

Entrepreneurship at the Bottom of the Pyramid: How does the mindset impact the entrepreneurial journey?

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Entrepreneurship, innovation and specifically the impact these can have on socio-economic growth have been an upcoming topic in academics in recent years (Meyer & Meyer, 2019; Mukorera, 2020; Scheu & Kuckertz, 2023). It is clear that Entrepreneurship generally has a positive impact on the aggregate economic growth (Nyström, 2008) and firms which are capable of sustaining an effective corporate entrepreneurship strategy see above average results (Dess & Lumpkin, 2005). Research conducted across the globe details the positive effects entrepreneurship and innovation can have on people, including those living on less than 2 dollars a day, and how entrepreneurs from developed countries can be incredibly useful in building up entrepreneurial ecosystems in developing countries (Scheu & Kuckertz, 2023). A few specific examples can be described. In Eastern Europe entrepreneurship has been linked to a significant positive impact on socio-economic growth and employment (Meyer & Meyer, 2019). In Malaysia, programs to develop micro-enterprises and stimulate women entrepreneurship seem effective in increasing socio-economic growth and economic stability (Zainol et al., 2017). Similar results were observed in a project with self-help groups in India, where entrepreneurship was linked to an increase in socio-economic status (Pratibha et al., 2021). Lastly, in South-Africa entrepreneurship has been proposed as a possible solution for women empowerment in rural areas, to similarly increase socio-economic status (Mukorera, 2020).

This group of people found mostly in developing countries, living on less than 2 dollars a day, is sometimes referred to as "the Bottom of the Pyramid". The Idea of the Bottom of the Pyramid began mainly as a way to reframe a large portion of the world population as possible consumers with a side note to entrepreneurship (C. K. Prahalad & Hart, 2002), but over time the concept started focusing more on entrepreneurship (Hart & Caneque, 2017; C. K. Prahalad et al., 2012; D. Prahalad, 2013). The Bottom of the Pyramid has received its fair share of criticisms (Dembek et al., 2020; Hart & Caneque, 2017; Karnani, 2005, 2006b, 2006a; Landrum, 2014), ranging from calling it unethical, to romanticizing the poor and simply calling out the fact that using the Bottom of the Pyramid model does not seem to have created any specific strides in the alleviation of poorness (Dembek et al., 2020).

It is no wonder then that entrepreneurship at the Bottom of the Pyramid is still a difficult topic. Firstly, there seems to be a mismatch between the knowledge of the policy makers and the reality of entrepreneurship at the Bottom of the Pyramid, as current policies do not appear to help this group. This problem is illustrated by an example from South Africa by Lebambo (2019). South-Africa has policies in place to promote tourism-based entrepreneurship as it is viewed as a solution to develop rural areas. However, the

entrepreneurs in rural areas seem to not be able to get the support they need through these policies. The entrepreneurs are subjected to basic one size fits all programs due to lack of knowledge or distance between the policy makers and the entrepreneurs decreasing the effectiveness of the policies (Lebambo, 2019). The second example comes from the original inspiration for this thesis, a meeting for a personal project, with someone who helps build schools in the northeast of South Africa . The goal of the project is to make the schools self-sufficient as fast as possible, through promoting entrepreneurship. Unfortunately, this project has mixed results. Some take immense pride in the school, decorate it with grass (prestigious in South Africa), flowers and fruit trees against official regulations, see example (Lebambo, 2019). This created a pulling effect as more parents wanted their kids to go to that specific school. One school director dreamt of owning 101 mango trees, and over time she found increasingly better ways to capitalize on their production. She has now bought personal property and has created a family farm as a retirement plan. Unfortunately, these were examples of the rare successes. Contrary to these stories, there were those who worked incredibly hard for guaranteed gains, but stopped when those guaranteed rewards fell away because of COVID. The entrepreneur leading the school project notes that generally the people he works with can work incredibly hard at creating value, but the moment they can/need to capitalize on this value the initiative crumbles and they are stuck not knowing what to do. These anecdotes showed me that there is much to be discovered about entrepreneurship and the Bottom of the Pyramid in the context of mindset.

These examples show that the Entrepreneurial mindset can be extremely important for success, unfortunately it is a concept currently not completely understood (Kuratko et al., 2020), and research has mainly focussed on the positive effects of an entrepreneurial mindset (Daspit et al., 2021), while the negative consequences can have disastrous impact (Mcmullen & Kier, 2016). Research into the entrepreneurial mindset is important as a better understanding of the entrepreneurial mindset will advance the study of entrepreneurship as a whole (Kirzner, 1997). Scientific literature on entrepreneurial mindset at the Bottom of the Pyramid is limited and nascent, with two papers slightly touching the subject with a descriptive/empirical case studie (Linna, 2013) about bricolage and effectuation at the Bottom of the Pyramid (Sarasvathy, 2001). Although the effect of living in poverty has been researched (Shah et al., 2012), including the negative impact on cognitive functions (Mani et al., 2013), these are not specifically related to the Bottom of the Pyramid. The importance of research specifically in the Bottom of the Pyramid is because this is not only characterized by poorness (living of less than 2 dollars) but also includes a lack of infrastructure and possible

opportunities (C. K. Prahalad et al., 2012; C. K. Prahalad & Hart, 2002). Identifying how the entrepreneurial mindset can help people living at the Bottom of the Pyramid could potentially help figuring out entrepreneurial mindset as a whole, since the Bottom of the Pyramid has already been identified as a potential source of innovations which can impact the developed world (C. K. Prahalad et al., 2012). Thus, in this thesis I will be researching the question: *How does the entrepreneurial mindset impact the entrepreneurial journey in practice when operating at the Bottom of the Pyramid*

The scope of this thesis is to do an inductive qualitative study in line with Edmondson & Mcmanus (2007) as the scientific literature on this topic quite nascent. A conceptual model and propositions are developed based on the information gathered. Follow the Gioia methodology (Gioia et al., 2013). Using semi structured interviews as the main source of information, incorporating specific research techniques where needed to achieve the core ideas of the Gioia methodology. The main technique being the Critical Incident Technique (CIT) (Flanagan, 1954; Viergever, 2019). I selected 10 interviews to be coded out of a pool of 24. These interviews were with both entrepreneurs from the Netherlands as entrepreneurs from the Bottom of the Pyramid. As entrepreneurs are proficient networkers, the most obvious route to finding entrepreneurs to interview was through a network. The interviews were all done online, due to the international scope and time constraints related to the thesis.

I will extend the stream of research on entrepreneurship at the Bottom of the Pyramid by exploring how the entrepreneurial mindset can be expressed differently at the Bottom of the Pyramid. These insights into potential differences between the developed world and the developing world will shed light on whether research done on entrepreneurship in the west is applicable to those living at the Bottom of the Pyramid and will open venues for more nuanced research into this group of people. Ultimately, on a practical level I aim to create a better understanding of those living at the Bottom of the Pyramid by interviewing those who are involved in helping them through entrepreneurship, which are either entrepreneurs from developed nations or the Bottom of the Pyramid themselves. This will help in closing the gap between what is currently thought to be best practice in entrepreneurship, and the mindset and goals of those entrepreneurs living (or operating) at the Bottom of the Pyramid. Doing this will allow the creation of more nuanced policies, and better business models and entrepreneurship trainings, to support those entrepreneurs.

Literature review

Bottom of the Pyramid

The concept of the Bottom of the Pyramid was first popularized by C. K. Prahalad & Hart (2002), who defined those living at the Bottom of the Pyramid as an under-explored market segment of 'value conscious consumers'. They characterized the Bottom of the Pyramid as 4 billion people who live on less than 2 dollars a day, with the Bottom of the Pyramid being responsible for 40 to 60 percent of economic activity in developing countries. (C. K. Prahalad & Hart, 2002). It is important to note that the people who make up the Bottom of the Pyramid are not a single entity, and can be segmented in multiple ways (e.g. culture, ethnicity, literacy). (C. K. Prahalad et al., 2012, p6). Additionally, some studies define a broader income range as the Bottom of the Pyramid (Rangan et al., 2011).

The Bottom of the Pyramid literature went through three distinct phases Bottom of the Pyramid 1.0, Bottom of the Pyramid 2.0. and Bottom of the Pyramid 3.0 (Dembek et al., 2020). Bottom of the Pyramid 1.0 (C. K. Prahalad & Hart, 2002) which lays the focus on transforming the Bottom of the Pyramid into consumers. This first phase has received harsh criticism from a moral standpoint, with accusations of exploiting those who are most vulnerable by framing them as customers instead of producers (Karnani, 2006a) . Bottom of the Pyramid 2.0 (Hart, 2017) which shifts the focus towards co-creation, and Bottom of the Pyramid 3.0 (Hart & Caneque, 2017) which again shifts the focus but this time towards sustainable development. Each phase putting more focus on entrepreneurial aspects. As C. K. Prahalad et al. (2012) argues that extant literature on innovation assumes a focus on products and technologies for the developed market. However, by reframing those living on less than 2 dollars a day as the Bottom of the Pyramid allows to explore opportunities in a currently neglected market of four billion people who can be seen as micro consumers, and more importantly as micro producers/entrepreneurs. C. K. Prahalad et al., (2012) goes on to argue that entrepreneurship at the Bottom of the Pyramid is not only important for those living at the Bottom of the Pyramid, but could also change the way people live in the developed world. As sustainable product innovations started at the Bottom of the Pyramid could become disruptive technologies replacing current unsustainable technology in the developed world.

However, all the Bottom of the Pyramid strategies have received ample criticisms for not alleviating poverty (Dembek et al., 2020; Hart & Caneque, 2017; Karnani, 2005, 2006a, 2009; Landrum, 2014). As there is little evidence to support the claim that Bottom of the

Pyramid strategies work (Dembek et al., 2020). One of the underlying problems is that Business and scientific literature on the Bottom of the pyramid differ from each other (Landrum, 2020). In the business literature, the Base of the Pyramid and subsistence communities in general are portrayed as troublesome (Landrum, 2014). This leads to the development of solutions rooted in western capitalism, which in turn perpetuate the issues of industrialized nations within subsistence markets (Landrum, 2014). Frequently, Bottom of the Pyramid strategies mirror the approaches used in international strategies for emerging economies, thus resulting in the replication of Western tactics (and problems) from global markets in Bottom of the Pyramid markets.



Entrepreneurship

Defining an entrepreneur can be difficult, as who they are and what they are doing are generally intertwined (Howorth et al., 2005). Entrepreneurship can be defined as “the act of generating and developing an idea for validation” (Prince et al., 2021, p.29), as the current definitions of entrepreneurship i.e., business/organisation creation, uncertainty, innovation, value creation and opportunity recognition/creation fall within this concept (Prince et al., 2021). Innovation and creativity are concepts closely linked to entrepreneurship and each other (Edwards-Schachter et al., 2015; Fadaee et al., 2014). Innovation differs from entrepreneurship and creativity as it is often defined as an outcome (Garud et al., 2013). However, Garud et al. (2013) goes on to define innovation as the process of inventing, developing, and implementing ideas, similar to the definition of entrepreneurship proposed by Prince et al. (2021). For this thesis the definition of individual and small-group creativity as proposed by Amabile (1988) will be used: “The model outlines three major components necessary for individual creativity in any particular domain: domain-relevant skills, creativity-relevant skills, and intrinsic task motivation” (Amabile, 1988, p.130)

Types of Entrepreneurship

Within the concept of entrepreneurship there are several specific types (subsections) which require highlighting for the purposes of this thesis. The first subsection of entrepreneurship, social entrepreneurship has been getting substantial attention over the past 20 years (Alegre et al., 2017). The term social entrepreneurship has three main ways it is defined by those researching it: the ability to combine social goals with financial performance; creating good and/or services for the good of the community; and lastly innovation to create social value (Alegre et al., 2017). The second subsection, Indigenous

entrepreneurship refers to the establishment, administration, and growth of new enterprises by indigenous individuals, aimed at providing benefits to indigenous people as a whole (Hindle & Lansdowne, 2005). The mainstream way to do entrepreneurship is not for everyone (Dana & Anderson, 2007) and (indigenous) people will see value in different opportunities and define success differently (Dana & Anderson, 2007), which creates friction between the standardized ways government policies are set up and the means and goals of the entrepreneurs these policies aim to help (Lebambo, 2019).

Another important distinction within entrepreneurship that needs to be understood is the difference between opportunity and necessity entrepreneurship. These two types of entrepreneurship are entirely opposites of each other in regard to the motivation of the entrepreneur. As outlined by Van Der Zwan et al. (2016), opportunity entrepreneurship is characterized by a pulling or positive motivation, while necessity entrepreneurship is characterized by pushing or negative motivation. A examples of this pulling motivation could be the need for achievement, or independence, while an example of a pushing motivation is the risk of unemployment (Van Der Zwan et al., 2016). The type of entrepreneurship someone undertakes can have quite substantial effects on the mindset of that entrepreneur.

Entrepreneurial Mindset

Understanding what makes an entrepreneur successful has been an increasingly popular research subject over the past decades (Daspit et al., 2021). This research includes into the entrepreneurial mindset (EM) as shifting to an entrepreneurial mindset can create an advantage over a managerial mindset in a corporate setting (Wright et al., 2000). While a significant portion of research on an EM emphasizes its positive aspects, previous studies have suggested that an excessive amount of an apparently advantageous characteristic could be detrimental under specific conditions (Daspit et al., 2021). McMullen & Kier (2016) state that it is important to acknowledge that for an entrepreneur to effectively generate value from an opportunity, they must exhibit persistence. However, it goes on to state that this persistence can result in increased commitment, which reduces contingency planning and hinders the ability to adjust course if the decision turns out to be less than ideal. In conclusion, while an EM leads to positive results in some settings, an EM can also cause a heightened commitment, limiting the individual's capacity to adapt, even if they wish to do so (McMullen & Kier, 2016).

Understanding what makes an entrepreneur successful has been an increasingly popular research subject over the past decades (Daspit et al., 2021). Part of this has been research into the entrepreneurial mindset as shifting to an entrepreneurial mindset can create an advantage over a managerial mindset in a corporate setting (Wright et al., 2000). While a significant portion of research on an entrepreneurial mindset emphasizes its positive aspects, previous studies have suggested that an excessive amount of an apparently advantageous characteristic could be detrimental under specific conditions (Daspit et al., 2021). McMullen & Kier (2016) state that it is important to acknowledge that for an entrepreneur to effectively generate value from an opportunity, they must exhibit persistence. It goes on to state however that this persistence can result in increased commitment, which reduces contingency planning and hinders the ability to adjust course if the decision turns out to be less than ideal. In essence, while leveraging intuition, making decisions with limited information, and maintaining optimism about future outcomes may lead to positive results in some cases, an EM can also cause a heightened commitment, limiting the individual's capacity to adapt, even if they wish to do so (McMullen & Kier, 2016).



Daspit et al. (2021) states that while researchers recognize the various aspects of an EM, a universally accepted definition has yet to be established. As a result, EM studies have been hindered by the absence of a uniform definition, leading to a fragmented body of literature spread across numerous disciplines. Without a shared definition amongst the various fields where entrepreneurial mindset is examined, it is difficult to progress this area of knowledge, which in turn limits the quality of advice provided to practitioners. Daspit et al. (2021) go on to build six aggregate dimensions for entrepreneurial mindset based on definitions in research papers spanning 2000 to 2020: value creation, ability to recognize and act on opportunities, adaptable and resilient, cognitive perspective, decision-making with limited information, and uncertain and complex context. Interestingly more recent research papers include skills and thought processes into entrepreneurial mindset (Daspit et al., 2021), examples being “entrepreneurial mindset, defined as the constellation of motives, skills, and thought processes that distinguish entrepreneurs from non-entrepreneurs and that contribute to entrepreneurial success.” (Davis et al., 2016, p.22) and “The entrepreneurial mindset is . . . the true source of innovation and entrepreneurship that [is] an ability and perspective that resides within each one of us . . . and consists of three, distinct components: cognitive, behavioural, and emotional aspects” (Kuratko et al., 2020).

Entrepreneurial Mindset & extreme resource constraints

Since the Bottom of the Pyramid is defined as those living in the lowest income class (generally less than 2 dollars a day) I argue that resource constraints are more prevalent here than normally associated with entrepreneurship. Considering these people grew up with extreme resource constraints, it could be expected that they are adept at dealing with resource constraints and operate and think in ways consistent with the entrepreneurial mindset. Some evidence supports this idea. While western companies are struggling with the concept of ‘do more with less’ pioneers in developing countries are succeeding (C. K. Prahalad & Mashelkar, 2010). However, research on poorness and scarcity show that poorness directly reduces cognitive performance, as worries of money and food continually occupy parts of the brain, leaving less cognitive function for the other tasks which need to be completed (Mani et al., 2013). Poorness also shifts attention and focus to a smaller (nearby) timeframe, creating a mindset of instant reward, and make long term investments uninteresting. Ultimately, this reinforces behaviours which perpetuate poorness and could be counterproductive to achieving success in entrepreneurial endeavours (Shah et al., 2012).

Research gap

It is clear that assuming those living at the Bottom of the Pyramid should operate in manners mirroring western approaches is not creating the desired results (Dembek et al., 2020; Landrum, 2014). Currently, how to change the western approaches to fit the Bottom of the Pyramid is unknown. Clearly, a better understanding of entrepreneurs and entrepreneurship at the Bottom of the Pyramid is required. This is illustrated by the critics of the Bottom of the Pyramid model calling to forget about the Bottom of the Pyramid as consumers and start thinking about them as producers (Karnani, 2005, 2006a, 2009).

However, limited research is available on the combination of entrepreneurship, Bottom of the Pyramid and entrepreneurial mindset, as there are only a few research papers in scopus remotely touching this subject (Cañeque & Hart, 2017; Chakrabarti & Henneberg, 2023; Gau et al., 2013; Linna, 2013; Sridharan & Viswanathan, 2008). Of these, two only discuss a specific type of mindset, Marketing mindset (Sridharan & Viswanathan, 2008), and vertical integration mindset (Gau et al., 2013), not relevant to this thesis. Two other papers that discuss concepts closely related to EM, namely Bricolage and Effectuation (Chakrabarti & Henneberg, 2023; Linna, 2013), were empirical case studies of only two cases each. Both papers called for more research to be done with a higher number of cases as a next step. “It is essential to search for and study the practices of successful local innovators who have been

able to face resource constraints but yet develop successful businesses under such conditions” (Linna, 2013 p.17). The goal of the thesis will thus be to further literature on the subject of entrepreneurship at the bottom of the pyramid by developing a conceptual model and propositions.

Method

Methodological approach

The scope of this thesis is to do an inductive qualitative study (Edmondson & Mcmanus, 2007) as the scientific literature on this topic is limited and nascent, mostly descriptive/empirical case studies of 1 or 2 cases (Linna, 2013; Sarasvathy, 2001). More specifically the goal of this thesis is to create a conceptual model for entrepreneurial mindset at the Bottom of the Pyramid based on the data gathered during this thesis. For this thesis the Gioia methodology is used (Gioia et al., 2013) in all three stages of the research, research design, data collection, and data analysis. Implementing different techniques to achieve the key features outlined by Gioia et al. (2013). In line with these key features the research question is phrased in a “how” manner aimed at finding new information about the interrelation between the Bottom of the Pyramid and entrepreneurial mindset. Additionally, the existing literature is studied withholding judgment on its conclusions in order to uncover fresh perspectives.

The main source of data was collected as semi structured interviews, as this method is the basis of Gioia methodology (Gioia et al., 2013). The choice was made to do interviews with multiple entrepreneurs from different entrepreneurial groups as this created a more nuanced approach including multiple viewpoints, ensuring a higher validity of the research (Gephart, 1997). This is generally appropriate for relatively under-researched and new topics (Dورياu et al., 2007; Gioia & Chittipeddi, 1991; Gulley & Mei, 1985). More specifically, the initial goal was to do interviews with entrepreneurs, either originally from the Bottom of the Pyramid or from developed nations doing entrepreneurship at the Bottom of the Pyramid.

The semi structured interviews were built upon the Critical Incident Technique (CIT) (Flanagan, 1954; Viergever, 2019). The Critical Incident Technique is quite similar to the

laddering technique used for developing marketing strategies based on holistic customer understanding (Reynolds & Gutman, 1988). Both techniques emphasize the informant and maintain flexibility in the interviews, which are the key features of this research step outlined by Gioia et al. (2013).

The last research step, data analysis, has several key features specific to the Gioia methodology and thus don't require the use of other research techniques. The original idea was to code of the first order terms following the Weber Protocol (Weber, 1990) to ensure high validity of the coding. However, as a symptom of the open structure of the interviews, the topics discussed vary too much to apply a structure like the Weber Protocol. Due to this the choice was made to code interviews until conceptual saturation, after which the codes are checked and combined if too similar. After that, the coded text was checked to see whether the codes still apply to this piece of text. The end product of this thesis following the Gioia methodology will be a dynamic grounded theory model.

Implementation

The goal was to do 10 interviews per person to create a data pool of 30 interviews to select interviews in which our topic is extensively discussed. The interviews took between 30 minutes and 1.5 hours, with the average being 1 hour. They include a set of initial open questions to identify the Critical Incident(s) and sets of two questions relating to all three subjects for this thesis circle in case the entrepreneurs focus mostly on another topic during the open section of the interview. The specific guideline used can be found in Appendix A.

As entrepreneurs are proficient networkers, the most obvious route to finding entrepreneurs to interview is through a network. This proved to be a good move as many entrepreneurs I interviewed were willing to help connect to new entrepreneurs. Something I completely underestimated was the tendency of entrepreneurs to make their life extremely busy. This meant that although they would gladly talk about their experiences, getting a hold of them proved to be difficult with rescheduling up to three times being the norm. My own starting point was my own network of entrepreneurs, active in multiple different countries in Africa, India, Pakistan, and even Caribbean. The two other participants of the thesis circle explored different avenues and sought to interview entrepreneurs active both in Africa and on other continents. Additionally, entrepreneurs were also sought out through online channels like LinkedIn. The interviews were all done online, due to the extremely busy nature of the entrepreneurs, international scope and time constraints related to the thesis. The goal was to find entrepreneurs also from the Bottom of the pyramid. However, in practice the

entrepreneurs from the Bottom of the Pyramid where extremely hard to get a hold of due to internet problems and language barriers. An overview of the specific traits of the entrepreneurs who's interviews where used for this thesis can be found in table 1.

Table 1

Info on the entrepreneurs referenced

| Shorthand | Traits | Country of Origin | Countries of Entrepreneurship |
|-----------|--|-------------------|--|
| LE1 | Local entrepreneur | Niger | Niger |
| SE1 | Social entrepreneur Agriculture | Netherlands | Niger |
| SE2 | Social Entrepreneur education | Netherlands | South Africa |
| LE2 | Local (and International) entrepreneur | Sint Maarten | Sint Maarten, Marocco |
| DE1 | Designer of entrepreneurial programs | Netherlands | Nepal, Gambia, Ghana |
| LE3 | Local entrepreneur | South Africa | South Africa |
| IE1 | Impact entrepreneur | Netherlands | India, Uganda, Guinea, Niger, Côte d'Ivoire and Gambia |
| SE3 | Social Entrepreneur fabric industry | Netherlands | Bangladesh, India, Pakistan, China, and the north part of Africa |
| SE4 | Social Entrepreneur education | Netherlands | Netherlands, South Africa, African continent |
| VC1 | Impact VC fund founder | Netherlands | Netherlands, Ghana |

Note. This table shows the entrepreneurs who's data was used for this thesis in an anonymised way. The shorthand is based on the trait of the entrepreneur for easy referencing while reading. Further information is the country of origin to show whether an entrepreneur is from the Bottom of the Pyramid themselves or from the Netherlands.

All interviews where be recorded and transcribed. Based on relevance interviews were selected to code, conceptual saturation was reached after 6 interviews. Digital tools were used for transcribing and coding the interviews as this significantly reduces human error. For coding MAXQDA was used.

Ethical considerations

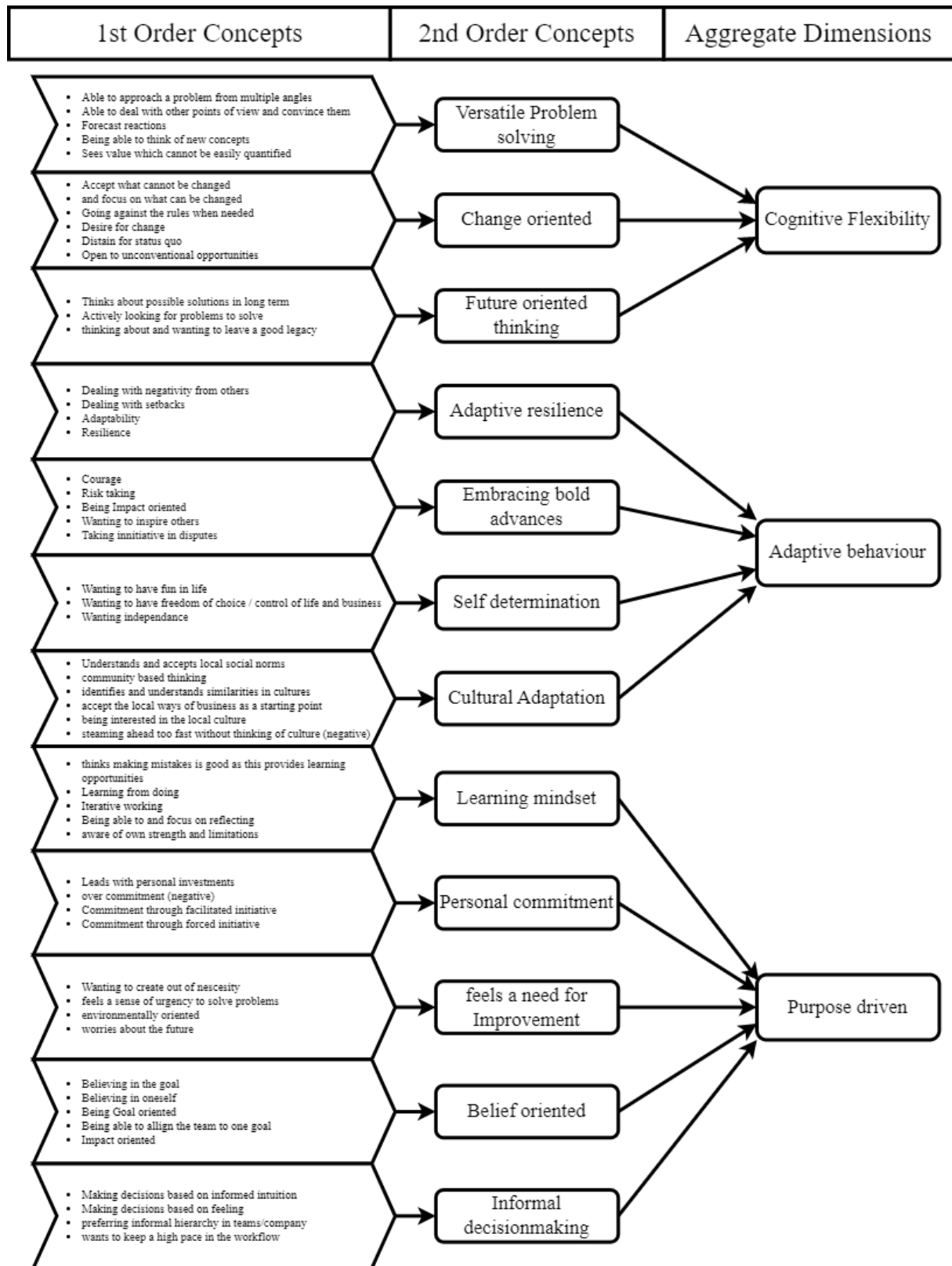
Those living in the Bottom of the Pyramid can be considered a vulnerable population. From an ethical standpoint, conducting research involving vulnerable populations necessitates providing protection for these individuals (Peter, 2015; Taquette & da Matta Souza, 2022). It is particularly important when using data collection methods such as in-depth interviews on potentially sensitive topics, as they may explore both interpersonal and politically charged issues, potentially leading to conflict situations (Peter, 2015). Because the interviews will include questions about adoption factors, culture, and mentality, ethical implications of the research will be important to take into consideration. For this thesis the most important consideration will be informed consent for recording and storing the interviews. To take and record the interviews in an ethical manner I will use the guidelines as outlined by Radboud REC (*Informed Consent and Ethics Committees - Research Data Management*, n.d.). If other ethical considerations or dilemma's might occur during the research done for this thesis the Radboud REC databank will be consulted.

Results

Out of 10 interviews I created a total of 126 first order codes. These codes then got reduced to 56 useful first order codes. These first order codes are then combined into 12 second order codes which are combined into three Aggregate dimensions, Cognitive Flexibility, Adaptive Behaviour and Purpose driven. Cognitive flexibility and adaptive behaviour are terms which are quite closely related, and can quite easily be used interchangeably, depending on the situation. Both are used in this thesis as Cognitive flexibility defines the entrepreneurs own push for change and their capacity to achieve this change. While Adaptive behaviour refers to the entrepreneur's proclivity to seek out unknown situations and their capacity to adapt to these situations which might be unexpected, risky, or generally unwanted when they arise. I will be more in depth explaining each second order concept based on one or more exemplar quotes pertaining to it. Exemplar quotes for the other first order code can be found in Appendix B.

Figure 1

Data structure entrepreneurial mindset at the Bottom of the Pyramid



Note: This figure outlines my own findings in the interviews with the entrepreneurs.

1 Cognitive Flexibility

1.1 Versatile problem solving

The participants' approach to problem-solving is diverse and multifaceted, consistently seeking new avenues for exploration and the development of innovative solutions. As Entrepreneur IE1 expressed: “I like to think of concepts, and let's say I'm active in initiating new ways, new ideas and whatever.” They are not only comfortable with the conceptualization of new ideas, but they actively enjoy and engage in the process of doing so. The perspective shared by VC1 presents an interesting dimension to the definition of value, which is reflective of their cognitive flexibility. VC1 challenged the traditional economic paradigms, stating “is it in the economic books? Is it confirmed that a tree has value or a volunteer doing fantastic work with old people etc”. This capacity to diverge from orthodox definitions and frameworks, not just with acceptance but with a sense of irritation towards the status quo, is characteristic of the versatility of their problem-solving.

1.2 Change oriented

The entrepreneurs demonstrate a deep-seated orientation toward change, which is embodied by their readiness to embrace and seek out unconventional opportunities. A notable example of this is found in SE3's account of being approached by two women from Turkey. Despite existing in a socio-cultural environment that was heavily male-dominated at the time, SE3 saw an opportunity rather than a barrier. Instead of succumbing to societal norms and expectations, they chose to challenge the status quo and open a new pathway of engagement.

Moreover, SE3's statement, “I'm always open for young people,” captures more than just an acceptance of change - it shows an active pursuit of it. This represents a shift from passive adaptability to active initiation, a distinguishing characteristic of cognitive flexibility. The quote illustrates the entrepreneur's enthusiastic acceptance of change, which includes inviting fresh perspectives and continually striving to redefine boundaries in their entrepreneurial journey. Embracing such a mindset allows entrepreneurs to persistently explore new avenues for growth and innovation.

1.3 Future oriented thinking

The entrepreneurs' cognitive flexibility is prominently displayed in their future-oriented thinking, which is a key factor in navigating the complex landscape of entrepreneurship at the Bottom of the Pyramid. SE2, discussed their approach to establishing

new schools: “We try to create a situation where schools become sustainable, self-supporting...” This plan aims not just at building schools, but envisioning these institutions' long-term sustainability, reflecting an understanding of the community's future needs.

Executing such long-term planning demands substantial cognitive flexibility. The entrepreneur has to contemplate various factors including socio-cultural context, economic conditions, and evolving community needs. The synthesized information then forms strategic action plans that tackle immediate needs while setting the groundwork for future success. This demonstration of proactive and strategic thinking encapsulates the essence of future-oriented thinking, reinforcing the entrepreneurs' ability to anticipate and prepare for the future.

2 Adaptive behaviour

2.1 Adaptive resilience

Adaptive resilience is central to an entrepreneur's ability to turn adversity into a learning opportunity. LE2 embodies this trait, transforming repeated rejections into a game-like challenge: "Okay, let's just see how many no's we can get before we get to the yes... So we just kept going, kept going, and it kind of became this game almost where it's sort of like, so how many no's did you get today?" This shift from frustration to playfulness encouraged persistence despite resistance.

This unique approach was inspired by their mentor, a former firefighter, whose experience in high-stakes situations influenced LE2's resilient mindset. Another entrepreneur, SE4, highlighted the influence of experience in fostering a positive outlook, stating: “Yeah. I would say I became a lot more positive... Yeah, focusing on the solution always and staying calm.” These narratives reveal that adaptive resilience, integral to the entrepreneurial journey, is cultivated over time and reinforced through mentorship and experiential learning..

2.2 Embracing bold advances

Entrepreneurship, by its nature, entails risk-taking. The extent of risk assumed often varies, generally left to the discretion of the entrepreneurs. Yet, for entrepreneurs operating at the bottom of the pyramid, high-risk ventures appear to be a common narrative. SE2's school initiation exemplifies this: "I took that chance, built that school with fund money with fundraising done in Holland on our own responsibility. We put 50,000 euros in a brand new school and two years later we got our first grant by the South African government". Despite unsuccessful initial attempts at securing grants, SE2 boldly plunged into the daunting task

alone. This risky undertaking was exacerbated by the prevailing 'seeing is believing' culture in South Africa, amplifying the entrepreneurs' risk profile even more.

SE2's bold advance paid off eventually, a scenario that wasn't the case for another entrepreneur, DE1. Encountering a murky situation where they were being exempted from paying taxes, a scenario they construed as a potential set-up for extortion, DE1 took the audacious step of initiating a legal battle against the government. The government retaliated with a hefty fine that was beyond DE1's capacity, consequently halting the project. Reflecting on the ordeal, DE1 pondered whether thorough scrutiny of the paperwork could have avoided the adverse outcome. This narrative underscores the entrepreneurs' innate disposition to counteract challenges and swiftly seek solutions, a move that sometimes culminates in success and other times, less favourable outcomes.

2.3 Self-determination

The role of entrepreneurship in self-determination is best summed up by SE2: “But when it comes to fun you better be an entrepreneur.” At the core entrepreneurship, even entrepreneurship aimed at social goals or impact is something which a person undertakes because they want to do so from an intrinsic motivation. SE2 goes on to state that being an entrepreneur gives them “freedom to choose, freedom to live, freedom to plan my own time and agenda”. Clearly for this entrepreneur that intrinsic motivation is to be free to do as they please. Entrepreneurship for those operating at the Bottom of the Pyramid is a way of life which will allow them to have the most fun.

2.4 Cultural adaptation

The entrepreneurial mindset, particularly for those working outside of their native cultures, is profoundly influenced by the capacity for cultural adaptation. These dynamics are exemplified by SE3's experiences, encompassing both positive and negative outcomes. SE3 displays an earnest interest in their employees' cultures, opting for an immersive approach: "I decided that next visit we will go and visit some of the workers at home... which I also did in Pakistan." This openness and exploration allow for an enriched understanding of the host country's culture and reveal unexpected parallels to their own. One such parallel is observed in the practice of arranged marriages. Often viewed with scepticism in the West, SE3 initially shared this negative view. However, they eventually recognized a similar practice in their homeland, the Netherlands: "But generally, if you think about it, we are doing the same and

it's more on the discreet matter, but we sent our children to the hockey club where we have the people, the hockey friends, and we sent them to the MBS school and not to school in Amsterdam.” This realization highlights the common, underlying desire present in both cultures to create suitable social circles for their children, albeit executed differently.

However, SE3's story also features a cautionary tale about cultural adaptation. Their ambitious plan to bring a female employee from Pakistan to Amsterdam, achieved by convincing her husband, led to unexpected and undesirable results. The woman, once in Amsterdam, decided not to return to Pakistan, proclaimed herself divorced, and chose to live with family in Europe. This instigated significant backlash in Pakistan: “And although I was maybe very proud about myself that I was winning the game to get her into Amsterdam, the effect was that I didn't really win anything.” This experience underlines the importance of moving beyond surface-level cultural awareness. For entrepreneurs to succeed, they must sincerely understand, respect, and integrate with the local culture, positioning it as the foundational cornerstone for their business.

3 Purpose driven

3.1 Learning mindset

SE1: And I'm working with great people and they do everything on Excel sheets, but in real world things are different. And I say, let's just start and learn. And of course you have to guide a little bit, but you learn from the practise.

LE2: and then everyone sits back and reflects on, okay, how are we going to do better next time?

Incorporating a learning mindset forms an integral part of the entrepreneurial journey. It's a multi-dimensional attribute that is not limited to an awareness of one's strengths and weaknesses. Rather, it emphasizes openness towards experimentation and viewing setbacks not as failures, but as opportunities for growth.

This point is effectively encapsulated by SE1' “And I'm working with great people and they do everything on Excel sheets, but in real world things are different. And I say, let's just start and learn. And of course you have to guide a little bit, but you learn from the practice.” The essence here is the transition from theoretical constructs to the grit of practical execution. It's a process of initiating, navigating, and learning amidst uncertain outcomes.

Comprehending one's strengths and limitations forms a crucial aspect of this process. Entrepreneurs should identify their areas of expertise and acknowledge areas where they

could use support. This awareness can drive strategic partnerships that compensate for one's weaknesses, fostering a culture of collective growth and success.

A learning mindset also embodies comfort with making mistakes. As one entrepreneur noted, he finds joy in witnessing young talent in his company making errors and drawing lessons from them. This concept reflects the transformative power of a learning mindset, which recasts mistakes from a fear-inducing event into a springboard for growth and learning.

Finally, an iterative approach is key to maintaining a learning mindset. This process is well-illustrated by LE2's observation: "and then everyone sits back and reflects on, okay, how are we going to do better next time?" This kind of reflection, especially after encountering setbacks, informs future tactics and exemplifies the inherent resilience and adaptability of a learning mindset. For instance, asking "why are you saying no?" when confronted with a denial can provide invaluable insights to shape future decisions and strategies, thereby solidifying the importance of a continuous, learning-oriented entrepreneurial path.

3.2 Personal commitment

Commitment on a personal level plays a significant role in entrepreneurial success, especially in contexts of higher resource constraints. SE2's experience with a stolen car underscores this: "that's another positive side effect is that when we were giving out food programmes, we would distribute it to schools, which means they will get it for free. Now we don't have a car anymore, so they come and fetch it at the head office. Which also creates something like a unique, more commitment to find someone with a car willing to drive 50 you to the head office of the organisation fetching the food for that month. And I think the food is more appreciated now than it was before." This situation illustrates how personal commitment can cultivate a sense of ownership and appreciation.

However, personal commitment can become problematic when taken to an extreme. SE1 shares a cautionary tale, "I already started building the factory to make the pellets. That was a little bit too far, because they said over here: Hey, why are you doing that? I said, yeah, well, we need a factory. You need a place where to make it. Yeah, but you can use one now by renting something. Of course I understand their side." This narrative highlights the importance of striking a balance and understanding when to pull back.

This personal commitment can extend beyond the entrepreneurs themselves and include those who are involved in their ventures. The notion of "feeling involved" and "committed" significantly enhances the likelihood of success. One entrepreneur illustrates this by recounting a trip to Morocco, where, out of their own pockets, they undertook land

surveying and measurements. The documentation and sharing of this commitment on social media added credibility to their venture and made it easier to secure funding. The entrepreneurial journey, therefore, is not merely about personal commitment but also about instilling that commitment in others, ensuring their involvement and shared dedication.

3.3 Feels a need for improvement

One of the most fascinating aspects when comparing entrepreneurs from the developed world and those from the Bottom of the Pyramid (Bottom of the Pyramid) is their shared intrinsic need for improvement. At the heart of their innovative practices and behavioural changes, both kinds of entrepreneurs express this desire for progress, albeit in different contexts.

For entrepreneurs from developed regions, this need for improvement tends to be oriented towards long-term, abstract goals, as illustrated by VC1: “And I started to worry to get worried about their future and the world. So I asked myself, what is it I am contributing to a better world? And my answer was negative or at best neutral.” This aligns with the earlier concept of long-term thinking.

Conversely, the need for change among local entrepreneurs is more immediate and concrete. LE3's experience epitomizes this: “Because the green Mangoes were breaking the trees so I decided to sell the green Mangoes.” LE3 resorted to selling green (unripe) mangoes when their trees could not bear the weight, posing a direct threat to their income source, as further clarified in figure aaaa. Such instances underline the urgency for local entrepreneurs to innovate swiftly in response to immediate threats to their livelihood.

However, this difference does not imply that local entrepreneurs lack a long-term vision similar to their counterparts in the developed world. Conversely, entrepreneurs from developed regions may often overlook the acute pressures experienced by local entrepreneurs. This discrepancy necessitates careful consideration when establishing new programs or collaborations, ensuring that both immediate and long-term needs are duly recognized and addressed.

Figure 2
Picture of a tree cracked under its own weight sent by LE3 to illustrate the necessity behind their decision



3.4 Belief oriented

One might argue that the less concrete evidence one has, the more one needs to rely on personal belief. While this rings true for all entrepreneurs, who often harbor beliefs of becoming the next unicorn startup or something similar, I propose that possessing a core belief and managing others' beliefs become exponentially crucial when working under significant resource constraints, such as in the Bottom of the Pyramid.

LE2 ascribed the success or failure of startups in their environment to the management or mismanagement of this shared core belief: “It's very hard for everyone to, let's say, sing the same song. ... That was the critical tipping point that we all started on the same line. But then over time we started to diverge into why we're doing the thing that we're doing. And I think that kills a surprising amount of startups.”

In a similar vein, LE1 explained how managing collective belief played a crucial role in their operations: “So for the first time, we have done a meeting among between ourselves. We gathered all the staff, we discussed about that. We set up an objective that all of us have the obligation to pursue and if there is something wrong in that, people just have to tell this.” The meeting LE1 mentioned was a critical tipping point aimed at clarifying the rationale behind their laundry business and aligning everyone on what they believed to be the correct course of action. Therefore, entrepreneurs' capacity to maintain and navigate a shared belief system can serve as a decisive factor for their venture's success, especially in high-constraint contexts like the Bottom of the Pyramid.

3.5 Informal decision-making

Belief plays a pivotal role in sustaining a startup, from ensuring "everyone sings the same song" to maintaining the motivation required for persevering. This reliance on belief is also mirrored in the interviewed entrepreneurs' decision-making process. As entrepreneurs operate amidst uncertainty and risk, they seem to thrive on making decisions based on seemingly inconclusive evidence. As SE1 illustrates: “let's do what your heart gives you as a direction. And that's working in Africa.”

However, this does not mean that the entrepreneurs make decisions haphazardly. Instead, they navigate the thin line between rationality and emotions, a strategy often referred to as informed intuition. SE2 elaborates: “You make all the calculations, it should be worthwhile to do. Still there is this emotional barrier because you're not a hundred percent safe of the outcome. Then you need your gut feeling and that's the only thing you can trust on.” Thus, undertaking all the necessary research to gauge the viability of ideas, but making

the final call based on intuition appears to be a core characteristic of the entrepreneurial mindset of those interviewed.

This also connects back to the previously discussed aspects as informal decision-making is facilitated by their cognitive flexibility. Moreover, should a decision prove less than optimal, these entrepreneurs possess the adaptability necessary to rectify the situation.

Discussion

The study discusses entrepreneurial mindset in the Bottom of the Pyramid through open interviews with 10 entrepreneurs. From these interviews a model was build based on the Gioia methodology leading to three main aggregate dimensions; cognitive flexibility, adaptive behaviour, and being purpose-driven.

Cognitive flexibility is depicted as an essential attribute of the entrepreneurial journey. Entrepreneurs interpret rejections as learning opportunities and strategically approach adversity, demonstrating cognitive fluidity. Experience and mentorship emerge as pivotal factors, fostering self-determination and confidence in handling high-risk ventures

Adaptive behaviour is reflected in entrepreneurs' respect for local customs and practices, especially those operating outside their home cultures. This cultural adaptability lays the foundation for effective business operations in diverse settings. Moreover, a learning mindset characterizes this adaptive behaviour, emphasizing openness towards experimentation. Entrepreneurs display a keen awareness of their strengths and limitations, driving strategic partnerships to foster collective growth and address areas of weakness.

The final aspect, being purpose-driven, comprises an integral part of entrepreneurship. Personal commitment, especially in resource-constrained contexts, stimulates a sense of ownership and appreciation among entrepreneurs. They balance ambition and feasibility to avoid overcommitment. An interesting finding is the shared intrinsic need for improvement across entrepreneurs from different contexts, though its manifestation varies. For developed world entrepreneurs, it's directed towards long-term goals, whereas for local entrepreneurs, it addresses immediate threats to their livelihood. The management of shared beliefs and informed intuition in decision-making further illuminate the purpose-driven approach. Their adaptability and cognitive flexibility enable course correction in case of suboptimal decisions.

Comparing the findings of this study to the definitions of entrepreneurial mindset presented by Davis et al. (2016) and Kuratko et al. (2020), it can be observed that the three aggregate dimensions – cognitive flexibility, adaptive behaviour, and being purpose-driven – align well with their established descriptions of EM.

Firstly, Davis et al. (2016) describe the entrepreneurial mindset as a "constellation of motives, skills, and thought processes" that distinguish entrepreneurs. This closely mirrors the study's aggregate dimensions. Cognitive flexibility, for instance, mirrors the "thought processes" mentioned by Davis et al., as it encompasses entrepreneurs' strategic approach to

adversity, interpretation of rejections as learning opportunities, and their ability to demonstrate cognitive fluidity. Similarly, adaptive behaviour could be seen as the "skills" aspect, as it includes cultural adaptability, openness to experimentation, and strategic partnerships – all key skills in effective entrepreneurship. The motive aspect of Davis et al.'s definition is reflected in the purpose-driven dimension of this study, capturing the personal commitment, shared belief management, and intuition-based decision-making integral to entrepreneurs' motives.

Kuratko et al. (2020) present the entrepreneurial mindset as a tripartite structure of cognitive, behavioral, and emotional aspects. Again, the findings of this study align quite closely. Cognitive flexibility corresponds to the cognitive aspect, embodying the mental agility and strategic thinking that entrepreneurs employ. Adaptive behaviour matches the behavioral aspect, reflecting entrepreneurs' action-oriented responses to their environment, including their respect for local customs and strategic partnerships. Lastly, the emotional aspect is encapsulated in the purpose-driven dimension of this study, reflecting entrepreneurs' personal commitment and shared belief management, all of which require a strong emotional engagement.

Diving deeper into the concept of the entrepreneurial mindset identified in this study, one of the noteworthy aspects is the dichotomy between long-term and short-term motivations. These motivations, when viewed in light of existing literature on types of entrepreneurship, particularly the distinction between necessity and opportunity entrepreneurship, offer a more nuanced understanding.

This study's aggregate dimension of being purpose-driven reflects both long and short-term motivations. For entrepreneurs in developed economies, purpose often aligns with long-term goals. This characteristic bears resemblance to opportunity entrepreneurship, as defined by Van Der Zwan et al. (2016). This type of entrepreneurship is characterized by a "pulling" or positive motivation, such as the need for achievement or a desire for independence, aligning well with the observed long-term purpose orientation.

Conversely, local entrepreneurs, particularly those operating in Bottom of the Pyramid environments, often address immediate threats to their livelihood through their purpose-driven entrepreneurship. This parallels the concept of necessity entrepreneurship, which is typified by a "pushing" or negative motivation, such as the risk of unemployment, as outlined by Van Der Zwan et al. (2016). The urgent need to improve immediate conditions fuels these entrepreneurs.

Additionally, the literature on specific types of entrepreneurship, such as Social Entrepreneurship, offers supplementary insights. Social entrepreneurship emphasizes the combination of social goals with financial performance, the creation of goods/services for the community, and the drive for social value (Alegre et al., 2017). These motivations align with the purpose-driven dimension, particularly in the context of entrepreneurs who operate with an objective of collective societal improvement. Intriguingly, Social entrepreneurship also encapsulates a 'belief-oriented' approach, where entrepreneurs are driven by their beliefs to enact change, mirroring the findings from this study regarding purpose driven entrepreneurs.

My findings, distilled into three aggregate dimensions of entrepreneurial mindset - cognitive flexibility, adaptive behaviour, and purpose-driven approach - align harmoniously with the definition of entrepreneurship as "the act of generating and developing an idea for validation" (Prince et al., 2021, p.29). Cognitive flexibility stimulates idea generation, adaptive behaviour moulds idea development within environmental contexts, and the purpose-driven approach fortifies the validation phase, ensuring value creation and opportunity recognition. This study, therefore, both mirrors the existing conceptualization of entrepreneurship and elucidates the intricate nuances of entrepreneurial pursuits within the Bottom of the Pyramid settings.

Implications

Theoretical implications/contributions

The study's theoretical implications build significantly on previous literature in several key areas. Firstly, it engages with the literature on the Bottom of the Pyramid by going beyond the conceptualization of Bottom of the Pyramid as merely a market segment. The study aligns itself with the later phases of the Bottom of the Pyramid literature that emphasize sustainable development and co-creation (Hart & Caneque, 2017). It is not merely the Bottom of the Pyramid's economic potential that is of interest; the entrepreneurial mindset that the study uncovers further emphasizes the Bottom of the Pyramid's role as active producers rather than passive consumers (C. K. Prahalad & Hart, 2002). The study's findings nuance the understanding of entrepreneurship within the Bottom of the Pyramid context, contrasting with Karnani's (2006a) critique of exploitation and aligning more with Hart's later phases that place focus on sustainable development and entrepreneurship.

Secondly, the study intersects the entrepreneurship literature by examining how the Bottom of the Pyramid context shapes the entrepreneurial mindset. It adds to the literature by

considering entrepreneurship not only as an activity, but also as a mindset, and investigates how this mindset manifests within a distinct socio-economic context. This builds on the work of Dasgupta et al. (2021) and others who discuss entrepreneurial mindset as a distinct concept.

Thirdly, the study makes a significant contribution to the literature on entrepreneurship in resource-constrained settings. The exploration of entrepreneurial mindsets in the Bottom of the Pyramid context aligns with the notion of 'doing more with less' as espoused by C. K. Prahalad & Mashelkar (2010). It goes beyond this by exploring how such a mindset manifests within the context of extreme poverty and links it with the findings of Mani et al. (2013) and Shah et al. (2012), who highlight the cognitive impact of poverty.

In doing so, the study also engages with the literature on different types of entrepreneurship. By exploring entrepreneurship in the Bottom of the Pyramid, it echoes Dana & Anderson's (2007) assertion that mainstream entrepreneurship approaches may not be universally applicable and suggests that indigenous entrepreneurship and necessity-driven entrepreneurship may be more appropriate conceptualizations within the Bottom of the Pyramid context.

Finally, the study's examination of entrepreneurial mindset in the Bottom of the Pyramid context contributes to an understanding of opportunity and necessity entrepreneurship as proposed by Van Der Zwan et al. (2016). It presents an expending perspective on necessity entrepreneurship, suggesting that the mindset within this context is shaped by not just fear but also by long term goals, although the urgent matters are more urgent than we are used to in the developed world.

In summary. By examining entrepreneurship from the perspective of the Bottom of the Pyramid, it adds depth and nuance to our understanding of entrepreneurial mindset, entrepreneurship types, and entrepreneurship within resource-constrained settings. Moreover, it broadens our understanding of the Bottom of the Pyramid.

Practical implications

Grounded in the understanding of the entrepreneurial mindset within the Bottom of the Pyramid context. This thesis aspires to bridge the disconnect between well-intentioned but occasionally misguided aid efforts and the real-world experiences of entrepreneurs operating within Bottom of the Pyramid markets.

Entrepreneurs from developed nations, often at the helm of ventures seeking to leverage Bottom of the Pyramid potential, need an intimate understanding of the unique realities of the Bottom of the Pyramid markets. This understanding transcends cultural,

economic, and social boundaries and requires an appreciation for local knowledge, skills, and entrepreneurial mindset (Dana & Anderson, 2007). This research aims to illuminate these aspects, thereby facilitating more effective and nuanced entrepreneurial activities within the Bottom of the Pyramid.

For policy makers, an in-depth understanding of the Bottom of the Pyramid entrepreneurs' mindset provides a robust basis for devising support mechanisms. Conventional models of entrepreneurial support may fall short in the face of the unique challenges and opportunities that the Bottom of the Pyramid presents. Policies thus need to account for the ground realities of the Bottom of the Pyramid market - its dynamics, constraints, and indigenous entrepreneurial practices (Lebambo, 2019). This research seeks to inform and influence such policy making, propelling a shift towards more grounded and contextually relevant support frameworks.

In the realm of entrepreneurship training, the insights garnered from this research could pave the way for more targeted and adaptive programs. Traditional training modules might not resonate with the unique mindset and needs of Bottom of the Pyramid entrepreneurs. Understanding their goals, motivations, constraints, and potential can help tailor more effective training methodologies that harness their entrepreneurial spirit while providing practical skills and knowledge.

The aim is to broaden the understanding of entrepreneurial practices at the Bottom of the Pyramid beyond existing literature. By providing insights into the mindset of entrepreneurs operating under adverse conditions, this research seeks to unveil the intricate tapestry of entrepreneurship within these contexts. It investigates how success is defined and achieved at the Bottom of the Pyramid, unveiling the factors that contribute to entrepreneurial triumphs and pitfalls.

Limitations & Further research

The current study, while being informative, is inevitably marked by certain limitations that suggest valuable avenues for future research. First, a key limitation pertains to the pool of interviewees, which was largely constituted by entrepreneurs from the Netherlands. Despite efforts to garner a diverse range of insights, a higher barrier was experienced in accessing BoP entrepreneurs with sufficient English proficiency and reliable internet connectivity. This factor could potentially skew the insights as they are primarily derived from the Dutch entrepreneurs who are collaborating with their BoP counterparts.

Nevertheless, these entrepreneurs serve as a proxy, allowing some insight into the interactions and experiences of entrepreneurs at the Bottom of the Pyramid. However, to truly comprehend the mindset, values, and motivations of the BoP entrepreneurs, future research could consider physically travelling to these areas to conduct face-to-face interviews, thus overcoming language and technological barriers.

Secondly, due to time constraints and logistical challenges of coordinating with entrepreneurs located globally, it was not feasible to backtrack to previous informants for further questioning as suggested by Gioia et al. (2013). This limitation may have restricted the breadth and depth of data collected. Future research should strive to build in such iterative processes to enrich the findings and allow for further clarity and validation of the insights garnered.

Moreover, as with any inductive qualitative research, the nature of this thesis is primarily exploratory (Edmondson & Mcmanus, 2007). The insights drawn are context-specific and must be interpreted with caution when applying to different settings or populations. This context-specificity, while offering deep and rich insights, limits the broad generalizability of the findings.

In summary, future studies should seek to further validate and extend the findings of this study by exploring the entrepreneurial mindset and experiences of the BoP entrepreneurs directly. Such efforts could include utilizing translators or language lessons to bridge communication gaps, leveraging technology to overcome logistical barriers, and implementing iterative research processes to enhance the depth of understanding.

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Appendix

Appendix A

Interview guide BOTTOM OF THE PYRAMID

Introduction/Ethical considerations (10 min.)

Firstly make the interviewee aware of the following things:

- We are recording the interview.
- Participation is voluntary.
- Explain what later will happen with the data, it will be handled confidentially and anonymously no names will be mentioned. This to secure transparency. Data will only be used for scientific purposes/master thesis.
- Make them aware of the opportunity to retract their data at any given moment.

Give a short introduction to our research, Entrepreneurship at the Bottom of the Pyramid.

Introduction of interviewee;
who are you, profession, etc etc

Where you are now: e.g. becoming an entrepreneur/working with an entrepreneur/interacting with an entrepreneur.

Positive outcome story (20 min.)

Have you been involved with any successful entrepreneurial endeavors at the Bottom of the Pyramid?

Do you have an example of a critical/most important event that happened while working on this project?

Explanation of critical:

"We are interested in hearing about 'critical' events that have had a significant impact on your business, or entrepreneurial journey at the Bottom of the Pyramid. These events can be moments when you faced important challenges, solved problems, or achieved major breakthroughs. These critical moments can provide us with valuable insights into your experiences and help identify factors for success and potential areas for improvement."

What was critical/very important? Why?

What was special about this event? Why?

1. Get a more general example.
2. What happened during this example event?
3. Ask more specific questions:
 - What happened?
 - Who were involved?
 - What did you do?
 - Why did you do what you did?

- How did you overcome this incident?
- Why was it critical?
- Which aspects were involved (e.g. mindset, culture, adoption behavior)?

(When they only have either a positive/negative example, spend more time on this 1 example or ask for another example of the same kind)

Negative outcome story (20 min.)

Have you been involved with any entrepreneurial endeavors at the Bottom of the Pyramid which were not successful?

Do you have an example of a critical/most important event that happened while working on this project?

Explanation of critical:

"We are interested in hearing about 'critical' events that have had a significant impact on your business, or entrepreneurial journey at the Bottom of the Pyramid. These events can be moments when you faced important challenges, solved problems, or achieved major breakthroughs. These critical moments can provide us with valuable insights into your experiences and help identify factors for success and potential areas for improvement."

What was critical/very important? Why?

What was special about this event? Why?

1. Get a more general example.
2. What happened during this example event?
3. Ask more specific questions:
 - What happened?
 - Who were involved?
 - What did you do?
 - Why did you do what you did?
 - How did you overcome this incident?
 - Why was it critical?
 - Which aspects were involved (e.g. mindset, culture, adoption behavior)?

Further specific questions when not already covered (10 min.)

Now that we discussed this, we would like to ask a few specific questions for our research topics regarding the events we just discussed. Mindset/culture/adoption behavior.

Follow-up questions per concept:

Mindset:

1. What has been the impact of your entrepreneurial journey on your mindset? -> Has your mindset changed over time?
2. How has your mindset impacted the way you deal with obstacles (positive/negative)?

Culture:

1. How would you say beliefs and values in your culture played a role in your journey? How did it influence you to become an entrepreneur at the Bottom of the Pyramid?
2. How would you say the expected behavior in your culture influenced your journey? How did it influence you to become an entrepreneur at the Bottom of the Pyramid?

Adoption behavior:

1. To what extent would you say the behavior of potential customers at the Bottom of the Pyramid (where, what and why people buy) affected the outcome of your journey?
2. To what extent would you say adoption behavior, whether potential customers decide to adopt an innovation and how, played a role in your journey?

Appendix B

| interviewee | exemplary quote | First Order Codes |
|-------------|--|---|
| VC1 | If you are an entrepreneur, then obviously your mindset will be that you always have to be looking for solutions for, if it doesn't work this way, then that way, how do you cross barriers or how do you prevent barriers? | Able to approach problem from multiple angles |
| SE3 | Well, my challenge was to get these people on boards that this banking managers were really, that we as a company are number one on their list and that they would support us with this ipo, especially with low cost of course. | Able to deal with other points of view and convince them |
| SE2 | Nowadays when it comes to people working with people in South Africa I can forecast what's the outcome of a discussion. I can forecast what's the next step. | Forecast reactions |
| IE1 | I like to think of concepts, and let's say I'm active in initiating new ways, new ideas and whatever. | being able to think of new concepts |
| VC1 | In your books is in the economic books? Is it confirmed that a tree has value or a volunteer doing fantastic work with old people etc | sees value which cannot be easily quantified |
| SE1 | Because we can't change the changing climate. We can try to mitigate it a little bit, but the changes are already there, so we have to adapt. | Accept what can't be changed and focus on what can |
| SE2 | At two schools we saw that they used that grant money for building that additional classroom, one or two classrooms extra, which they were not allowed, but they did anyway. | Going against the rules when needed |
| LE2 | the circumstances of growing up there leaves people desiring change, and especially on Sint Maarten | Desire for change |
| VC1 | So the government officials wanted the highest amount of investment. So let me just made the pipeline longer. Yeah. Well, I cannot believe it. | Distain for status quo |
| SE3 | But I, Turkey is a man's world in business and mainly, and when I was starting up there, I met two young girls, Y and T, they were about 22 and they heard that I was a buyer from Europe running around in Istanbul. And they called me up and they said, look, we have to have a dinner with you and we have something fantastic to offer. I said, okay, what's the case? I'm always open for young people. | Open to unconventional opportunities |
| SE2 | We try to create a situation where schools become sustainable, self-supporting, meaning that we will guide them through a process of, through a transition where they are able to get a government grant, which means they have their own income, they have two social workers that are appointed from the government and that they run the school as their little company, being responsibly totally themselves, both financially, and organisational wise, which means that I'll step out, we will step out as the organisation. | thinks about solutions in long term |
| SE4 | Okay, what are the social problems here? And then I found out that still a lot of kids go to school, but they don't have the materials to learn. | Actively looks for problems to solve |
| SE2 | So you learn that being rich is not in materials, it is in memories, it is in people, it is in context, it is also about legacy. Leaving something behind in South Africa. | thinking about and wanting to leave a good legacy |
| LE2 | But we needed to learn how to make fun of it first before we can, because if the first 10 nos gets you down, you're not really necessarily thinking about why. You're just thinking, oh, it's not good enough. And so you end up a little bit depressed or you think, oh, it's not feasible. Let me just go back to designing and forget about it. | being able to give the negative emotions space to disappear |

| | | |
|-----|--|--|
| DE1 | You've had to deal with the backlash and the restraints and the barriers and the negative people and impossibilities, and these people probably is all around you that also always see the impossibilities and the threats. And you have to learn to, let's say, use them properly because they many times see the things that you don't want to see or don't see to create that. | Dealing with negativity from others |
| SE4 | Yeah. I would say I became a lot more positive because when you create a startup, shit's going to happen. And at a certain moment I was like, every week or every two weeks, something happen. So doesn't matter if you worry about it because the next week there's something new. Yeah, focusing on the solution always and staying calm. | Dealing with setback |
| SE2 | If it works, we're on the right track. If it doesn't work, we have to change and adapt our plans to make sure it's going to work in another way. | Adaptability |
| LE2 | And so it was sort of like, okay, let's just see how many nos we can get before we get to the yes. It was like, and every time we got a no, it was like, okay, we're one no less. So we just kept going, kept going, and it kind of became this game almost where it's sort of like, so how many nos did you get today? | Resilience |
| VC1 | And at the end of the day, I think entrepreneurs are also courageous | Courage |
| SE2 | August the 11, I took that chance, built that school with fund money with fundraising done in Holland on our own responsibility. We 50,000 euros in a brand new school and two years later we got our first grant by the South African government | Risk taking |
| SE1 | But even the income is very lousy for the moment. I never had so much fun working. So that's a good side. And that has to do, and that's to go back to the other side, the impact we make with everything we do, that's enormous. | Being Impact oriented |
| DE1 | I'm interested and also active to help others to become entrepreneurs. And that could be through training or inspiring people. | Wanting to inspire others |
| DE1 | So we decided to start a legal case against the government and the government retaliated with a fine. | Taking the initiative in disputes |
| SE2 | But when it comes to fun you better be an entrepreneur. | wanting to have fun |
| SE2 | I have to say that being an entrepreneur gives me a lot of freedom, gives me a lot of freedom to choose, freedom to live, freedom to plan my own time and agenda. After I sold my company off and it continued other companies, I decided I only work with nice people in a nice environment and do nice projects, which is a choice that you are not able to make when once you're on a payroll you just have to do your job. | wanting to have freedom of choice in life and business |
| DE1 | And independent in a way. This is something I think is needed. | wanting independence |
| SE2 | you need to be me to open to different cultures. Understand, try being interested and understand, try to understand how people live in different cultures. Be open and share. | Understands and accepts local social norms |
| IE1 | So one of the big learnings from the whole thing is that we changed that policy to a community approach, focus on a complete community and make sure that the community makes sure that all the people involved will confer to clean cooking. | Community based thinking |
| SE3 | Do you actually know what a arranged marriage means? in many cases the parents scans for people they find suitable and then the kids get to meet each other and decide whether or not they would like to get married. And this is a circle of about three times and then it gets a little bit more complicated. But generally, if you think about it, we are doing the same and it's more on the discreet matter, but we sent our children to the hockey club where we have the people, the hockey friends, and we sent them to the MBS school and not to school in Amsterdam. And we do this and that step. So on a selective way, we also put them in societies where they feel comfortable. | identifies and understands similarities in cultures |

| | | |
|-----|---|--|
| SE3 | I said, okay, I could draw back, don't give any production order. Feel comfortable with knowing that I was not supporting child labour, get my plane back home, first class with the KLM and the issue was solved. This was an option. The second option was that I could give this gift is supplier the orders which I had in hand and to tell him to get rid of the child and to only use adults in this production, which also would, in my opinion. Then I have the complication that if he would do this, that the childs and their family, which are dependent on them, could immediately go to the Red Cross on the street to collect for some basic food because there was not work at all. So I don't know, I didn't feel comfortable with that solution also. So what I decided on the spot there is that I said, okay, look with the suppliers, I am here, especially for you with an offer, I have about 5 million euros in mind to place our production with you. But I will only give you about 25%. Cause I think I see things I don't feel comfortable with, but I promise you one thing: I will stay your partner for the coming five years and every year we will increase the budget. So at least you know that every year you have some turnover and income from me. But to get this this full budget, I want you to make some steps. And the first steps I want to see and to create a solution together is that 25% of the children who work now, they go to school at least two days in a week. And we will increase that in the coming years. And next to that I would like to have an hospital, a nursery next to the factory. And this should be accessible also to the family members. | accept the local ways of business as a starting point |
| SE3 | But I decided that next visit we will go and visit some of the workers at home. We take two days special off for that and just visit the people who work in the factory at home, which I also did in Pakistan. | Being interested in the local culture |
| SE3 | sometimes we think about solutions which are for us a little bit on the surface and easy, and if we call this then the problem is solved. But there are so many layers which we don't know about because we don't know really the culture or the society or well or whatever are studying about it. We don't really know and understand and have the feeling actually what's all beneath it. But you need that to have a proper solution, to find a solution where everybody feels safe and comfortable. And although I was maybe very proud about myself that I was winning the game to get her into Amsterdam, the effect was that I didn't really win anything. | steaming ahead too fast without thinking of culture (negative) |
| SE3 | And I've learned my lessons that especially young people have so much talent that I always sit here in my company with a smile, listen to them carefully and put them in their strengths and coach them. And I always tell them, I am so happy when you are also making mistakes and learning your lessons. | thinks making mistakes is good as this provides learning opportunities |
| SE1 | And I'm working with great people and they do everything on Excel sheets, but in real world things are different. And I say, let's just start and learn. And of course you have to guide a little bit, but you learn from the practise. | Learning from doing |
| LE2 | And so it was just while we were getting the no, we were also asking, why are you saying no? | iterative working |
| LE2 | and then everyone sits back and reflects on, okay, how are we going to do better next time? | being able to and focus on reflecting |
| IE1 | make sure what you're good at and try to find partners that that can do where your weaknesses are and try to make a good thing. | aware of own strenght and limitations |
| LE2 | And then out of our own pockets, we flew to Morocco, drove into the mountains. We took a lot of pictures, we did a lot of the land surveying, a lot of the measurements. And having those two things, so the social media side and letting people know that we went out there, we have verifiable land surveying results that were signed off by an official engineering bureau in Morocco. People then took us serious. And from that moment on, it was significantly easier to get funding coming in. | leads with personal investments |
| SE1 | I already start building the factory to make the pellets. That was a little bit too far, because they said over here: Hey, why are you doing that? I said, yeah, well, we need a factory. You need a place where to make it. Yeah, but you can use one now by renting something. Of course I understand their side. | over commitment (negative) |
| SE2 | They have to feel that they're involved, that they're committed and then the chances of success are the biggest. | Commitment through facilitated initiative |
| SE2 | that's another positive side effect is that when we were giving out food programmes, we will distribute it to schools, which means they will get it for free. Now we don't have a car anymore, so they come and fetch it at the head office. Which also creates something like a unique, more commitment to find someone with a card willing to drive 50 you to the head office of the organisation fetching the food for that month. And I think the food is more appreciated now than it was before. | Commitment through forced initiative |

| | | |
|-----|---|---|
| LE3 | Because the green Mangoes were breaking the trees so I decided to sell the green Mangoes. | wanting to create out of necessity |
| IE1 | So the sense of urgency that I personally feel and, and the group around me is not really felt with many people. So that's also a thing that I would like that more people have that mindset of seeing the sense of urgency and acting towards it. | feels a sense of urgency to solve problems |
| SE1 | I am a social entrepreneur and that means that my aim in life is trying to reach environmental social goals by entrepreneurship. | environmentally oriented |
| VC1 | And I started to worry to get worried about their future and the world. So I asked myself, what is it I am contributing to a better world? And my answer was negative or at best neutral. | worries about the future |
| LE1 | There is something that has motivated me to just persevere in this field. The way that the customers are buying our services. They are just satisfied. So this is addicting and that has motivated all of us to just continue. | Believing in the goal |
| SE2 | It comes down to believing in yourself, to believing in the goal you are working, you're working for. And if there's no other alternative. | Believing in oneself |
| LE1 | So for the first time, we have done a meeting among between ourselves. We gathered all the staff, we discussed about that. We set up an objective that all of us have the obligation to pursue and if there is something wrong in that, people just have to tell this. So we set up an amount of money that we should do our best to have before the end of this month. And by the way, if we got this opportunity, we can just take this money to invest it and just moving forward. So right now it's the only thing. | Goal-oriented |
| LE2 | It's very hard for everyone to, let's say, sing the same song. So that is usually where I see other startups, including startups that I was in. That was the critical tipping point that we all started on the same line. But then over time we started to diverge into why we're doing the thing that we're doing. And I think that kills a surprising amount of startups. | being able to align the team to one goal |
| SE2 | And it's like also with new investments, the same thing. You make all the calculations, it should be worthwhile to do. Still there is this emotional barrier because you're not a hundred percent safe of the outcome. Then you need your gut feeling and that's the only thing you can trust on. | making decisions based on informed intuition |
| SE1 | let's do what your heart gives you as a direction. And that's working in Africa. | making decisions based on feeling |
| SE4 | so we are really flat organisation, we don't like hierarchy. And in Africa, that's still a big thing. You just has to do what the boss tells you to do. | preferring informal hierarchy in team/company |
| SE2 | So you need to be more patient, you need to be more prepared and know what to expect. Still. It's difficult sometimes to keep that patience because you want to go a lot faster. | wants to keep a high pace in the work |