

# Effectuation and the influence of social networks on the internationalization of accelerated startups

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## ABSTRACT

Accelerators recently became a more active alternative to incubators as a mechanism for supporting and developing technology-based startups, especially in their internationalization. At the same time, social networks enable and increase the speed of the process of small firms' internationalization by allowing the attainment of third-party resources and market knowledge. The objective of this research was to better understand how accelerators speed up the process of internationalization for incubated startups. A single case study was conducted on an internet startup. Analysis of the company's internationalization process was based on the theoretical approach of international entrepreneurship and effectuation theory. The results indicated that the startup benefited from resources and knowledge obtained through accelerators that would usually be obtained through a social network. In addition to the accelerator, by replacing informal social networks with more formal and structured ones, the firm was able to increase the speed of internationalization. The main contribution of this article is to illuminate and detail the connection between the theoretical principles of effectuation and the use of social networks in the internationalization of small firms.

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## 1. Introduction

In a globalized economic environment, the rapid internationalization of a small emerging business (a startup) is considered fundamental to the innovative development of a country (Sebrae, 2006). For example, Apex-Brasil has contributed to the increase in speed of Brazilian startups' internationalization through market research and participation support in events and international fairs (Apex-Brasil, 2015). The recognition of the high mortality rate of small businesses that can reach 60% in the first four years of life (Sebrae, 2004) has led to the creation of entities to support the growth of startups such as accelerators and incubators (Anprotec, 2012). The growth and development of accelerators has also been supported by the federal government through state incentive programs such as the program START-UP BRAZIL (Brasil, 2014), as well as by multinationals such as Microsoft, who have created their own accelerator in search of more opportunities for

innovation (Microsoft Venture, 2014). In terms of the number of accelerators, from 2011 to 2014 nearly 40 were created in Brazil (Aguilhar, 2014). Worldwide, estimates range from 300 to 2000 accelerators operating on every continent (Cohen & Hochberg, 2014).

The literature on company internationalization already has an extensive body of studies on international entrepreneurship (Jones, Coviello & Tang, 2011), which is especially dedicated to rapid small-firm internationalization, also known as new international ventures or born globals (Oviatt & McDougall, 1994). Within this literature, social networks are recognized as being crucial for rapid internationalization of born globals because they greatly influence this process (Oviatt & McDougall, 2005), especially when it comes to obtaining resources (Coviello & Cox, 2006) and knowledge of international markets (Bell et al., 2003). Additionally, effectuation theory presents principles of cognitive

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heuristics used by entrepreneurs (Sarasvathy, 2008) under conditions of extreme uncertainty (which almost always feature on entry in international markets) and of scarce resources (typical to small emerging companies). As these conditions are fairly common in the process of small firms' internationalization, effectuation theory can help to understand the process of internationalization through social networks (Sarasvathy et al., 2014).

Due to the fact that accelerators are a recent phenomenon and only a few startups have graduated, there is still a great shortage of studies (especially empirical) on accelerators and accelerated startups (Cohen & Hochberg, 2014). Thus, literature studies related to incubators was sought since they share with accelerators the fact of being organizations that offer resources and support for the development of startups, including access to experts from various fields (Peters, Rice & Sundararajan, 2004). In the literature there are studies on internationalization programs of technology-based incubators (Engelman & Fracasso, 2013), about networks as a relevant factor in the process of internationalization of incubated startups (Engelman & Fracasso, 2013; Engelman, Zen & Fracasso, 2015), and on the use of social networks for incubated firms (Lagemann & Loyola, 2013), but the literature is still in its infancy in regards to the internationalization of companies incubated by networks (Styles & Genua, 2008); that is, there is a gap in the literature of studies that illuminates the role of social networks and their contribution in terms of resources in the process of emerging innovative companies' internationalization, which is assisted by entities that support the growth of startups, such as incubators and accelerators.

The objective of this research was to identify how an accelerator could facilitate and streamline the internationalization of a startup through interaction in social network relationships. Furthermore, we sought to identify the additional resources that an accelerator would bring to the process of internationalization. To achieve this goal, exploratory empirical research on a single case study was held. This research enabled the description and characterization of the rapid internationalization process of a startup that was supported by an accelerator. Among the results, it was identified that the social network of entrepreneurs was replaced by a formal and structured network by the accelerator, which served as an intermediary to obtain

information and additional resources that boosted the pace of the startup's internationalization.

This work contributes to understand and clarify the role of social networks in the process of internationalization of a nascent company with physical, financial and technological resource constraints. Moreover, the study adds more empirical research to nascent studies related to effectuation and network theories in Brazilian literature about internationalization (Matta & Mello, 2014).

This work is divided into five more parts, in addition to the introduction. In the next section a review of the literature is done mainly on international entrepreneurship, social networking theory and effectuation theory. The research method is then briefly discussed. Discussions follow the presentation of the case study, and the last section summarizes the contribution of the study and makes suggestions for future research.

## 2. Theoretical framework

Accelerators are a fairly recent phenomenon, with the first accelerators being founded in the USA in 2005 (Y Combinators) and 2007 (TechStars) (Cohen & Hochberg, 2014). Accelerators are composed of experienced business executives who offer office space, mentoring, networking, administration services, knowledge, and expertise to startups as their needs arise, helping them to surmount the first stages of their creation (Hoffman & Kelley, 2012).

Accelerator and incubator concepts are not clearly distinguished, and even practitioners confuse the terms (Cohen & Hochberg, 2014). Literature studies related to incubators was therefore sought since they share with accelerators the fact of being organizations that offer resources and support for the development of startups, including access to experts from various areas (Peters, Rice & Sundararajan, 2004). However, accelerators differ from more traditional university incubators as, for example, they almost always invest in their own startups (very often in exchange for a stake in the company), involve themselves in the growth of a company, and also offer a smaller incubation period (Hoffman & Kelley, 2012). Thus, accelerators are much more dynamic and can be defined by their growth-supporting programs of a short, fixed period, are based on a group of companies being accelerated at the same time, include mentoring and educational elements,

and end in a public event to present the companies (Cohen & Hochberg, 2014). Accelerators have distinct operating characteristics: integrated workspaces (co-working) where businesses interact in one environment; an incubation period, generally from three to five months; presentations to new investors at the end of the program; and access to legal and marketing support even after the period of acceleration has finished (Hoffman & Kelley, 2012). There are several types of support offered, mainly resources in legal, administrative, and marketing areas, interaction in networks with mentors and ex-participants, and presentations to new potential investors (Hoffman & Kelley, 2012). In practice, accelerator programs are a combination of services or previously separated resources, which were once too expensive for a nascent entrepreneur to find and obtain (Hochberg, 2015). Some first-rate programs emphasize the value of networks of mentors and investors that they make available to participating startups (Hochberg, 2015).

However, the phenomenon of accelerators is still recent and relatively few startups have graduated. For these reasons there are few empirical studies in the area, especially on the performance of accelerators and accelerated startups (Cohen & Hochberg, 2014). Consequentially, the literature review was based on studies related to incubators, which are similar and emergent.

In literature on the internationalization of incubated companies in Brazil, there are studies on the internationalization of incubated and graduated companies (Baêta, Borges & Tremblay, 2006; Ramos & Alperstedt, 2010; Engelman & Fracasso, 2013; Fiates et al., 2013; Engelman, Zen & Fracasso, 2015). For example, Ramos and Alperstedt (2010) studied the case of an incubated software company that only used social networks to increase its internationalization. Fiates et al. (2013) identified that incubators encourage the formation of networks that stimulate innovation and interaction with actors that make internationalization possible. Other research in Brazil discusses internationalization programs of technology-based incubators (Baêta, Borges & Tremblay, 2006; Engelman; Fracasso, 2013), showing that networks as a relevant factor in the process of internationalization of incubated companies (Engelman & Failure, 2013; Engelman, Zen & Fracasso, 2015). However, the literature on the internationalization of incubated firms through social networks (Engelman & Fracasso, 2013) is still

emerging – a deficiency that has also been pointed to in the international literature (Styles & Genua, 2008).

Internationalization theories from behavioral biases are based on perceptions, attitudes, and behaviors of decision-makers, who seek the reduction of risk associated with decisions about where and how to expand (Carneiro & Dib, 2007). The two most representative theories are the Uppsala model (Johanson & Vahlne, 1977, 2009) and international entrepreneurship theory (Oviatt & Mcdougall, 1994). The first theory is based on the incremental increase of a firm's commitment in international markets, with the entry in these markets seen as a positioning in international networks (Johanson & Vahlne, 2009) and also as an entrepreneurial act (Schweizer, Vahlne & Johanson, 2010). International entrepreneurship theory has been mainly dedicated to the phenomenon of rapid or accelerated firm internationalization, the so-called new international ventures or born globals (Oviatt & Mcdougall, 1994). In this perspective, the definition of international entrepreneurship "is the discovery, enactment, evaluation, and exploitation of opportunities – across national borders – to create future products and services" (Oviatt & Mcdougall, 2005, p. 540). Internationalization is a process whose speed is influenced by four types of forces: the enabling: technology; the motivating: competition; the mediating: the perception of entrepreneurs; and the moderating: network and knowledge. From these forces, networks stands out for influencing modes of entry and operation in international markets (Oviatt & Mcdougall, 2005).

Network relationships have been recognized for some time as an important element to the process of internationalization of small and mid-sized companies, both in the area of international business (Welch & Welch, 1996; Madsen & Servais, 1997; Tikkanen, 1998) and international entrepreneurship (Oviatt & Mcdougall, 1994; Sharma; Blomstermo, 2003). Empirically, various network functions have been identified of which the use of third-party resources is especially important (Coviello & Cox, 2006) for obtaining knowledge about international markets (Bell, Mcnaughton, Young & Crick, 2003) as well as selecting a mode of entry into them (Coviello & Munro, 1995; 1997). Moreover, several empirical studies have sought to understand the importance of social networking in the process of internationalization (Ellis, 2011), and more specifically, the importance of weak ties (Ellis, 2011;

Nowiński & Rialp, 2015) and overcoming structural holes in international markets (Chandra, Styles & Wilkinson, 2009).

Social networks are a fundamental concept for international entrepreneurship in which entrepreneurship can be understood as a networking activity (Dubini & Aldrich, 1991). That is, entrepreneurship is located in a network of social relations, and it is carried out by connecting entrepreneurs to resources and opportunities that exist in the network (Aldrich & Zimmer, 1986). A social network can be understood as the set of people composed of individuals with ties to their family, close friends, and acquaintances (Granovetter, 1983) through which relationships are created and maintained (Burt, 1992). The strength of a relationship has two independent dimensions – frequent contacts and emotional proximity (Burt, 1992) – and their strength depends on the level, frequency, and reciprocity of relationships between people (Aldrich & Zimmer, 1986). The strength of ties is important in the process of transmitting information over a network and "is a combination of the amount of time, the emotional intensity, of intimacy, and reciprocal services that characterize the link" (Granovetter, 1973, p. 1361). Relationships based on weak ties have shorter durations and a lower frequency of contact, an example being friendly relationships that are strictly business (ALDRICH, 1999). Weak ties are more numerous because they do not require much investment and can be crucial sources of information and know-how (Oviatt & Mcdougall, 2005). Ordinarily, weak ties are those that connect intermediaries and permit new network relationships and new sources of information (Burt, 1997), thus allowing structural holes to be overcome (Burt, 1992). Structural holes are gaps between distinct networks and act as bridges to new information through intermediaries who are positioned in these holes (Burt, 1992). The intermediary operating in structural holes controls information flows in three ways: access, timing, and referrals (Burt, 1997). Access is related to available information; timing regards the appropriateness of the time that information is made available; and referral is related to the reliability of the information (Burt, 1997).

Effectuation theory can be incorporated in international entrepreneurship research, contributing to the understanding of the role of networks in the process of internationalization

(Sarasvathy; et al., 2014), mainly because this theory takes into account the social network of the entrepreneur, both in terms of current means at their disposal and the incorporation of stakeholders who bring additional resources (Sarasvathy, 2008). Effectual logic is a cognitive heuristics describing how entrepreneurs use resources under their control to create new businesses and is particularly useful in situations of great uncertainty, such as the creation of startups. Effectuation is based on five principles of entrepreneurial action: decisions based on resources that are already available and not on goals to be achieved; identification and administration of affordable level of loss; partnerships for obtaining resources that are not yet available; transformation of contingencies into opportunity; and, finally, co-creation of future conditions through the interaction of other agents, instead of using techniques that attempt to predict the future. These principles can be named and detailed as follows (Sarasvathy, 2008):

***Bird in hand:*** the entrepreneur concentrates on the available means in order to take advantage of opportunities. So, they (check) holds in their personal characteristics (who am I?), in their knowledge (what do I know?) and in their networks (whom I know?);

***Affordable loss:*** instead of estimating the return on investment and the opportunity cost of performing it, the entrepreneur is based on the value that they are willing to lose if the project is not successful;

***Crazy Quilt:*** partnerships are the main mechanism for obtaining additional resources. These partnerships are created with stakeholders who believe in the business;

***Lemonade:*** this principle considers that effectual logic may be better for exploring unforeseen situations that occur randomly; Thus, the surprises can be "leveraged" rather than avoided or adapted;

***Pilot-in-the-plane:*** entrepreneurs do not try to predict the future because of the large uncertainty associated with it; instead, they seek to control it by creating their own opportunities in interaction with other agents.

There are some features of the internationalization process that can be fruitfully reviewed and studied through effectuation, such as uncertainty in foreign markets, limited resources, and network dynamics.

The latter is contained in the principles of “bird in hand” (“whom I know?”) and “crazy quilt”. The last principle represents the development and the strengthening of ties of networks to accelerate the development of the entrepreneur's project. In the framework of international entrepreneurship, it is not necessarily the network that makes the difference, but rather how the entrepreneur uses it (SARASVATHY et al., 2014). Effectuation theory can also be useful for understanding processes of unplanned internationalization (Chandra, Styles & Wilkinson, 2009; Kalinic, Sarasvathy & Forza, 2014).

### 3. Research method

The research question sought to understand how an accelerator sped up and streamlined a startup's internationalization through its role of integrating different network relationships. The case study was chosen as a method of research because an exploratory research of a contemporary phenomenon inserted in a complex context was sought, in addition to being based on questions such as “how” (Yin, 2001). QUEREMOS!, a technology-based Brazilian startup with a business model that is considered unique was identified for this study. The objective of this research was to study a specific type of company, that is, a technological startup belonging to the creative industry with a unique business model, which internationalized with the assistance of an accelerator. The study of multiple cases therefore becomes less important, and the single case study is justified because the main focus is the thorough understanding of the context of a firm (Siggelkow, 2007), which is also suggested for effectuation in internationalization of born globals (Andersson, 2011). The research followed the procedures established by Yin (2001) and as the research sought to enhance the perspective of whom actually experienced the process of internationalization, primary data collection was done through in-depth open interviews (Miles & Huberman, 1994).

Interviews were conducted with one of the partners (the company's director of operations) and another interview with one of the accelerator's executives. Both interviews were done with two researchers to diminish possible interviewer bias. The interviews were recorded, subsequently transcribed, and analyzed to identify the categories and major events in the history of the company and its internationalization process. The choice of only one

interviewee from the company is compatible with the proposition that the entrepreneur is the best source of primary data, because they are the best informed about the firm (Evangelista, 2005). Content analysis was done according to the pre-analysis stages, exploration of the material, and processing of results (Bardin, 1996). The first stage of the research was the systematization of the *corpus* of analysis. In this step, the collection of secondary data was done first using websites and Facebook pages of startups and accelerators, pages of specialized magazines, and videos of events in which the company participated. Specifically, the sources included websites of the company QUEREMOS! and WE DEMAND, from the accelerator 21212, the event Tech Crunch Disrupt, besides the pages of the company and accelerator on Facebook, Twitter, and also digital magazines such as *Le Monde*, *Contagious*, *Future Of Entertainment*, *TEDxRio*, *Canadian Music Week*, among others. These additional sources allowed the triangulation of data with the interviews and therefore increased the validity of research (Yin, 2001).

The interviews were later conducted and transcribed. In the second phase, the exploration of the material and the systematization of theoretical-based categories were held. Finally, the handling of material was done in the third step, with inference and interpretation of the categories in order to identify and understand the phenomenon in light of the literature. As the company was still very new, and with the multiple sources of information available, it was believed that the secondary data collection had reached the point of exhaustion. The results were organized in consideration of concepts identified in the literature review, and the categories searched were related to the stages of the process of internationalization, the importance of relationships in this process, and the role of accelerators in the different stages of internationalization.

The use of a single case was justified by the specificity of the company (Siggelkow, 2007) in relation to various characteristics related to its business model, the dynamics of the accelerator, and the industry sector that it belongs to. QUEREMOS! was the only Brazilian winner in the popular international event Tech Crunch Disrupt and has a unique business model that can offer new perspectives on national or international distribution of goods and services of the creative industry (Unctad, 2010).

Until 2014, it had been the only Brazilian startup participating in the most important moment of the biggest event of innovation and entrepreneurship in the digital world, the Tech Crunch Disrupt, which is located near Silicon Valley and features large venture capital firms. In high-tech markets, where the mortality rates of startups is high because of major technological changes happening in a short time, attending the biggest event in the area means acquiring momentum to survive for a longer period. Furthermore, the company's unique business model has consequences for the way that goods and services of the creative industry are distributed. Most distribution channels for creative products are dominated by large multinationals, but the advent of digitalization and the internet has caused major changes to distribution (Unctad, 2010). QUEREMOS! could be part of a radical change in the way the music industry is structured, because more and more artists have been dedicated to live performances as their primary source of income, and now distribute for free songs that they recorded (Unctad, 2010). QUEREMOS! allows artists direct contact with their audience as well as the identification of places for live performances. Such event singularity (Yin, 2001) is given priority to encourage the understanding of the factors that generated such leverage for rapid internationalization, which distinguishes it from other startups.

#### 4. Case description: Internationalization of QUEREMOS!

QUEREMOS! is a platform that finances musical performances by means of a digital tool of collective financing based on the internet. Founded in Rio de Janeiro in 2010, the company promotes musical performances by international artists that would not held due to the unpredictability of local audience attendance. The partners had already been professionals for more than thirty years and established careers in areas of cultural industry, such as television, cinema, and publicity, among others.

The platform has become a direct communication channel with a constant user base for financing and promoting musical events. The model worked like this: people interested in an event available on the platform buy tickets in advance; if the minimum number of people interested in the event is not reached the money is returned in full. If the minimum number is achieved, the company negotiates the

arrival of the artist; with the event confirmed, pre-sold tickets are distributed and more tickets are sold to the general public. In 2014, the company had a revenue of US\$ 1.4 million and a base of 400,000 users. In four years, the company had conducted more than 100 concerts, generated more than a million requests, and sold 158,000 tickets. After a chance encounter with a partner of a startup accelerator, the opportunity to participate in 21212's acceleration process came. The startup model was identified as unique to the world, and the accelerator was the reason for the invitation to participate in a process of acceleration that had already begun. In addition to support traditionally provided by an accelerator, the decisive factor for the acceptance of the invitation by the company was the fact that 21212 would allow faster internationalization than would only be possible with the use of the partner's relationships. According to the testimony of the director:

*"the 2% that the accelerator in the North American market could offer would be worth more than 80% in Brazilian market, and since the model needed to grow a lot for success, we knew there had to be something big that could rise fast."*

The legal structuring of the company in view of attracting foreign investors was also vital. With the accelerator becoming a partner of the company, there was interest in continuing the development of the company even after the expiry of the period of acceleration. To support the development of the startup, the accelerator sought in its own network mentors specialized in technology and associated with the entertainment industry. According to the director of QUEREMOS!:

*"It accelerated the process of creating and structuring the business (mentoring, coaching) ... in our case, we brought in our music mentor specialists whilst we used the accelerator's network."*

The accelerator also boosted the firm's internationalization through its inclusion in the event and the preparation of the presentation at the 2012 Tech Crunch Disrupt, where startups with radical innovation models make presentations to potential international investors. This year, the company was part of the 12 selected among 5000 entries from around world. At the time, in addition to having won the award, the company obtained an investor. After the event, the accelerator kept presented the company to more venture capital firms in the region.

The event was considered as the company's gateway to the international market, since the visibility achieved at the event provided both new investors and the dissemination of the gratuitous business model. The new investments were used explicitly for the internationalization of the company. Upon entry of the company into the US market, it was quickly realized that there were significant differences in relation to the Brazilian music market, and the platform had to be adapted to more types of market participants into account. The operationalization of the entry into the American market was done through the relocation of two partners in order to facilitate the process of adaptation to the market. Two new offices were created: one in New York because of its geographical proximity to Brazil and the fact that the accelerator owned its own office in the city, which had the goal of taking care of the relationships with current and potential investors; and another in Los Angeles, considered to be the "world capital" of the entertainment industry, which aimed to strengthen relations with artists and musicians.

Given the complexity of the new market, there was a need to create a new model adapted to the different characteristics of the local market. A new format was developed where there was greater emphasis on the artist's relationship with its fan base. Thus, the aggregated data of users allowed artists to use a tool to develop marketing strategies through business intelligence. In exchange for this free tool, the platform was charging a fee for all conducted transactions. To ensure the dissemination of the platform and the expansion of the user base, a partnership with Twitter, where information generated by users themselves was transformed into direct requests for both platforms – the Brazilian and the international. Although the model had been created in a way that took into account the specificities of the American market, the platform began to attract fans from other countries. In the second half of 2014, Europeans began using the platform and, consequently, started demanding concerts in some countries of the continent. With this, the internationalization of the platform would go beyond the US market, a process driven entirely by spontaneous demand from its user base.

## 5. Case analysis

The case analysis is divided into two parts: the substitution of the social network for the

accelerator's in the process of the firm's internationalization; and the adaptation of the business model for the international market. The "crazy quilt" principle from effectual logic sees the establishment of partnerships as a key mechanism to obtain the resources necessary for the viability of the company (Sarasvathy, 2008). This "crazy quilt" principle serves to illustrate the replacement of the firm's informal social network with a formal, structured one represented through the accelerator, since the process of internationalization was financed by new investors contacted through the accelerator. In this way, it is clear that the moderating force acted as an accelerator of firm internationalization, i.e., it increased the speed of the firm's entry into new international markets (Oviatt & Mcdougall, 2005). The most important feature of the network is the use of structural holes for obtaining information from other networks. In this case, the accelerator served as a go-between and controlled the flow of information in the three ways: access, timing, and referral (Burt, 1997). These three dimensions define what, when, and who has access to the firm – conditions controlled by the accelerator. This formed an extensive network composed of mentors and potential investors that could contribute to the development of the firm, and the selection of investors and mentors was made in line with the characteristics and needs of the firm. In the process of internationalization, this role was evident when the accelerator organized meetings with investors, defined the legal configuration for internationalization, and supported the opening of the firm's offices in America.

In the third step, the firm knew to quickly change the business model for American market realities and created a new name for the international website (WE DEMAND!) in order to increase the visibility of the brand in the USA. The perception of the need to change the business model was due to the greater sophistication and complexity of the market. They adapted the platform to reuse the large base of users and offered new services to a new client, the artist. This explains the "lemonade" principle from effectual logic (Sarasvathy, 2008), where one must recognize the importance of the unexpected in order to create new opportunities. Moreover, they adapted the platform to the greater complexity of the American music industry and opened an office in the world entertainment capital in order to closely monitor new trends and deepen the relationship with this

important agent of the platform. In this way, they sought to control the future of the company in a new market with a high level of uncertainty by creating their own opportunities in interaction with other agents, corresponding to the "pilot-in-the plane"

often unexpected and contingency based (SARASVATHY et al., 2014). Table 1 below summarizes the findings of the research and related literature.

**Tab. 1**

Comparison of research findings with concepts in the literature

Research findings	Related Concepts
The accelerator replaced enterprise social networking and increased the speed of internationalization	Networks positively influence the speed of internationalization (Oviatt & Mcdougall, 2005)
The accelerator influenced the mode of entry and the selection of external markets, providing market information about the market and the US music industry	Networks influence the mode of entry and choice of foreign market (Coviello & Munro, 1995; 1997), enabling the acquisition of knowledge about foreign markets (Bell et al., 2003)
The entertainment industry mentors and groups of recently contacted investors allowed the flow of information and contact with new partners in the US market	Weak ties (Granovetter, 1973) formed in the process of internationalization (Ellis, 2011) act as intermediaries to overcome structural holes between distinct networks (Burt, 1992) in international markets (Chandra, Styles & Wilkinson, 2009)
The accelerator controlled the flow of information, its timing, and the quality to the startup during its internationalization process	The three dimensions of information control are identified through intermediary network information: access, timing, and referral (Burt, 1997)
The firm's growth is accelerated with financial, legal, and marketing resources; American investors brought new financial resources	Stakeholders are incorporated, which adds additional resources (Sarasvathy et al., 2014); the network allows third-party resources to be obtained (Coviello & Cox, 2006)
The firm adapted the platform to the greater complexity of the American music industry	Use of the unforeseen situations: "lemonade" principle (Sarasvathy et al., 2014)
Creation of new services specifically for the American market with the incorporation of the new agent's platform	Control the future in an environment of high uncertainty through interaction with other agents: "pilot-in-the-plane" principle (Sarasvathy et al., 2014).
Unplanned entry into the European market based on spontaneous requests from fans	Entry into foreign markets can be based on random events: the creation of opportunities is not planned (Chandra, Styles & Wilkinson, 2009; Kalinic, Sarasvathy & Forza, 2014; Sarasvathy et al., 2014).

**Source:** Prepared by the authors

principle (Sarasvathy et al., 2014). It is important to note that the company did not follow the "chain of establishment" described in the traditional Uppsala model (Johanson & Vahlne, 1977) and jumped the first two steps of irregular exports and local agents by installing offices in the host market. In addition, the firm did not internationalize to position itself in an international business network, but rather as an entrepreneurial act (Schweizer, Vahlne & Johanson, 2010).

Another relevant point is the fact that the business model was developed for the characteristics of the US market, but began an expansion driven spontaneously by user demand located in Europe. This mode of entry into new markets revealed that the expansion was unexpected and unplanned, reinforcing the argument that internationalization is

## 6. Final considerations

The research presented in this paper aimed to explore, through a single case study, the role of networks in the process of rapid internationalization of a technology-based startup participating in a Brazilian accelerator program. The dimensions were identified where one accelerator acted not as a mediator to access business networks (Mcadam & Marlow, 2007) or to strengthen the entrepreneurial network (Engelman & Fracasso, 2013), but to substitute the startup's social network during the process of internationalization. This occurred because the accelerator served various functions in the social network, such as the intermediation of information flows that allowed the identification of new opportunities (Burt, 1992) through its network of mentors and international contacts (Hochberg,

2015), and the provision of physical, human, financial, and organizational resources (Coviello & Cox, 2006) in the process of acceleration (Cohen & Hochberg, 2014, Hoffman & Kelley, 2014). Yet in the network, the accelerator's function acted as a mechanism that positively influenced the speed of internationalization of the company (Oviatt & Mcdougall, 2005), allowing the fastest entry possible into the American market. Furthermore, the findings reinforced the usefulness of the application of effectuation theory in the study of networks in relation to internationalization, especially with regard to the incorporation of stakeholders (and their additional resources), the use of contingencies, and the creation of international opportunities for interaction between agents (Sarasvathy et al., 2014). It is possible that this role of network "replacement" is more likely to occur during acceleration, since these have a higher commitment in terms of financial resources than traditional incubators.

In empirical terms, this study contributes to a better understanding of the role of acceleration in the process of internationalization of Brazilian startups, showing that accelerators can be effective not only in the growth and continuity of a company, but also in its internationalization. This adds more empirical research to still scarce studies of the effectiveness of accelerators (Cohen & Hochberg, 2014). The findings also show how the accelerator could act as a formal and structured substitute of a nascent firm's informal social networks, which is supported by studies that point out that incubators allow the strengthening and expansion of incubated startups' business networks (Engelman & Fracasso, 2013). In theoretical terms, a contribution of this study is the illumination of mechanisms through which a small company gets additional resources (Coviello & Cox, 2006), such as knowledge and capital, for its process of internationalization through the incorporation of new stakeholders (Sarasvathy et al., 2014), and also how a company can expand its network through its current network relationships (Sarasvathy et al., 2014). Practical and managerial contributions of this research indicate that, to ensure the effectiveness of startup internationalization, managers of accelerators and incubators should seek to constitute a network of mentors and experts with international projection to act as intermediaries between the startup and possible international partners, such as investors and lawyers.

This research has the limitation of being a single case study and, therefore, the findings cannot be generalized to other firms or sectors. Investigation of new types of incubator and accelerator configurations with or without programs defined from internationalization, as well as the identification of different characteristics of independent accelerator, are suggested for future research. Additionally, research could investigate the increasingly important phenomenon of "corporate" accelerators. There is also room for new exploratory studies in other high-tech sectors with international entries, such as the software sector for example. Studies using quantitative methods could compare the speed of internationalization of high and low technology startups with accelerators and incubators. Finally, more in-depth study on the role of incubators and accelerators in the identification process of international opportunities seems to be the next step in studies on the topic.

## 7. References

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# Effectuation e a influência das redes sociais em internacionalização de startups em aceleradoras

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DETALHES DO ARTIGO	RESUMO
<p><b>Histórico do artigo:</b> Recebido em 29 de junho de 2015 Aceito em 3 de fevereiro de 2016 Disponível online em 30 de abril de 2016</p> <p>Sistema de Revisão “Double Blind Review”</p> <p><b>Editor científico:</b> Eduardo Eugênio Spers</p>	<p>Aceleradoras recentemente se tornaram uma alternativa mais atuante do que as incubadoras como um mecanismo de apoio e desenvolvimento de startups de base tecnológica, inclusive em sua internacionalização. Ao mesmo tempo, redes sociais possibilitam e aumentam a velocidade do processo de internacionalização de pequenas firmas por meio da obtenção de recursos de terceiros e de conhecimento de mercado. Neste contexto, o objetivo desta pesquisa foi a busca de uma maior compreensão sobre como as aceleradoras agilizam o processo de internacionalização das startups nelas incubadas. Foi realizado um estudo de caso único em profundidade de uma startup de internet. A análise do processo de internacionalização da empresa teve como base teórica a abordagem do empreendedorismo internacional e a teoria de effectuation. Os resultados indicaram que a startup se beneficiou de recursos e conhecimentos obtidos por meio da aceleradora, os quais seriam comumente obtidos por meio de uma rede social. Além disso, a aceleradora, substituindo a rede social informal de maneira formal e estruturada, foi capaz de aumentar a velocidade de internacionalização da firma. A principal contribuição deste artigo é a de iluminar mais detalhadamente a conexão entre os princípios teóricos da effectuation e o uso de redes sociais na internacionalização de pequenas firmas.</p>
<p><b>Palavras-chaves:</b> Empreendedorismo internacional Redes sociais <i>Effectuation</i> Aceleradoras Indústria musical</p>	<p>© 2016 Internext   ESPM. Todos os direitos reservados!</p>