than historically and we recently discovered that some of them do not even deserve to be part of those unicorn. The real idea is to see people coming and learn a lot while going through our own programme. We have high rates because we have a really efficient program, we got recently ranked first by Forbes magazine as the first international accelerator to help companies from overseas. We have a good reputation, our headquarter is here but as I said we are located abroad as well.

A: If I understood well, most of the companies participating to your program are from abroad and more specifically from Asia ?

H: Actually no, 30% is coming from Europe, 30% from Asia, 30% from US and 10% from Africa, Latin America,…we got a lot of US startups too for instance, the last batch was about 50% this time, it turned out that way but on average this is the figures I just gave you.

A: Can you tell us more about the network of people you have around your program?

M: We have a lot of people around us, we have the advisors, Alumni, Startups, marketing people, sales people, technologist, and these are just a few. We have more than 300 mentors that come regularly teach our attendees the nitty gritty about how to make a deal in the Silicon Valley. We give various sessions, session about how to protect your IP, session about how to launch a product here, sessions about what entity to create to get funding, leadership, Silicon Valley ecosystem etc… We partner with a lot of people because we cannot do everything (housing, human resources, tech infrastructure,…) We partner with a lot of countries all around the world but we create our own facilities in China because we want to let the companies we are raising here the choice to assess the Chinese market. The Chinese market is opening up, the currency will be open too, it is a huge market and you cannot ignore China. Especially technologies like Clean Tech , you are not going to be funded here but in China they are pouring money on that and we want to give the startup the chance to go over there. There also industries that does not have any way to get funded here but can drain tremendous amount of money in China, like the gaming industry , movie making,…

A: You therefore have a large network developed in China as well?

M: Hundreds, we are really close to numerous numbers of Chinese investors eager to invest on the companies we are bringing. Our investment network there is extremely powerful, we have also developed a large network of local advisors that can teach the startup how to assess the Chinese market which is extremely segmented and cannot be considered as a whole at all. I can show you actually a good sample of the companies that have been through our program and that can represent a fair sample of the companies we attract: from hardware to software.

A: All the companies you just presented, are they all willing to expend in the united states or they just want to gather all the knowledge they can get from you before leaving?

M: Most of them are from abroad, and the United states is a big market, so basically they come over here, they work extremely hard , we give them advices , make them contact and connect with investors, we hooked them up with potential prospect. Most of them want to expand in the United states, for the tech company , the silicon valley is definitely the place to be and tech company can scale up extremely rapidely all over the planet but the knowledge is still based here. We recommend them to base their headquarter here in order to feel the innovation that can be caught by walking in the city and we use our network and we educate them with the help of our mentors.

Interview transcript of participant to Plug and Play Accelerator: Erez Saf -Crisko

IB Master Thesis – Arnaud Evrard – Interview transcript of participant to Plug and Play Accelerator

The impact of the social capital on the speed of internationalization: Case study at Plug and Play Tech Center

Erez Saf - CriskCo

Name, Surname interviewee	Erez Saf
Name of the company	CriskCo
Position in the company	Ceo and Co-Founder
Description of the Company	CriskCo, an online platform that connects with vendors and helps them evaluate their customers' credit and reduce credit failures. CriskCo creates a credit score for businesses, similar to the successful FICO score for individuals, by building a community that shares business information. Together, we are changing customer-vendor relationship and motivate customers to improve their payment and debt ethics. We also help SMB's identify imminent risks based on patterns we can identify from the customers history.

	We believe that the current business culture, which dictates bad debts, frequent payment delays and a massive investment in money collection, must be changed dramatically.
Internationalization from Inception	Yes
Initial country	Israël
Year of participation to the program	2016
Date of the Interview	05/31/2016
Lenght of the Interview	35’

A: Arnaud Evrard

E: Erez Saf Founder and CEO CrisKo

A: Good morning Erez, How are you doing ?

E: Good what about you ?

A: Very good, How did it go for you after your presentation at the Demo day ?

E: It was a once in a life experience! Tell me how can I help you Arnaud !

A: Basically what I'm going to do, I'm going to first introduce you to what am I doing in San Francisco, The subject of my thesis and then the floor will be yours and I will let you explain me what is your company doing and also how has P&P helped you so far to internationalize in putting you in contact with potential partners, VC or customers or whatever. Basically first, I'm a master student as I told you I'm working for the Belgian Trade Commission in the frame of my international studies that requires me to spend one year abroad. I did 6 months part MBA in Bangkok and I'm doing 6 months internship here in the united states and in the frame of my internship I was working on all the different accelerators located in the Bay Area and It gave me the idea to put this subject in my thesis which had to be related to an international topic due to my international program. At the beginning I wanted to do something related to the internationalization of SME so small and medium size enterprises and the thing is like , the topic was way too broad and I had to narrow it down and I eventually decided to focus on two major concepts, the first one being INV being International new venture which means that they are companies willing to assess international market from inception like Crisko for instance and the second concept is social capital so basically the social capital is and represent all the resources within and available within your network. For instance the fact that your brother is working in a bank and that your best friend assessed the American market before you wanted to get there. Those two person are part of the social capital. First, you have the financial support available from the bank from your brother and also the knowledge related to your best friends who went previously to the united states is also part of the knowledge and the resources you have access to through the social capital. So basically my thesis is about those two concept and I wanted to focus more on the accelerator and how does the social capital of Plug and Play so how does all the resources available within Plug and Play can help INVs so small and medium sized enterprises willing to assess the international chess boards. Basically I know that the accelerator Plug and Play is proposing 4 different kind of resources which are logistical support, mentors and advisors, financial support and corporate relationships those 4 resources are the social capital of Plug and play and I'm trying to figure out how all those resources can be available to all of the participants of their program and how can it help them to internationalize and go to the united states.

E: Ok, so it is quite an interesting subjects. Hum let me start, the all conversation is about plug and play am I right?

A: Yes but It is also important for me to understand what is Crisko and how plug and play has helped Crisko, why have you decided to go to plug and play and not another accelerator, what are you expecting from the program and what have you already done with them so far, what are the plus and the weaknesses from the programme according to you, do you think the program is really a catalyst and it really helps the companies internationalize faster? And do you believe you would have been able to go that far without the access to their resources ?

E: Ok let's start from the beginning, we come from Israel and when I came to the US actually I came to the US in September 2015 part of an exchange program part of my university : Tel aviv university and a partnership with UCLA and this is how I get to the US and in January 2015 I founded my company and I started to look for relationship with investors and customers in the US in January 2015, because of my social network, before plug and play and all the network linked to this one, I had the opportunity to meet investors in the US and one of them decided to invest money in my project and also to connect us with Ariza Mansour who was concluding the plug and play program. So getting in plug and play also result to prior some social network

A: So if I understand it well, this is the VC that introduced you to Plug and Play? It was his idea to put you in contact with the accelerator ?

E: It wasn't a VC, it was an angel investor .

A: ah angel investor ok sorry

E: Yes, so he introduced me to plug and play and then from then it was also easier to get in because they were putting some money on the table and were a gage of reliability which helped us to get in P&P and again, social networking is extremely important in this area I mean in every area but it also , **when you are going to the market and it is not stabilize, there is not pattern, there is no rules of engagement, you need to have a networking effect in order to have people hear you, listen to you and maybe to make you produce and move things forwards**. It is not like you are in an office and you have a sheet with task you have to fill. It doesn't work like that. So that was about getting to plug and play and also from my social network I got my CTO as my cofounder, my developers , investment of $ 35.000 from my friends and family and actually $25 k from the angel investor. The whole thing were very fast for an early stage company even to get into plug and play.

It is quite complicated to get into plug and play and a few requirements are necessary: first, you need the money I had the 25 thousands dollars and all the financial support I already found previously hum but this money on the right time was very critical to us, and if we hadn't get the first 25 thousands dollars we probably would not have been able to raise additional money I'm not sure but It seems like we would not have been able to raise more money because we were very very early stage with just some presentation and barely website with our main ideas that did not even work. **Financial aid is fine at the right time but the more critical was the knowledge we got from plug and play program, collaboration with other startups and understand the standard in the market like the market best practices, how much is a developer, what the VC expect from you, what the angels expect from you what does it mean when you are talking about traction, what is a good traction, what is bad traction what is valuable, what is not valuable, A&R , how much do you need to raise another round, those aspects all came from P&P consultant, mentors and basically they were the gateway to get in contact with other VC and talk to them.** They help you a lot, they tell you were you are what is the situation and how you can move forward on this one and the third thing they offer is what you said ?

A: Logostical support, so basically the fact that you have access to a cubicle, an open space, an address, a conference room, you have all those things and also the corporate relationship. The fact that you have all access to corporations like Deutscthe bank, ING , credit Suisse in you case

E: Logistical support is obviously nice but can take it and it is 500 dollars a month) but the network and the relationship is the value they provide and the fact that when we started we were not able to pay for the 500 dollars amount to pay for it, it is true that it was way nice to work in this space here instead of working from a Starbucks maybe the better logistical support is the idea that you can walk in the same location has probably way more meaning and value that just the cubicle in itself from this aspect. **The fact that you also have an address really help you to provide and create a name and a reputation.** Sitting in a Starbucks is also not as effective as working in a co-working space which dramatically enhance your productivity. **The biggest thing according to me is the corporate partners, the fact that I can see and have a meeting with credit Suisse, capital one, deustche bank**

and have an appointment with them and be involved in the process of what they need, what's their problem and how they look at it and what we need from it is much more valuable and it might create opportunities, but for me to be frank, we finish the expo last week and we didn't have any pilot from any of the partners, nothing, this is no immediate success coming out of the partners, however, I had the chance to talk with credit Suisse and we are still continuing the conversation and I have a conversation with deusthe bank and also with trisand and maybe we will be conversing for the next few months / years. It might not be automatically successful but we are still under conversation and it enables you to get the opportunities to meet the key people. I just talk today to Chief risk officer of credit Suisse in Europe and this is the guy I want to talk to and get their insights, their pain , their problem advantages and disadvantages, this is something I would never have been able to do without plug and play support and help and is it critical to our success, yes it is because even though I don't sell anything to credit Suisse at the end , they way of looking at the problem and trying to solve it help us to convince and sell it to other banks in the market does it make sense?

A: It makes totally sense. I was just wanted to know more about the mentors and avisors, how does it work with the classes ? is it twice a week, compulsory ? Were you participating to the classes ? Do you have to be willing or is it compulsory ?

E: Plug and play is offering a broad range of program and in my specific program, we are the second company participating to stratup camp and all of this depends on the program you are participating on. The goal of the program and the process of each pogram are very different. Startup camp is selected by P&P ok ? and during this time this is like an incubator and they try to make sure your business is aligned, your client is aligned, your goal is to raise money at the end of the program. So you are getting in , you have session every week like a four hours session and you sell all the other players, how they are doing, if they met the goals and what rae the goals for next weeks and you get mentors sitting with you for an hour or two with all the team startups gets mentors for every member or for every group it is different every time and by meeting different mentors, you get different insights like marketing , sales, legal, investment and trends in the market, this program was more structured since we had those weekly session with the teams and in the end we had this expo when we had to raise the money for the expo.

The second programme is a bit different I think , we are selected by the partners and not by P&p and the idea and the goal of this programme is to create pilots between stratups and the programme. It is not investment oriented. This programme has a complete different structure, it is less structured we can say so , with no classes or mentors coming every weeks but they do have access to partners on a weekly bases , partners are coming in sitting with you in front, in the middle and at the end of the program, each partner get the chance to know what's your plan, and how they can help you to improve on this one ,if there is a room between you and the partner they are following talks and help you.

A: A question concerning CrisKo, were you firstly located in Israel ? Or have you created first a C Delaware corp here in the US?

E: we are incorporated here in the US

A: So you are not a Isreali company exporting in the USA?

E: we have two companies , the mother company is located in Israel and that's were all the R&D is located as well.

A: Iw as also doing more researches about how does P&P help companies striving in new market and most of the thing I found were related to the credibility, trustworthiness and endorsement. What was your experience with that ?

E: That's right that I didn't talk about the credibility that We gain by being accepted by Plug and Play which was essential for our investors and that's something we really needed to emphasized, However, **P&P doesn't give you all you need, it doesn't fix your startup and doesn't give you the money from investors, it gives you social network to understand, learn and realize how the market works but not investors**, investors need to be brought by yourself, you need to go out, meet angels, meet VC and visit them all. What P&p gives you is the fact **that P&p support and investigated you and they selected you out of a thousands companies and it means a lot for them and it helped us a lot in securing the fund raising** we have done. I'm sure that a lot of the funds we have been able to secure is thanks to P&P today in the venture capital world, I'm not sure it is having a lot of impact , when you go on angel round and early stage it is more important but talk to VC are less they see it as ok but not mandatory that the thing you get it from now. But for us it showed credibility, they also helped us to determine and achieve goal for ourselves and to show that we are able to create and actually steer a company.

A: I found also that there is the liability of foreigness which represent the fact that you are from Israel and the fact that you worked in Israel for SAP if I remember Well is different from one country to another. Israel and USA might be pretty much on the same level for what I understood but what about Asian companies for instance? does P&P help them to understand the rule how to behave in order to get funds, find corporate partners, … How does Plug and Play organize that kind of lessons

E: Actually P&P is not a school, they priority is not teaching how to behave, how to be a better peson, that's not their goal, their goal is to ensure that everything is aligned within the company, make sure that the goal are going toward the right direction, they do not emphasize on the proper behavior or anything like this but it is true that mentors explain you how to do this and do that and that's right that mentors advise you on how this works in the valley does it answer the question ?

A: Yea sure I was just wondering about this Plug and Play university they brought on their brochure where they explain that they organize 4 days of introduction of all the specificities of the Silicon Valley in order to work here. Because before working here I was living in Thailand and I can tell you that the way Thai people work does not fit with the American way of working and that's the reason why I was wondering about this buffer session in order to teach them how to work in the Valley.

E: It might be the case of the international programme but I wasn't part of this programme . But you are right that it is extremely important and now that you are talking about that it seems that they were organizing some sessions like that for internationals.

A: I just didn't know whether they were giving this kind of teaching to everyone or whether it was limited to this specific program. For your what were the most advantage being part of P&P beside funding and endorsement at the beginning ?

E: Funding is actually fundamental and maybe you do not understand how critical it is. It is critical on different level, it is extremely hard to find money at the beginning basically finding money for your business is a dream yet it is not something that is so easy to find. Second thing is access to the partners, right now, as a startups , the two major challenges and goals are money to survive and customers and that's the two major challenges and at P&p they help you find investors they can talk to investors and even invest themselves second , is the access to the partner that permit you to understand what they need and what they do not need

A: And concerning the mentors and advisors, was it useful for you ? Since you had already an international background , did you participate to all those classes ?

E: It is mainly about learning the best practices from mentors and the other stratups, it is not a specific mentor or this guys change my life it is more about now I know how the ecosystem work. I'm sorry but I have another meeting coming so I just have two more minutes

A: No worries, I just have a last question : how did the community of other entreprenerus really help you ?

E: The most important thing is the mistake from others; everyone is making mistakes and knowing about other's mistake help you to prevent yours. Of those example of failures make you learn way faster !

A: Certainly, Erez thank you so much for your time it helped me a lot to have your own insights !

E: Absolutely, and if you have any other questions, do not hesitate to contact me again !

Interview transcript of participant to Plug and Play Accelerator Julien Penders – Bloom technology

IB Master Thesis – Arnaud Evrard – Interview transcript of participant to Plug and Play Accelerator

The impact of the social capital on the speed of internationalization: Case study at Plug and Play Tech Center

Julien Penders – Plug and Play Tech Center

Name, Surname interviewee	Julien Penders
Name of the company	Bloom Technology
Position in the company	COO and Co-founder
Description of the Company	Bloom Technologies is a women's health company focused on improving the health of moms and babies. We combine connected devices with data analytics to deliver personalized guidance and reassurance to moms, and better information to improve clinical decision making for doctors. Our vision is to use the transformational experience of pregnancy and childbirth to drive

	engagement and create longterm healthy habits. We strive to simplify complex health questions, use consumer generated data to drive new medical discoveries, and make healthy living easier with technology.
Internationalization from Inception	Yes
Initial country	Belgium
Year of participation to the program	2015
Date of the Interview	06/05/2016
Length of the Interview	35'

A: Arnaud Evrard

J: Julien Penders COO and co founder Bloom Technology

A : Bonjour Julien, comment vas-tu ?

J : Très bien et toi même ?

A : Excellent, je voulais encore te remercier de prendre de ton temps pour me laisser te poser quelques questions concernant Plug and Play !

J : Avec grand plaisir !

A : Alors comme je t'avais déjà dis, je suis étudiant en deuxième année de master dans un programme spécifique qui s'appelle International Business qui requiert de passer une année à l'étranger et dans mon cas, je suis parti 6 mois à Bangkok pour réaliser un part MBA et je suis ici à SF depuis Janvier afin de réaliser mon stage au sein de la Belgian Trade Commission que tu connais bien avec Baudouin de Hemptinne. Alors au sein du bureau on a commencé à travailler sur tous les différents accélérateurs qui se trouvaient au sein de la baie afin de déterminer et de cartographier tous les accélérateurs pour éventuellement les proposer aux startups qui sont désireuses de s'expandre ici à SF. Les startups viennent généralement chez nous afin de déterminer quels sont les trucs et astuces afin de réussir ici et on a réaliser que ce rôle la était en grande partie proposer par les accélérateurs dont le réseaux se composent d'énormément de vétéran entrepreneurs qui ont réussi quelques belles exits et qui connaissent du coup très bien le landscape d'ici. On a eu l'occasion de rencontrer près de 13 accélérateurs différents et j'ai remarqué que ces accélérateurs étaient extrêmement intéressants et fittait parfaitement avec la littérature review que j'étais en train d'écrire pour mon master qui était basé sur le réseau des new ventures et l'impact que pouvait avoir leur réseau sur la vitesse d'internationalisation.

Après de plus ample recherche j'ai décidé d'élargir ce concept à celui de social capital qui représente en fait toutes les ressources accessible au sein d'un réseau il s'agit par exemple de toi qui voudrait assesser le marché américain et ton frère à travailler pendant 15 aux states et possède dès lors un puissant knowledge du marché amricain et ta belle sœur est banquière et peu d'otroyer des fonds à un taux très réduit ces ressources sont donc ton social capital. Le second concept est celui d'INV international new venture qui représente les boites qui dès leur inception décide d'assesser les marchés internationaux. Et j'ai remarqué en faisant mon stage ici que c'est en fait exactement ce qui se passe au sein des accélérateurs. Ils provident aux entreprises participants à leur programme les ressources nécessaire afin de pouvoir s'établir plus rapidement

J : Oui c'est en effet ça et puis ça dépend je dirais à 99% du réseau !

A : En effet, alors après avoir fait 13 accélérateurs avec Baudouin, j'ai beaucoup aimé P&P et ce qui m'a vraiment frappé c'est lors de notre visite ou ils nous ont dit qu'ils avaient 4 sources de ressources qu'ils mettaient à disposition de leur attendees qui étaient les investisseurs, les alumnis, le logistical support et les mentors. Et j'ai remarqué que ça fittait parfaitement avec mon sujet de mémoire et donc P&P était un bon accélérateur car ils existent déjà depuis près de 10 ans ce qui est très long dans l'univers des accélérateurs et ils ont en plus eu le temps de véritablement créer des process afin de mieux comprendre les entreprises qui passent par leur programmes. Et c'est la raison pour laquelle je cherche maintenant à interviewer des entreprises qui sont passées au sein de leur programme afin d'avoir un meilleur aperçu des mécanismes internes.

J : Alors nous on est effectivement passé chez eux en Juin l'année dernière je crois donc il y'a plus ou moins un an. Nous c'était un peu particulier parce que tu as raison qu'ils offrent beaucoup de chose et plus particulièrement le bureau , la logistique etc mais nous on avait pas vraiment besoin de ça car on avait déjà une présence physique sur San Francisco et donc nous on a fait l 'accélérateur plus pour l'aspect social capital comme tu dis et non pas pour l'apport matériel mais pour avoir accès à leur réseau ce qui ici est essentiel. Alors ce qui est vraiment très bien avec P&P en tout cas ce que nous on en a ressorti c'est au départ un investissement, en effet P&p est investisseur chez nous et ça c'est vraiment tout bénéfice je ne peux malheureusement pas divulguer à quel hauteur et pour quel pourcentage d'equity mais c'était un bon ticket et donc ils ont fait un seed investment chez nous l'année dernière, et donc sur les deux millions qu'on a levé, ils nous ont bien aidé. Ce qui est vraiment bien avec plug and play et c'est vrai que c'est super pour une société qui veut avoir son propre office mais nous a ce moment la on ne savait pas encore très bien si on voulait être consumer ou B2B **mais eux sont se prête très bien pour les B2B car ils ont au sein de leur réseau un puissant nombre de corporations** . Nous quand on a commencé chez P&p ce qu'on voulait en ressortir c'était une étude pilote alors donc nous on a été sponsorisé Gng et donc je sais pas si tu connais mais ils font donc partie de leur corporate partners et donc si tu veux pour être pris tu as besoin d'un corporate partner qui te back up et nous on était donc en early discussion avec Gng en ce temps la et donc eux nous ont poussé la dedans. Et donc si tu veux nous en rentrant chez P&p on voulait vraiment réalisé une étude pilote chez Gng ce qui ne s'est malheureusement jamais fait et donc notre vision à changé mais en soit on s'en sort pas mal du tout et donc je te dirais que P&p c'est vraiment super pour créer des contacts avec les corporations afin d'établir un contact et de déterminer quels sont tes objectifs dans les trois mois pour le programme et de se mettre d'accord sur les débouchés des produits d'une étude pilote et d'avoir un contrat d'étude pilote à la sortie du programme , la deuxième raison, c'était la partie investisseurs en effet ils ont pas mal de deal flow avec les startups et il y' énormément d'investisseurs qui passent, tu peux les pitcher, tu peux les rencontrer tu as la demo night qui est extrêmement importante aussi j'essaie également de me rappeler si on a eu directement des investisseurs lors de notre passage dans l'accélérateur par contre c'est véritablement cet aspect alumni qui te permet en tant qu'alumni qui te permet de revenir pitcher pour certains événement ultérieur et donc on est revenu picher à un autre event vers 3-4 mois après et c'est la qu'on a rencontré notre plus grand investisseur de maintenant et de nouveau l'aspect réseau est énorme et donc je ne sais pas ce que tu cherches exactement et si ça t'intéresse.

A : Alors j'ai déjà eu l'occasion de rencontrer deux directeurs de programmes et trois autres entreprises et j'ai assisté à pas mal d'event dont un Demo day la semaine passée et j'ai surtout besoin d'apprendre ton point de vue en interne du programme, comment celui-ci t'a aidé à t'internationaliser , quels étaient les outils qu'ils ont mis à ta disposition, quel était le rôle qu'à jouer P&p comme broker et donc afin d'assurer ta trustwortiness, etc,… et donc ton expérience me permet véritablement de matérialiser les différentes ressources que P&p a mis à ta disposition

J : Super donc pour nous , l'accélérateur physique en tant que telle n'a pas été tellement utile car on avait déjà un endroit où travailler à SF et parce qu'on avait donc pas besoin d'un bureau par contre l'aspect réseau a été déterminant dans notre internationalisation, et donc on a pu rencontrer des investisseurs en plus de P&p lui même , on a pu se rapprocher de gng même si l 'étude pilote n'a pas aboutie finalement parce que eux n'était pas prêt et nous non **plus et puis ce réseau d'alumni qui est aussi super qui nous trouvé un super investisseur sur LA et puis pas que lui car c'est effet boule de neige, il nous a amené aussi d'autres investisseurs**

A : En effet j'ai eu cet effet chez les autres personnes interviewées également qui m disait que plug and play en investissant chez eux agissait comme un véritable gage de confiance et à partir de ce moment les autres investisseurs suivent car ils savent qu'une fois que plug and play met ses deniers dedans ils resteront la pour essayer de te back up car ils ont tout à gagner de te faire réussir.

J : c'est vrai qu'ils sont clairment derrière. Alors c'est vrai que c'est un excellent accélérateur mais en tant que VC ils ne font pas partie du tier 1. C'est vrai par contre que niveau connectivité avec le monde des startups, ils sont vraiment extrêmement bien développé et ils sont véritablement unique à ce niveau la au niveau apport equity ils ne sont pas encore la

A : As tu pensé à d'autre accélérateur et pour quel raison ?

J : alors on a pensé a YC mais on ne l'a pas fait car il faut aller chez YC quand on est encore au tout début de développement car ils font des bénéfices sur ce cut. Plug and play ne prend pas systématiquement d'equity je pense

A : Alors non en effet pas systématiquement, depuis 2006, ils ont accéléré plus de 2000 entreprises mais n'ont investi que dans 500 entreprises par contre

J :Et c'est vraiment ça qui est bien car tu paies pas trop en tant que startups pour faire partie de leur programme donc franchement c'est un chouette programme. Alors pour Yc c'est clair que c'est très bien et que c'est un super stamp et c'est un véritable gage de qualité et je le conseillerais à toute startups c'est vraiment un tier 1, c 'est vraiment le numéro 1.

A : Oui je sais bien et comme je t'avais dis j'ai eu l'occasion de rencontrer 13 autres accélérateur et YC est actuellement le dernier accélérateur que j'ai rencontré et figure toi qu'ils ont vraiment un approche différente qui déconstruit un peu tout ce que les autres accélérateurs font. Donc si tu veux pour les autres accélérateurs une de splus grosse valeurs ajoutée et le co-working space où tous les entrepreneurs ont l'occasion de pouvoir venir travailler ensemble et partager tout leur knwoledge par rapport à la manière de faire du business dans la silicon valley alors que YC va dans la direction totalement opposée, YC ne possède pas du tout d'espace de travail et donc chacun travail de chez soi et donc leur moto est twofold : pour les trois prochains mois, il faut coder et du users feedback c'est tout ce dont les attendees ont besoin donc pendant 2 mois et trois semaines ce sera du codage et du user feedback et la dernière semaine ce sera tout ce qui se lie avec les levées de fonds : investors pitch, etcetera.

J : Et comment ça fonctionne concrètement alors ?

A : ils ne sont donc pas du tout basé sur tout le système de coopération, mentorship et de classes mais il considère qu'il est nécessaire d'activer uniquement leur réseau en interne et donc les CEO de reddit, dropbox s'engage à donner 8 heures minimum par mois et donc ils visent non pas le middle entrepreneurs qui donnent les trucs et astuces mais plutôt les fondateurs de unicornes à donner des pitch sessions pour partager leur secret sauce.

J : Et ils sont basé à Ny c'est ça ?

A : Alors non en fait ils ont commencé sur la east coast, Yc a été crée en 2005 et c'est le premier accélérateur créé a monde et comme ils se voulaient principalement basé sur la high tech ils se sont vite tourné vers la Ouest Coast. C'est donc un modèle complètement différent et c'était très riche d'avoir un point de vue complètement différent. Et qu'est ce que toi tu en penses par rapport à Plug and Play ?

J : Ben leur modèle fait sens en quelque sorte, en ce qui nous concerne, ont est très peu venu à leur bureau car comme je te l'ai expliqué nous avions déjà notre bureau à San Francisco et donc on a passé au final très peu de temps au sein même de leur co-working space. Je pense que ça dépend complètement du stage auquel tu es. On a fait aussi d'autre accélérateur mais dans le cadre de P&p ont a peu profiter de cet aspect là.

A : Mais si tu n'allais pas chez plug and play quelle était dès lors la valeur ajoutée ? Qu'as tu fait fondamentalement pendant les trois mois d'accélérations ?

J : Donc euh c'est une bonne question… En fait j'ai un peu menti on y allait quand même régulièrement et dont principalement tous les jeudis où il y'avait des présentations et donc on allait faire ça et puis on créait beaucoup de contacts et puis il y'avait tous les évenements auxquels ont participait également pour pouvoir pitcher et puis tu avais aussi toutes les sessions arrangées avec toutes les corportations surtout mais c'est vrai qu'a partir d'un certain moment on a commencé à les rencontré à SF même car c'était plus facile. Mais je pense que la principale valeur ajoutée c'est que tu rentres dans cette famille véritablement et au début c'est super vrai , c'est le seul accès au ressource que tu peux avoir et donc pour les jeunes entreprises c'est vraiment ça qui fait la différence. **Ici plus que nulle part ailleurs, ta seule réussite dépend des personnes que tu connais et**

qui tu as dans tes contacts mais c'est vrai que ce ne sont pas les 3 mois d'accélérateur qui ont fait la différence ! c'est le fait de pouvoir rentrer véritablement dans la famille et communité plug and play, et c'est le point que tu disais au début, c'est l'accès aux ressources le fait de pouvoir faire partie du réseau, de pouvoir assister à certains meetings, certains évènements c'est principalement du deal-flow et c'est vrai que c'est un gage de fidélité, les gens qui viennent t'écouter savent que tu as été sélectionné par Plug and Play qui agit comme un filtre c'est clair c'est pas le péquenot du coin qui vient présenter son projet, il me semble que moins 5 pourcent des appliquant sont sélectionnés.

A : oui en effet c'est même moins de deux pourcents des appliquant qui sont sélectionnés.

J : Donc pour nous c'était clairement moins pour le fait d'être là mais bien plus l'accès au réseau. Alors maintenant on fait partie de HAX qui est un autre accélérateur je sais pas si tu connaît ?

A : Oui oui je suis déjà aller les rencontrer !

J : Ben alors nous on est clairement dans la deuxième phase de l'accélération de notre entreprise ce qui est véritablement le go to market et donc l'accélération du développement de produit et donc on vient de passer les deux premières semaines chez eux et c'était vraiment bien car c'est vrai que chaque jour on avait deux heures de présentation et comme c'est tout ce qui touche le go to market c'est tout ce qui touche le retail, la logistics, le marketing et donc on était en contact permanent avec des gars qui étaient super spécialisés dans ces domaines la et donc c'était chaque fois en one to one et en deux semaines on a boosté notre accélération pas pour rire. Et donc on a pu adresser énormément de nos questions par rapport à ces aspects la en moins de deux semaines

A : Je ne me souviens plus si il y'a de la prise d'équity chez eux par contre ?

J : Oui il y'a un peu de prise d'equity oui mais ça par contre, je peux pas te discloser mais on a réussi à bien s'en sortir sachant qu'on venait de chez richard brandson et qu'on était plus loin dans notre développement. Alors je pense que pour le boost c'est 3 % et tu rajoutes la partie China qui te demande 9% et avec ça tu as perdu 12% d'equity et tu as pas encore levé de fonds… Un autre réseau qui semble être super important aussi que j'ai rencontré à Paris il y'a 15 jours qui s'appelle Hardware con qui sont comme HAx boost et qui est principalement basé sur leur réseau mais ils visent uniquement sur l'exclusivité alors ils sont super exclusif donc tu paies pas et ils prennent pas d'equity mais ils te sélectionnent, tu peux même pas postuler donc ils viennent te chercher et donc moi je les connaissais pas jusqu'à ce qu'ils viennent me chercher il y'a deux semaines à Paris. Bon on n'est pas encore dedans et c'est complètement une autre approche et c'est donc eux qui scrutent et te cherche. Et apparemment quand tu rentres tu fais vraiment partie d'un réseau extrêmement bien ficelé et ils te mettent en contact avec de très bon VC et donc ça devient ton nouveau social capital et c'est marrant parce que c'est un peu ce que hax boost essaie de faire mais elle dit je comprend pas comment les sociétés mettent de l'equity sans être sur du résultat… et ce sont donc trois fondateurs français qui sont basé à SF NY et paris et je pense que le modèle est vraiment très bien et tu devrais leur parler, je peux t'introduire si tu veux.

A : ecoute Julien c'est très volontiers !

J : Alors si tu as pas vraiment besoin de soutient au niveau hardware ou software je pense que c'est un très bon deal et donc pour en revenir à Plug and play, c'est vraiment un excellent modèle car tu as des gens de pleins de background différent et ça te permet par ailleurs de bénéficier de knwoledge de certain ou même de trouver quelqu'un de supplémentaire dans ta team si tu as besoins d'un codeur par exemple.

A : Au niveau du mentorship et advisors tu n'as pas eu d'expérience alors ? Tu étais beaucoup plus ciblé coprorate si je comprend bien ?

J : A ce moment la on était en pleine levée de fond donc on avait pas besoin des bureaux mais le réseau de VC était super important pour nous et Plug and play était la véritable porte d'entrée pour en faire partie. Pour te dire même les bureaux faisait pour nous l'effet inverse car on avait déjà nos bureaux à westfort hale et Eric et moi on devait se séparé et donc ça nous déforçait très fort en fait. Et donc pour nous c'était surtout les VC et les corporates la véritable valeur ajoutée de P&P

A : Ce qui me semble vraiment intéressant c'est aussi de voir que c'est surtout par après les trois lois d'accélérations que tu as véritablement bénéficié de ce réseau !

J : la valeur ajoutée de plug and play c'était clairement plus du long terme que juste lors du programme de trois mois

A : Et donc la maintenant restes-tu encore en contact avec p&p ?

J : Alors moi j'ai surtout de la chance d'avoit été sélectionné par Saheed qui a investi lui même chez nous ce qui a énormément de valeur pour les levées de fonds qu'on a voulu faire par après. C'est un très bon investisseur et puis c'est vrai qu'il n'est pas le plus gros. Et puis il possède un portefeuille très large donc il ne se focus pas sur toutes les companies dans lesquelles il a investi. Mais il est sympa et puis surtout très bien connecté et son nom est bien sorti plusieurs fois. Tu connais un peu l'histoire de Plug and play au fait ?

A : Alors il me semble que c'était son papa amir et pajned qui sont deux iraniens qui avaient un magasin de tapis ici à Sf et qui avait un très bon carnet d'adresse chez Sandhill road et ils ont commencé à faire des séances de rencontres entre des entrepreneurs et des VC de la Valley à l'arrière de son shop c'est bien ça ?

J : Au début il avait juste un système de real estate dans lequel ils hébergeaient des startups dont google, lending club et dropbox ! C'est histoire est en soit géniale car ce sont au final des vendeurs de tapis qui ont réussi à s'imprégner d'une industrie qui n'est pas du tout la leur et qui ont été capable de mélanger deux mondes qui devaient absolument se retrouver et de la ils ont construit aujourd'hui un programme qui tient super bien la route et dont le portfolio pèse plus de 3 milliards de dollars. Tu parlais de gage de valeur, je pense que les trois grosses entreprises qui sont passés chez eux à l'époque dans leur real estate joue encore aujourd'hui encore un role prépondérant et ils le ressortent très souvent d'ailleurs. En ce qui concerne YC , tu sais combien vaut leur portefeuille ?

A : Il me semble que j'avais entendu 65 milliards ?

J : Aujourd'hui , leur portefeuille vaut plus de 70 milliards de dollars, et c'est la raison pour laquelle tu disais bien que leur modèle est complètement différent, ils ne cherchent pas vraiment à aider des entreprises à s'internationaliser ou se lancer ils cherchent surtout à créer des entreprises dont la valorisations peut atteindre des plafonds, alors c'est vrai que la plupart d'entre elles sont véritablement disruptives et vont changer la manière de vivre de beaucoup de gens mais cela revient quand même à des valorisations monstre qui malheureusement ne reflète que très peu la réalité mais en soit heureusement que ces entreprises sont investie par des fonds privé et non cotée en bourse par des entreprises publiques. Et c'est un gros soucis ici car les modèles ici sont assez biaisé car les VC cherchent souvent des fois 1000 et surtout qu'ils arrivent à les trouver à très très early stage. Est ce que tu t'es aussi intéressé aux incubateurs alors ?

A : alors le gros problème c'est que les gens font énormément de confusion entre les deux, un accélérateur fait un peu près la même chose qu'un incubateur mais la grosse différence réside dans la période qui est courte et que ça se fait également par batch. La définiton exact c'est qu'un accélérateur est un fixed term cohort based program. Généralement un incubateur va essayer de protéger ses incubatees contre le marché afin de pouvoir se développer tranquillement. A l'inverse, un accéérateur va tout mettre en œuvre pour que l'attendee fasse face au marché et shift si nécessaire

J : un accélérateur essaie totalement de te confronter au plus vite avec la réalité du marché c'est bien vrai ça … En plus généralement les incubateurs protègent trop leur attendants ce qui crée parfois des walking dead pendant des durées indeterminées ! C'est un gros plus aussi des accélérateurs c'est ce côté à te forcer à p-voir la réalité directement et ça aussi ça provient de la communité car généralement se sont eux qui vont lever les red flags le plus vite possible ce qui parfois te permet même de comprendre tes erreurs avant même de les avoir réaliser en direct avec les forces du marché. Dis tu as un peu regardé les accélérateurs pour les hardware ?

A : Alors j'ai rencontré Highway 1 et Pch

J : Qui as tu rencontré chez eux ?

A : Alors j'ai rencontré sherry et edward chez eux et chez Plug and Play Yaël et Megan

J : Tu es très bien tombé avec eux ils s'y connaissent tous très bien ! Pour revenir avec Plug and Play un autre aspect qui est essentiel c'est qu'il faut participer à ces programmes avec des questions très précises ou sinon tu te retrouves perdu dans ces process et donc si tu n'as pas toi même déterminer la raison pour laquelle tu voulais faire partie de ce programme, tu vas perdre un temps monstre à rencontrer aussi les mauvaises personnes qui ne vont pas t'amener la ou tu as besoin d'aller ! Alors j'ai aussi récemment participer à leur startup weekend ou pendant 4 weekends on te pousse à rencontrer énormément de gens et on te drill sur des thématiques bien précise ce qui était relatif au hardware dans ce cas ci et donc extrêmement important pour moi

A : Et donc c'était 4 weekends rempli de mentorship c'est ça ?

J : oui donc énormément de workshops pendant ces quatres weekend, mais c'était uniquement parce qu'on connaissait très bien notre problème qu'on voulait résoudre et donc c'était surotut de bénéficer des knowledge des mentors pour nous aider. On avait trois questions bien précise qu'on a réussi à établir : une par rapport à notre chaine logistique, la seconde c'était de savoir si on était bon ppour le retail, est ce qu'on peut vendre chez Target avec notre business modèle ? et après le digital marketing , quels sont les bonnes pratiques, comment tu crées tes information channels , facebook, google ou pas etc,… Après ce weekend la on est rentré avec un carnet d'adresse rempli et **on a utilisé notre réseau chez plug and play afin de nous faire des introduction ce qui est essentiel ici** ! alors ils nous ont introduit chez les quatres plus gros partners logistique aux US, puis énormément d'accès à différents retailers ce qui était super important pour nous à ce moment ! Je pense que la notion d'accélérateur prend tout son sens ici car on aurait pu trouver les contacts par nous même et de fil en aiguille monter jusqu'au plus haut échelon si jamais on y arrive mais tout ce process nous aurait pris beaucoup plus de temps car on a déjà un bon réseau aussi mais la en deux semaines on a tout trouvé en deux semaines alors que seul ça m'aurait pris une demi année ! En parlant de temps je dois descendre dans la valley donc on va devoir vraiment écourter je suis vraiment désolé mais j'espère avoir pu t'aider !

A : Oui ne t'inquiète pas julien, un tout grand merci de ton temps c'est vraiment très gentil d'avoir bien voulu donner de ton temps pour répondre à mes questions ça été vraiment très précieux pour moi ! Un tout grand