Hard Werken?

Key Factors and Strategies of Dutch Immigrant Entrepreneurial Success in New Zealand

Pathways to Metropolis - 25 October 2012
Arjan van der Boon
Immigrant Entrepreneurship

A Burgeoning Field of Research


- 1990: Ethnic Entrepreneurs. Immigrant Businesses in Industrial Societies - Roger Waldinger et al
  - Bring the concept of Structure into the picture - Society / Economy / Cross-border
  - Focus no longer just on the entrepreneur as Agent
  - Interactive Model - Opportunity Structures and Group Characteristics

- 1990s: Focus on internal processes - ethnicity and social networks, and gender and race issues

- 2001: Mixed Embeddedness concept - Rob Kloosterman and Jan Rath
  - expands the dimensions of the Interactive Model
  - aims to “take into account the characteristics of the supply of immigrant entrepreneurs, the shape of the opportunity structure, and the institutions mediating between aspiring entrepreneurs and concrete openings to start a business in order to analyse immigrant entrepreneurship in different national contexts.”
Immigrant Entrepreneurship

A Burgeoning Field of Research

- 2010: OECD publication ‘Open for Business’ (Conference on Migrant Entrepreneurship and Employment Creation of Immigrants, Paris)
  - The international landscape is vast, complex and varied - and is changing fast
  - One key finding: the traditional perception of ethnic businesses operating within their own ethnic environment, in lower segments of the markets, does not hold true.
  - Immigrant entrepreneurship extends beyond ethnic business and contributes to high-value activities and innovation.
  - In the US, for example, “skilled migrants outperform college-educated natives in terms of starting companies, per-capita patenting, commercialising or licensing patents”

- Some recent examples from New Zealand
  - Hunter and Wilson - historic overview of 150 years of entrepreneurship
  - Leo-Paul Dana (Handbook of Research on Ethnic Minority Entrepreneurship)
  - De Vries - influence of migration, settlement, cultural and business factors on entrepreneurship among Dutch, Chinese, Indian and Pacific entrepreneurs
  - Krivokapic-Skoko - ethnic entrepreneurship in New Zealand agriculture
  - Cruickshank - intentional immigrant entrepreneurs
The Dutch in New Zealand

- Entrepreneurs from day 1
  - Tasman - VOC / Samuel Polack - Kororareka / Julius Vogel
The Invisible Dutch

The Numbers - Going Dutch

It all started after World War II. New Zealand wanted skilled labour. The Netherlands was struggling to rebuild the country.

Poot and Van der Pas identify three distinct cohorts of arrivals, each spanning some 20 years:

- The 1950s and 1960s: the *post-war settlers* - some 24,000 - most of them young, religious, less educated, often speaking only a little English, and relatively poor.

- The 1970s and 1980s: the *skilled migrants* - educated and trained, looking for a better lifestyle.

- The 1990s and 2000s: the *transnationals* - highly qualified, socially mobile and working as highly skilled professionals.

- The ‘Dutch community’: In total some 116,700 New Zealand residents of Dutch ancestry (including non-Dutch partners) - or 2.7% of the population.
The Invisible Dutch

The Numbers

Poot and Van der Pas

Figure 1  Dutch Migration to New Zealand, 1947-2008.
Pegge - Analysis of the 2002 Census results shows that Dutch immigrants have a high rate of becoming employers (8.0%) and self-employed (16.1%)  
Figures are even higher for non-recent Dutch immigrants (23.5% and 12.6%)  
Compares favourably to British (3.2% and 10.2%) / European immigrants (4.4% and 13.7%) / New Zealand average figures (7.8% employers and 12.1% self-employed)
Is there something like an Immigrant Entrepreneurship Model? That the Dutch Experience Could Fit Into?

- Several attempts to build a model that works

The original Interactive Model (Waldinger)

And a more recent version (Oliveira)
Finding the Holy Grail

Do Dutch Migrants Fit Into a Model?

- Hah! I can do this. Yeah, right...

1. Migrant Entrepreneur Environment Model

- Migrant Entrepreneur
- Non-Migrant Entrepreneur
- Personal Traits
- Opportunity Space
- Markets
- Socio-Cultural Environment
- Financial Capital
- Regulatory Environment
Do Dutch Migrants Fit Into a Model?

- And now for something completely different…
Do Dutch Migrants Fit Into a Model?

- But Wait! There’s more...
Do Dutch Migrants Fit Into a Model?

- At last... Something that’s built on tradition. But enhanced.

Kloosterman and Rath:
“...the supply of immigrant entrepreneurs, the shape of the opportunity structure, and the institutions mediating between aspiring entrepreneurs and concrete openings to start a business...”

Entrepreneurship theories -
Howard Frederick: Micro / Macro views
Do Dutch Migrants Fit Into a Model?

- The Micro, or Agency dimensions

**Fig 1 - Immigrant Entrepreneur Environment Model**

- **Home Country / Host Country**
  - Education/Training/Experience
  - Business / Management skills
  - Product / Service / Technology expertise
  - Technical skills / knowledge
  - Social / Cross-cultural communication skills

- **Home Country / Host Country**
  - Business contacts / networks
  - Ethnic social networks
  - Family resources
  - Suppliers/Associations/Clusters
  - Links into ethnic markets
  - Co-ethnic employment/Workers
  - Alliances / Outsourcing

- **Home Country / Host Country**
  - Insights in Markets / Trends / Opportunities
  - Exposure to ‘out of the box’ thinking / Concepts / ideas
  - Diverse cultural backgrounds
  - Values / norms
  - Status / Style

**Human Capital**

**Social Capital**

**Cultural Capital**

**General Business Strategies**

**Immigrants’ Entrepreneurial Strategies**

**Business Venture**

**Business Outcomes**

Agency: Two worlds
Do Dutch Migrants Fit Into a Model?

- The Macro, or Structure dimensions

**Immigrants’ Entrepreneurial Strategies**

**Business Venture**
- Business structure
- Hierarchy
- Decision making
- Teamwork
- Products / Markets
- Innovation / Resources
- Suppliers / Distributors
- Vertical / Horizontal integration

**Regulations & Constraints**
- National / Local government
- Legalsystem / Compliance
- Taxation / Accounting
- Permits / Policies
- (Perceived) Qualification issues
- Limited access to capital
- (In)Formal Entry barriers
- Perceptions of sustainability / ability / feasibility / desirability
- Acceptance / discrimination
- Competition / Exclusion

**Opportunity Structure**
- Market attitudes / needs / trends
- Cultural requirements / demands
- Buyers / Suppliers
- Entrepreneurial environment / VC
- Support programmes / mentors
- Skilled labour force
- Presence of experience / expertise
- Urban / Agricultural development
- Manufacturing / Industrial base
- Service economy / Support
- (Post) Industrial society / Mobility
Crunch Time! Could the Model Work?  
What can the existing literature tell me?

- The ‘Industrious Dutchy’ was economically successful. How come?

- “Hard werken” - Was that it?

  - Jan Okkerse: “Many a time I was told to slow down. At one stage the men went to the manager and said you either get that Dutchman out or we go out. ... The men also used to make their own overtime. They would say ‘Slow down Jan, slow down, overtime tonight.’ ... They had it down to a fine art, appearing to be busy doing nothing. That’s an art, I couldn’t do that.”

  - Henk Knottenbelt - immigration attaché for almost 30 years - spread some 15,000 Dutch people evenly throughout the country. Forming groups was believed to impede successful assimilation into Kiwi society:

    “I told them this was a place where you could knit your own pattern in your own life. There is plenty of space and opportunity and if, for example, you are a good painter and qualified, in no time you can be your own boss”
Crunch Time! Does the Model Work?

- Suzy van der Kwast - Suzy’s Coffee Lounge in Willis Street, Wellington
Crunch Time! Does the Entrepreneur Model Work?

- Entrepreneurs: Otto Groen - Fine Dining / Brooks, Verkerks - Specialty Meats / Han Klisser - Vogels Bread / Paul Veltman - Rembrandt Suits / La Grouw - Lockwood
- Social Entrepreneurs: Willem Verryt - Establish Ons Dorp / John Krijnen et al. - Settlers Investment Society
**The Invisible Dutch and the Model**

### Crunch Time! Does the Model Work?

<table>
<thead>
<tr>
<th>Immigrant Entrepreneur Environment Model – Success Factors Analysis</th>
<th>Suzy van der Kwast</th>
<th>Willem Verryt</th>
<th>Bert ten Broeke</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Capital</td>
<td>• Worked in retail</td>
<td>• Education and training as a builder</td>
<td>• Trained butcher</td>
</tr>
<tr>
<td>Developed in Home Country</td>
<td>• Started veggies door-to-door sales.</td>
<td>• Work experience</td>
<td>• Trained in abattoir</td>
</tr>
<tr>
<td></td>
<td>• Learned to source product and run / grow a business.</td>
<td>• Aptitude for initiative</td>
<td>• Commercial training</td>
</tr>
<tr>
<td></td>
<td>• Learned to invest. Started selling with a box tied by string around her neck. Upgraded quickly to a hired bicycle and then earned enough to buy a motorised cycle and trailer as veggie cart.</td>
<td>• Skills with team work and group participation</td>
<td>• Adopted different styles and techniques – in different countries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Volunteer work and leadership roles</td>
<td>• Exposed to hardship – Driven to survive, save money, and pay by cash instead of through loans</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Resistance roles and army management experience after the war</td>
<td>• Learned to make money by spotting and exploiting market opportunities</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• Continued professional development all through his career – self-taught</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• Developed and fiercely protected Intellectual Property</td>
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<td></td>
<td></td>
<td></td>
<td>• Learned about hard work, creating efficiencies and solving problems in harsh, competitive environment</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• Competed ruthlessly in sports – combat, soccer, athletics</td>
</tr>
</tbody>
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## Crunch Time! Does the Model Work?

### Immigrant Entrepreneur Environment Model – Success Factors Analysis

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<tr>
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</table>
| In Home and Host Country | - Partners in Windmill and Suzy’s were both Dutch.  
- Suppliers (Hollandia Bakeries) and some key staff were Dutch.  
- Designers – who helped create her brand – were European. | - Developed networks, by joining Dutch Club. Helped friends with building projects, who returned the favour  
- Set up the Ons Dorp Trust committee of Dutch contacts, and initiated Friendly Support Network for the elderly  
- Received $100,000s in funding from networks and organisations in the Netherlands  
- Received support from Dutch corporates like KLM | - Employed Dutch butchers  
- Brother and cousin as business partners  
- Sold to Dutch migrant community  
- Used local Dutch contacts to build and promote the business  
- Used Dutch plumber friend to set up smokehouse at butchery  
- Used contacts in the Netherlands to develop recipes and products |
# The Invisible Dutch and the Model

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<tr>
<td><strong>Suzy van der Kwast</strong></td>
</tr>
<tr>
<td>• Everything about Suzy’s was Dutch or continental European – from food to coffee, and from values to sense of style.</td>
</tr>
<tr>
<td>• Introduced sophistication into a service industry</td>
</tr>
<tr>
<td>• Knew the public would enjoy / share her taste and sense for trends</td>
</tr>
<tr>
<td><strong>Willem Verryt</strong></td>
</tr>
<tr>
<td>• Exposure to Dutch trends in care for the elderly</td>
</tr>
<tr>
<td>• Status as resistance / wartime hero</td>
</tr>
<tr>
<td>• Style and confidence in dealing with people</td>
</tr>
<tr>
<td><strong>Bert ten Broeke</strong></td>
</tr>
<tr>
<td>• Used continental techniques, recipes and styles to create specialty meats</td>
</tr>
<tr>
<td>• Exposure to European trends</td>
</tr>
<tr>
<td>• Exposure to European ways of setting up meat processing facilities, and different ways of working</td>
</tr>
<tr>
<td>• Exposure to different philosophy of using meat</td>
</tr>
<tr>
<td>• Gave the Brook’s brand a continental feel</td>
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<tr>
<td>Constraints and Regulations</td>
</tr>
<tr>
<td>Host Country</td>
</tr>
<tr>
<td>Suzy van der Kwast</td>
</tr>
<tr>
<td>• To start the Windmill, Suzy needed £5,000.</td>
</tr>
<tr>
<td>• MARAC Finance didn’t want to give it because she could not</td>
</tr>
<tr>
<td>provide a ‘guarantee’. In the end she got a mortgage at</td>
</tr>
<tr>
<td>28% interest p.a.</td>
</tr>
<tr>
<td>• Getting building consent for Suzy’s was a big issue.</td>
</tr>
<tr>
<td>The unusual design posed a major hurdle. Tom was issued a</td>
</tr>
<tr>
<td>ridiculous fine that in his Dutch stubborn way he refused</td>
</tr>
<tr>
<td>to pay.</td>
</tr>
<tr>
<td>Willem Verryt</td>
</tr>
<tr>
<td>• Lack of capital</td>
</tr>
<tr>
<td>• Lack of trust from Kiwi counterparts</td>
</tr>
<tr>
<td>• Not enough knowledge of the local building scene</td>
</tr>
<tr>
<td>• Probably discrimination, possibly through lack of</td>
</tr>
<tr>
<td>language / communication skills</td>
</tr>
<tr>
<td>Bertten Broeke</td>
</tr>
<tr>
<td>• Difficulties with various Government departments – eg health</td>
</tr>
<tr>
<td>inspector accusing him that caraway seed was mouse shit</td>
</tr>
<tr>
<td>• Difficulty with getting export license</td>
</tr>
<tr>
<td>• Difficulty to get factory consent for designs (wanted</td>
</tr>
<tr>
<td>aluminium sheeting on walls, was told he couldn’t, then</td>
</tr>
<tr>
<td>afterwards was told he needed aluminium)</td>
</tr>
<tr>
<td>• Issues with banks</td>
</tr>
<tr>
<td>• Union issues</td>
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<td><strong>Host Country</strong></td>
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<tr>
<td>Suzy van der Kwast</td>
</tr>
<tr>
<td>• The food and hospitality industry in the day was bland and boring.</td>
</tr>
<tr>
<td>• A number of European style cafes had sprung up in Wellington, including French Maid / Chez Lilly.</td>
</tr>
<tr>
<td>• Waitressing was what Suzy wanted to do – at the highest professional level – unheard of.</td>
</tr>
<tr>
<td>• Suzy’s flourished in the fledgling industry and became instrumental in starting off New Zealand’s coffee culture.</td>
</tr>
<tr>
<td>Willem Verryt</td>
</tr>
<tr>
<td>• Insights into building trends</td>
</tr>
<tr>
<td>• Exposed to concepts of more holistic care for the elderly</td>
</tr>
<tr>
<td>• Introduced new ideas into New Zealand</td>
</tr>
<tr>
<td>• Saw the opportunity of a greying population, which included some 50,000 Dutch immigrants with specific issues</td>
</tr>
<tr>
<td>Bert ten Broeke</td>
</tr>
<tr>
<td>• Limited variety of available meat products</td>
</tr>
<tr>
<td>• Absence of a specialty meats market</td>
</tr>
<tr>
<td>• Growing middle class with disposable income</td>
</tr>
<tr>
<td>• Growing interest in finer tastes and other cultures’ cuisine</td>
</tr>
<tr>
<td>• The new phenomenon of supermarkets, eager for more fancy foods</td>
</tr>
<tr>
<td>• Plentiful and cheap availability of surplus meat, and the kinds of ‘waste’ products used in smallgoods</td>
</tr>
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The Immigrant Entrepreneur Environment Model

Does the Model Work?

- The Immigrant Entrepreneur Environment Model can be used as a guideline - providing a structure that helps to make sense from the available data.
- *Key Success Factors* for Dutch entrepreneurs can be identified in an ordered way.
- But the *Key Success Factors* only give indication as to why these Dutch entrepreneurs could make such an impact.
- The *Key Success Factors* can’t explain how these newcomers - in adverse circumstances - built sustainable and successful businesses, which beat experienced and established competitors on their own turf.
- How did they create competitive advantage?
- An analysis of their *business strategy* is also required.
Does the Model Work?
Suzy’s Coffee Lounge

- Business Strategy: How to build unique competitive advantage - by persistently and consistently developing the business and satisfying the customer base around a certain way of doing things?

- Suzy’s entrepreneurial strategy was built around Cultural Capital.

- Suzy consistently and persistently went to extreme lengths, at all times - in continually new, fresh and innovative ways - to create a sublime customer experience based on pure European style, sophistication and top level service.

- You didn’t just go to Suzy’s for a coffee. You went there because you would step into an environment that exuded a certain unique something - architecture, art, spaciousness, buzz, rhythm, sounds, pizazz, aromas, atmosphere.

- You could soak up another world for a few brief moments. That’s the kind of feel that was immortalised by Rita Angus.

- This was a place where you were the most important person around, taken care of and highly esteemed, and treated with a smile and friendly respect, until it was time to move on. That was the brand experience personalised by Suzy. That’s what you were happy to pay for - not just for the perfect shot of caffeine and the decency of fresh food.
The Immigrant Entrepreneur Environment Model

Does the Model Work?

Willem Verryt

- Business Strategy: How to build unique competitive advantage - by persistently and consistently developing the business and satisfying the customer base around a certain way of doing things?

- Willem’s entrepreneurial strategy was built around Social Capital.

- Willem used his finely honed people and leadership skills, and his large network of friends who completely trusted him and owed him loyalty, to unite a disparate group of Dutch people around a humanitarian goal of caring for the elderly, in a style that was decent, caring, complete and humane.

- Willem took advantage of his extensive network within the Dutch community and his solid reputation for social engagement to organise a group initiative that led to the creation of one of the most advanced retirement villages of its day.

- Willem Verryt was a totally different kettle of fish compared to Suzy. There was no style or European sophistication attached to him. He was a man who stood for decency, for what was right, and for humaneness. He cared for his fellow man. He believed in being and doing good. The unique feat that he accomplished, by creating the retirement village Ons Dorp, was coincidental with the simple fact that he had been trained as a builder. He was a people person first.
The Immigrant Entrepreneur Environment Model

Does the Model Work?
Bert ten Broeke

- Business Strategy: How to build unique competitive advantage - by persistently and consistently developing the business and satisfying the customer base around a certain way of doing things?

- Bert’s entrepreneurial strategy was built around Human Capital.

- The strengths around which Bert built and grew his business, were the vast amounts of knowledge, insights, expertise and intellectual property that he had relentlessly built up over the years with urgency and drive, a great sense of perfection and a never-ending need for efficiency.

- Bert wanted to make money - lots of it - and he used his Human Capital to the utmost to achieve that, which is why his business succeeded so well.

- Bert wanted to be a butcher ever since he was a child, a really good butcher just like his dad.

- He ultimately became one of the best in the new country that he adopted as his own. Along the way, Brooks helped to change an entire nation in the way it eats meat and titillates its taste buds.

- Research Question 1. “Do the Dutch form a markedly distinctive element in New Zealand agriculture?”
- Research Question 2. “Is the Dutch background in any significant way reflected on the migrant operated farm?”

- Two classes of Dutch farmers: Farmers with a farming background / Entrepreneurs
- Major constraint: Lack of Capital - Foreign exchange rules: £50 per adult / £20 per child
- Opportunity Structure 1: Shortage of Labour. Esp on farms. Sharemilking!
  - 29%, 39%, 50% of revenues, depending on input. Family groups for financial help. Efficient!
  - Dutch would buy a larger property on the edge of town. Set up small business. Grow!
  - My main desire has always been to be independent - my own boss, so to say. It just happened to be in poultry, but it could have been something else as well.”
- Opportunity Structure 3: Rising living standards. Growing demand horticultural products
  - Glass houses! Flowers! Tomatoes! Apples (Royal Gala!) Just like at home…
  - [Getting into horticulture] just happened. Acquired some land with house - too big to waste, and too small to do anything else with.”
The Immigrant Entrepreneur Environment Model

Does the Model Work?
Can typically Dutch Success Factors / Entrepreneurial Strategies be identified?
Are they based on the five dimensions of the Model?

- The Immigrant Entrepreneur Environment Model’s ability to act as a heuristic device was tested against the available literature on Dutch migrants and their experiences.
- By analysing the available literature about Dutch immigrant entrepreneurs, it appears the resources, capabilities and strategies they used were of a specific essentially Dutch entrepreneurial nature. It also appears that Dutch migrants built their strategies around the various dimensions described in the Immigrant Entrepreneur Environment Model.
- Cultural Capital strategy: Suzy van der Kwast - Suzy’s Coffee Lounge
- Social Capital strategy: Willem Verryt - Ons Dorp
- Human Capital strategy: Bert ten Broeke - Brook’s Small Goods
- Opportunity Structure strategy: Dutch Sharemilkers / Horticulture / Poultry farmers

Conclusion: The Immigrant Entrepreneur Environment Model may prove to be very useful to identify key success factors and the presence of specific migrant business strategies that lead to establishing competitive advantage and successful companies.
- Further study needs to be undertaken to indisputably establish that point.