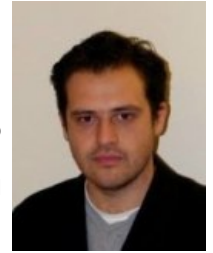


Distributed Entrepreneurship: Business Growth and Local Development

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Hitt et al. (2010) define entrepreneurship as “the process by which individuals or groups identify and pursue entrepreneurial opportunities without being immediately constrained by the resources they currently control” (p.369). Distributed entrepreneurship can be defined as a collective process that relies on the assembling of competencies distributed across a large number of agents (Bureth et al., 2006). In this manifestation of entrepreneurship the entrepreneurial function is found in more than one individual and in more than one place, being distributed among a wide number of individuals and local institutions. Thus, the locus of innovation shifts from individual organizations to networks (Powell, 1996), while the ability of the individual entrepreneur and the entrepreneurial firm to establish networks by bringing heterogeneous actors and stakeholders together become a critical aspect. The role of formal alliances, as well as informal relationships and public institutions that surround and influence the entrepreneurial activities are some only of the many central issues in studying of the distributed dimension of entrepreneurship.

In order to examine and further analyze the concept of distributed entrepreneurship, we conducted a longitudinal case study of a leading example of distributed entrepreneurship from the island of Chios in Greece, namely the “Chios Gum Mastic Growers Association” and the local cluster of firms operating around it. The “Chios Gum Mastic Growers Association” is a union of cooperatives that was established in 1938. It is the legal form which unites and serves as a collective expression of 20 cooperatives from the 24 Mastic producing villages in the south of Chios. It consists of more than 6.000 partners and it known to be the biggest organization of its kind in Greece. The main food and drink products are olive oil, cheese, wine, ouzo and mastiha, all of which are produced with local raw materials, except for ouzo (Kizos et al, 2003).

Our case study presents a characteristic example of sustainable and distributed entrepreneurship by exhibiting how an entrepreneurial activity has led to exemplary business growth (economic dimension), significant local development (societal dimension), and respectful exploitation of a unique natural resource (environmental dimension) and the provision of a wide range of natural products in the marketplace that has lead to the creation of a new market niche. The entrepreneurial decisions and the business success of the organization studied motivated the local production system for producing new, sustainable and innovative products; which resulted to the development of a large number of local firms as an extended network of collaborating organizations. This growth offered new employment opportunities to the local population and established the region as an innovative cluster of sustainable development.

The establishment of a spin-off company (Mediterra SA) in the summer of 2002 was used as an external facilitating mechanism for bringing change to the Union internally. The modernization of the factory’s equipment led to the creation of a large variety of innovative and highly distinctive new products. On the other hand, the strategic reorientation through the adoption of a series of organizational innovations and the establishment of Mediterra SA and of its network of Mastiha shops caused increasing demand for mastiha, which resulted to a parallel price increase, due to its limited production quantity.

The quest for new and innovative products with the use of the local raw materials and local knowledge paved the way for the creation of a local cluster of firms operating within a collaborative network as a result of a distributed entrepreneurship effect. The development of Mastiha Shops and the request for mastiha products has raised awareness to local producers in the island as well to other producers in Greece and abroad. This has resulted to the progressive creation of a large variety of mastiha based products that now can be found in stores, and wish are arranged into six different categories: natural mastiha, foodstuffs, organic, traditional products, beverages, pharmaceutical, cosmetic and folk items.

Taking into account the fact that natural Chios mastiha constitutes not only a product but also a “suggestion of prosperity” combined with the growing nutritional and environmental concerns, the quest of stable values and cultural references, mastiha shops have become the vehicle of a modern suggestion for all those animated by similar concepts at both the local and the national level. The great success of mastiha shops has raised awareness about mastiha both in the public and also in the business community. The demand for new mastiha products from Mediterra made many local firms of the food and beverages sector to respond positively and produce new products that would include mastiha in their raw materials, thus resulting to a large variety of innovative products that include a large number of foodstuffs, organic products, traditional products and beverages.

The distribution effect of the entrepreneurial activities of Mediterra had an influencing impact in a variety in three distinctive levels: firstly at the local level, secondly at the national level and third at the international level.

1. The first type of firms that were influenced and profited from the greater mastiha awareness were the local firms from Chios that produced mastiha products that were sold through mastihashops. The success of mastiha shops raised the request for a larger quantity and variety of such products and many firms both local and national came to respond to that demand, since the market was now able to accommodate a variety of products in large quantities. This fact encouraged both local firms, with mastiha products that were sold outside the chain of mastiha shops as well as local and non local firms of the food sector with traditional products sold both through and outside mastiha shops to produce new / innovative products that would include mastiha as a raw material.
2. At the national level, the success of mastiha products became a motive for a number of large and well established firms to include such products at their production lists. Such, firms, as Nestle, Kraft foods, Ion, etc produced mastiha products that were now marketed at a national level, thus contributing to more awareness at the national level.
3. At the international level, today, only the 30% of the total production is sold to the national (Greek) market, while the remaining 70% is exported to Middle East, Mediterranean countries and USA, and to the Far East (mainly Korea and Japan), while Mastiha shops are about to open in New York (USA) and Tokyo (Japan).

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