

**Cycles in causation and effectuation:
A case study of four metal-music ventures**

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In this paper we apply the entrepreneurial effectuation theory (Sarasvathy 2001) and theories in expertise (Read & Sarasvathy 2005) in an empirical study in a particular context: musicianship as a form of entrepreneurship in the popular music industry. We apply the theories and empirical evidence in our framework by using a qualitative case study to analyze four ventures, four Finnish music groups. Based on the analysis we find extensions on Sarasvathy's (2001) and Read and Sarasvathy's (2005) work on three levels. First we find that the causation process is more typical in the "deliberate practice" (Read & Sarasvathy 2005) that forms the foundation for superior expert practice, which is a requirement for building novel and authentic cultural products. Secondly, we find that in the beginning of the business activities, these ventures are more effectual, when the situation tends to be resource-poor. We also find that even though the companies' core teams are relatively small, once the business grows and the number of international partners increases the business processes and decision-making becomes inevitably more causation driven.

INTRODUCTION

Effectuation, as conceptualized by Sarasvathy (2001), is an alternative process of decision making in comparison to the dominant one of causation in management literature. To study processes of both causation and effectuation, we examine in this paper entrepreneurial ventures whose existence springs from childhood dreams of the founders, on the one hand, and from the tightly knit experiences of these founders and their band members, on the other hand. We study rock music groups within the genre of music that is most commonly called “heavy metal”. We report on four of these groups that we have studied, all of which have toured five continents and three of which have sold millions of albums globally. In this study we illustrate how these companies go through cycles in causation and effectuation in their life span. The contribution of our study is a specification of the theory of causation and effectuation, which has recently received new valence in managerial research literature (Wiltbank et al. 2006, Sarasvathy et al. 2008; Read et al. 2009).

LITERATURE REVIEW

According to Sarasvathy (2001), management literature has traditionally largely assumed the existence of firms, markets and economies than studied them or their existence. She argues that the explanation behind the creation of these “artifacts” requires what she calls the notion of effectuation.

Effectuation is a process of decision making that takes a set of means (e.g. traits, tastes, skills and networks) as given and focuses on selecting between possible effects of the process. As such, this process differs from causation, or what Sarasvathy considers the dominant process of decision making in management literature. Causation takes a particular effect as given and focuses on “how to achieve a preset goal” by selecting between means to create the effect. In her view, such new ventures could open up new markets and industries, while plugging into and exploiting social and technological contingencies that are difficult to plan for or to anticipate.

Where causation rests on logic of prediction, effectuation rests on logic of control. Effectuation processes are posited as the fundamental decision units in explanations how economic artifacts such as firms, markets and economies come to be. Effectuation begins with a given set of causes consisting of mostly unalterable characteristics and circumstances of the decision maker, and the focus is on choosing among alternative (desirable) effects that can be produced with the given set of means, thereby eliminating the assumption of preexistent goals. Both causation and effectuation are integral parts of human reasoning. They may even overlap and intertwine over different contexts of decisions and actions (Sarasvathy, 2001).

According to Sarasvathy, the effectuator’s given set of means include *who I am*, *what I know* and *whom I know*. At individual level this includes *tastes, traits and abilities, knowledge corridors* and *social networks*. At the firm level this means *physical resources, human resources*, and

organizational resources. And at the level of economy this includes *demographics, technology regimes* and *sociopolitical institutions*.

The theory of effectuation is especially relevant in entrepreneurship research. Effectuation (decision) process takes a set of means as given and focus on selecting between possible effects that can be created with that set of means. The theory has implications at the level of the economy, at the level of the industry, at the level of the firm and at the individual (founder/decision maker) level. At the level of the economy, firms created through effectuation process fail early and at lower levels of investment than firms created through causation processes. At the level of the industry, successful early entrants in a new industry are more likely to use effectuation than causation processes. At the same industry level, this trend is often reversed when later entrants often revert to causation, improving upon the best practices of incumbents. At the level of the firm, Sarasvathy (2001) proposes that successful firms at their early stages are more likely to form alliances and partnerships than other types of competitive analysis. At the level of the founder/decision maker, Sarasvathy (2001) makes four conjectures about what effectuators are more likely than are causators:

- Effectuators are more likely to dive into marketing and selling activities and alliances, without traditional market research, such as surveys.
- Effectuators are more likely to rely on short term informal planning in financial decisions, abandoning formal long term planning.
- Effectuators are more likely to build strong participatory cultures, instead of hierarchies.
- Effectuators are more likely to fail often and to manage these failures more effectively so that in the long run they are more likely to build larger and more successful firms, even if they in the long term may need to hire professionals to help run any large firms they may have successfully created.

According to Sarasvathy (2001), effectuators imagine and create new cultural values, inspired by ambitions in sports, art, science or philosophy, for example. These cultural values may channel in a variety of ways to fulfill the aspirations of various audiences. It is up to the economic ingenuity of the entrepreneurs to translate and transform the products of his or her imagination into goods or services for customers or clients. In other words, first there are imaginings and good ideas that produce (the idea of) commercial offerings, then there may be human aspiration that builds the market. Imagining, creation and development of economic artifacts demand inspiration and protracted endeavor. The essential agent of such cultural entrepreneurship is the effectuator, who is an imaginative actor who seizes contingent opportunities and exploits any and all means at hand to fulfill current and future aspirations, which are created through and shaped by the process of economic decision making and not given a priori.

However, effectuators are according to Read & Sarasvathy not born, but made. Read & Sarasvathy (2005) first of all suggest that novices are more likely to be more causal in reasoning than experts. According to Read & Sarasvathy (2005), expertise, which leads to superior performance can be viewed as development through a special type of experience that

involves “deliberate practice”, that requires motivation, understandability, feedback, repetition and fit. For an entrepreneur in creative and cultural industries this kind of motivation would consist of the satisfaction of, for example, writing and composing an album or just practicing a new technique on one’s instrument. “The 10-year rule” suggests that it takes a minimum of 10 years of deliberate practice for a novice to ascend the rank of expert (e.g. McPherson 2005). Individuals must identify some larger instrumental objective for their practice in order to motivate themselves to engage it. Research has showed that deliberate practice can be moderated by inherent enjoyment of the activity (Ericsson, Krampe and Tesch-Römer, 1993; Ericsson & Lehmann 1996; Sloboda et al 1996). Especially in a situation where resources are scarce, effectual strategies are more likely than causal strategies, simply because the resources required for implementing causal strategies may not be available. Then again, when effectuation is met with success, more resources become available. When more resources become available, growth in the volume of high-quality activities become possible. Managing such growth, in turn, takes away from the founder’s abilities to dedicate him- or herself to effectuation. Hence, there may be a return to causation.

To summarize, the basic differences of causal and effectual thought using six constructs: prediction, commitment, action, planning, risk and attitude toward outside firms, in Table 1, appendix (Read & Sarasvathy, 2005).

[Insert Table 1 about here]

At the intersections of these forms of thoughts and the processes by which these are carried out, Read & Sarasvathy (2005) define expertise “someone who has attained a high level of performance in the domain as a result of years of experience and deliberate practice. They discuss “strong-form” expertise, associated with deep personal ability and knowledge derived from extensive practice and experience based on immersion in the relevant domain. Expertise literature has identified four theoretical approaches to expertise, which are individual differences, knowledge structures, experience and deliberate practice. Deliberate practice is a sophisticated articulation of the experience view and suggests that the expertise that that leads to superior performance is developed through a special type of experience that involves “deliberate practice”. Differences between experts and less proficient individuals within a domain nearly always reflect attributes acquired by experts during a lengthy period (“the 10 year-rule”) of deliberate practice.

Sarasvathy (2001) and Read and Sarasvathy (2005) can be synthesized so that there are five necessary requirements of deliberate practice: motivation, understandability, feedback, repetition and fit. Development of expertise involves three phases or levels of analysis.

1. The first and most elementary level is what Read and Sarasvathy (2005) “deliberate practice”; that is, a phase of causation that forms the foundation for superior expert practice, which is a requirement for building novel and authentic cultural products.

2. Once a sufficient amount of deliberate practice has been carried out, entrepreneurs, their ventures, or both have necessary skills and competences to be more effectual in their decision making processes. Because their base of competence is still relatively a new one, the entrepreneurs and/or their ventures are not yet recognized for expertise; that is, a successful track record of success in their field of specialization. Hence, their actions and performance tend to be still constrained by scarce available resources.
3. If the high level of competence leads to the attraction and exploitation of resources, the venture grows in size and significance and the number of international partners increases so that the business processes and frequency of decision-making grow to a point whereby the limited information-processing capacity of the founder and his immediate band members require that processes of decision making revert back to causation that enables delegation and professional management.

Sarasvathy (2001) makes a call for empirical research on effectuation and furthermore, she points to possible phenomena for future studies: high likelihood of early failure processes of market creation, and partnering with other entrepreneurs, groups, or organizations. In this paper we apply the entrepreneurial effectuation theory (Sarasvathy 2001) and theories in expertise (Read & Sarasvathy 2005) in an empirical study in a particular context: musicianship as a form of entrepreneurship in the popular music industry. We apply the theories and empirical evidence in our framework by using a qualitative case study to analyze four ventures, four Finnish music groups.

DATA AND METHODOLOGY

Finnish rock and metal music is an appropriate phenomenon to study entrepreneurship, especially since in Finland, the music export has grown fivefold during the last decade and is on average a bit over 20 million € annually, making it a notable contribution to the Finnish economy (Statistics Finland, 2007). Most of the growth originates from the success of a handful of Finnish heavy metal bands. These bands (ventures) have managed to build audiences on five continents and a global network of business partners and associates within the popular music industry to make that happen, all of this with great speed. Also music business in Finland is a 700 million € business domestically.

For this study, we chose four internationally successful Finnish bands: Children of Bodom, HIM, Negative, and Nightwish. The study is based on the use of a qualitative in-depth case study approach. This approach is particularly suitable to the explorative and descriptive objectives (Yin 2003). Since the general population of internationally successful Finnish bands is very limited, a quantitative study was not an alternative (object of analysis being the band or the music group as the “venture”). Case selection has been purposeful and based on (a) the success of the bands in different foreign markets and (b) access to information and knowledge in the case of each of the four bands. Case study method has been chosen, because of the potential to deepen the understanding of a research phenomenon for it allows the researcher to take a longitudinal approach. One of the bands (Children of Bodom) histories is

described in more detail in order to demonstrate the context of popular music industry from the perspective of these entrepreneurs. Finally we present preliminary findings from our longitudinal analysis of the four cases and draw conclusions and implications for further research.

Case study method is an effective way of understanding the links between macro-environmental factors, industry –level relationships and firm decision-making (Ghauri and Holstius 1996, from Ghauri 2004). Multiple sources of data have/will be used (ethnography, interviews, and secondary data). The research is primarily conducted through ethnography and semi-structured in-depth interviews. The data deriving from observation helps elicit interesting questions, which in-depth interviews develop further (Rasmussen et al 2006).

Data collection and data analysis have been interweaved from the beginning as recommended by Miles and Huberman (1994), allowing theory development alongside the growing volume of data and allowing the research problem to be formulated and reformulated throughout the data gathering process. This leads to not having a definite phase of data analysis, as suggested by Ghauri (2004). The first two cases have been studied simultaneously and they have complemented each other as insights from all the cases have enriched the data.

The entrepreneurs in each of these four ventures, who are most responsible for creating the musical content, are without exception also the founders of these ventures and have been committed to developing as a musician and as a songwriter to a degree that they can unquestionably be considered experts in their field. Each of these ventures, when breakthrough happened, was a source of ideas and practices that were considered “authentic” in the field. These ventures all achieved international success and recognition and have learnt to work with a global distribution network of music industry MNE’s and other partners and business associates. They work closely with a core team and associates to form together a group of actors that is very small in size considering their business volumes.

In this paper we chose to describe the data from one case in more detail (Children of Bodom) and the data from the other three cases are discussed in less detail. This choice was made to comprehensively demonstrate the nature of entrepreneurship in music industry, but to avoid unnecessary repetition.

EMPIRICAL CONTEXT

Heavy metal might be the single most successful and enduring musical genre in the past thirty years (Walser 1993). The business differs from mainstream popular music business in two important ways. First of all, the customer/audience spends more money on buying CD’s, they are frequent concertgoers, they buy the merchandise at the concert, and most importantly, they are loyal to the bands they like. For these “kids”, music means more than money. Another key difference is the marketing of the product. Popular music is traditionally been

marketed through radio airplay. Metal music “got rejected” by radio and it did not get the kind of radio airplay their popularity entitled it to. On the other hand this was good for the versatility and artistic development of the music because metal was therefore developed for the fans, not the mediators or the gatekeepers. The music remains under the control of the artist. Authenticity is equated in metal with disinterest in commercial appeal. Labels did not want to sign bands that did not fit one of the established radio station formats. They only wanted to sign metal bands that could generate their own promotion through touring to appreciative audiences. (Weinstein 2000) According to Billboard, metal attracts a greater proportion of live audiences than any other contemporary music form. (Walser 1993)

Metal bands are evaluated by labels in terms of their songwriting but also in terms of management, equipment and financing. Due to the circumstances described above, metal bands are able to bypass two sets of gatekeepers, the label A&R and the radio. This also means that the bands are more entrepreneurial because in the beginning, in many cases, they have to do everything themselves, without the support of the label. (Weinstein 2000) Even when the band has the support of the label the audiences must be gradually built by constant touring and it takes time before musicianship will provide living for the whole band. According to a metal label CEO, an estimation of 40 000 copies per album sold enables the band to barely support themselves with music. (Weinstein 2000)

According to Weinstein (2000) the first step of becoming a heavy metal artist is a burning desire to be one, which is developed by being a member of the audience. There are more than enough members of the audience who would want their piece of the fame and admiration. Heavy metal artists are not neutral specialists but passionate lovers of the kind of music they play. For the artist heavy metal is a career that in its fullest realization becomes a vocation. This vocation includes total devotion to the music and deep loyalty to the subculture. Learning the skills of a performing heavy metal artist takes ingenuity and perseverance. The time devoted to such learning must be snatched from school and leisure time and is financed usually by the parents. Recruits are self-selected and in large part self-motivated. Becoming a heavy metal musician requires various abilities, most important ones being the skills to create and perform the music. The possession of musical talent and the willingness to develop it separates the developing artist from the air guitarists. Practicing is very hard work, but it can be gratifying with the opportunities for creativity, sense of mastery and experiences of social bonding. Heavy metal is a discipline and the artists must be willing and able to submit to that discipline. (Weinstein 2000)

We acknowledge that not all the case bands are considered necessarily “heavy metal” in today’s world. After mid 80’s the heavy metal genre divided into thrash metal and light metal, after which dozens of subgenres have emerged. We still find the musical and sociological roots of these bands in the heavy metal genre in 1980’s and before. Therefore we consider them metal bands, thus this could be argued in today’s genre divisions. This is not a relevant debate to take part in this paper. Thus with the digitalization and recent changes in the music industry structure, all bands and artists need to be increasingly entrepreneurial, since the roles of the gatekeepers are diminishing in all genres.

CASE 1: Children of Bodom (COB)

An early phase of deliberate practice of learning to play guitar. Children of Bodom (COB) is heavy-metal band that was formed in 1993 in Espoo (in the Helsinki region), by Alexi Laiho (guitars and vocals) and Jaska Raatikainen (drums) who were 14 years old at the time. Henkka Seppälä (bass, 1995), Alexander Kuoppala (guitars, 1995) and keyboardist Janne Wirman (1997) joined the band later. Laiho who is mainly responsible for creating the content, started playing guitar at the age of 12. He had played the violin for several years already, but listening to his older sister's heavy metal albums made him want to play the guitar instead. Eventually his father caved in and bought him his first guitar and an amplifier. After graduating from comprehensive school at the age of 16, Laiho concentrated on developing his musical skills, instead of continuing studies in upper secondary school, as the majority in this age group does. Laiho's musicianship was sponsored and supported only by his parents at this point.

Starting up the band. By 1996, COB had already recorded three demo tapes and played some gigs at youth clubs and schools in Espoo, Helsinki and Kauniainen and at one festival in Lappeenranta.

The band members sent their second and third demo tapes to several record companies, including Spinefarm and Nuclear Blast (who have later represented them), but none of them were interested in this melodic death metal band. Then the band got an offer from a Belgian record label. They took the deal, even though the label did not compensate the recording costs of the album nor did they have enough money to promote the album. On top of that, the band was forced to sell 1000 copies of the album themselves. This was still the only offer they had received so far, so they took it. They entered the studio to record the self-financed album called "Something Wild" with seven songs on it. The cost of this album was approximately 8000 FIM (approximately 1350 €). After the album was produced and raw mixed, Alexander Kuoppala gave a copy of the album demo to one of his workmates, Sami Tenez, who gave the album to Evo Rytönen at Spinefarm Records, an independent Finnish metal label. At this point the the album was not cut yet. "After Spinefarm Records received Children Of Bodom's "Deadnight Warrior" demo, it didn't take long for the company to figure out what they had in their hands back in late 1996. Three spins of 'Deadnight Warrior' later, the band was signed and ready to knock a few heads off." COB signed a three-album deal with Spinefarm Records and changed the band's name to COB to escape the deal they had made with the Belgian label. The Belgians were told that Inearthed had split up. The contract included Alexi Laiho's, who wrote all the music of COB, publishing deal with Ranka records, the Spinefarm's sister company.

COB played their first gig at Lepakko as opener for Dimmu Borgir, a famous metal band from Norway. Someone from the German metal label, Nuclear Blast saw the gig and asked Spinefarm Records label manager for a licensing deal for Nuclear Blast to release the album in the rest of Europe. COB became a well known band in the Finnish metal underground scene and their track "Deadnight Warrior" was released on a compilation from Spinefarm called Metalliliitto. Spinefarm Records released "Something Wild" in November 1997. The

album debuted on number 35 on the Finnish album charts and climbed up to number 20 in the following weeks. This was highly exceptional for an extreme metal band. In early 1998 Nuclear Blast released the album in Central Europe and Toy's Factory in Japan. UK and US sales were based solely on imported albums and Spinefarm distributed the album in the nordic countries. COB filmed a promotional video of "Deadnight Warrior" with a budget of 5000 FIM (approximately 840 €).

Nuclear Blast released "Something Wild" in Europe on February 2nd in 1998. On March 3rd COB started a European tour, opening for Disbelief, Crack-up, Covenant, Hypocrisy and Benediction. Before this, the band had only played gigs in Finland. The tour was a success and "Something Wild" sold 5 000 copies in Finland and 12 000 copies internationally. According to COB frontman, Alexi Laiho the tour was extremely important for the band, because nobody outside Finland knew them before this tour. In August 1998 COB played at the Wacken Open-Air metal Festival, the biggest metal festival in the world and impressed more people with their unique style. In September 1998 COB opened for a Finnish metal band Impaled Nazarine in St. Petersburg in Russia. In September another Nuclear Blast European tour with Dismember and Racehell followed and this time they got a higher place in the billing. At this point "Something Wild" had sold already 40 000 copies internationally and less than 15 000 copies in Finland.

Later in 1998 COB entered the studio to record two new tracks. The track "Children of Bodom" was released as a single in Finland with two other Spinefarm bands' tracks and entered the number one spot on the Finnish single chart and stayed there for eight weeks. Later it sold gold (5 000 copies). The second album "Hatebreeder" was recorded between December 1998 and January 1999 in Astia Studio Lappeenranta. It was released in Finland in February 1999, hit number 20 on the album cart and climbed up to number six in the following weeks. Single release "Downfall" was released two weeks before the album went gold and hit the number one spot on the Finnish single chart. COB also filmed a promotional video for Downfall directed by Mika Lindberg. In March 1999 the album was released worldwide. In Germany it reached number 76 in the album charts.

During the summer 1999 COB toured Finland and Europe. In June they did three sold out gigs with an audience of 1500 each in Japan with In Flames and Sinergy and recorded a live CD: "Tokyo Warhearts-Live in Japan". "Tokyo Warhearts" came out as a limited digibook-edition in Europe in October 1999 and the 20 000 copies of it were sold out. (Spinefarm Records, 30.10.2008) The live album hit the Finnish album chart number 33. In September 1999 COB toured Europe with Dark Tranquility, In Flames and Arch Enemy.

In December 1999 COB entered the studio to record a new single, Hate me! which was released in 2000 and sold platinum (10 000 copies). In summer 2000 COB played at two festivals in Finland, at Ilosaarirock in Joensuu and at the metal festival Tuska in Helsinki. They also played one gig in Canada, in Montreal and in the US in Milwaukee Metal Fest XIV. In Milwaukee COB met with Nuclear Blast America that was a joint venture with Century Media to promote Nuclear Blast bands in the US. They were really excited about

COB and they had plans to start promoting them in the US market. Shortly after the festival Nuclear Blast America was bankrupt and COB needed to find a new distributor in the US. At this point "Hatebreeder" had sold approximately 70 000 copies internationally and less than 15 000 in Finland. The third studio album "Follow the Reaper" was recorded in August 2000 in Sweden at Peter Tägtgren's legendary Abyss studio.

"Follow the Reaper" was released October 30th 2000 in Finland and January 22nd in the rest of the world, except for Japan, where the album was released December 20th 2000. The album landed number 3 in Finnish and 46 in German album charts. In December 2000 COB played some shows in Finland. In spring 2001 COB went on a double headlining tour with Primal Fear and Scared Steel in Europe. After the tour COB went back to Japan and played their first ever gig in South Korea. The gig was also aired in Korean television. On October COB played at the Polish Mystic Festival and they opened for Slayer in Italy in front of a massive crowd. Then the band played eight shows in South America and after that a couple of shows in Finland before taking a little break. The international sales of "Follow the reaper" were 130 000 copies and on domestic markets less than 15 000 copies. By that time COB albums had already sold altogether 40 000 copies in the US as well. The band was looking for a new record deal, after releasing the three albums with Spinefarm in Finland, Nuclear Blast in Europe and Toy's Factory in Japan. Toy's Factory also released a best-of collection of COB from the first three albums in Japan called the Bestbreeder in 2002.

The touring that followed the first three albums did not bring any income to the band, but was rather seen as a marketing activity. The only income the band got at this point were the royalties from the record sales. Majority of the income went to Spinefarm Records, who had invested in the band, and the licensors abroad. The investments Spinefarm made in COB included the touring costs (expenses and fees to the headliners), marketing costs (promotional videos and advertisements) and recording costs (recording, cover art, photographs). These expenses were deducted from the royalties of the band.

COB's breakthrough. In 2002 the band contacted a German management agency Continental Concerts, who was recommended to them by friends from another Finnish metal band, Stratovarius. They signed a managing contract with Continental Concerts after which all contracts and bookings were handled by professional managers. The band was also incorporated during that time. The next three album contract was signed with Universal Music (that had acquired Spinefarm) globally and the albums were distributed globally.

The releases of the fourth, fifth and sixth album were followed by massive global tours and the eventually the band was able to headline in all their markets, which meant more income for the band. All of these albums reached the number one spot on Finnish charts and good positions on many European charts as well. The sixth album "Blooddrunk", even hit the U.S. Billboard chart on spot 22. Other chart positions were Canada: #7, Germany: #10, Japan: #12 (International chart #2), Austria: #19, Sweden: #28, UK: #44 (Rock chart #1) and Ireland: #51.

By 2010, COB had sold over 500,000 albums in the U.S. and over a million records globally. Alexi Laiho's innovative reinvention of many guitar-playing techniques were recognized in the U.S. music media, leading to his consecration in *Guitar World* magazine as the most promising young guitar player in 2006 and as the best metal guitarist in 2009.

CASE 2: Nightwish

A deliberate practice to learn to write songs. Nightwish was founded by Tuomas Holopainen (keyboards) in 1997 in Kitee, in the South-East of Finland, a small peripheral town of the country a few kilometres from to the Russian border. Holopainen discovered heavy metal music as an exchange student in the U.S. and started playing in keyboards in several bands after his return to Finland. He feels that music is a way of expressing his emotions since he finds it impossible to discuss difficult issues. He also has always had a drive for perfection as a songwriter: there are only two alternatives; something is either perfect or totally wrong. His talent as a songwriter is undeniable, as he has been even quoted in the heavy metal genre as *the Mozart* of Finland.

Starting up the band. Soon after recording their first demo, Nightwish was signed by the same company that signed COB, Spinefarm Records. Nightwish released their debut album *Angels Fall First* already the same year. Nightwish toured Europe, mostly as a headlining act. In fall 2001, Ewo Pohjola (Evo Rytönen) who had been at Spinefarm started to work as the Nightwish manager, together with Toni Peiju, another long-term friend and business colleague. By then, Nightwish was already an established player in the European markets. In the years 2001 and 2002, 150,000 people saw the "Nightwish World Tour of the Century", and the band played their first ever shows in the U.S.

Nightwish's breakthrough. With their fifth album called *Once* (2004), Nightwish for the first time used an orchestra (instead of using a synthesizer to create a similar sound), the London Philharmonic Orchestra. Nightwish covered the weighty recording costs themselves and licensed the album distribution globally. By doing this, they took a conscious risk. In the end, this risk paid off. When released, *Once* hit the #1 the European album chart. A Finnish band had never hit #1 on the European album chart before - even though in 1999 and 2000, bands like Darude (trance music) and Bombfund MCs (techno/club) dominated the European single chart. HIM (already in 1999) and the Rasmus (in 2004) also made it to #1 in Germany. In 2007, Nightwish released their sixth studio album *Dark Passion Play* with a new (Swedish) singer Anette Olzon. The album sold over one million copies world-wide, including 100,000 copies in the U.S. Altogether Nightwish sold a bit less than 500,000 albums in the U.S. by April 2009 and over 3 million albums globally (2007). Nightwish Inc (Scene Nation) made a profit of 1,2 million € in 2008. Holopainen's personal net income in 2008 was 380 000 €

CASE 3: HIM

A deliberate practice phase to learn to sing and to write songs. HIM was founded in 1991 by singer and songwriter Ville Valo in Helsinki. Valo had a burning desire to become a musician from an early age. With the support of his parents, he was able to live in the city centre and concentrate on song writing, instead of finishing upper secondary school, living on a very tight budget. Valo's charisma, gloomy lyrics and invention of new visual imaginery, such as HIM's "Heartagram" logo, are what crystallize HIM and love metal for the fans. Valo has put a lot of effort in creating the love metal concept and his musical ambitions involve writing original memorable lyrics.

Starting up the band. They sent their demo tapes to several record companies and labels in Finland and abroad. Many of these turned HIM down, including Nuclear Blast, Roadrunner, Spinefarm and Stupido Twins. Kai Hynninen who had his own small label called Zen Garden tried to help, as he was (and is) a friend of a friend of Ville Valo, the band's founder and undisputed leader. In 1996, Hynninen gave HIM's demo tape to Asko Kallonen at BMG, a large multinational record label. At this point, HIM had played only two live shows. The demo tape impressed Kallonen with its sound and vocals. He met with Valo. Still, Kallonen was not sure if the Finnish market was ready for this kind of Finnish rock with English language lyrics. He had not heard the band play live. Despite these doubts, BMG published HIM's music as an EP called *666 Ways to Love* in fall 1996. The first album *Greatest Lovesongs Vol. 666* came out in 1997. The album was licensed in Germany in November 1998 through an independent record label "Gun", because BMG Germany was not willing to release it, regardless of the contract that gave them the first hand right to the release. Silke Yli-Sirniö, a German music industry worker who was married to a Finnish musician at the time, played a big part in getting HIM released in Germany. When the record deal was being negotiated, Ville Valo and his band contacted Seppo Vesterinen. Vesterinen was (and is) a legendary manager of rock and popular culture in Finland, who had worked in the 1980s with Hanoi Rocks, a Finnish cult band who almost broke through in the 1980's glam rock scene in Los Angeles. Vesterinen advised HIM on contracting. Two months before the release HIM played a couple of festivals in Germany. The *Greatest Lovesongs Vol. 666* album sold 50,000 copies in Germany within a year of its release. HIM's second album *Razorblade Romance* was recorded in Wales. By the time this second album was released, the debut album had already sold 150,000 copies. After the album was released the band toured Germany. The album sold 500,000 copies in Germany alone.

HIM's breakthrough. After the album *Deep shadows and Brilliant Highlights* (2001) HIM visited for the first the U.S.A. Skateboarder and TV persona Bam Margera became a huge fan of the band and started promoting them in the U.S. using his status as a teenage icon. The collaboration paid off: *Dark Light* (2005) made HIM the first Finnish band to be granted a gold record in the U.S.A. (500 000 copies sold). With a new record in 2007, HIM had sold over 5,5 million albums globally by 2009 (Statistics Finland, 2009), with Ville Valo increasingly taking charge of also business development. In 2008 HIM's made a profit of 700 000 € in Finland.

CASE 4: Negative

A deliberate practice to learn to sing and to write songs. Negative was founded in 1997 in the City of Tampere, 185 km North of Helsinki, when Jonne Aaron (singer) and his friend Janne Himanen (aka Jay Slammer, drummer) met while still in high school. The band started off playing Nirvana cover songs. Jonne who is mainly responsible for creating the content got his first guitar at the age of 12. According to Jonne, he felt like he was complete with the guitar in his hands and that getting his first guitar was a life altering moment for him.

Starting up the band. After recording a promotional single at Cosmic Studios, they were offered a record deal with GBFarm records. At this point Jonne's older brother Tommi Liimatainen had already started managing the band. The lineup was finalized in summer 2003, after the release of the band's debut album *War of Love*. The band's style is "glam rock". While in this style of music some bands wrote and performed songs in Finnish, Jonne Aaron chose to use English lyrics from the start because of an explicit intent to internationalize his band. The first album was released in Scandinavia as well as in Japan, thanks to help from a Japanese visitor hearing and seeing the band in Finland that summer and relaying knowledge to Japan. Negative played their first shows outside Finland in the beginning of 2004 in Sweden, Germany, and Japan. The band's second album *Sweet and Deceitful* (2004) was released more or less simultaneously in Scandinavia, Russia, Germany, Japan, Austria and Switzerland. The band toured all these countries soon after the release. After the release of their third album *Anorectic*, Negative played some shows in China. Their fourth album *Karma Killer* was released in 2008.

Negative's breakthrough. In 2009, Negative signed a global record deal with Warner Music Group. They travelled to Los Angeles to record their fifth album to be released in spring 2010. Time will tell if the fifth album will be their ultimate breakthrough in the international markets.

Discussion and Conclusions

According to Sarasvathy (2001) the focus in management literature should shift from "How to build a successful firm?" or "How to become a successful Entrepreneur?" to "What types of ideas and opportunities should YOU pursue?" and "Given who you are, what you know, and whom you know, what kind of economic and/or social artefacts can you, would you want to, and should you create?" Within this spirit, in this paper, we applied Saravathy's (2001) effectuation theory and her theory of expertise (Read and Sarasvathy 2006) into an empirical setting where it has been not applied before, but which was in line with who we are, what we known, who we know, and in what we are interested: music entrepreneurs in the field of heavy metal music.

In our empirical study, we investigated the entrepreneurial effectuation within the cultural and creative industries, more specifically in the popular music industry. Based on our analysis, we find extensions on three levels. First of all, we find that the causation process in the bands that we have studied is more advantageous in the kind of “deliberate practice” (Read & Sarasvathy 2005, McPherson 2005) that forms the foundation phase upon which superior expert practice is built and that, in turn, is a necessity for building novel and authentic cultural products. In other words, the expertise in the field is acquired through a process of causation, when the entrepreneurs are novices. It is when they become experts in their field, their ventures are more likely to use the effectuation process. Consistent with the research literatures we have reviewed, we find that these ventures have not used traditional types of market research before or during their start-up phase and breakthrough, but rather have dived directly into marketing/selling activities and alliances. At the early phase of their development, their business models focused on short term planning, rather than long term planning or net present value (NPV) analysis, for example. Also, they have built participatory cultures of work instead of hierarchy- or procedure-based ones. Their processes of effectuation have evolved along with the growth in the size of their businesses and organizations. All of these features and dynamics are predicted by Sarasvathy (2001). Then as the business grows and the number of international business associates and partners grow, it becomes more difficult to use effectuation process, as suggested by Read and Sarasvathy (2005)

What makes the approach taken in this paper a novel one is that originally (from the 1960 to the 1990s), heavy metal bands got rejected by radio and by major labels. This forced them to be more entrepreneurial than artists in the mainstream of popular music, for example. Many of the gatekeepers in the cultural industry of popular music have been recently pushed to background as a result of technological advances of the internet that have shifted the social practices and buying behaviour patterns of consumers, not only in the field of popular music but also in other fields of music as well. We propose that our findings may hold not only in other cases in heavy metal music, but also more generally in popular music. In addition, we speculate that our findings may have valence also in other cultural industries than music, perhaps also in entrepreneurial ventures generally.

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TABLE 1. Read & Sarasvathy (2005)

Issue	Causal or predictive position	Effectual Position
View of the Future	Prediction. The causal approach views the future as a continuation of the past that can be acceptably and usefully predicted.	Creation. The effectual approach views the future as a contingent on actions by willfull agents, largely nonexistent and a residual of actions taken. Prediction is unimportant as a result.
Basis for Commitment	Should. Commitas a course of maximizing, analysis and what should should be done.	Can. The Effectual approach is to do what you can (what you are able to do) rather than what your prediction says you should.
Basis for taking action and acquiring stakeholders	Goals. The causaal approach is to let goals determine sub-goals. Commitment to particular sub-goals determined by larger goal constrained by means. Goals determine actions, including individus lids bought on board.	Means. Actions emerge from means and imagination. Stakeholder commitment and actions lead to specific sub-goals. Feedback from achievement/non-achievement of sub-goals lead to design of major goals.
Planning	Commitment. Path selection limited to those that support a commitment to an existing goal.	Contingency. Paths are chosen that allow more possible options later in the process, enabling strategy shift as necessary.
Predisposition Toward Risk	Expected return. The causal approach is to pursue the (risk adjusted) maximum opportunity but not focus on downside risk.	Affordable loss. The effectual approach is not to risk more than can be afford to be lost. Here the claculation is focused on the downside potential.
Attitude toward outside firm	Competition. The causal approach is to be concerned with competition and constrain task relationships with customers and suppliers to just what is necessary.	Partnership. The effectual approach is to create a market jointly, building Your market together with customers, suppliers and prospective competitors.

Figure 1. Causation and Effectuation process of these music industry ventures.

