



THE IMPORTANCE OF START-UP CENTERS IN THE IMPROVEMENT OF ENTREPRENEURSHIP INTERNATIONALIZATION PROCESS; A RESEARCH USING THE ANALYTICAL HIERARCHY PROCESS (AHP) AND ITS APPLICATION METHOD

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Abstract:

In this article, the importance and development of international entrepreneurship were examined, investigating how global economic dynamics influence the role of entrepreneurship on national and international levels. The primary aim of the research is to offer a comprehensive approach to examining Turkey's international entrepreneurship ecosystem and evaluating the effectiveness of entrepreneurial centers. The study aims to analyze the criteria affecting the success of entrepreneurial centers and their role in the internationalization process. The first section of the thesis delves into the definition of entrepreneurship, its historical evolution, and contemporary theoretical approaches, detailing various types of entrepreneurship from social to e-entrepreneurship. The second section focuses on the intersections of international trade and entrepreneurship, emphasizing the concept of internationalization and the role of entrepreneurial centers both globally and in Turkey. The methodology of the study is built upon meetings with decision-making authorities and creating Analytic Hierarchy Process (AHP) matrices. These matrices were employed to determine the priorities of different criteria and alternatives. The role of entrepreneurial centers in the development of international entrepreneurship is analyzed using the AHP method. This analysis aims to reveal the impact of leading entrepreneurial centers in Turkey and globally on the internationalization process and its contributing factors.

Keywords:

Entrepreneurship, Internationalization, Entrepreneurial Centers, Analytic Hierarchy Process

Note: This article is derived from the doctoral thesis

1. Introduction

This article, offers a comprehensive approach to understand the complex and dynamic structure of international entrepreneurship, determine Turkey's position in the entrepreneurship ecosystem and analyze the role of entrepreneurship centers in this process.

The study is intended to provide important information to academics, policy makers and business world representatives who want to conduct research in the field of international entrepreneurship.

Today, the globalizing economy and dynamic market conditions have increased the importance of entrepreneurship not only locally but also internationally. In this context, the capacity of businesses to operate in the international arena has led us to focus on the concepts of international trade and entrepreneurship. This study aims to provide a broad perspective from the foundations of international entrepreneurship to the effects of international trade on entrepreneurship and the role of entrepreneurship centers in Turkey and the world.

2. Conceptual Framework On Entrepreneurship In International Trade

In this section, concepts on international trade and entrepreneurship, the connection between economic theories and entrepreneurship, conceptual approaches to entrepreneurship and types of entrepreneurship will be explained.

2.1 Definition of Entrepreneurship and Related Concepts

Often classified as the fourth factor of production alongside labor, natural resources and capital, entrepreneurship has attracted the attention of academics and business enthusiasts for centuries. This concept embodies the complex network of interactions between the entrepreneur, the business they establish, and the environmental environment covering social, economic, cultural and physical dimensions. (Davidsson, 2005)

The term "entrepreneur" itself has deep roots in history and culture and comes from the French word "entrepreneur" meaning "something undertaken". The term gained importance in the early 19th century and its origins can be traced back to the Latin roots "prendre" and "prehendere". Its contemporary interpretation, according to the Oxford Dictionary (en.oxforddictionaries.com, accessed 01.03.2018), characterizes the entrepreneur as "a person who assumes financial risks and starts a business with the aim of making a profit." Similarly, the Turkish Language Association (TDK) Dictionary defines entrepreneur as "1) a person who undertakes productive work; 2) a person who proactively invests capital in various sectors" (www.tdk.gov.tr, access date: 01.03.2011). (2018). Interestingly, the term "entrepreneur" is known to have been used by Cantillon as early as 1723, and that Cantillon used the term synonymously with the term "undertaker" (Kates, 2015).

Entrepreneurship, as a subject of intense scientific interest, has led to the emergence of numerous definitions. Some of them are summarized as follows:

1. Stevenson and Sahlman view entrepreneurship as "the pursuit of opportunities by individuals outside of resources under their control." According to this perspective, entrepreneurship is about identifying and exploiting opportunities that may exist beyond the individual's existing resources. It is a dynamic process that involves taking calculated risks to turn these opportunities into successful ventures. Entrepreneurs often demonstrate resourcefulness and creativity in accessing the tools necessary to achieve their goals (Stevenson & Gumpert, 1985).
2. Shane and Venkataraman define entrepreneurship as "the relationship between the existence of profitable opportunities and the existence of entrepreneurial individuals." This definition highlights the symbiotic connection between entrepreneurs and the opportunities they seek to exploit. He underlines that entrepreneurship is not only about creating jobs, but also about recognizing and seizing opportunities that can create value and profit (Shane & Venkataraman, 2000).
3. According to Hisrich and Peters and Kinicki, entrepreneurship is "the process of making new things happen and estimating risks and returns." This definition emphasizes the inherently innovative nature of entrepreneurship. It involves bringing new ideas, products, or services to market while evaluating the potential risks and rewards associated with these innovations. Entrepreneurs are often viewed as pioneers and risk takers in this context (Antoncic & Hisrich, 2003; Fugate et al., 2004).
4. Cantillon's perspective defines entrepreneurship as "using oneself in any business". This definition draws on the historical roots of the term "entrepreneur" and underscores the idea of proactive participation and initiative. It suggests that entrepreneurs are individuals who take responsibility for their economic destiny and are willing to engage in various efforts to achieve their goals (Cantillon, 1755).
5. Kirzner characterizes entrepreneurship as "the ability to accurately predict shortcomings and imbalances in the market and discover opportunities." This definition places a strong emphasis on the entrepreneur's perceptive skill and ability to identify market gaps and unmet needs. According to Kirzner, entrepreneurs play a crucial role in correcting market imbalances with their innovative solutions (Kirzner, 1973).
6. Ronstadt defines entrepreneurship as "the establishment of wealth through a dynamic process of ever-increasing wealth." This definition emphasizes the dynamic and evolving nature of entrepreneurship. Entrepreneurship is not static; Rather, it involves sustained efforts to create and accumulate wealth over time by contributing to economic growth (Ronstadt, 1988).

Collectively, these comprehensive definitions paint a vivid picture of entrepreneurship as a multifaceted phenomenon that includes innovation, risk-taking, resourcefulness, and the pursuit of opportunities. They underline its enduring importance and its role in shaping economic progress and social development.

2.2 Theoretical Approaches to Entrepreneurship

Entrepreneurship, which is the focus of attention of different scientists because it is a transdisciplinary concept, does not have a generally accepted theory. However, the knowledge base of entrepreneurship research is formed by three founding disciplines. These are: psychology, economics and sociology. Each of these disciplines asks different questions, uses different meta-theories, and focuses on different levels of inquiry. There are also several schools of thought that examine the notion of entrepreneurship from fundamentally different perspectives. While these schools were categorized, the areas of interest of each school (personal characteristics, opportunities, management or the need to adapt to the current initiative) were taken as basis. The schools in question are: The “Perfect Person” School (The “Great Person” School of Entrepreneurship), The School of Psychological Characteristics (The Psychological Characteristics School of Entrepreneurship), Classical School (The Classical School of Entrepreneurship), School of Management (The Management School of Entrepreneurship), School of Leadership (The Leadership School of Entrepreneurship), Inner Entrepreneurship School (The Intrapreneurship School of Entrepreneurship). Different entrepreneurial situations of starting, growing and maturing a venture may require different behaviors and skills. According to this; In the definition of entrepreneur in terms of behaviors and abilities; Intuition, strength, energy, stubbornness and self-esteem in the Perfect Human School; Personal values, risk taking, need for achievement in the School of Psychological Characteristics; Innovation, creativity and discovery in the Classical School; Production planning, organizing people, activating and budgeting at the School of Management; Motivating, directing and leading at Leadership School; In the School of Internal Entrepreneurship, awareness of opportunities and maximizing profits come to the fore. (Cunningham & Lischeron, 1991)

In addition, theoretical approaches to entrepreneurship are explained as economic theories that explain it with profit/gain motivation, business theories that explain it with organizational climate and managerial characteristics, and psychological and sociological theories. These disciplines have explained in different ways why some individuals are more entrepreneurial than others. While some of these approaches emphasize that entrepreneurship is a personality trait, others emphasize that it is a product of (Aytaç & İlhan, 2007) socio-cultural conditions.

Koh discussed entrepreneurship under three different approaches: individual approach, environmental approach and company approach. These approaches reveal different dimensions and perspectives of entrepreneurship. Here are detailed explanations of these three approaches (Chye Koh, 1996):

3. International Entrepreneurship and Factors Affecting International Entrepreneurship

In this part of the study, international trade, entrepreneurship and the factors affecting international entrepreneurship are mentioned. The definition of internationalization, theories and approaches, the definition of international entrepreneurship, the influencing factors, and entrepreneurship centers and their types, which are important factors in our thesis, are discussed.

3.1 Conceptual Framework Regarding Internationalization

Internationalization refers to the process by which firms expand their operations beyond local borders to engage in business activities in international markets. The conceptual framework for internationalization typically encompasses various factors, stages, strategies, and dimensions that influence firms' decisions, processes, and outcomes regarding international expansion and globalization (Çoban Kayacı Ayşe & Ataay, 2020).

resources, capabilities, competencies, strategies, goals, motivations, organizational culture, leadership, innovation, technology, management practices and international experience that influence the firm's decisions and capabilities. Internationalizing effectively is the main goal. It covers external environmental factors such as market conditions, industry dynamics, competitive environment, regulatory environment, political stability, economic trends, cultural differences, technological developments, trade barriers and geopolitical risks that affect the internationalization of firms.

Firms occasionally engage in export activities, international sales, partnerships, collaborations or licensing agreements to test foreign markets, build relationships, gain market knowledge and explore international opportunities (Doğukan & Ülker, n.d.).

Allowing them to achieve economies of scale, scope and market presence, multinational companies develop a global strategy, network, footprint and organizational structure by establishing global value chains, supply chains, operations and networks (Sire, 2022).

it faces risks such as financial risks, exchange rate risk, exchange rate fluctuations, liquidity risk, credit risk, investment risk, operational risk, supply chain risk, cyber security risk, reputation risk or geopolitical risk. It takes advantage of opportunities such as market opportunities, growth opportunities, expansion opportunities, diversification opportunities, innovation opportunities, technology opportunities, partnership opportunities, collaboration opportunities or strategic opportunities in international markets.

3.2 International Entrepreneurship

International entrepreneurship (IE) represents the intersection of entrepreneurial activity and international business. It covers the processes, activities and behaviors of firms and individuals who engage in entrepreneurial actions across national borders. IE is not just about exporting products or setting up operations in foreign countries ; It covers a broader range of entrepreneurial activities that create, sustain or expand businesses across national borders.

At the heart of international entrepreneurship is the identification and exploitation of opportunities in global markets. Entrepreneurs and firms participate in market research, analyze global trends and identify gaps or niches where they can introduce innovative products, services or business models. Including inherently political, economic, cultural and competitive risks

It involves dealing with various risks such as : Successful international entrepreneurs have the ability to effectively assess, mitigate and manage these risks. Innovation is the cornerstone of international entrepreneurship. Entrepreneurs must constantly innovate to adapt to different markets, cultures, and regulatory environments. This may include product innovation, process innovation or business model innovation. Building relationships with stakeholders across borders is crucial for international entrepreneurs. This includes establishing partnerships, alliances and collaborations with local businesses, suppliers, distributors and government agencies.

3.3 Start Up centers and their importance in international entrepreneurship

Start Up centers play an important role in encouraging and advancing international entrepreneurship by providing resources, expertise, networking opportunities and support to aspiring entrepreneurs, start-ups and innovative ventures operating across borders. These centers act as catalysts for global cooperation, knowledge exchange and innovation diffusion, contributing significantly to economic growth, job creation and sustainable development on a global scale (Paul, 2020).

Start Up centers facilitate knowledge sharing and collaboration between entrepreneurs, researchers, industry experts and policy makers from different countries. These centers host workshops, seminars, conferences and networking events, creating platforms for (DEMİR, 2021)the exchange of ideas, best practices and insights on international markets, regulations and trends .

On the other hand, it offers access to key resources including mentoring , funding opportunities, market research, legal guidance and infrastructure . For international entrepreneurs navigating unfamiliar markets, regulatory environments, and cultural nuances , these resources are invaluable in mitigating risks, overcoming challenges, and seizing opportunities (Karadağ, 2018).

It allows international entrepreneurs to expand their networks globally by connecting with investors, partners, customers and stakeholders from various regions and sectors. These hubs facilitate market entry, growth and scalability for startups and innovative ventures by encouraging cross-border collaborations and partnerships. Entrepreneurship centers play an important role in capacity building and skills development by offering educational programs, workshops and educational resources tailored to the unique challenges and opportunities of international entrepreneurship. These initiatives equip entrepreneurs with the knowledge, skills and competencies needed to successfully navigate global markets, adapt to cultural differences and effectively manage international operations.

3.4 Definition and Types of Entrepreneurship (Start Up) Centers

Start Up centers, also known as entrepreneurship centers or incubators, are specialized organizations or facilities designed to support and nurture new ventures, entrepreneurs and early-stage businesses. These centers provide a variety of resources, services, and infrastructure to help these startups grow, succeed, and scale. Entrepreneurship centers often offer a range of services that may include mentoring, networking opportunities, educational workshops, office space, financing opportunities, and access to investors or venture capitalists (METİN, 2023).

3.4.1 Types of Entrepreneurship Centers:

Business Incubators: These are organizations that provide shared office space, business services and mentoring to startups. They often focus on nurturing early-stage companies, helping them develop business plans, secure financing, and overcome the challenges of starting a business.

Accelerators: Accelerators are similar to incubators but operate over a shorter period of time, usually a few months. They provide intensive mentoring, resources and financing to new ventures in exchange for equity capital. Accelerators often culminate in a demo day where startups pitch their business to investors.

Coworking Spaces: While not just focused on startups, coworking spaces provide entrepreneurs with a shared office environment, amenities, and networking opportunities. These spaces encourage collaboration and innovation among freelancers, startups, and small businesses.

Innovation Centers: Innovation hubs are collaborative spaces that bring together entrepreneurs, researchers, academics and industry experts to promote innovation, research and development. These centers often focus on specific sectors or technologies, such as technology, healthcare or sustainable energy.

University-Based Centers: Many universities around the world have established entrepreneurship centers or hubs that provide resources, mentoring, and support to students, faculty, and alumni for the commercialization of innovative ideas and technologies.

Corporate Incubators: Some large companies establish incubators or innovation laboratories to stimulate internal innovation, develop new products or services, and explore new market opportunities. These corporate incubators often collaborate with external startups, entrepreneurs, or academic institutions.

4. Method of the Study: Analytic Hierarchy Process (AHP)

This study considers an analytical approach to analyze the decision-making process of entrepreneurship centers. In the first stage, key officials involved in the decision-making process - entrepreneurs, entrepreneurship center professionals, academicians and other officials - were brought together and detailed information was provided about the Analytical Hierarchy Process (AHP) matrices. In these meetings, the basic criteria and alternatives of the decision-making process were explained in detail, and the necessary instructions for making a consistent evaluation were shared.

In order to evaluate entrepreneurship centers, 10 Criteria were determined as follows;

1. Physical Facilities and Programs Offered to Entrepreneurs
2. Training Opportunities Provided to Entrepreneurs
3. Entrepreneurs' Access to Investors and Investment
4. Sales Channels and Customer Development Opportunities Offered to Entrepreneurs
5. Interest and Concern Shown to Entrepreneurs
6. Functionality of the Mentoring System
7. Feedback Support Provided to Entrepreneurs
8. Opportunities Offered for Entrepreneurs to Socialize
9. Marketing and Communication Support Provided to Entrepreneurs
10. Entrepreneurs' Internationalization and Overseas Activity Participation Support

5. Conclusion and Recommendations

As we mentioned in our research, internationalization, that is, opening up abroad, is inevitable for the entrepreneur to grow. In this study, the contribution of entrepreneurship centers to the internationalization of entrepreneurs is examined and it is underlined how important foreign sales support is in the determined criteria. In this study, while evaluating the entrepreneurship centers, we also evaluated the criteria that the entrepreneur attaches importance to in the selection of these centers.

The importance of entrepreneurship centers in the development of international entrepreneurship was analyzed using the AHP method according to the determined criteria and the following results were obtained.

Among the criteria, "Access to Investors and Investment" was given the highest priority and " Support for Entrepreneurs' Internationalization and Participation in Foreign Events" was the third priority, that the internationalization of entrepreneurs occurs with the overseas events and marketing support offered by entrepreneurship centers.

The entrepreneur's involvement in the entrepreneurship center is effective in the internationalization process.

The sales channels and customer development opportunities offered to entrepreneurs are important factors in choosing an entrepreneurship center.

For an enterprise to be successful, it must first receive investment. In order to be a sustainable enterprise, it has been seen that not only receiving investment but also internationalization is a very important criterion .

In the "Entrepreneurship Action Plan" prepared in 2020, KOSGEB covers three important issues in order to increase Europe's entrepreneurship potential, remove obstacles to entrepreneurs and spread the entrepreneurship culture. These are entrepreneurship education and practice to support business development and growth, and removal of existing administrative barriers. and supporting entrepreneurs in the business world, rekindling the entrepreneurial culture in Europe and protecting the new generation of entrepreneurs.

In the Entrepreneurship Action Plan, it is mentioned that member countries and participating countries will enable them to develop their own support services for entrepreneurs and help create added value by transferring good practices and developing new tools and methodologies .

It is also a fact that today's entrepreneurs gain a significant advantage by starting their activities in entrepreneurship centers.

When we look at the startups that receive investment in our country, our research shows that the majority of them are supported by foreign funds.

For the development of the entrepreneurship ecosystem, which does not have a very old history in our country, it is essential for entrepreneurship centers to increase efficiently . Providing the opportunity to receive investment and expand abroad in the services offered by these centers will always have an important place in the internationalization of entrepreneurs .

Offering all services free of charge, are the most preferred by entrepreneurs based on the 10 criteria and is very important opportunities to entrepreneurs and investors as we have determined, and offer all services free of charge, will pave the way for new unicorns to emerge in our country.

Suggestion for the entrepreneurship ecosystem; Entrepreneurship and incubation centers should differentiate themselves by offering accessibility to social opportunities , easy access to investors and alternatives to expand abroad , in line with their aim of recruiting new enterprises . Entrepreneurship centers should define the entrepreneur as a customer and make their marketing plans accordingly. In addition , taking into account the criteria of entrepreneurship centers in the sector , a cooperation and solution partnership will be beneficial in both reaching the entrepreneur directly and preventing waste of resources.

Researchers can conduct such studies regionally, such as Marmara-Aegean-Balkan Countries, by setting more criteria during evaluation , thus allowing entrepreneurship centers to grow towards more sector-oriented and specialized themes.

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