

# COMPETITIVE STRATEGIES OF DIASPORIC TRANSNATIONAL ENTREPRENEURS IN CANADA

RESEARCH  
THAT HAS  
IMPACT  
SERIES

There are a growing number of entrepreneurs who have left their home countries to seek their fortunes elsewhere, but still retain ties with their former countries. Often it's these ties that can lead to their entrepreneurial success in their host countries.

Dr. Jean-Marie Nkongolo-Bakenda, a Professor at the Hill and Levene Business Schools, set out to determine how entrepreneurs identified business opportunities between their home and host (Canada) countries, and what strategies they used to become successful. Nkongolo-Bakenda refers to these entrepreneurs as 'diasporic transnational entrepreneurs' or DTEs to recognize the ties that these immigrant entrepreneurs retain to their home country.

In opportunity identification, these DTEs relied heavily on friends, family and political affiliations to help determine opportunities. Once DTEs established their entrepreneurial ventures, however,

their reliance on family and friends decreased over time. Nkongolo-Bakenda also concluded that DTEs were more likely to adopt differentiation strategies rather than low cost leadership strategies. Interestingly, a majority of the DTEs exported products and services without modification from their home countries and targeted a niche market. Also of significance from the results, is that contrary to many existing studies, many of these DTEs did not adopt a partnership mode for their entry strategy into the host country – only 15% of those surveyed adopted a partnership model with affiliates from their home country. Nkongolo-Bakenda has suggested more research is needed to fully understand this.

Dr. Nkongolo-Bakenda stated that these findings lay the foundation for greater research in this area. A larger sample size will help confirm and expand these findings and assist DTEs on refining their activities to increase their chances

of success. Greater utilization of these findings by transnational entrepreneurs could lead to new jobs, wealth creation, innovation and technology transfer.

To date most studies on DTEs and immigrant entrepreneurs more broadly have looked in depth at one or two organizations, rather than surveying a larger group of DTEs. Nkongolo-Bakenda and his co-author, Dr. Elie Chrysostome from State University of New York, surveyed 59 DTEs in Canada who were immigrants or descendants of immigrants who, while residing permanently in Canada, maintained a link with their country of origin. For most of those surveyed that link was in Africa, Europe or Asia. Just over 80% of those surveyed were younger 45 years of age, and almost 80% had at least a bachelor's degree. Almost 70% of the firms were in operation for fewer than nine years.

Article overview written by Pat Rediger

## Dr. Jean-Marie Nkongolo-Bakenda

Jean-Marie.Nkongolo-Bakenda@uregina.ca

Nkongolo-Bakenda, J.M. & Chrysostome, E.V. (2020). Exploring the organizing and strategic factors of diasporic transnational entrepreneurs in Canada: An empirical study. *Journal of International Entrepreneurship*, 18, 336–372. <https://doi.org/10.1007/s10843-020-00268-2>

