
An Exploration of Corporate Entrepreneurship Strategies & Theories and Their Practice to the Business Case Study of Koenigsegg Automotive AB

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Abstract:

The main objective of this research is to analyse the main entrepreneurial & policy making theories and studying the main differences among them and finding out their application to a real life business case. These theories are critically analysed and compared with each other and a conceptual framework is developed based on the analysis conducted. For the purpose of the research, we have decided to do our survey on the Swedish super car manufacturer Koenigsegg Automotive AB. This study seeks to identify entrepreneurial characteristics, possible success factors deriving from those company characteristics and to connect the company to its environment. This study is also trying to validate the early researchers and experts thoughts and ideas and thus focused on the practical implications of these theories in today's successful entrepreneurial companies and has tried to answer the research questions by applying them to our case analysis. We have chosen paradigmatic tools for conducting the survey and documentary research is followed to analyze the company. The finding derives from the important role of technological innovation. Their successful innovations and appropriate recommendations are also discussed.

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Introduction and Methodological approach

The purpose of this paper is an examination of entrepreneurial issues both in a theoretical approach and an application to a real life business case.

The theoretical issues addressed serve to provide a framework which points out factors that can be applied to distinguish entrepreneurial characteristics within an organization. The identification of these factors in a real business case is one main purpose of this essay. Apart from this investigation of internal characteristics, the second purpose is to connect the potentially entrepreneurial company to its external network and business environment. By this, the effects of the regulatory system the company is confronted with should be signified.

This reflects a realist approach in order to give an insight into the research question. In a hypothetic-deductive approach, the hypotheses that the company in question shows clear entrepreneurial characteristics is approached. Due to the fact that a quantitative testing of some kind is hardly applicable in this case, the results remain to a high extend subjective.

As a result, by covering the internal and external perspective, a comprehensive overview of entrepreneurial aspects regarding the business case should be delivered.

The company chosen is Koenigsegg Automotive AB, which we believe to serve as an appropriate and fruitful example to demonstrate the above mentioned issues.

Theoretical background and literature review

To begin with, it would be of advantage to the understanding of the article's concept to look at the evolution of entrepreneur. Various scholars have attempted to describe the word Entrepreneur and what constitutes entrepreneurship. The word 'entrepreneur' comes from the French word 'entreprenre', which means to do something and it was originally used in the Middle Ages in the sense of a person who is active, who gets things done (Swedberg 2000, p.11). In his work 'entrepreneurship as innovation' Joseph.A.Schumpeter outlines a theory which is centered around the idea of entrepreneurship as putting together a new combination for instances the entrepreneur combines already existing materials and thereby produces something novel and innovative. His concept covers the following five cases; (1) The introduction of a new good, that is one which consumers are not yet familiar or new quality of a product.(2) The introduction of a new method of production, that is one not yet tested by experience in the branch of manufacture concerned.(3) The opening of new markets, that is a market into which the particular branch of manufacture of the country in question has not previously entered, whether or not this market has existed before.(4) The conquest of a new source of supply of raw materials or half-manufactured goods, again irrespective of whether it has first to be created. (5) The carrying out of the new organization of any industry, like the creation of monopoly position he placed emphasis on innovation. According to Schumpeter, an entrepreneur is one who combines various input factors in an innovative manner to generate value to customers with the hope that this value will exceed the cost of the input factors, thus generating superior returns that result in the creation of wealth.

Ludwig von Mises, the author of 'The entrepreneurship and profit' argues that entrepreneurship consist of correctly figuring out what customers want well ahead of the

competition. He also adds that if the entrepreneurship is successful in doing this, he or she will be able to produce more cheaply than the competitors and hence make a profit. Although his essay seems provocative but it has practical implications. Another work similar to Mises is that of Martin Lipset the author of 'values and entrepreneurship in America'. He points out that entrepreneurship involves more actors than one entrepreneur and this raises the practical question of how the entrepreneur should be related to this issue. Lipset's argument imposes constraints as well as creates possibilities in society while alternatives will be chosen. According to Lipset, a culture is influenced by host of social factors, including religion, education, the role of the military, and so on. Entrepreneurial activities are a rigorous process, no theory is best at describing evolution of the concept concerning entrepreneur. It embraces all aspect of creativity, innovation, adaptability to changes, risk taking and profit making. According to Richard Swedberg, no one is an entrepreneur forever, only when the individual or organization constantly innovate, entrepreneurs with particular talents and ambition are increasingly looking to sell their products around the world.

Application of the framework: The case of Koenigsegg

3.1 Company Description

3.1.1 History

Koenigsegg is a Swedish supercar manufacturer. The founder of the company, Christian von Koenigsegg, with the dream of creating the perfect sport car, launched the Koenigsegg project in the year 1994. The concept of the supercar was defined following Christian's guidelines from the commencement of business –a two-seat mid-engine construction with a hardtop, all based on the state of art Formula One technology. In 1995, Koenigsegg moved to the new premises in Olofström where the

first prototype was completed and was ready for evaluation. Lots of testing on racetracks, roads and in the Volvo wind tunnel was conducted in the year of 1996 and some renowned race-car drivers such as Picko Troberg, Calle Rosenblad and Rickard Rydell were invited to test the prototype. The satisfactory test results proved its concept of a supercar to be practical. The Koenigsegg CC prototype was shown at the Cannes film festival in 1997 and the show was so successful that the company afterwards started to manufacture finished products. In the next year, the Koenigsegg team completely focused on perfecting the final product and 57 different tests of the car were conducted to ensure the international certification regulations. Besides, a new facility near Ängelholm in southern Sweden was purchased and a series of production infrastructure was built up. (Koenigsegg 2005)

During the spring and summer of the year 2000, the first production prototype vehicle was assembled and tested to meet the deadline of September 28th, when the finished product would face the judgment of the world at the Paris Motor Show. Meanwhile, a fully scale production line of the cars was being arranged at the Koenigsegg facility and later in the same year Koenigsegg started the series-production of the CC 8S model. Because of its successful presentation at the Paris Motor Show, the company was mentioned in most of the world's car magazines. It also received several design awards, among them the prestigious German Red Dot award and a prize for excellent Swedish design. The Swedes voted the Koenigsegg CC 8S the Car of the Year 2001 in the Swedish magazine *Automobile*. The Magazine Car and Driver performed a series of test to the car and found it extremely competitive on most items such as acceleration, lateral g and braking. (Koenigsegg 2005)

The first customer Koenigsegg CC 8S was assembled and handed over to the owner at the Geneva Motor Show in March 2002. Though the assembly line at the Koenigsegg plant was still under construction, the working team managed to

complete five cars during the year. In September Koenigsegg was launched in Asia, with two cars featuring in a spectacular premiere at the Seoul Car Show. (Koenigsegg 2005)

In the spring of 2004 Koenigsegg presented the CCR, the new 806 hp model at the Geneva Motor Show. The CCR features several new components that interact to greatly improve its performance in order to break the high-speed record and travel faster than 395 km/h. (Koenigsegg 2005)

3.1.2 Products

Koenigsegg models are built to excel on the road or racetrack, yet are still highly comfortable for long distance traveling. (Koenigsegg 2005) The Koenigsegg CC 8S was the first model and its history can be traced back to the year of 1994 (Koenigsegg 2005). However, CC8S model's production line has been discontinued (Koenigsegg 2005). Current production mainly concentrates on the model of magnificent 806 hp CCR, which now holds the Guinness World Record for the most powerful streetcar (Koenigsegg 2005).

The Koenigsegg CCR is the improved version of the CC. It exhibits several technological changes to the engine, chassis and the body. Most notable improvements are the new headlight arrangements, the boldly shaped side air intakes and the rear air outlets. The CCR is also equipped with a front splitter to further optimize high-speed aerodynamics. But the development of the CCR engine is the main resource of its enhanced performance. A Bi-compressor Centrifugal Supercharging System boosts the engine with twin parallel mounted Rotrex compressors that help to generate the 1.4 bar boost pressure needed to create the colossal output. The engine's power output reaches the extreme peak value of 806 hp at 6.900 rpm. The torque curve also shows very high figures over a broad spectrum of revs with a peak value of 920 Nm (678 ft-lb) at 5.700 rpm. Other CCR technological specifics include the cutting edge brakes, new racing shock absorbers, a

monologue carbonfibre intake plenum, the CCR advanced throttle and an increase of size to 19" for the front wheels. All these modifications contribute to the outstanding quality of CCR The decoration of a silver ghost on each CCR vehicle is to honor the Swedish Fighter Jet Squadron No. 1, which left its premises to Koenigsegg after being closed down by the government in 2003. The ghost was the squadron's symbol, which has encouraged the Koenigsegg crew to move forward for the supreme end. (Koenigsegg 2005)

80 % of the parts in a Koenigsegg car were developed in-house by Koenigsegg's own crew ((Koenigsegg 2005) and each aspect of Koenigsegg's design seeks to serve its ultimate objective of speed. The surfaces are shaped to perfectly aerodynamic. Both the body and chassis of a Koenigsegg are made of extremely lightweight carbon fiber composite, reinforced with Kevlar and aluminum honeycomb. Its race-bred suspension system brings the driver in control of all movement, even under the toughest racing conditions. Koenigsegg creates cars as per each costumer's specific requirements, so each car is an individual piece of art. Furthermore, crash-tests have verified that at least in terms of safety, a Koenigsegg is a truly Swedish car. (Koenigsegg 2005)



The Koenigsegg CCR



The squadron's symbol

(Source: <http://www.koenigsegg.se/thecars/index>)

3.1.3 Present status

The Koenigsegg headquarters lie in a large Fighter Jet facility located in southern Sweden, near the city Ängelholm (Automobile Profiles and Reviews). The company has a working team of about 30 full-time staff, which include 4 engineers, 3 R&D staff, 4 composite technicians, 4 pre- assembly staff, 2 engine assembly staff, 5 final assembly staff, 2 storage staff and 5 at PR, sales, administration and leadership. Extra personnel are employed only when necessary, for example, the need for development. The present production capability e.g. 4 stations in the pre-assembly hall and 3 in the final assembly hall can support the simultaneous assembly of 7 vehicles (Koenigsegg 2005).

The Super test conducted by Sportauto chief-editor Horst von Saurma is regarded as a true benchmark of performance. On the 17th and 18th of October 2005, the Koenigsegg CCR was presented in the Supertest. Though the weather conditions didn't reach the ideal level, the Koenigsegg car still managed to achieve an outstanding performance with a time of 7 minutes and 34 seconds around the Nürburgring Nordschleife, with comparatively cold tires, minimizing the grip level. Besides, with the outstanding speed of 313 km/h, the Koenigsegg CCR created the fastest ever recorded speed on the long Doetinger Hoehe straight (Koenigsegg 2005). But the Koenigsegg team will never stop improving, and miss any good opportunities of talent showing itself. The 28th of February to 12th of March 2006, Koenigsegg will be present at the 76th Salon International Del' Auto in Geneva (Koenigsegg 2005).

3.2 Entrepreneurial Character

In order to make a better and more substantial understanding with respects to entrepreneurial character of Koenigsegg Automotive AB, we could draw on the relevant framework generated by Joseph A. Schumpeter who is considered to be the

main figure in the literature on entrepreneurship (Swedberg 2000, p. 12). This has led to two analysis issues as follows;

3.2.1 Innovative aspect

Focusing on the definition which explain entrepreneurship as the making of a '*new combination*' of already existing materials and forces; and that entrepreneurship consists of making innovations, as opposed to inventions (Swedberg 2000, p.15), Koenigsegg is undoubtedly qualified to demonstrate these distinctive characters. Holding on to the core idea of developing the world's supercar, the company partners with distinctive suppliers in relevant industries who contribute to Koenigsegg's product superiority and success. If we touch on certain examples, e.g. Advanced Composites Group (ACG), which is established as the world's leading supplier of composite technology and material into the motor racing industry (Advanced Composites 2005), Accurate Technologies Inc. (ATI), a company primarily recognized as a quality provider of precision automotive test and measurement instruments (Accurate Technologies 2005), and Michelin, internationally known as the tire manufacturer, from this, it will not be wrong to say that these partners are world-wide leading manufacturers in their industries.

Even though Koenigsegg deals with the sportcar industry with already existing strong manufacturers such as Ferrari, it is considered to be entrepreneurial in that with its own establishment, the company chooses to target an exclusive product-offering to a selected group of customers, a market niche. With the sportcar's ability to reach higher top speeds and more power than any other contemporary series-produced car, one might think it is designed to be compatible with racetrack use. However, what makes Koenigsegg's product-offering more attractive to customers and unlike certain sportcar brands is that it is actually tailored to be compatible with both road and racetrack, not just either one, and is also highly comfortable for

long distance traveling, allowing it to catch the attention of more potential buyers in specific markets (Koenigsegg 2005). The description above can be referred to certain main type of entrepreneurial behaviors classified by Schumpeter and these classifications can be used to justify Koenigsegg company as being entrepreneurial due to the fact that, firstly, it manages to introduce a new good accomplished by realizing superior combination of existing and new technologies together. Secondly, it succeeded in opening up a new market with specific elites as targeted group and lastly, it managed to establish a new organization within the supercar industry (Swedberg 2000, p.15).

3.2.2 Personal motivation

It is well understood that Christian von Koenigsegg has long been dreaming of creating the perfect sportscar (Koenigsegg 2005). With specific ideas, it is apparent he has a determinant goal to realize supercars, unique in their design and components and superior to their contemporary auto class. Christian's dream is now projected through existing Koenigsegg's production, yet, development effort to maintain production superiority has never seized to stop at Koenigsegg.

This fact has contributed to our understanding that the most dominant motive of the initial establishment of Koenigsegg Automotive AB fits what Schumpeter classified as 'the joy of creating', which can be interpreted in another way as the satisfaction of getting things done (Swedberg 2000, p.16). Simply put, Koenigsegg himself has had a dream to build a super car, he strongly believed in the potential of his ideas, gathered required competent personnel to make what he believed become reality, and today, Koenigsegg Automotive AB is established as one of the top supercar manufacturers in the world (Koenigsegg 2005). It is interesting to consider that this very point also signifies, according to Weber, a charismatic leader quality in Koenigsegg himself; by projecting the strong

believe in his business idea along with his determinant personality, this should have more or less contributed to the support and supplies he has received from agencies surrounding him and his organization.

In addition to this very point, two other logics from Schumpeter also characterize the initial establishment motive for our case-study; the dream and the will to found a private kingdom, and the will to conquer. The latter seems, however, to be more apparent than the former in that Koenigsegg, the originator and CEO of Koenigsegg Automotive, implies through the publication of the company's official website that he wishes to prove to the world that a small group of innovative and skillful people can build up a globally known world-class car brand (Koenigsegg 2005). As for the former logic, it can be argued that any business owner and entrepreneur who found his or her own business undeniably enjoy the knowledge of having the independence and decision power which would come along with running one's own business. This latter point can simply be served as a basic drive for an entrepreneur's business establishment. Therefore, it should be safe to state that the company in question hereby also falls in this very case.

3.3 Success Determinants

When interviewed regarding the accomplishment the company has had so far, the founder and the CEO stated clearly that despite the low Entrepreneurial spirit and a long history of Social Democrat in Sweden, he was determined to produce a car that the whole world will be in awe at. He had a long childhood dream to realize and nothing could stand on his way to stop him doing that. (Swedish supercar not for chickens 2005). Today Koenigsegg is one of the most powerful producers of super cars in the world.

The company accomplishments can be associated with the following factors:

Factor Endowment; Sweden is one of the largest producers of steel that is used in the production of cars. Apart from this important raw material, the government highly invests in education and stimulates advanced research at higher education institutions. The result is a population with acquired knowledgeable skill, hence availability of skilled and sophisticated labor. The fast growth of research facilities and technological know-how in Sweden also is another factor that led to the faster growth of Koenigsegg. According to the founder, Sweden's automotive history, its high-tech electronics and aviation industries and design traditions make the country a good base. (Koenigsegg Official Website 2005).

Related and Supporting Industries; As a producer of steel, the country already established itself as one of the car best producer with the like of Volvo, Scania etc. With a long tradition of building high quality cars and availability of a large number of suppliers to the racing car industry, Sweden offered a suitable breeding ground for the development of a world-class super car. There is also a large network of suppliers and partners in Sweden. They are small companies and craftsmen that produce low volumes of high quality components. Since its establishment the company has had a network of competent designers and engineers at its resources with connections both to Swedish Car industry and universities tied together. (Automobile Profiles and Reviews 2005).

The supplier industry takes advantage of R&D programs in Sweden, where vehicle manufacturers and suppliers cooperate to improve technology, efficiency and competitiveness. This includes a range of different enterprises. Autoliv, SKF, Haldex and SSAB are some of the big, well-known global automotive suppliers with their headquarters in Sweden. (Koenigsegg CC8S 2005).

Product Safety; Sweden is known for its competency when it comes to international concern for product safety. It is no surprise Koenigsegg customers have faith in the car as compared to its competitors. As a machine for safe driving, Koenigsegg creates each car specifically and crash-tests have verified that at least in terms of safety, a Koenigsegg is a truly Swedish car. Other active safety measures include superb handling combined with exceptionally strong brakes and good visibility from the driver seat. Sweden has a strong position in telematics and active safety systems. (Koenigsegg CC 2000).

Other factor that we noted in this company is the fact that there are very high variable and fixed costs; it proves hard for the company to offer its products at a fair price than its competitors. The production costs are very high due to expensive raw materials and the fact that both assembly and manufacture of the components is very labour intensive. However, because of the quality of the product the company has for the last five years won a large market. In less than a decade, Koenigsegg has achieved so much to the point of being one of the world's number one super car producers.

Nevertheless, the company applies the following Generic strategies developed by Michael Porter (Kotler 2003, p.106) they include:

Differentiation; The Company seeks quality leadership by concentrating in achieving superior performance over its competitors. Space- age materials and uncompromising quality both in finish and function make these cars among the very best in the automotive history. They reach higher top speeds and are more powerful than any other series-produced car today. The company is believed to be one of the fastest car producers in Europe.

Some of its competitive advantage includes the aerodynamics which is the best in its class. Its superior performance was tested and verified at Volvo's wind tunnel test

facility in Gothenburg, Sweden. Since the car benefits from a low aerodynamic drag the car has a greater top speed advantage compared to competitors with similar horse-power output. (Koenigsegg CC 2000)

The company has at its assets extensive technology that describes a sample of inventions that make these cars stand out functionally as well as aesthetically. The Magazine Car and Driver performed a series of tests to the car and found it beating the competition on most accounts such as acceleration, lateral G and braking. (Koenigsegg Breaks World Record 2005).

Focus; Koenigsegg manufactures exclusive super sports cars for select elite of enthusiasts. They are mainly professionals and or wealthy people who are able and willing to pay a high price for the products. The company focuses differentiation as their strategy towards this group. (Koenigsegg Breaks World Record 2005)

Production; Producing cars at a faster rate than its competitors could be another factor for Koenigsegg's success. When interviewed, the founder related this success with the size of the company. According to him, his small organization can practice agility and innovation and can go straight from idea to production and can bypass bureaucracy. There is no delay in decision making as it is the case in big companies and there is autonomy to realize radical ideas within a short time of period. It's a small independent company, but it seems that they have received a lot of support from large Swedish businesses and prominent businessmen. (Koenigsegg Official Web site).

Customization; Koenigsegg AB stands out as a company that produces its cars upon customers' preferences and tastes. Individualizing of cars gives the company capacity to interact with its customers hence forming a relationship. Customization

is difficult to implement leading to raised costs of the cars. However, as stated before, the customers are affluent people who are prepared to pay. (Automobile Profiles and Reviews 2005).

3.4 Implications of policies and policy makers for the company

3.4.1 The role of a company's environment

Public regulations in the location an entrepreneur is operating in can be crucial for a company's future success. This not necessarily means a call for an active governmental constraining of markets but more the creation of "good conditions for individuals, enterprises and regions to pursue ideas in" (Lundström 2003, p. 224).

Generally speaking, SMEs oftentimes might disproportionately be affected by regulative measures since these measures often do not differentiate according to firm size. A differentiation according to size, in particular a simplification of regulations and procedures, can therefore be a significant improvement of the situation of SMEs. This especially seems relevant regarding the fact that Entrepreneurs regard bureaucratic burdens as a major obstacle in running a business (European Commission 2003, p. 15).

A sophisticated regulatory environment which might have direct as well as indirect effects on an entrepreneurial company is therefore a crucial issue.

Furthermore, taking into consideration the network approach to company analysis helps to structure and clarify the environmental setting. This approach comprises relevant aspects such as network learning, commitment, relationship building, etc., which all determine a company's path of development. On a more detailed level, this view can be applied to single parts of the value chain, such as distribution functions

only, as well as internationalization processes of a firm (Johanson, Mattsson 1994, p. 326 et seq.).

More relevant in this context is the fact that the application of the network view is also appropriate for entrepreneurially characterized companies or actors. Burt (2000) points out that the achieved rate of return of a company (in this case a synonym for company success) is dependent on the structure of a company's network and the location of a company's contacts in the social structure of the relevant competitive arena. These network boundaries, i.e. the relationships of one player with another are defined as social capital. This and two other kind of capital, namely financial capital and human capital are considered relevant by Burt for applying the network view on an entrepreneurial company (Burt 2000, p.280 et seq.).

In turn, the shape of the arena the described capital accumulates is not only influenced by private actors such as entrepreneurs. It is just as well influenced by regulations introduced e.g. by governmental institutions. Only in a positive regulatory environment, competitive and innovative players can emerge, form networks and in the end foster each other's business development. Concluding, also from a network perspective an analysis of an entrepreneurial company's environment is crucial for understanding its structure and success patterns.

3.4.2 The entrepreneurial environment in Sweden

Based on the aspects addressed in 2.1, a closer look on the entrepreneurial environment Koenigsegg is confronted with seems evident. Unfortunately, a lack of detailed information concerning the company's interaction with public institutions and other regulatory issues limits the scope of analysis. Therefore, the analysis delivered has to take place on a more general level and approaches relevant issues on the national

level, i.e. analyzing Sweden as the business environment respectively competitive arena.

Sweden is the home location of Koenigsegg and furthermore the majority of its suppliers and partners, mainly smaller companies, are located in Sweden (Koenigsegg 2005e).

These suppliers might have profited from a shift of Swedish governmental policy from promoting larger enterprises to fostering SMEs. Several factors lie behind this shift of focus. The main reason is that in Sweden, as well as in many other countries, the role of SMEs as job creators compared to larger companies has increased (Lundström 2003, p. 223). In the end, this leads to a positive effect on GDP growth (European Commission 2003, p. 6).

As concrete measures, in 1999 a regulation to reduce the administrative burden on SMEs was passed, as well as two expert commissions established. This led to a restructuring of the SME support system in 2001. This system e.g. comprises the work of NUTEK (Swedish Agency for Economic and Regional Growth) and the state agencies VINNOVA and ITPS. These and other agencies report to the ministry of industry (Lundström 2003, p. 225). Thereby, a constant information flow to governmental decision makers concerning the needs of SMEs should be given.

Due to the specific characteristics of Koenigsegg, those governmental policy measures that affect the development of innovative companies in the technical field are those that indirectly determine Koenigsegg's foundation of success.

In this sense, the Swedish government successfully contributed to a beneficial environment for the company. Especially the activities of the above mentioned state agency VINNOVA support this point of view. These activities follow the Triple Helix approach, describing the necessity of collaboration between actors from the field of business, research/science and political institutions. This way, among other goals, problem-oriented research and effective innovation

systems should be established (Vinnova 2002, p. 6). Furthermore, the 18 growth research areas Vinnova focuses on comprise several areas that seem very relevant for the Koenigsegg products, such as manufacturing of complex products or lightweight materials (Vinnova 2005, p. 15 et seq.).

However, due to the mentioned lack of detailed information, a direct link between activities of the mentioned institutions and Koenigsegg's success cannot be drawn.

Nevertheless, the positive environment for technology based companies is illustrated by Sweden's strong position in regards to sectorial patenting performance. In most high-technology and medium-high-technology fields Sweden obtains a leading role. The number of patents in most high-tech sectors in relation to population is, apart from the USA, Japan, Germany and Switzerland, higher than in any other country. On the other hand, it has to be pointed out that SMEs account only for a minor share of those patents (Marklund et al. 2004, p. 26).

A more general measure to promote SMEs has furthermore been the simplification of tax procedures (Lundström 2003, p. 230), another aspect that might have had positive influence on Koenigsegg's development.

To sum up, several policy measures introduced by the Swedish government or appending institutions contributed to the creation of an environment that has the potential to show positive impact on Koenigsegg's business activities. This particularly refers to high-technology sectors, which appear most relevant regarding the company's complex products. As pointed out earlier, a more direct linking of policy effects on the company is hardly possible due to missing information.

Conclusion

The purpose of this paper was first to give a brief insight into the theoretical background in regards to entrepreneurial

research. Second, it was intended to apply this background – to a certain extent – to the example of Koenigsegg AB. This is mainly comprised to identify entrepreneurial characteristics, possible success factors deriving from those company characteristics and to connect the company to its environment.

In order to approach this objective, a brief literature review has been followed by the business case application, consisting of a company presentation, an identification of entrepreneurial characteristics as well as success factors. Finally, an investigation of the company's environment has been delivered.

As an outcome, we conclude that Koenigsegg AB in deed shows factors indicating a strongly entrepreneurial character. This conclusion mainly derives from the important role of technological innovation. Successful innovations are crucial to achieve product differentiation against competitors. Furthermore, the company founder, Christian von Koenigsegg can be regarded as a charismatic leader who connects his personal objectives to the company's objectives and thereby serves as a driving force of the company's development.

A second outcome is that there are factors that indicate that, in an entrepreneurial sense, without a positive business environment the positive development of Koenigsegg would have hardly been possible. This conclusion is derived from the company's dependence on a sophisticated business network of mainly smaller technology suppliers. Such network in turn can only evolve in a regulatory environment that recognizes the specific need of entrepreneurial, i.e. small, innovative and dynamic firms.

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