

Kinship and business: how entrepreneurial households facilitate business growth

Gry Agnete Alsos^{a*}, Sara Carter^{b,c,1} and Elisabet Ljunggren^{c,2}

^a*Bodø Graduate School of Business, University of Nordland, P.O. Box 1490, Bodø N-8049, Norway;*

^b*Strathclyde Business School, Hunter Centre of Entrepreneurship, 199 Cathedral Street, Glasgow G4 0QU, UK;* ^c*Nordland Research Institute, P.O. Box 1490, Bodø N-8049, Norway*

(Received 14 June 2012; accepted 25 November 2013)

Building on studies that have stressed the importance of context and the role of the family in business growth, this study explores the role of the entrepreneurial household in the process of business development and growth. We seek to understand how household strategy influences the development of new businesses, the ways in which household characteristics and dynamics influence business growth strategy decisions and how business portfolios are managed and developed by the household. To examine these questions, comparative case studies were undertaken drawing data from four entrepreneurial households located in remote rural regions of Norway and Scotland. The data reveal the role of the entrepreneurial household in the evolution of business creation and growth, examining the processual aspects of entrepreneurial growth, the interactions between business activities and entrepreneurial households and how business portfolios are developed in practice. Three analytical themes emerged from the analyses: the tightly interwoven connections between the business and the household, the use of family and kinship relations as a business resource base and how households mitigate risk and uncertainty through self-imposed growth controls. Although previous studies have viewed entrepreneurial growth largely as an outcome of personal ambition and business strategy, these results reveal the importance of the entrepreneurial household and the household strategy in determining business growth activities.

Keywords: households; rural areas; family business; entrepreneurial growth; case studies

Introduction

Entrepreneurship research traditionally views both the individual and the firm as decontextualized entities, with little regard to the family and household context in which the entrepreneur is embedded and from which the firm emerges. This stance has been challenged by two developments: the establishment of family business as a separate but related field of enquiry (De Massis et al. 2012) and the publication of two profoundly influential studies that have stressed the importance of context in understanding venture creation and growth (Zahra 2007; Welter 2011). This study builds upon both of these developments by exploring the role of the entrepreneurial household in the evolution of business creation and growth. In so doing, we address calls to examine the processual and contextual aspects of entrepreneurial growth (Rosa 1998; Carter and Ram 2003), exploring

*Corresponding author. Email: gry.alsos@uin.no

the interactions between business activities and entrepreneurial households, and how business portfolios are developed in practice. We argue that entrepreneurial growth often hinges on the household–business nexus and that business decisions are influenced by both family circumstances and economic conditions facing the business (Carter and Ram 2003; Welter 2011).

The aim of this study was to unpack the complexities of one form of entrepreneurial growth process – the development of business clusters also known as portfolio entrepreneurship. We seek to understand how and why some small businesses end up as portfolio business clusters, the motivations and strategies behind their development and how the portfolio of businesses is managed and developed by the household. Studies emanating from the family business literature and sociological analyses of pluriactive farm households have shown that it is often more relevant to focus on entrepreneurial households than on individual entrepreneurs (Ram et al. 2000; De Silva and Kodithuwakku 2011; Jervell 2011; Sieger et al. 2011). The household is the smallest social unit where human and economic resources are administered (Wheelock and Oughton 1996), and household strategies ‘can help to elucidate the social factors underlying economic behavior’ (Wallace 2002, 275). By taking the household as the unit of analysis, we present a view of entrepreneurial development that emphasizes the influence of household decision-making in the enactment of entrepreneurial growth. The household is particularly useful for exploring the complexity of portfolio entrepreneurship. Groups of businesses created by portfolio entrepreneurs are complex in the sense that they involve partnerships between different owners and that they develop over time (Rosa 1998; Iacobucci and Rosa 2005). The strategies of portfolio entrepreneurs are seen as tightly connected to strategies within the household; ownership, management and governance can be divided between household members, adding further complexity.

The study adopts a case study approach in which cases are selected through the use of theoretical sampling. To further enhance contextualization, the cases are drawn from the same industry sector – farming – and the creation of additional new ventures is contextualized within the family household. We looked for relevant cases within a spatial and industry context where previous studies have demonstrated the prevalence of portfolio entrepreneurship. In rural areas, there is a tradition of combining farming with other economic activities, and there is a high incidence of portfolio entrepreneurship among farmers in remote rural locations (Alsos et al. 2011). By analysing four cases of farm-based households in remote rural areas of Scotland and Norway, we explore how farm households develop their business activities into a portfolio of businesses. The focus is on how household strategies and business strategies are interlinked and on how the needs and desires of the household and the family life cycle influence business choices.

The organization of this paper is as follows. Next, the existing literature on entrepreneurial households is reviewed, with particular regard to the role of household dynamics, kinship and resource availability. This is followed by an account of the data collection process and the data available for this study. Each of the four cases is then presented. Three analytical themes emerged from the analyses. These are presented and discussed in relation to the cases, as well as in relation to previous research. Finally, conclusions and implications for further research are given.

The entrepreneurial household: connecting the market and the family

Entrepreneurship research rarely affords consideration to the household and family context in which the entrepreneur is embedded. To a large extent, this practice reflects the

broader management literature, where business and household have been traditionally regarded as separate spheres. Nevertheless, there is a long-standing realization that the two institutions are inextricably linked (Benedict 1968; Mulholland 1997; Wheelock and Mariussen 1997), coupled with persuasive calls to embed entrepreneurship research within the context of the family (Aldrich and Cliff 2003). More recently, it has been argued that the household offers interesting perspectives on entrepreneurship, providing a setting 'where normative systems (affect, altruism, tradition) and utilitarian systems (economic rationality) are combined' (Brannon, Wiklund, and Haynie 2013, 111). A household perspective implies that entrepreneurs are viewed within the context of his or her immediate family unit, implicitly recognizing the blurred boundaries between the business sphere and the private sphere. These two spheres share complex links for small firm owners; household decisions and business decisions are made in tandem within the household, and business strategies are interwoven with household strategies (Ram et al. 2000; Wallace 2002). Hence, the decision to establish a new business or to start an additional enterprise may be the outcome of a household, rather than an individual, strategy.

Although household perspectives are seldom considered by entrepreneurship scholars, in different subject domains the household plays a key role in business-related decisions. Most notably, within the agricultural sociology literature the business–household relationship is seen as central. Within this canon, the focus on the household has been both explicit and sustained (Fuller 1990; Ferguson and Olofsson 2011; Jervell 2011). The household is an appropriate empirical setting, not only because the farm business and the household are typically co-located, but also because of the long-standing tradition in the agricultural sector of farm household pluriactivity (Fuller 1990), the engagement of the farm household in income-generating activities in addition to agricultural production (Carter 2001; Alsos et al. 2011). Taking the household as the social and economic unit of analysis, 'pluriactive farm households' allocate resources between farm and non-farm activities, including diversified business activities (Efstratoglou-Todoulou 1990; Alsos and Carter 2006; De Silva and Kodithuwakku 2011). Although farm and non-farm sectors have traditionally been considered as separate and distinctive, recent studies have demonstrated their similarities (Carter 1996; Carter and Rosa 1998; Alsos et al. 2011). One of the key similarities can be seen in the prevalence of entrepreneurial households that contain portfolios of interconnected businesses (Carney and Gedajlovic 2002; Discua Cruz, Howorth, and Hamilton 2013), a feature which is as widespread in the non-farm sectors as it is in farm sectors (Carter and Ram 2003; Ucbasaran et al. 2008).

Household dynamics, kinship and resources

Families evolve over time as new members are born, grown-up children marry and may leave the family home, couples may separate and older generations pass away. Changes in family structure may be viewed as household dynamics. As household size and composition change over time, the household's needs and resources also change. From a household perspective, entrepreneurial activities may be viewed as an adaption to the changing needs of the family and household with regard to income, activity, spare capacity and human resources. Kinship and marriage are central to household dynamics. Kinship is defined by Holy (1996, 40) as 'the network of genealogical relationships and social ties modeled on the relations of genealogical parenthood'. Kinship relations allow one to share 'without reckoning', a feature that is usually regarded as impossible in the market. Indeed, anthropologists argue that kinship is identified by a moral order which is distinctive and

'at odds with the amoral logic of markets' (Stewart 2003, 385). The place where these differing moralities meet is in the household or the family businesses.

From an entrepreneurship perspective, there are many benefits associated with kinship (Benedict 1968; Stewart 2003). These include, *inter alia*, access to resources such as capital and in covering living expenses during the business start-up, long-term social support, mentoring, access to business channels, markets, networks and information. It is widely appreciated that households contribute to an entrepreneur's business start-up endeavours by providing a source of capital as well as encouragement and affirmation. With regard to the more tangible business resources such as finance, studies have shown that household income levels have an impact on the monetary resources available to a business start-up (Gentry and Hubbard 2004). With regard to the more intangible business resources, it is similarly known that family members provide emotional support and to some extent business guidance (Renzulli, Aldrich, and Moody 2000). Indeed, the role of emotional support and sanctions has garnered considerable interest among the family business research community in recent years (Brundin and Languilaire 2012; Brundin and Wigren 2012). As kinship relations typically consist of stable social units tied by emotional bonds and high levels of trust, kinship resources and support may be sustained over a long period of time.

Within the family business literature, the concept of familiness has been introduced to describe the resources and capabilities resulting from family involvement and interactions in the business (Habbershon and Williams 1999; Pearson, Carr, and Shaw 2008). Family businesses are constructed on the basis of the aspirations and capabilities of family members, which persistently influence decisions about strategy, operations and structure (Chrisman, Chua, and Steier 2005). Although familiness encompasses the intersection of family and business (Pearson et al. 2008), it is originally a firm-level construct (Habbershon and Williams 1999). Taking a household perspective adds to this by focusing not only on the single family business but on all business activities controlled by the household taking into account that one business strategy of the household can be to diversify its business activities. Within this perspective, business activities are seen as embedded in the household. Hence, resources and capabilities of family members are not only provided from the family to the firm, but can also be moved between business activities even if these are formally owned by different household members. Hence, this perspective responds to calls for examining additional levels of analysis related to familiness (Pearson et al. 2008) and focusing on enterprising families rather than on family enterprises (Discua Cruz, Howorth, and Hamilton 2013).

Household dynamics in the form of entry and exit of family members through birth, marriage, separation or death offers both new possibilities and challenges to the existing social and economic order. New family members joining through marriage may provide new resources or new employment needs, while the exit of family members through death, divorce and grown-up children moving out of the family home implies both loss of resources and emotional strain. Nevertheless, the exit of family members may also help to avoid some of the costs of kinship with regard to the business. For example, agency costs that accrue through the employment of an inefficient or incompetent family member can be resolved if that person leaves the family household.

Adopting a household perspective to entrepreneurial activities introduces a novel set of issues that can be introduced into the research process. These include household size and income structure, the number of entrepreneurs within the household, the presence and relative age of children which may lead to them being perceived as either liabilities or resources, the volume of work required to service businesses, household and employment,

as well as consideration of other issues such as gender, class, ethnicity, marital quality and the presence of multiple generations within a household. These issues are influential in how businesses are started and managed, but rarely garner attention within the entrepreneurship research literature.

Household perspectives on entrepreneurial growth

While business growth is normally viewed as confined to the small number of high-growth firms that contribute the bulk of new employment, innovation and wealth creation (Shane 2008), scholars have argued that firm-level analysis fails to capture a significant proportion of entrepreneurs who achieve growth by developing a portfolio of businesses (Iacobucci and Rosa 2005). This raises questions not only about growth strategies but also about the level of analysis that should be applied when exploring issues relating to business growth. For the individual entrepreneur, business growth may be achieved by increasing the size of an existing firm or through the start-up of new firms (Scott and Rosa 1997; Wiklund and Shepherd 2008). Research into the formation of business groups, i.e. a set of companies run by the same entrepreneur or entrepreneurial team, suggests that portfolio entrepreneurs create groups of businesses that are tied together through joint ownership, management and/or board memberships (Iacobucci 2002). Iacobucci and Rosa (2005) showed that growth through the formation of business groups is a strategic choice facilitating geographical extension, product diversification and market differentiation. The formation of a business cluster consisting of several businesses that are separate formal entities is substantially different from the diversification of business activities within a single unit. Studies have demonstrated that existing firms may function as seedbeds for new business ventures (Carter 1996), allowing new ventures to utilize resources of an established business during the risky start-up phase (Alsos and Carter 2006), and at a later stage being spun out into separate business units (Carter 1998). Through common ownership of a group of businesses, the portfolio entrepreneur can operate as a larger corporate group as required and still retain the advantages and control of the small owner-managed business (Rosa 1998). Such business clusters are complex in the sense that they can involve partnerships between different owners and that they develop over time (Iacobucci and Rosa 2005; Rosa 1998). Complexity increases further if ownership is not in the hands of one person, but several individuals tied together within an entrepreneurial household.

Within the farming sectors where the household is often used as the social and economic unit of analysis, the development of diversified business clusters around the main farm business (Ferguson and Olofsson 2011; Jervell 2011), usually conceptualized as farm household pluriactivity, is seen both as a survival strategy for the farm household offsetting the financial precariousness of uncertain and declining farm incomes (Daskalopoulou and Petrou 2002; De Silva and Kodithuwakku 2011) and as an active growth strategy for farm households facilitating their complete collection of businesses (Carter 1998; Rønning and Kolvereid 2006). In both cases, the business strategy is highly dependent on the household strategy and vice versa.

Scholars have argued that understanding the context for entrepreneurial growth requires a focus on the business-family nexus, as business decisions are influenced by both family circumstances and the economic conditions facing the business (Carter and Ram 2003; Chrisman, Chua, and Steier 2005; Habbershon and Williams 1999). A growing number of family business studies have demonstrated that family issues have a major impact on strategic decision-making, and the relation between family firms and portfolio entrepreneurship has been recognized as an important future research area (Gedajlovic and

Carney 2010; Wright and Kellermanns 2011). Indeed, it has been argued that portfolio entrepreneurship is particularly relevant in family firms (Sieger et al. 2011), either to reduce risk or to facilitate succession of multiple offspring (Carter and Ram 2003). While entrepreneurship practices in family businesses are associated with one dominant entrepreneur from the business family, the family business context also provides other family members with the opportunity to observe successful entrepreneurial practices (Plate, Schiede, and Von Schlippe 2010).

Drawing on four case studies, Sieger et al. (2011) developed a model of how portfolio entrepreneurship evolves in family firms, focusing on resource deployment in the portfolio process. Generating important insights into the strategic development of business portfolios in a family firm context, the study suggested that the family develops human, reputational and social capital from their enterprising experience and these valuable resources are further developed through the creation of new ventures. While Sieger et al. (2011) acknowledged the importance of family members for new business development; they did not examine the interaction between household members and the business portfolio. Variations in resource deployments related to an enterprising family can be crucial for the development process of a portfolio family business, but do not explain why the family chose to develop a portfolio of businesses.

By adopting a household perspective, this study seeks to contribute to the entrepreneurship literature by examining the strategies taken by entrepreneurial households diversifying their business activities into a portfolio of businesses. The focus is on how household strategies and business strategies are interlinked and on how the needs of the household and the family life cycle influence the choices made related to the development of business activities. We seek to understand how and why some small businesses end up as portfolio clusters by addressing the following questions:

1. How and in what ways does household strategy influence the development of new businesses?
2. How and in what ways do household events and characteristics influence the choices of business growth strategy?
3. How is the portfolio of businesses managed and developed by the household?

Method

Comparative case studies of entrepreneurial households were undertaken in Scotland and Norway, with two cases drawn from each country. Scotland and Norway share a similar population size and to some extent their business and trading activities are comparable. Cases were theoretically selected on the basis that they displayed the practice of portfolio entrepreneurship within similar industrial and geographical contexts. Both localities, an island community in the western isles of Scotland and a valley in northern Norway, are small, remote communities with limited access to alternative labour markets and restricted transport links. The four cases were all drawn from agriculture, a sector that faces increasing pressures on farm incomes, a result of policy reform and changing market demands. One difference between farming in Scotland and Norway lies in patterns of land tenure, with a lower volume of tenanted land in Scotland; however, in this study, all cases owned the farmland. Despite the differences in EU membership and in the regulatory environment, the farming sector in Scotland and Norway is remarkably similar and Norwegian farm policy is closely linked to EU farm policy. In both contexts, policy liberalization has reduced production-oriented subsidies and focused attention on

multi-functionality. Implicit in these changes is the need for farm entrepreneurs to diversify farm incomes beyond those achieved in commodity production.

Semi-structured personal interviews were conducted jointly with the husband and wife in charge in each of the four cases. In addition, the daughter-in-law was interviewed in one case, as she was responsible for one of the ventures. In total, nine people were interviewed (see [Table 2](#)). The interviews not only enabled the informants to relate the narrative of their enterprise in their own terms, but also allowed the researchers to follow the same themes with the different informants. A thematic interview protocol was used to ensure that the same themes were covered in all four cases, and included the following themes: information about business activities, the household needs, motivations to start and run a business and relations with the community. In addition to the interviews, observations contributed to the data collection process; as the interviews were carried out at the farm premises, the researchers were shown the farm and the additional businesses and supplementary questions were asked. In one case, the researchers participated in the farm labour activities, helping to make cheese for the dairy case. Business web pages, where existing, were searched to obtain further information. Interviews were taped and transcribed by the researchers for use in the data analysis process. All names, places and products that can identify the respondents have been changed.

The interviews were conducted by a team of three researchers, one researcher was present in all interviews and one of the others participated in the interviews in two cases, respectively. In the data analysis process, the researchers read the transcripts separately and identified themes and categories within and across each interview. Next, the researchers met and compared notes, categories and themes. These were discussed and held against theoretical approaches and new categories and themes appeared. Data were organized by (i) systemizing the data in tables comparing each case according to empirical themes and (ii) writing each case as a narrative. This was part of the data reduction process (Miles and Huberman 1994; Silverman 2010). The three researchers have a common academic background in entrepreneurship studies and in addition work within two different research fields: agricultural studies and portfolio entrepreneurship studies, respectively. This ensures that the data richness was attended to. We continued the analysis working back and forth between various categorizations of the data through writing drafts, a process similar to might be classified as constructivist grounded theory (Charmaz 2006). This thorough back and forth work strengthens the reliability of the study. In stage two of analyses, nine categories were initially teased out (see [Table 1](#)).

These nine categories were subsequently reduced to three analytical themes during the analysis process, in accordance with the narrowing focus suggested by Silverman (2010). The three analytical themes presented here are (1) inter-connections of the businesses and the household, (2) family and kinship relations and (3) risk, uncertainty and control. This exploratory study utilizes a multiple unit of analyses approach, paying attention to the household, the businesses and the individual as well as the relations between these.

Case presentations

The contexts

The Norwegian valley is rich in natural resources with forests, waterfalls, a mountain range with a famous salmon river and a national park within its domain. Topography divides the community into different villages located in adjacent valleys. Small-scale agricultural production remains the largest private industry in the municipality, although there are a growing number of tourist enterprises, a large construction company and the

Table 1. Categories and analytical themes.

Categories	Three analytical themes
Cross-subsidies and resource sharing	Inter-connections of the business and household
Evolution of activities as families grow and new opportunities are identified	
Commoditization of self-fulfilment as personal ideas are exploited as business opportunities	Family and kinship relations as a business resource
Family and kinship are business resources	
Different entrepreneurial roles of family members	
Linkage between business and family life cycles	Risk, uncertainty and control
Resource sharing between businesses increases efficiencies	
Risk lies in the opportunity cost of pursuing one business idea over another idea	
The ideology of self-sufficiency leads to controlled and inconspicuous consumption	

production of hydro-electric power is becoming increasingly important. In addition, the municipality itself provides a significant portion of public sector employment. As in Scotland, structural changes arising from value chain reforms and policy liberalization have led to falling incomes and reduced employment opportunities from farm commodity production. The Scottish Island is also a community rich in natural resources, and fish farming is now a significant industry. Historically, the main economic activity on the island, as with most Scottish islands, was crofting, a traditional form of self-sufficient agricultural production based around individual small-scale plots with access to common grazing. The Island's tourism industry is larger and more developed than in the Valley and the farms are typically larger by land area and output volume. There are several small villages on the island, but one larger village constitutes the centre of the Island's trade and industry. The island location means that the population is dependent on the regular ferry service for access to the mainland and alternative labour markets as well as to other market possibilities. The Norwegian Valley has a road link to other towns (the nearest major town is a 2-h drive away), but is often cut-off by snowstorms during the winter months, making the location similarly inaccessible for market opportunities.

The business cases

Table 2 presents the four cases, each given a title based on their original farm business. The table accounts for the portfolio of businesses of each entrepreneurial household as well as the informants interviewed in each case. For ease of presentation, each informant is given a fictitious name. In the following section, each case is presented in more detail.

Case 1: the island dairy farm

This dairy farm was bought by Ann and Arthur in the mid-1970s, who migrated from the south of England attracted by the prospect of a larger milk quota. Prior to their ownership, the farm had been abandoned for 40 years. The couple's four children have since grown-up and married, and all remain on the island and committed to the island's economic development. From the outset of the farm purchase, the intention was to produce milk, but low milk prices made cheese production an attractive proposition as a means of creating

Table 2. The business portfolios and informants of the four cases.

Business 1	Business 2	Business 3	Business 4	Business 5 and further	Informants
Case 1 The Island Dairy farm	Cheese factory	Tea house (now closed) Pig farming (using the whey)	On farm shop (daughter-in-law)	Two siblings running businesses using farm storage space, labour Swimming pool used by the community	Husband (Arthur) and wife (Ann) interviewed jointly. Their daughter-in-law (Elsa) interviewed separately
Case 2 The Island Pedigree farm	Self-catering accommodation	B&B-serving farm-produced food	Coffee shop serving farm-produced food Art gallery	Abattoir co-owner Butchery co-owner Plans for green electricity Pottery business run by others Off-farm bakery	Husband (Bob) and wife (Beth) interviewed jointly
Case 3 The Valley Pig farm	Electricity production	Let of boat and accommodation facilities to fishing tourists			Husband (Clark) and wife (Cynthia) interviewed jointly
Case 4 The Valley Goat farm	Green house together with farm neighbour	Horse breeding Job as machine operator	In the process of starting a dairy cheese factory together with others	Plans for electricity production and Tourist business using horses	Husband (David) and wife (Desiree) interviewed jointly

value from surplus milk. The cheese enterprise, initiated by Ann who learned cheese making *in situ*, has grown to the extent that their cheese factory now employs four full-time workers and their cheese brand is regionally known. Cheese production is now the dominant income source, with the main producer-branded cheese supplemented by smaller production of sheep's cheese. Including the family, 12 people are employed on the farm, mainly engaged in dairy and cheese production, with most non-family labour being migrant workers from Central Europe. Of their four sons, two remain on the farm where one concentrates on livestock while the other maintains the farm buildings and machinery. Elsa is married to one of the farming sons, they have three children and the on-farm shop was established for her to have an income, she also works in the cheese factory.

The family has started several additional enterprises, including a farm-based café (now closed), a farm shop and a community swimming pool adjacent to and heated by surplus energy from the dairy. Not all their new ventures have survived. Current ventures in progress include building a hydroelectric mini-power plant primarily deploying male family labour. The two other sons have both started independent local businesses. One son and his wife own a small hotel on the island, which uses the farm's produce, bread and biscuits from his brother's bakery. The youngest son and his wife started a bakery and delicatessen shop, sold after 11 years to the owner of Case 2, the Island Pedigree Farm, and an award winning biscuit factory, now their main enterprise.

Ann and Arthur's ethos of self-sufficiency and resource maximization is tempered by a focus on local development. Their altruism is based on a recognition of the interconnectedness of island living and the need to develop a local market for their produce.

Case 2: the island pedigree farm

The farm, a 5000 acre castle estate, was bought in 1970 by a couple; the husband entered farming following an army career and moved to the island with his American wife, a painter and their four young children. The farm's current main production is pedigree highland cattle and black-faced sheep, cattle breeding and selling of livestock, but significant diversification into tourism has taken place over the years. Following the couple's divorce in 1990, the wife was left in sole charge of the estate, helped by her youngest son Bob who had trained in land management and recreation. In 2000, Bob and his wife, Beth, took over the management of the castle estate. None of the other three siblings was interested in farm management, though they retain co-ownership of some of the properties on the farm. The estate is legally divided into two partnerships, one that runs the farm and the other that runs the tourism enterprises. Beth and Bob are majority partners in both businesses, with the mother as a silent partner in both businesses, and the three siblings' silent partners in the farm business. Beth and Bob have two young children. Beth has an educational background in travel and tourism management.

The sales turnover of the tourism business has grown steadily and is becoming more economically significant. Their focus has been on developing higher value tourism by improving the self-catering properties and extending the season. These additional enterprises provide a growing proportion of the family's income, an important development as Bob's three siblings each own a share of the farm business, but not the additional enterprises. People are allowed to hike on the estate and the owners are clear about their important role in the local community as both service providers and using local suppliers to promote the local industry.

The only non-family business on the farm is a pottery owned by a local couple who are friends of Bob and Beth; a decision made because of the difficulty in converting those

particular premises into self-catering property and the belief that the pottery would attract more customers into the farm shop. The decision to engage in new enterprises is taken jointly by Bob and Beth. As Bob explained,

She is not so much involved on the farm side but in all the projects on the tourist side. We're both involved in joint decisions on strategy and such, like ... the coffee shop or new self-catering properties. Like in the castle, when we're renovating a room we're both heavily involved. I do quite a lot of the physical work as well as the management of it.

The sales revenue of the tourist enterprise has grown to just over half of the total revenue, and the expectation is that it will increase to 65% of the total revenue. The estate employs up to 13 people, including Bob and Beth, depending on the season, though the employees are highly flexible, often combining a range of different jobs. Bob is strongly committed to farming and views the farm as central to the various enterprises they have started.

I think it's very important for us to have control over the farm. If we were running these businesses on somebody else's farm it would be okay as long as they run the farm to a reasonably high standard. As long as we could have farm products on the B&B, [our] tomatoes at breakfast, and beef for dinner on the menu, and [our] products at the coffee shop ... we're trying to create an entity.

Case 3: the valley pig farm

When the owners, Cynthia and Clark with one son, bought the farm in the 1980s, they moved from the nearby town where they had run a laundry business. The farm produces pig meat and some of the crop for the pigs, and also has nearly 300 hectares of deciduous forest, a resource they have found difficult to commercialize. Their additional farm ventures entailed building a mini-hydroelectric power plant, an idea made viable by higher energy prices and affordable technology, accommodation and boat rental for salmon fishing – a less-developed business. The local municipality assisted in getting information and know-how to entrepreneurs interested in building power plants. A municipality-employed business consultant called a meeting during which the local farmers were informed about the possibilities of exploiting water resources. To do this, Clark had to convince their neighbouring farmer, who co-owned the river, to build the mini-hydroelectric power plant. The power plant is a joint limited company, owned by the two co-located farms. The investment required to build the power plant was high and the two farms required external equity. This problem was solved by creating a limited company that could access financial resources.

Clark originally trained as a car mechanic, but lost his job during a recession and shifted to engine maintenance at sea; this background enables him to maintain the machinery in the power plant. Cynthia grew up on a farm but had not previously participated in a large farming operation. The couple both worked in the laundry firm, gradually becoming the owners of the company which, at its peak, had 80 employees. Under Norwegian allodial farm inheritance laws, Clark had the option to take over the farm from his uncle for a favourable price, but was obliged to cultivate the land and reside on the farm or else sell it on to someone who would do this. Cynthia and Clark decided to move from the town to take over the farm, and received advice to keep sheep and pigs. They later changed production to pigs only, as sheep were vulnerable to predation loss during summer grazing. Cynthia now works part-time in a local nursing home and spends less time working on the farm, as their son has become more engaged in farm production. Succession of the farm to the next generation appeared uncertain for some time until the son decided to give up his job and return to the farm at about the same time that the hydroelectric power plant was built. As Clark said: 'suddenly my son gave up being a

machine operator and came home, he became tired of that life. We were extremely happy.’ In addition to the hydroelectric power plant, the farm also derives income from a large salmon river, and the family has tried to develop the attractiveness of this and sea fishing possibilities by offering accommodation on the farm and boat rental. This seems to be modestly successful, as tourists have revisited the area and the farm several times.

Case 4: the valley goat farm

This farm’s primary production is goat milk, for which they have a reasonably large quota (60,000 litres), and is sold to the market dominant co-operative without further on-farm refinement. The farm was inherited from David’s parents in 2000, before that David and Desiree had run a neighbouring farm for five years. The farm lies within a community of nine neighbouring goat farms, and all the farms have now been passed over to the younger generation of farmers. The nine farms have a history of cooperation, with common purchasing of cake (cereal fodder), diesel and sharing of machinery. Each summer, the farms take their goats up to the mountains for summer grazing on common pasture. Four Slovakian families are hired as shepherds and do the milking.

Although David comes from a farming family and has spent his life on farms, he said that he had never wanted to be a farmer; ‘I wanted to have a job where I could have summer vacation . . . but things have changed . . . But I have sworn that my children shall go on summer holiday each year’. He also trained as a welder and machinery operator and works as a subcontractor for a local construction firm. In contrast, Desiree had a formal agricultural education, had always wanted to work in farming and first came to the valley as a shepherdess. They have two young children. The couple have two further business activities: a greenhouse business co-owned with a neighbouring farm couple and an Icelandic horse-breeding business, both grounded in Desiree’s interests. At the time they were interviewed, they were planning a range of tourism activities related to the horses. They also see opportunities to move into year-round flower and herb production, but this requires cheaper electricity. This they may have if their plans for a third additional enterprise, a mini-hydroelectric power plant, come to fruition. The proposed hydroelectric power plant will be started in conjunction with four neighbouring farmers, as it requires a large capital investment (€270,000 euros per farm) ‘ . . . we will organize it as a limited company, neither of us have the possibility to raise that amount of equity’ (David).

Despite their entrepreneurial ambitions and their implementation of new ideas, the couple were conscious of their mutual obligations towards continuing the co-operation with their neighbouring goat farmers. Along with three other farmers in the municipality, they were engaged in plans to re-establish a local dairy in the neighbouring municipality.

I have been working since 2000 to re-establish the dairy we used to have in the municipality [closed by the milk co-operative]. Twelve of us have bought a business building and plan to get the dairy back to [the neighbouring community] again. I have also checked out whether we could produce goat meat. I know a farmer up north who does €13 000 a year on that. But the co-operative producer in [town B] said, even if more of us got together we would not be able to deliver the volume required for them (David).

Analytical themes

The three analytical themes emerging from the case analyses helped to illuminate the process of new enterprise creation, providing a more nuanced account of the interaction between household and business strategies. The first theme centres on the *inter-connectedness of the business and the household*, seen in cross-subsidies and resource

sharing, the evolution of activities as families grow and new opportunities are identified, and the commodification of self-fulfilment as personal interests are exploited as business opportunities. The second theme focuses on *family and kinship relations as a business resource base*, highlighting the different entrepreneurial roles of family members and the linkage between business and family life cycles. The third theme focuses on *risk, uncertainty and control* in which resource sharing between ventures increases efficiencies, risk lies in the opportunity cost of pursuing one venture over another idea and the ideology of self-sufficiency leads to controlled and inconspicuous consumption. Examples from the cases on the three analytical themes are presented in [Table 3](#).

Inter-connectedness of business and household

The four cases demonstrate the complex, integral links that exist between new ventures and the households that create them. These links are most clearly seen in the degree of resource sharing that exists between the inter-linked businesses and between the businesses and the household. In each case, there was a co-dependence of agricultural production and new business activities, with each of the additional ventures to some extent dependent on other businesses created by the farm household, such that each case could be seen as a complete system of co-developed businesses.

The Island Pedigree case provides an example of this; vacant houses on the estate gave an opportunity to rent houses to tourists and provided space to develop a tea room and retail farm produce. In each case, a sustainable livelihood was maintained by developing different business activities, using and allocating resources to match the new opportunities. Within each farm system, cross-subsidies between businesses, in terms of material support, were supplemented by shared market development. Crucially, the central link between all the businesses within each farm system was the household (in line with Mulholland 1997; Wheelock and Mariussen 1997). The household provided business resources, labour and support, such that household resources formed a common pool that could be accessed if necessary (Habbershon and Williams 1999). Although support and resources, particularly for businesses started by adult offspring, may be given out of a sense of altruism, it is also clear that economic necessity was an important factor. In Case 1 The Island Dairy Farm, the farm shop was established to report a taxable income on Elsa, the daughter-in-law, to secure her social welfare rights. While tangible and intangible resources given to each new business venture help support individual and collective entrepreneurship, emotional capital also controls the behaviour of individual family members and serves to keep adult offspring close to the family household (Renzulli, Aldrich, and Moody 2000).

In each case, new business activities started in response to spare resources, often the spare labour capacity of a household member. For example, in Case 4 The Valley Goat Farm, Desiree had more time available as her two young children had reached school age. This allowed her to spend more time developing new activities, such as the horse-breeding business and the greenhouse flower production business. If new business activities themselves generate surplus capacity, this is then reinvested in the farm or within a new business activity. Within each case, business activities evolved as families grew – children becoming adults and adult offspring marrying – providing both a greater human resource pool and a broader set of skills and interests that could be exploited. This is seen in all cases, for instance Beth in Case 2 The Island Pedigree Farm who had tourism management education, and Case 4 The Valley Goat Farm where Desiree had an interest in Icelandic horses. Additional ventures emanated from the commodification of personal interests and

Table 3. Findings related to three themes.

	Theme 1 Inter-connectedness of business and household	Theme 2 Family and kinship relations	Theme 3 Risk, uncertainty and control
Case 1 The Island Dairy farm	<p>One son has started producing pigs, fed with whey by-product from the cheese production. The plan is to use the pig meat in salami production as they have unused the floor space above the dairy.</p> <p>Farm shop started by one on-farm daughter-in-law selling farm produce, home baking and chutneys. This enterprise provides an income for the daughter-in-law whose full-time work in the dairy is otherwise unpaid</p>	<p>Both on-farm sons have been involved in developing new initiatives in conjunction with their parents who, despite being well past retirement age, continue to be the dominant partners in the farm. The mother, in particular, plays an active role in developing new ventures and income generation, and encourages her sons and their wives to do likewise</p>	<p>The now-closed farm tea shop was started for its profit potential and was closed when profit declined. The swimming pool they built in a redundant farm building (the first pool on the island) was made available for the community's use as a therapy pool. It had no profit aim, was using redundant farm resources (heated surplus by-product energy from the dairy) for community benefit.</p> <p>The two off-farm sons and their wife's businesses use farm buildings for storage, sharing labour and other tangible resources and receiving managerial and emotional support</p>
Case 2 The Island Pedigree farm	<p>Redundant outbuildings were converted for short- and long-term self-catering lets utilizing property otherwise empty. The main farmhouse, a large baronial style mansion house, is converted to offer five B&B rooms and a restaurant for the B&B guests, and the couple has also converted a redundant building into a coffee shop, farm shop and an art gallery. They sell farm-produced meat as well as produce from their market garden and greenhouses direct to the public in the farm shop and the coffee shop and also distribute produce to local shops and restaurants.</p> <p>The daughter-in-law's father has a joinery business and, together with her brother, helps maintain the estate buildings</p>	<p>The farmer and his wife make joint decisions on business development.</p> <p>The mother is a painter and they sell her paintings at their art gallery thereby providing a service for their customers</p>	<p>Purchased a shop in the Island's main village to sell their produce; this business also includes a bakery (see Case 1).</p> <p>They are involved in two community-owned businesses, an abattoir and a butcher's shop, motivated by the direct benefits to the estate.</p> <p>'The reason I got involved in both of those is that we need it, it's quite important for us to have that in place so we can get the animals killed [on the island] and have them butchered and packed [on the island].'</p>

<p>Case 3 The Valley Pig farm</p>	<p>The power plant is like a pension retirement scheme, it gives secure income for its owners. Power plant gives cheaper electricity for pig production</p>	<p>The father is the main entrepreneurial person who develops ideas, the mother supports. He is in a retiring phase and needs 'something to do'. They had recently handed over the farm to their son and his wife, although they were still helping out at the farm and the father retained responsibility for the additional business activity. Their daughter-in-law was on maternity leave, but would engage in farm work when she started working</p>	<p>The electricity they produce is bought by the farm at a lower price than on the open market and electricity is a large input in the production process, which reduces production costs for the farm. They have co-ownership to the large salmon river and were allowed to sell fishing licences thereby getting into the tourism business activities</p>
<p>Case 4 The Valley Goat farm</p>	<p>The family is engaged in two other enterprises, both of which are grounded in the wife's interests and utilizing part of the farm resources: they breed Icelandic horses, has now reached the point where they '... might start earning money on this.' As the horse business took less time than anticipated and, as their young children were growing up and required less attention, she felt she had some spare time. Together with the neighbouring farm wife she bought a greenhouse where they now produce summer flowers</p>	<p>Both husband and wife were entrepreneurial persons, and made joint decisions. When children became elder the wife got more spare time, and pursued business ideas fitting with her interests (horse breeding) and social needs (business together with neighbouring wife)</p>	<p>The green house came about because a person they knew had a greenhouse he no longer used, and they had a lot to place it, spare time and need for a job with a colleague, and 'The municipality business consultant advised us to make it a joint business to make it less risky, but we're doing fine - economically.' They had identified another business opportunity: a tourist business with horse riding to a well-known glacier nearby, and had already arranged for a permit to ride through the national park. The husband wanted to pursue the idea of building a mini-hydroelectric power plant with some of the neighbours, and he also was involved in planning to re-establish a cheese factory in the nearby village. They had co-ownership to the river and milk to provide the cheese factory with raw material</p>

skills of a household member. The households are the core connection between the different businesses within each case.

The cases demonstrate the inter-connectedness of business and household in at least four different ways:

1. *Resource sharing*: between businesses in the portfolio controlled by the household and between household and business.
2. *Opportunities arising from business – household interactions*; opportunities for new business activities spinning out from existing businesses and farm resources and from household members' interests, competences and resources.
3. *Cross-subsidies*: existing and profitable businesses support new ventures and established, but temporarily unprofitable, business activities, particularly through free household labour, allocating income from other activities, or through free resource sharing.
4. *Household as organizing hub*: the organization of different business activities takes place through the household, and the household is the entity which connects the business activities, rather than through a corporation structure or through the ownership of a single entrepreneur.

Family and kinship relations

Household and kinship relations provide an important resource base for business activities. In this regard, 'big is best', as the larger the family the greater the potential resource base. New family members, introduced through marriage, bring with them a set of kinship relations that further extend the family's pool of human capital, labour and social connections. Hence, an individual's choice of marital partner takes on a greater importance for the wider household economy, as spouses may contribute varying levels of labour and expertise both on the farm and in new business activities as seen in all cases. On the other hand, this dependency on choices of marital partner is fragile: 'A divorce in the family, it would be the worst disaster ... or if anybody gets ill ...' (Elsa, Case 1).

In the cases presented above, kinship ties brought into the family through marriage were seen as deeply significant to the development of new business activities. For example, Case 2 The Island Pedigree Farm developed its tourism activities and, as a consequence, Beth's father and brother received the commission to build, maintain and construct the buildings. In Case 4 The Valley Goat Farm, Desiree's interest and knowledge of horse breeding and cultivating flowers contributed to business opportunities. In Case 3 The Valley Pig Farm, the building of the mini-electricity power plant was partly dependent on Clark's technical knowledge.

As a consequence of this dependence on family and kinship relations, the business life cycle is strongly related to the family life cycle. As children become independent, parents' (especially mothers') time is released and reallocated to a business activity; 'It has to fit around the children, they are 13, 12 and 9' (Elsa, Case 1), the same experience as Desiree (Case 4). As children become adults, they can contribute labour to the farm and additional business activities and develop their own business activities on farm. This was especially evident in the Island Dairy Farm Case. Kinship relations allow for sharing 'without reckoning' (Stewart 2003, 385), as seen in Case 3 The Valley Pig Farm where Clark, who is formally retired, maintains the hydroelectric plant and in Case 1 The Island Dairy farm where the son running the biscuit factory is given free storage facilities in farm buildings.

The family also plays a role in the entrepreneurial process, with each family member recognizing, evaluating and exploiting new business opportunities. Within these four cases, family members played different roles in the entrepreneurial process. In Case 1 The Island Dairy Farm, Ann typically spotted opportunities that were then developed and formalized by Arthur and the children. A similar division of entrepreneurial roles was found in the other cases. Kinship bonds not only secure control over activities, but can also be used to sanction unwanted behaviour. Emotional capital such as support and trust, in addition to labour and other resources, contributes to the business start-ups: 'The other two boys and their wives, they have good businesses. They're very proud and they want to be independent. There might be a slight help at the beginning' (Ann, Case 1). This shows how the family contributes to building a business portfolio and how the knowledge and resources of the family and their businesses are used to develop the portfolio further, even if new business activities are formally owned by other individuals, in this case each of the sons and their families (Discua Cruz, Howorth, and Hamilton 2013).

Living within relatively isolated dwellings, farm families may also need to offset the loneliness that can afflict them; 'We do have some visitors, most during summer, but [the mother and father in-law] want to have things quieter. They don't want the intrusion, but it's always nice people coming here' (Elsa, Case 1) and 'Owning the greenhouse together with the neighbouring wife, we share the economic risk, but we also have great company working together – and customers are going by ...' (Desiree, Case 3). The development of new ventures helps provide entertaining and absorbing occupations and provide much needed social contact with neighbours and customers, albeit it can also be perceived as an intrusion or interruption of other work. In this regard, the creation of new business activities improves the quality of life on farms and helps sustain farm businesses and communities that would otherwise be lost.

The cases illustrate various ways in which family and kinship relations play an important role for business growth:

1. *Family life cycle*: Business development is strongly related to the family life cycle.
2. *Kinship extension*: Kinship ties brought into the family through marriage are significant to the development of new business activities.
3. *Division of entrepreneurial roles*: Each family member is involved in entrepreneurial activities but may play different roles, some being more involved in identifying opportunities, others in various parts of bringing identified opportunities into viable business activities. Opportunity identification is not always an individual activity but can take place collectively.
4. *Emotional capital*: The emotional capital provided through family and kinship relations not only represents important support for business development, but also controls and sanctions unwanted behaviour.

Risk, uncertainty and control

In all four cases, the families had moved into farm ownership from other occupations or after working on other farms. The major risk perceived by these families was not the creation of new business ventures, but the initial decision to take over a farm business which in some cases required physical relocation as well as occupational change. Once that decision had been made, the creation of new business ventures was regarded as relatively risk free, as they utilized resources at hand to develop new business activities as a natural evolution of the enterprise.

The time and labour of a family member were viewed as a free resource and pursuing new business opportunities required little financial outlay. Resource sharing between businesses, the use of spare capacity and financial bootstrapping coupled with incremental increases in financial and time investments also controlled the risk of new venture creation. In cases 3 and 4, large capital investments in hydroelectric power plants were regarded as a safe investment, though cooperation and sharing risk with others were a prerequisite. In Case 4, The Valley Goat Farm, Desiree emphasized that teaming up with a neighbour in the greenhouse business provided benefits in having someone to share the work and responsibility, both as a social aspect: ‘we have good company in each other’ and as a way to share risk and access resources.

Hence, the risk associated with the pursuit of a new business opportunity was regarded as the opportunity cost of pursuing one venture over the pursuit of another venture. Using spare resources to create new business opportunities is an integral part of the evolution of new business activities, as new ventures create their own by-products or spare capacity which can then be allocated to new ventures. This approach reduces not only financial risk but also the capacity for large profits. We identify this as a bricolage strategy (Lévi-Strauss 1966). Bricolage behaviours have been identified as an approach where entrepreneurs address new challenges by applying combinations of the resources at hand (Baker and Nelson 2005). The entrepreneurs in these cases minimize financial risk by reducing the financial outlay. They use their intimate familiarity with the resources they have at hand as a way to deal with the opportunities or challenges that may arise. Spare floor space, redundant farm buildings, released time, excess production, new competence or a new person in the household all represent resources available for profitable use.

In these cases, resources are typically available first and the business opportunities identified are ways to put these resources into work. These entrepreneurs appear to follow a practice associated with opportunity creation rather than with discovery, using internal funding and employing a strategy which is emergent and changing over time (Alvarez and Barney 2007). Decision-making is iterative, incremental and not related to any calculations of what may be the most profitable opportunity. Rather, resource sharing and a strategy of investing only the resources at hand (Baker and Nelson 2005) are the way the entrepreneurs take control over risk. New ventures brought little risk, as they started small with mainly, sometimes exclusively, internal financing. Uncertainty was further reduced by the pursuit of active controls over new venture creation. To a large degree, the business owners in these cases pursued opportunities that closely matched their skills and interests, and hence, felt that they were in control of their working activities. Larger scale expansion and growth was seen as unwelcome, especially if it meant losing control. This low-risk low-profit approach suggests an ideology of self-sufficiency, where consumption is carefully controlled and mainly inconspicuous. Still, each family appeared to enjoy a reasonable standard of living with high quality of life, albeit income was patch worked from a number of sources. An ethos of self-sufficiency is also evident in the efficient use of resources, such as land, physical equipment, labour and skills, which was a prevailing feature of each of these four cases.

The case analysis demonstrates at least three distinct results related to how the entrepreneurial households take control rather than considering risk and uncertainty in business development:

1. *Orientation towards available resources*: by focusing on resources at hand, new business activities are developed without taking on noticeable risk, similar to that seen in bricolage (Lévi-Strauss 1966) or in Sarasvathy’s (2008) ‘bird-in-the-hand-principle’.

2. *Control orientation*: Development of new business activities is not seen as risky but as an evolution of existing businesses of the household. The focus is on how to utilize existing capacity, competence, resources and networks in new activities, reminiscent of the 'pilot-in-the-plane principle' identified by Sarasvathy (2008).
3. *Portfolio as one entity*: A group of business activities are viewed as one entity with different parts, meaning that each activity has to contribute positively to the entity to be considered viable, but do not necessarily need to be profitable in its own terms. The decision to start or close a business activity is viewed in the light of the household's portfolio, and as a choice made between several possible (business or household) activities.

Discussion

Taking a household perspective, this study sought to examine the role of the business–household nexus in the development of new business activities among enterprising families. This perspective has given new insights, related to the inter-connectedness of the businesses and the household, identifying family and kinship relations as a resource base for the portfolio of business activities, and gaining insights into how risk, uncertainty and control should be understood in relation to enterprising families' engagement in new business activities. In this section, we discuss some of the emerging themes from this study.

The business–household nexus

The results demonstrate the importance of the household in determining key business decisions relating to the start-up and development of additional enterprises. The household is the glue linking business portfolios, the provider of resources and the hub organizing resources and different business activities. The household life cycle is the impetus that creates new business ventures. In particular, the presence of adult offspring constitutes an important labour resource as well as new business ideas. New individuals in the household (for instance in-laws) bring human and social resources, but family growth also implies a need for employment and income. New business activities are developed when these resources and needs are matched with existing or spare resources. Sustainability of the family, maintaining their way of living and community development are important driving forces for these entrepreneurs. Additional ventures or new business strategies are often motivated by spare resources available in the household or the portfolio of businesses. The trust endowed to the individual embarking on the new venture is countered by the potential emotional sanctions that have the capacity to control their activities and behaviour.

From a theoretical perspective, the altruism extended by parents to their children in the form of occupations and housing is reciprocated by the children who feel obligated to provide labour and participate in the family's entrepreneurial dreams. The family and kinship relations as levels of analysis highlight the necessity to understand these dimensions as a precursor to understanding business growth and economic contribution. The results from the study have demonstrated the value of taking the household rather than the firm or the individual as the unit of analysis. When family and kinship relations are accounted for, this allows for insight into the complexity and the dynamics of the portfolio entrepreneurship process. This extends Scott and Rosa's (1997) view that growth is hidden when the firm is the level of analysis; one needs to study the household level to acquire these insights (c.f. also Wheelock and Oughton 1996). This study also shows that

grown-up offspring, even though they have left home and live nominally independent lives, also may be part of the enterprising family. The emotional bonds and extensive co-dependency continue to exist and influence the development of new businesses.

Enterprising families rather than family enterprises

This study adds to the literature on familiness by emphasizing resources and capabilities brought into the family business from household members and how the continuous interaction between household and business is crucial for resource supply (and withdrawal) and organizing of resources in relation to business activities. The results reveal extensive resource sharing and other inter-dependencies between businesses in the household's business portfolio. The original farm business is not just a 'seed-bed' for new business activities (Carter 1996), but the portfolio of businesses has a long-term co-dependency. In some cases, this interdependence was so extensive that some of the businesses could not exist without the other. This is because the families do not analyse each business activity separately; they are rather seen as one entity of interconnected activities. The logic is hence to ensure that this entity is viable, and each activity is viewed in light of how it fits into this entity from the perspective of the household. In other cases, co-existence with the other businesses was the source of a possible competitive advantage related to access to crucial raw materials of the right quality for a competitive price, flexible access to employment through the sharing of staff with other businesses and so forth (c.f. Alsos and Carter 2006). In each case, the development of new ventures was created by the recognition that spare capacity and spare resources, whether in the form of labour, material assets or knowledge, could and should be used to profitable advantage. It follows from this that some small businesses cannot be seen as separate units, but rather as integral elements of a business system, or spokes of a wheel. For entrepreneurial households, business development is not limited to extensions of the originating firm, but also includes establishing new business activities more or less linked to the first business. The study supports Discua Cruz, Howorth, and Hamilton's (2013) suggestion of moving from studying family enterprises to studying enterprising families, encompassing the full range of business activities in which they are involved. Extensive resource sharing between businesses was organized by the household, illustrating that familiness can be extended from the firm level (Habbershon and Williams 1999) to the portfolio of business activities in which a household is involved.

Focusing on the household rather than on the individual entrepreneurs reveals a complex pattern of different household members' engagement in a variety of businesses clustered around a core enterprise. Further, active ownership may be spread between household members, and the individual with majority engagement in a business activity may vary over time depending on the needs of the business (competence, work capacity, etc.) as well as on the needs of the household. In future studies, the connections between household strategies and business development should be further explored, including how household strategies facilitate and limit further business development.

Resource availability

Resource access and resource scarcity are both important for the way new businesses are created. The results from this study show that resources available and 'at hand' are not a fixed size. Resources develop over time as new knowledge is achieved, new people arrive or surplus by-products created from ongoing activities. The interconnectedness of

household and business leads to a flexibility in resource availability, as households can release resources from other household activities and make them available for business development when needed – or decided. However, there is a ‘flip-side of the coin’, as the household can also withdraw resources from the business activity when they are needed for other purposes. The role of the household as the determinant of resource provision and withdrawal needs to be taken into account in future studies of issues related to resource mobilization in small firms.

The enterprising families in our cases did not create ‘something from nothing’ in the strict meaning of the concept. Instead, they all appeared as relatively resource-rich families that had allocated a relatively large bulk of resources over time. They still adapted selective bricolage strategies (Baker and Nelson 2005) by utilizing spare resources ‘at hand’ and combined them in new ways, rather than acquiring resources for the purpose of starting a new business. A household perspective reveals that entrepreneurs may have more resources available to them that can be seen by using the individual as the unit of analysis. For instance, resources were handed over from one generation to the next, meaning that even first-time entrepreneurs such as the grown-up children did not start from scratch. Their embeddedness in the wider household gave access to a variety of resources, as well as knowledge, skills, social norms and attitudes applicable to enterprise development. This adds to resource dependency theory (Pfeffer and Salancik 2003) that focuses on how resource constraints form organizations in certain ways and to the resource-based view (Barney 1991) that claims that control over certain resources forms the basis of competitive advantage.

Taking control

This study has given insights into how enterprising families manage and control risk and uncertainty by tying up their businesses in a way that reduces the total risk. By using spare resources, utilizing the relationships between business activities and the household, and building incrementally, these entrepreneurs control rather than confront uncertainty. These findings add to the emerging literature on control orientation as a way entrepreneurs handle uncertainty (Wiltbank et al. 2009). It is striking from the cases that the risk related to the development of new ventures was hardly mentioned by informants. They do not consider new ventures as especially risky. Risk is made irrelevant by focusing on available resources, building step by step, utilizing existing knowledge and capacity and investing only what they have available. This does not necessarily mean that potential losses are considered affordable (Sarasvathy 2001), but rather that the focus is not put on potential gain and loss, but instead on the currently most sensible way to put available resources, such as premises, by-products, working capacity, knowledge, into use as seen from the perspective of the household. While the control approach taken by individual entrepreneurs or corporations has been described extensively in the literature (Sarasvathy 2008; Wiltbank et al. 2009; Brettel et al. 2012), this study adds to this by highlighting the role of the household in taking control by considering and allocating resources into new activities and by illustrating that resource sharing and inter-connection between various ventures may be an important mechanism through which to take control. While some new business initiatives of entrepreneurial households are successful, others prove not to be good opportunities after all or the entrepreneurs fail at carrying them through, or they are closed down after a while for various reasons. However, as resources can be reallocated and reused in terms of other household activities, failure does not necessarily mean losses from the household point of view (even though it may from the individual firm point of

view). Trust between actors within the household's portfolio of business is important to these flexible arrangements of resource sharing and cooperation, similar to Alvarez and Barney's (2005) description of a clan-based entrepreneurial firm.

The rural context

This study was conducted in a rural context; and all cases are located in remote, small communities. In each case, the relation to the rural context is emphasized by the informants; in fact, their feeling of responsibility and engagement for the community are important triggers for their entrepreneurial activities (McManus et al. 2012). The development of a community swimming pool in Case 1 The Island Dairy Farm is an explicit example of this engagement, but the responsibility for the community in terms of economic activity and employment is visible in all cases. This also comes through in the tendency to choose local suppliers and utilize local networks to access to business resources.

The rural is often characterized as a lean environment in which to do business, constrained in terms of resources and market access (Kalantaridis and Bika 2006, 2011). However, resource richness rather than resource scarcity characterized the cases in this study. Resource richness does not in this context mean large or unlimited access to any type of resources, but is an approach or orientation that the household takes when developing business activities. Their orientation is not towards the resources they need to access to develop business activities, but instead towards the resources they have access to and what can be built from them (Sarasvathy 2001). Hence, resources are not (always) viewed as limitations, rather as opportunities. This is particularly seen in the tendency to utilize sparse or waste resources as input to new activities.

Further, in the literature on rural- or farm-based entrepreneurship, there is often a distinction between the farm as the original business and new or additional business activities, sometimes interpreted as diversification (Alsos et al. 2011). Farms represent important and viable sources of new business creations in rural areas (Carter and Rosa 1998) and the findings from this study show that the farm household plays an important role in business incubation, by providing a resource base containing knowledge, materials, labour and capital, as well as emotional encouragement and business expertise. Few of the additional businesses created could exist as financially independent entities without the presence of the farm which, in all four cases, is the family's original venture. However, it is also clear that the original farm venture would not be financially viable without the supplementary business activities that grew alongside each farm business. In this respect, the distinction between 'original' and 'additional' businesses is a misnomer, as the degree of interdependence between the farm and the new ventures was such that neither could exist without the other.

Whether the results of this study can be found in other types of contexts remains to be seen, and there are also potentially fruitful angles for future research. For example, future research could examine the specificities related to entrepreneurial households in the rural context and how the resources connected to the (rural) place these households are embedded in are drawn upon in the creation of new business activities (Jack and Anderson 2002). The extent to which these findings are a rural phenomenon is also unknown, and it is possible that entrepreneurial households in urban areas exhibit similar behaviours, for example the ethnic minority and immigrant entrepreneurship literature also refers to the crucial role of the household in facilitating business growth (Kibria 1994; Carter and Ram 2003). It is also uncertain whether the same processes are used within larger family firms and we encourage researchers to explore household–firm interaction within this context.

Conclusions

This study has demonstrated that taking a household perspective can give new insights into the processes of portfolio entrepreneurship. In-depth case studies revealed some of the complexities of portfolio entrepreneurial households. The findings let us begin to understand how and why portfolios of businesses are created. The focus on one particular context helped us find relevant cases for this study and made it possible to contextualize the study to better understand the ongoing processes. Although this had advantages, it is also a limitation of this study. Further research is needed to examine the transferability of these findings to other contexts and discuss their generalizability.

Notes

1. Email: sara.carter@strath.ac.uk
2. Email: elisabet.ljunggren@nforsk.no

References

- Aldrich, H. E., and J. E. Cliff. 2003. "The Pervasive Effects of Family on Entrepreneurship: Toward a Family Embeddedness Perspective." *Journal of Business Venturing* 18 (5): 573–596.
- Alsos, G. A., and S. Carter. 2006. "Multiple Business Ownership in the Norwegian Farm Sector: Resource Transfer and Performance Consequences." *Journal of Rural Studies* 22 (3): 313–322.
- Alsos, G. A., S. Carter, E. Ljunggren, and F. Welter. 2011. "Introduction: Researching Entrepreneurship in Agriculture and Rural Development." In *The Handbook of Research on Entrepreneurship in Agriculture and Rural Development*, edited by G. A. Alsos, S. Carter, E. Ljunggren, and F. Welter, 1–18. Cheltenham: Edward Elgar.
- Alvarez, S. A., and J. B. Barney. 2005. "How Do Entrepreneurs Organize Firms Under Conditions of Uncertainty?" *Journal of Management* 31: 776–793.
- Alvarez, S. A., and J. B. Barney. 2007. "Discovery and Creation: Alternative Theories of Entrepreneurial Action." *Strategic Entrepreneurship Journal* 1 (1–2): 11–26.
- Baker, T., and R. E. Nelson. 2005. "Creating Something from Nothing: Resource Construction through Entrepreneurial Bricolage." *Administrative Science Quarterly* 50 (3): 329–366.
- Barney, J. B. 1991. "Firm Resources and Sustained Competitive Advantage." *Journal of Management* 17 (1): 99–120.
- Benedict, B. 1968. "Family Firms and Economic Development." *Southwestern Journal of Anthropology* 24 (1): 1–19.
- Brannon, D. L., J. Wiklund, and J. M. Haynie. 2013. "The Varying Effects of Family Relationships in Entrepreneurial Teams." *Entrepreneurship Theory and Practice* 37 (1).
- Brettel, M., R. Mauer, A. Engelen, and D. Küpper. 2012. "Corporate Effectuation: Entrepreneurial Action and Its Impact on R&D Project Performance." *Journal of Business Venturing* 27 (2): 167–184.
- Brundin, E., and J.-C. E. Languilaire. 2012. "Harmoni eller disharmoni? Känsloreger och gränsdragning [Harmony or disharmony? Emotional rules and setting limits]." In *Familjeföretagande: affärer och känslor [Family enterprise: business and emotions]*, edited by E. Brundin, A. W. Johansson, B. Johannisson, L. Melin, and M. Nordquist, 276–293. Stockholm: SNS Forlag.
- Brundin, E., and C. Wigren. 2012. "Älskar, älskar inte? Exkludering i familjeföretag [Love or do not love? Exclusion in family firms]." In *Familjeföretagande: affärer och känslor [Family enterprise: business and emotions]*, edited by E. Brundin, A. W. Johansson, B. Johannisson, L. Melin, and M. Nordquist, 294–315. Stockholm: SNS Forlag.
- Carney, M., and E. Gedajlovic. 2002. "The Co-evolution of Institutional Environments and Organizational Strategies: The Rise of Family Business Groups in the ASEAN Region." *Organization Studies* 23: 1–29.

- Carter, S. 1996. "The Indigenous Rural Enterprise: Characteristics and Change in the British Farm Sector." *Entrepreneurship & Regional Development* 8 (4): 345–358.
- Carter, S. 1998. "Portfolio Entrepreneurship in the Farm Sector: Indigenous Growth in Rural Areas?" *Entrepreneurship & Regional Development* 10 (1): 17–32.
- Carter, S. 2001. "Multiple Business Ownership in the Farm Sector – Differentiating Monoactive, Diversified and Portfolio Enterprises." *International Journal of Entrepreneurial Behaviour & Research* 7 (2): 43–59.
- Carter, S., and M. Ram. 2003. "Reassessing Portfolio Entrepreneurship: Towards a Multidisciplinary Approach." *Small Business Economics* 21 (4): 371–380.
- Carter, S., and P. Rosa. 1998. "Indigenous Rural Firms: Farm Enterprises in the UK." *International Small Business Journal* 16 (4): 415–422.
- Charmaz, K. 2006. *Constructing Grounded Theory: A Practical Guide Through Qualitative Analysis*. Thousand Oaks, CA: Sage.
- Chrisman, J. J., J. H. Chua, and L. Steier. 2005. "Sources and Consequences of Distinctive Familiness: An Introduction." *Entrepreneurship Theory and Practice* 29 (3): 237–247.
- Daskalopoulou, I., and A. Petrou. 2002. "Utilising a Farm Typology to Identify Potential Adopters of Alternative Farming Activities in Greek Agriculture." *Journal of Rural Studies* 18 (1): 95–103.
- De Massis, A., P. Sharma, J. Chua, and Chrisman. 2012. *Family Business Studies: An Annotated Bibliography*. Cheltenham: Edward Elgar.
- De Silva, L. R., and S. S. Kodithuwakku. 2011. "Pluriactivity, Entrepreneurship and Socio-Economic Success of Farming Households." In *The Handbook of Research on Entrepreneurship in Agriculture and Rural Development*, edited by G. A. Alsos, S. Carter, E. Ljunggren, and F. Welter, 38–53. Cheltenham: Edward Elgar.
- Discua Cruz, A., C. Howorth, and E. Hamilton. 2013. "Intrafamily Entrepreneurship: The Formation and Membership of Family Entrepreneurial Teams." *Entrepreneurship Theory and Practice* 37 (1): 17–46.
- Efstratoglou-Todoulou, S. 1990. "Pluriactivity in Different Socio-Economic Contexts: A Test of the Push-Pull Hypothesis in Greek Farming." *Journal of Rural Studies* 6: 407–413.
- Ferguson, R., and C. Olofsson. 2011. "The Development of New Ventures in Farm Businesses." In *The Handbook of Research on Entrepreneurship in Agriculture and Rural Development*, edited by G. A. Alsos, S. Carter, E. Ljunggren, and F. Welter, 21–37. Cheltenham: Edward Elgar.
- Fuller, A. M. 1990. "From Part-Time Farming to Pluriactivity: A Decade of Change in Rural Europe." *Journal of Rural Studies* 6 (4): 361–373.
- Gedajlovic, E., and M. Carney. 2010. "Markets, Hierarchies, and Families: Toward a Transaction Cost Theory of the Family Firm." *Entrepreneurship Theory and Practice* 34 (6): 1145–1172.
- Gentry, W. M., and R. G. Hubbard. 2004. "Entrepreneurship and Household Saving." *Advances in Economic Analysis and Policy* 4 (1): 1–52.
- Habbershon, T. G., and M. L. Williams. 1999. "A Resource-Based Framework for Assessing the Strategic Advantages of Family Firms." *Family Business Review* 12 (1): 1–25.
- Holy, L. 1996. *Anthropological Perspectives on Kinship*. London: Pluto.
- Iacobucci, D. 2002. "Explaining Business Groups Started by Habitual Entrepreneurs in the Italian Manufacturing Sector." *Entrepreneurship & Regional Development* 14 (1): 31–47.
- Iacobucci, D., and P. Rosa. 2005. "Growth, Diversification, and Business Group Formation in Entrepreneurial Firms." *Small Business Economics* 25 (1): 65–82.
- Jack, S. L., and A. R. Anderson. 2002. "The Effects of Embeddedness on the Entrepreneurial Process." *Journal of Business Venturing* 17 (5): 467–487.
- Jervell, A. M. 2011. "The Family Farm as a Premise for Entrepreneurship." In *The Handbook of Research on Entrepreneurship in Agriculture and Rural Development*, edited by G. A. Alsos, S. Carter, E. Ljunggren, and F. Welter, 54–73. Cheltenham: Edward Elgar.
- Kalantaridis, C., and Z. Bika. 2006. "Local Embeddedness and Rural Entrepreneurship: Case-Study Evidence from Cumbria, England." *Environment and Planning A* 38: 1561–1579.

- Kalantaridis, C., and Z. Bika. 2011. "Entrepreneurial Origin and the Configuration of Innovation in Rural Areas: The Case of Cumbria, North West England." *Environment and Planning A* 43: 866–884.
- Kibria, N. 1994. "Household Structure and Family Ideologies: The Dynamics of Immigrant Economic Adaptation Among Vietnamese Refugees." *Social Problems* 41 (1): 81–96.
- Lévi-Strauss, C. 1966. *The Savage Mind*. Chicago, IL: University of Chicago Press.
- McManus, P., J. Walmsley, N. Argent, S. Baum, L. Bourke, J. Martin, B. Pritchard, and T. Sorensen. 2012. "Rural Community and Rural Resilience: What is Important to Farmers in Keeping their Country Towns Alive?" *Journal of Rural Studies* 28: 20–29.
- Miles, M., and A. Huberman. 1994. *Qualitative Data Analysis*. 2nd ed. London: Sage.
- Mulholland, K. 1997. "The Family Enterprise and Business Strategies." *Work, Employment and Society* 11: 685–711.
- Pearson, A. W., J. C. Carr, and J. C. Shaw. 2008. "Toward a Theory of Familiness: A Social Capital Perspective." *Entrepreneurship Theory and Practice* 32 (6): 949–969.
- Pfeffer, J., and G. R. Salancik. 2003. *The External Control of Organizations. A Resource Dependence Perspective*. San Francisco, CA: Harper & Row.
- Plate, M., C. Schiede, and A. von Schlippe. 2010. "Portfolio Entrepreneurship in the Context of Family Owned Businesses." In *Transgenerational Entrepreneurship: Exploring Growth and Performance in Family Firms Across Generations*, edited by M. Nordquist, and T. M. Zellweger, 96–122. Cheltenham: Edward Elgar.
- Ram, M., T. Abbas, T. Jones, B. Sanghera, G. Barlow, and T. Jones. 2000. "Making the Link: Households and Small Business Activity in a Multi-ethnic Context." *Community, Work & Family* 4 (3): 327–348.
- Renzulli, L. A., H. Aldrich, and J. Moody. 2000. "Family Matters: Gender, Networks, and Entrepreneurial Outcomes." *Social Forces* 79 (2): 523–546.
- Rønning, L., and L. Kolvereid. 2006. "Income Diversification in Norwegian Farm Households: Reassessing Pluriactivity." *International Small Business Journal* 24 (4): 405–420.
- Rosa, P. 1998. "Entrepreneurial Processes of Business Cluster Formation and Growth by 'Habitual' Entrepreneurs." *Entrepreneurship Theory and Practice* 22 (4): 43–61.
- Sarasvathy, S. D. 2001. "Causation and Effectuation: Toward a Theoretical Shift from Economic Inevitability to Entrepreneurial Contingency." *The Academy of Management Review* 26 (2): 243–263.
- Sarasvathy, S. D. 2008. *Effectuation: Elements of Entrepreneurial Expertise*. Cheltenham: Edward Elgar.
- Scott, M., and P. Rosa. 1997. "New Business from Old: The Role of Portfolio Entrepreneurs in the Start-Up and Growth of Small Businesses." In *Small Firms: Enterprising Futures*, edited by M. Ram, D. Deakins, and D. Smallbone, 33–46. London: Paul Chapman.
- Shane, S. 2008. *The Illusions of Entrepreneurship: The Costly Myths that Entrepreneurs, Investors and Policymakers Live By*. New Haven, CT: Yale University Press.
- Sieger, P., T. Zellweger, R. S. Nason, and E. Clinton. 2011. "Portfolio Entrepreneurship in Family Firms: A Resource-Based Perspective." *Strategic Entrepreneurship Journal* 5 (4): 327–351.
- Silverman, D. 2010. *Doing Qualitative Research*. 3rd ed. London: Sage.
- Stewart, A. 2003. "Help One Another, Use One Another: Toward an Anthropology of Family Business." *Entrepreneurship Theory and Practice Summer* 27: 396.
- Ucbasaran, D., G. A. Alsos, P. Westhead, and M. Wright. 2008. "Habitual Entrepreneurs." *Foundations and Trends in Entrepreneurship* 4 (4): 309–450.
- Wallace, C. 2002. "Household Strategies: Their Conceptual Relevance and Analytical Scope in Social Research." *Sociology* 36 (2): 275–292.
- Welter, F. 2011. "Contextualizing Entrepreneurship: Conceptual Challenges and Ways Forward." *Entrepreneurship Theory and Practice* 35 (1): 165–184.
- Wheelock, J., and E. Oughton. 1996. "The Household as a Focus For Research." *Journal of Economic Issues* XXX (1): 143–159.

- Wheelock, J., and Å. Mariussen. 1997. *Household, Work and Economic Change: A Comparative Perspective*. Boston: Kluwer.
- Wiklund, J., and D. A. Shepherd. 2008. "Portfolio Entrepreneurship: Habitual and Novice Founders, New Entry, and Mode of Organizing." *Entrepreneurship Theory and Practice* 32 (4): 701–725.
- Wiltbank, R., S. Read, N. Dew, and S. D. Sarasvathy. 2009. "Prediction and Control Under Uncertainty: Outcomes in Angel Investing." *Journal of Business Venturing* 24 (2): 116–133.
- Wright, M., and F. W. Kellermanns. 2011. "Family Firms: A Research Agenda and Publication Guide." *Journal of Family Business Strategy* 2 (4): 187–198.
- Zahra, S. A. 2007. "Contextualizing Theory Building in Entrepreneurship Research." *Journal of Business Venturing* 22 (3): 443–452.

Copyright of Entrepreneurship & Regional Development is the property of Routledge and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.