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A CASE STUDY ON THE MODEL OF STRATEGIC ENTREPRENEURSHIP

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Abstract

This study aimed to explore the contents of strategic entrepreneurship with a case study on Giant Manufacturing Co., Ltd, a leader in the Taiwanese bicycle industry. The research structure was based on the framework developed by Ireland *et al.* (2003). The researching findings suggested five key issues of strategic entrepreneurship: (1) an entrepreneurial mindset consisted of entrepreneurship opportunity recognition, entrepreneur awareness and actual decisions; (2) an entrepreneur culture and leadership involved three stages of global deployments and group leadership; (3) decision-making resources management included the establishment of barriers to imitations and the construction of value chains, sports marketing, and A-Team success factors with maximum differentiation; (4) creativity, development, and innovations encompassed three spirits of "globalocalization" management: five convictions, four branding personalities, fault tolerance and learning; (5) competitive advantages comprised of strong branding, comprehensive product lines, global marketing networks, branding advantages, and the building of the "GIANT way".

Key Words: Strategic Entrepreneurship, Corporate Entrepreneurship, Entrepreneurial Orientation

Introduction

Recent studies suggest that strategic management and entrepreneurship should be studied together and hence the research on strategic entrepreneurship emerged (Choi & Shepherd, 2004; Companys & McMullen, 2007; Covin & Miles, 2007; Hitt, 2005; Luke, 2008). This is also due to the effects of discussions of corporate entrepreneurship, corporate ventures, entrepreneurial posture and entrepreneurial orientation (Luke, 2008).

Entrepreneur models are a new topic. Some scholars think it is the coordination, balanced development, and workings of individual factors (Hitt and Ireland (2000), Ireland *et al.* (2001), Luke and Verreynne (2006), Wickham (2006)). Others have argued that it is the existence and influence of some primary factors, and interactions with secondary factors, and, ultimately, they affect entrepreneur outcomes (Eisenhardt *et al.* (2000), Ireland *et al.* (2003), Ireland and Webb (2007), Zahra and George *et al.* (2002)). However, these studies on strategic entrepreneurship only present the discussions of conceptual frameworks without empirical evidence. Such an academic gap is the motivation of this study.

Giant Manufacturing, since inception in 1972, has been operating with the philosophy of "Branding globally, marketing locally". It is now a synonym of international fashion and state-of-the-art technology. Giant Manufacturing is one of the largest producer and marketer of bicycles in the world. Its marketing channels extend throughout over 50 countries on five continents, with the number of distributors exceeding 10,000. Its entrepreneur history and strategies over the past four decades are a topic worthy of attention.

The main purpose of this study was to analyse Manufacturing in Taiwan in a case study, aiming to gain an understanding of the processes and details of its strategic entrepreneurship.

Literature Review

Background of Strategy and Entrepreneurship

The fusion or cross-over of entrepreneurship and strategic management (Luke, 2008) can be generalized into three points, i.e. interface, integration, and contents. In terms of the interface, there is a cross-over and interaction between entrepreneurship and strategic management as two independent research domains. As far as the integration is concerned, entrepreneurship and strategic management share certain elements, research contents, and management goals. Regarding the contents, strategic management contains entrepreneurial management and administrative management, and entrepreneurial management is the future focus of strategic management studies.

Definition of Strategic Entrepreneurship

Strategic entrepreneurship is a strategic perspective of entrepreneurial activities. It is also a strategic activity with an entrepreneurial mindset. Entrepreneurship management emphasizes innovations, creativity, and opportunity seeking. Strategic management focuses on the establishment of competitive advantages for an organization. Entrepreneurial activities are the identification and pursuit of the opportunities competitors fail to spot or capture. They are explorative in nature and aiming to establish future competitive advantages. Strategic activities are the development and exploitation of existing competitive advantages for entrepreneurial activities. Hence, strategic entrepreneurship is the combination of entrepreneurial opportunity seeking and strategic advantage seeking to pursue competitive advantage and wealth creation. In other words, strategic entrepreneurship is the process of exploratory and development activities in growth seeking and wealth creation (Choi & Shepherd, 2004; Ireland & Wedd, 2007; Luke, 2008; Steffens, Davidsson, & Fitzsimmons, 2009).

Strategic Entrepreneurship Models

Entrepreneurship models can be classified into two categories, i.e. the content model for strategic entrepreneurship and the process model for strategic entrepreneurship. The content model for strategic entrepreneurship mainly deals with coordination, balanced development, and workings of individual factors (Hitt and Ireland (2000), Ireland *et al.* (2001), Luke and Verreynne (2006), Wickham (2006)). In contrast, different factors in the process model for strategic entrepreneurship are no longer about balance and coordination. Rather, this model argues that a certain factor is domineering in the relationship about other factors. In other words, this major element affects the presence and interactions of other factors and ultimately affects entrepreneurial outcomes (Eisenhardt *et al.* (2000), Ireland *et al.* (2003), Ireland and Webb (2007), Zahra and George (2002)).

This study refers to the entrepreneurship model developed by Ireland *et al.* (2003) in the context of strategic entrepreneurship. Ireland *et al.* (2003) base on the theoretic foundations of firm resources, social capital, organizational learning, and creative cognition in the building of a model of strategic entrepreneurship. They clarify the structural concepts of entrepreneurship, such as an entrepreneurial mindset, entrepreneurial culture, entrepreneurial leadership, strategic management of resources, and, finally, application of creativity and development of innovations. These are all important dimensions of strategic entrepreneurship. They influence each other, and interact with each other in the seeking of opportunities and advantages and the creation of wealth.

Entrepreneurial mindset

This is an awareness to look for opportunities amid uncertainties. It is also the way to think and act with an entrepreneurial spirit for an individual or all the employees in a firm. An entrepreneurial mindset comprises of the recognition of entrepreneurial opportunities, entrepreneurial alerts, actual decisions, and entrepreneurial frameworks.

Entrepreneurial culture and entrepreneurial leadership

An entrepreneurial culture is the expectation for new ideas and creativity. It encourages risk taking and tolerates failures. It promotes learning and prioritizes products, processes, and management innovation. It is a belief that constant changes are the carrier of opportunities. Entrepreneurial leadership is the seeking of opportunities and advantages by influencing others strategically in the capacity of resources management. Entrepreneurial leadership exhibits six characteristics, i.e. (1) the nurturing of entrepreneurial capabilities; (2) the innovations that threaten existing business models; (3) the reasonable interpretation of opportunities; (4) the questioning of mainstream logics; (5) re-thinking; (6) what-if questions. It is the combination of entrepreneurship and strategic management. An entrepreneurial mindset and an entrepreneurial culture are intertwined. An entrepreneurial culture comes from the encouragement of entrepreneurial leadership. Entrepreneurial leadership, in turn, is built on top of an entrepreneurial mindset. This is the only way that an entrepreneurial culture can grow and develop in an organization.

Strategic management resources

This refers to the effective construction of a resources bank, the integration of resources, and the optimization of resources utilization to enhance firm performances. When resource allocations and utilization are aiming to facilitate opportunity-seeking and advantages-identification, it is the strategic management of resources. The strategic management of resources can be divided into three stages, i.e. the construction of a resources bank, the integration of resources, and the optimization of resource allocations.

Applications of creativity and development of innovations

Innovations can be divided into destructive innovations and maintenance innovations. Innovations are the process of pursuing opportunities with actions and responses in a free market. Creativity is the underpinning of innovations. It has influence over the quality and quantity of destructive innovations and maintenance innovations. It is also supported with strategic management of resources. Both destructive innovations and maintenance innovations are the driver for wealth creation. The balance and integration of these two is an important characteristic of strategic entrepreneurship. Strategic entrepreneurship is about the innovation activities under risks and uncertainties. A new economic organization is established with entrepreneurial opportunities and strategic management of resources to create profits for entrepreneurs. In the process of wealth creation, some companies seek and build competitive advantages via strategies and entrepreneurial opportunities, but others fail to so do (Ireland *et al.*, 2003; Ireland & Webb, 2007).

Research Method

Case studies are a qualitative research method. The issues studied in a case study are "how" and "why". The advantages of this approach are the ease of identification of key variables, processes, and interactions, and these findings are the foundation of the establishment and validation of presumptions. This study followed the procedures developed by Yin (1994) which conduct the research in six steps: (1) the research topics and purposes; (2) the establishment of the research structure; (3) the selection of analytic units; (4) the determination on the number of case studies and the selection of research objects; (5) the decision over data sources and collection methods; (6) data analyses, interpretations, inferences and conclusions. Research topics and purposes of this study were described above. The following was an explanation of subsequent procedures.

Research Structure

This study adopted the framework developed by Ireland *et al.* (2003) regarding strategic entrepreneurship demonstrated in Figure 1.

Selection of Analytic Units

This study referred to firms as analytic units. It explored the process of strategic entrepreneurship of the company in the case study. All the data collections, analyses and interpretations were focused on this level.

Decision over number/selection of the research objects

This study selected Giant Manufacturing Co. as a study object. The company has forty-years of operation history and is a learning model for the bicycle industry. The richness and complexity of its history and

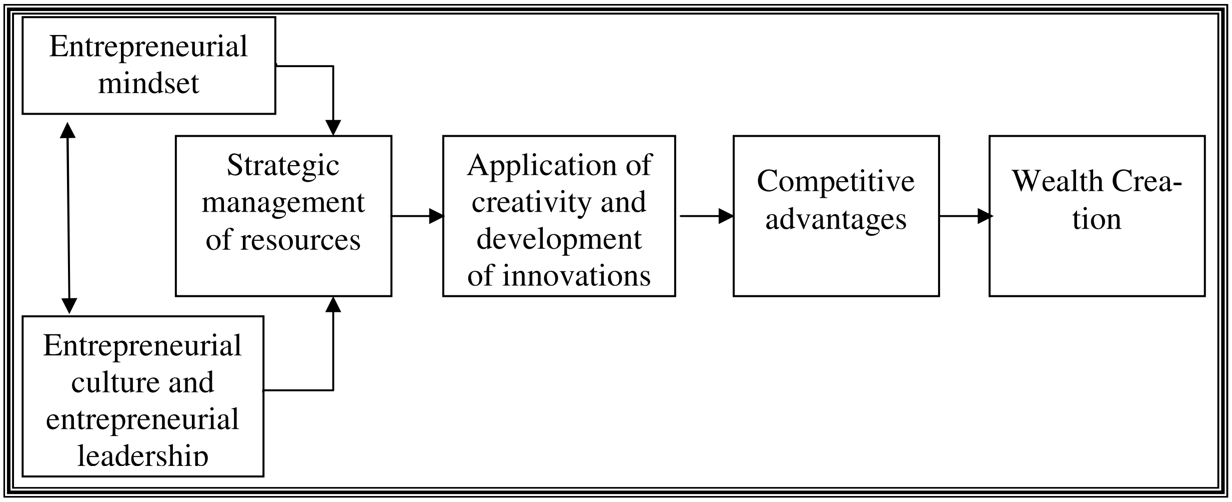

Figure 1. Framework of Strategic Entrepreneurship
Source: Ireland, Hitt, and Sirmon (2003)

background helps to shed light on the relationships between factors in the context of strategic entrepreneurship.

Data Sources

This study sampled multiple sources of data, including documentations, archival records, physical artifact, and direct observations. No single source of data can represent the complete truth or phenomenon and different data sources are in fact complementary (Yin, 1994).

Data Analysis

There are two strategies of analysing data in a case study. One is to analyse the case study by anchoring on hypotheses and the other is to develop case descriptions to connect a complex series of dots in the case study (Yin, 1994). This study adopted the second approach. In this study, the collection and analysis of data happened concurrently. Gathered data was immediately collated and summarized. The result of the previous literature review served as a guideline for data analyses and all the data concerning the case-study company was generalized and synthesized. Clarifications were made concerning relationships between various factors and related procedures were linked. Finally, this study compared the outcome of strategic implementations by the case-study company with the findings in relevant literature.

Research Analysis

Company Profile

Giant Manufacturing was founded in 1972 in Taiwan. In 1986, the company set up an office in the Netherlands. Giant Manufacturing started operations as an OEM for bicycle parts and its main client was SCHINN, a bicycle manufacturer in the U.S. Attracted by the cheap labour in China, SCHINN decided to place OEM orders with Chinese manufacturers and this put Giant Manufacturing at the verge of bankruptcy. At that juncture, Chairman Liu decided to create his own brand, Giant.

Giant Manufacturing had a tough ride in promoting its own brand in the early days, as the international perception of products made in Taiwan was negative. However, Giant Manufacturing constantly improved its international profile, after-sale service, and brand marketing, and began to make tractions in Europe where consumers demanded high quality. Meanwhile, the company made a major breakthrough in materials sourcing. In the middle of 1980s, the Taiwanese bicycle industry imported most of the carbon fibre required for high-end racing bikes from Japan at an unreasonably high cost. At that time, Giant Manufacturing approached Industrial Technology Research Institute for help. Soon after, Giant Manufacturing took the world with surprise by launching its first carbon-fibre bicycle in 1987 at an average selling price below $3,000 in the U.S., 70% lower than the prevalent market price. In 2007, the company set up a branch in Tianjin and its consolidated revenue broke over a billion for the first time.

During the same year, Giant Manufacturing received the golden award from IF Eurobike and a design award from RedDot in Germany. In 2008, the company received an award from the Ministry of Economic Affairs for its excellence in technology & development. It was also ranked as the 11th of the top 20 Taiwanese brands. Its model "Expedition RSO" was rated as the best bicycle of the year in the Netherlands and its model "Twist Comfort" won a Taiwan Excellence Award. During the same year, its revenue exceeded NT$40 billion, more than that of the major domestic automakers. With a global footprint rooted in Taiwan, Giant Manufacturing has become a learning model for Taiwanese entrepreneurs. Giant Manufacturing is more than just a maker of bicycles. It has created a culture of its own.

Analysis & Discussion

This study referred to the framework developed by Ireland *et al.* (2003) regarding strategic entrepreneurship, and conducted analyses and discussions with references to Lin (2008). The analysis dimensions were:

(1) entrepreneurial mindset;
(2) entrepreneurial culture and entrepreneurial leadership;
(3) strategic management of resources;
(4) application of creativity and development of innovations;
(5) competitive advantages.

Entrepreneurial Mindset

Entrepreneurship Opportunity Recognition.

Giant Manufacturing started as a dedicated OEM maker for bicycles. It created its own brand "Giant" in the 9th year of the company's history. Back in 1969, the Taiwanese government provided incentives for exports to the US market and this brought about a raft of bicycle manufacturers in Taiwan keen to export products. In 1972, the number of bicycles exported from Taiwan exceeded 10 million units. At that juncture, Chairman Liu and his eight friends put together NT$4 million to establish Giant Manufacturing, and positioned the company as an OEM for the US market. Giant Manufacturing started operations with a total of 38 employees and all the investors were novices to bicycles. The founders were graduates majoring in machinery from vocational schools and they had another factory before. They thought the assembly of bicycles should be a piece of cake, i.e. the piecing together of two wheels and some components. However, they went through a lot of troubles assembling the bikes, but their bikes were so unstable that they could disintegrate at any time. People made fun of the company by calling them "Institute of Bicycle Studies" because their delay in delivering bicycles to clients.

The energy crisis in 1973 put the global economy into a recession. The US market also slowed down. At that time, bicycle shops in the US collectively refused to sell or repair bicycles made in Taiwan. Giant Manufacturing received no orders as a result. With no cash, no clients and no markets, the company was on the verge of closing down. However, Chairman Liu did not give up. He led the team and continued. He and the CEO, each with a bicycle, went to Japan, the US, and Canada looking for outsourcing orders. To fight the negative perception about products made in Taiwan, he went to Japan for expertise and took home a copy of "Japanese Industrial Standards" with a red cover. After years of efforts, Giant Manufacturing won orders from SCHWINN, a US brand name with over a century of history, and became the major supplier to SCHWINN.

Entrepreneur Awareness.

Chairman Liu actually had the idea of creating his own brand when Giant Manufacturing entered its second year. Shortly after the decision over the joint venture between Giant Manufacturing and SCHWINN, SCHWINN terminated this project with an eye on the cheap production costs in China and switched orders to bicycle makers registered in Hong Kong. Understandably, Giant Manufacturing was the last one to learn of these decisions by SCHWINN. SCHWINN's orders would start to cut back gradually and at the latest Giant Manufacturing would receive no orders from SCHWINN. It was difficult to source any major client who could account for 70~80% of Giant Manufacturing's capability and there was no guarantee that the same thing would not happen again. Changes were necessary for survival. At that juncture, Giant Manufacturing decided to create its own brand "Giant" for the international markets.

Actual Decisions.

In 1986, Giant Manufacturing created its own brand and embarked on its three stages of a development plan to establish a global footprint. The company stepped up its R&D activities and built distribution networks throughout the world. Giant Manufacturing set up a large network of distributors and established the division of labor across the Taiwan Strait. The company combined its strengths in Taiwan and China and constructed a barrier to entry. The status as No. 1 is nothing significant because competitors might catch up. Giant wants to be the only one by creating technological barriers impossible for competitors to catch up. It also endeavors to enhance brand values and set a standard for the global industry. Meanwhile, Giant Manufacturing emphasizes team spirits and grants autonomy to local subsidiaries so that they can combine local talents and attack the local markets by addressing cultural specifics.

Entrepreneurial culture & entrepreneurial leadership

Three-Stage Plan to Establish an Entrepreneurial Culture.

First Stage (establishment of entry barriers and rapid development of global presence): Giant Manufacturing chose to set up its first overseas branch in the Netherlands for three reasons. Firstly, all of its major clients for outsourcing were based in the US so an entry to Europe avoided direct competition with clients. Secondly, the Netherlands is the origin of European-style bicycles. The Dutch consumers are the most difficult to please and the country reports the highest popularity of bicycles. The experience in the Netherlands could help Giant Manufacturing understand the requirements from local consumers. Thirdly, Amsterdam is a major harbor in both European and global terms. Multiple languages are spoken here and Amsterdam is like a window to Europe. To make up the gap of disappearing orders from SCHWINN, the first stage of Giant Manufacturing's global strategy was to insist on 100% ownership of its subsidiaries, the recruitment of local talents, and the establishment of IA (Industry Art) production lines to meet with the high standards in Europe. Second Stage (establishment of division of labor across the Taiwan Strait): The division of labor across the Taiwan Strait built in the 1990s is one of the major reasons why Giant Manufacturing became the largest bicycle assembler in the world. The company adopted a two-pronged strategy in China, with an equal emphasis on both export opportunities and the Chinese market. It chose the site for production facilities not based on the clustering of the industry (and focus on exports only), but with an eye on the market potential in China. The most decision for Giant Manufacturing was about the creation of its own marketing and distribution channels. As local distributors did not know how to sell Giant bicycles and there were issues associated with the recovery of receivables, Giant Manufacturing decided to set up its own channel. The largest distributors in China at that time were all controlled by Shenzhen China Bicycle Company and other four leading brands. Giant Manufacturer hence approached the second largest distributors in different regions and recruited bicycle lovers, such as racers and coaches, who were honest and trustworthy. Giant Manufacturing accumulated experience and pursued localization in its China strategy for the recruitment of both management and design talents.

The localization strategy in China was the local management of local talents, materials, and finance. Giant Manufacturing fosters a fault-tolerant culture because it seeks constant innovations. Mistakes are fine as long as they are identified immediately and amends are made instantly. Mistakes are forgiven as long as they are not to be repeated and experience is learned from these mistakes. Giant Manufacturing came up with the slogan "March on with a different pace" when China started its economic reforms. This catchy slogan echoed the pulse of the Chinese society and consumers remembered this international and fashionable brand immediately. Giant Manufacturing launched a series of trendy, colourful and light bicycles in China. It also sponsored cycling teams in Beijing, Henan, Hebei and Jiangsu. It ran cycling clubs by leveraging the presence of the shops it owned and cultivated a culture of cycling for fun rather than using bicycles for transportation. Giant Manufacturing constantly comes up with new designs on the basis of its global resources and competitors can only play catch-up. The company believes that the competitive advantage on the global scale will naturally lead to the competitive advantage in China. Giant Manufacturing has a team of designers from the US and Europe and access to advanced materials in Japan. The company leads the cycling fashion with innovative products. China is the most competitive market in the world so the loss of the Chinese market is like the loss of the global market. In 2004, Giant Manufacturing established a division for electric bicycles. In 2005, the company set up its global R&D and manufacturing center for electric bicycles in Kunshan, Jiangsu. Giant Manufacturing planned to sell electric bicycles to China and the rest of the world. The division of labour across the Taiwan Strait and the establishment of international R&D efforts were the reasons why Giant Manufacturer became the largest producer of bicycles in the world.

Third Stage (synergies and global logistics): After the establishment of global production and channel networks, Giant Manufacturer started in 2000 to set up a global logistics management model from its headquarters in Taiwan. The company continued to strengthen its capabilities in cross-country R&D, procurement, manufacturing, marketing, and resources integration, in order to ensure the agility of its value chain.

The headquarters in Taiwan manage strategies, support, and services, with logistics and management over R&D, branding, auditing, information, finance, knowhow, intellectual properties, and support. Strategies are devised at the headquarters to pursue long-term goals. The headquarters provide subsidiaries with tangible resources and intangible services, i.e. the deployment of information systems between the headquarters and subsidiaries, and the integration of procurement as well. As the largest bicycle maker in the world, the headquarters of Giant Manufacturers review the strengths and weaknesses of individual subsidiaries and facilitate the sharing of lessons and the learning from each other. The headquarters also lead on the direction of developments and the duplication of successful experience throughout the world.

A 100-people team services a global company: The headquarters in Dajia Township, Taichung, Taiwan, only have over 100 employees. However, this team manages 12 subsidiaries, 8 manufacturing sites in Taiwan and overseas and more than 10,000 distribution premises in over 50 countries. Giant Manufacturing does not centralize all the decisions to its headquarters. The small-but-beautiful headquarters allows autonomy to its subsidiaries and fosters trust between the headquarters and local branches.

The Team Leadership Sets up an Entrepreneurial Foundation.

Giant Manufacturing is a team of ordinary people who are pragmatic and consistent. Anything simple but well done is extraordinary. An organization with team spirits finds it easier to adjust to the rapidly changing world. A team approach is why Giant Manufacturing can stand out in the knowledge economy. The team of Giant Manufacturing operates as if it were a cycling team. The front wheel is marketing, and the back wheel is manufacturing. The frame is management. The handlebar is strategic planning. The brake is financial hedging. The cycler is the manager who thinks about when to brake, when to speed up and which grounds to avoid. Perfect performance is the result of day-to-day operational practices and constant improvements. Team spirits hinge on value and corporate culture. Team spirits should be ingrained into the the culture and top leaders play a pivotal role in this process. Giant Manufacturing encourages mutual support within the team. After the creation of Giant as a brand, Chairman Liu has been focusing on the best-of-the-breed manufacturing quality and Antony Lo has been involved in the development of channels around the world. They worked together to make Giant a global brand. As far as the cross-country cooperation, the R&D centers in Europe and the US are responsible for the planning and exterior design of products for their respective local markets. The headquarters in Taiwan manages the technical innovations, design certifications, and the efforts to make cycling part of the modern life. The R&D center in China is responsible for the development of models for the Chinese market and the development of foldable bikes and electric bikes.

Strategic Management of Resources Establishment of barriers to imitations.

It is critical for a consumer brand to keep imitations at bay, and the only way to do so is to stay ahead of the game. Giant Manufacturing knows that being No. 1 is not a safe place so it decides to be the only one of the word with continuous innovations and differentiation. Giant Manufacturing wants to do something different so that it can create competitiveness that opponents cannot copy. It takes foresight, courage, and speed to stay ahead of competitors. The best example was its decision in 1985 to develop carbon fiber frames by working with Industrial Technology Research Institute in 1985. This enlarged the gap with its competitors.

Construction of the value chain with maximum differentiation.

Giant Manufacturing is the only bicycle maker in the world with a complete value chain. It runs a dual ladder system of ODM businesses and its own branded products. Its marketing channels extend throughout the world but it also undertakes outsourcing orders from brands in Europe and the US. These international brands, e.g. TREK (No. 1 brand in the US), Specialized, and SCOTT, have global presence and channels but are outsourcing most of their productions to Taiwan. Chinese bicycle manufacturers are good at making bicycles but have no branding power. In contrast, Giant Manufacturing boasts expertise in R&D, prowess in manufacturing, strengths in branding and marketing channels around the world. All these elements contribute to its maximum competitive advantages.

Sports marketing.

Giant Manufacturing spends 8% of its revenue on branding and promotional campaigns, mainly in the form of sports marketing. The company has been very active in cycling events and competitions around the world. If the sponsored cyclists or teams win, it can effectively enhance Giant publicity and branding profile. In fact, sports marketing campaigns also boost R&D expertise and enlarge the gap between Giant and its competitors. For example, its carbon-fiber cycles were developed by working with cyclists. This dedication has made Giant a global brand name difficult to match.

Four success factors for A-Team.

Leadership in the nurturing of a shared passion: Members of A-Team should think about the benefits of the industry. In the beginning, some members were reluctant to share or wished to prioritize their own interests. However, the leader started to share experience and knowhow, and this made all the members realize that only cooperation ensures future prosperity.

Deepening of the friendship with suppliers: The relationship and friendship with suppliers over years are one of the factors that contribute to the success of A-Team. Years of knowledge sharing makes the relationship more solid than in other industries. The trust accumulated over the years makes it easier to share knowledge between companies and to create win-wins.

Influential figures to lead by example: Chairman Liu is called “Godfather of Bicycles”. His foresight has brought the Taiwanese bicycle industry to the forefront of high-end bicycle manufacturing. He was the best consultant to quality issues, free of charge, and always offered to help. He believed that it is important to align the management philosophy of suppliers. As long as the goals are the share, Giant Manufacturing will spend resources on joint developments.

Gradual approach to the building of trust between members: A-Team is a learning alliance composed of suppliers to Giant Manufacturing and Merida, two largest bicycle makers in Taiwan. They foster the trust between alliance members in a gradual manner, by starting with TPS and then moving to development, marketing and learning. Meanwhile, an exit mechanism was put in place to eliminate the companies not showing sufficient dedication.

Application of creativity and development of innovations

Globalization.

Giant Manufacturing goes through great troubles in finding the right people for its subsidiaries around the world, to make sure the hired managers share the same philosophy. The company gives autonomy to the right people, regardless whether they come from. An organization needs various talents and the leaders are the backup of this talent pool. Giant Manufacturer recruits locally and considers all the employees a part of this big family, whether they are male or female and no matter what their nationalities are. The headquarters believe in the power of "global support and local success" regarding its relationship with subsidiaries. The parent company and the subsidiaries are in fact partnerships. Giant Management System is built on the belief of "globalocalization". The two winning secrets are the autonomy and collaboration with a global perspective.

Autonomy & professional management: All the members of the group have the capabilities to take initiatives. Subsidiaries are profit centers and provide assistance to Giant's own shops and its distributors to attain targets. The sharing of a common goal allows individuals to maximize their values and create the most benefits for the group. Brand re-engineering is the second important secret of Giant as a leading brand. It extends the reach of existing branding resources and creates the branding value in the future. Branding continues on the foundation of Giant's DNAs and stays on top of the global trends. This approach maintains the innovative spirits that set Giant apart from its competitors.

Five convictions and four branding personalities.

The five convictions are the celebration of a riding experience, the expansion of unlimited possibilities, the challenge to oneself, the presentation of the reality, and the love of nature. The four branding personalities are the pursuit of challenges and adventures, sincerity and enthusiasm, constant progression, and dedication for excellence. The five convictions and the four branding personalities make Giant a lively and colorful brand in the minds of consumers. Starting in 2007, Giant started a branding campaign "Exploration of Passions". The Giant brand is perceived to be professional, reliable, and trustworthy. Giant Manufacturing is more than just a bicycle manufacturer. It listens to the needs of consumers and keeps consumers company in their adventures and explorations.

Fault tolerance for a learning organization.

Innovations are the result of tries and attempts. Giant Manufacturing maintains certain flexibility to create a learning environment. In 2000, the company set up Technology Center as its innovation engine. The center undertakes 40~50 projects per year. To respond to the global competition, Giant Manufacturing has developed "The Giant Way" with the experience of over 20 years. For example, "globalocalization" is one of "The Giant Way" philosophies. The company recruits local talents to manage its overseas subsidies and this resolves the issues associated with the difficulties for Asian companies in managing Western employees who tend to have strong sense of self-esteem. It also allows local professionals to rapidly grow market shares for Giant Manufacturing.

Competitive advantages

Strong brand.

In 2001, the company sold more than 340,000 bicycles in Europe, and became one of the top three brands in Western Europe. It sold 280,000 bicycles in the US and was considered the second largest brand. In Japan, Giant Manufacturing sold about 70,000 bicycles and was the No. 1 brand in the mountain bike segment. In Australia, Giant was the largest foreign brand. In Taiwan, it sold 130,000 bicycles, and its market share exceeded 25%, the largest brand in the domestic market. The Giant brand is valued at $211 million. Chairman Liu believes that the brand is Giant Manufacturing's assets. It is the result of years of efforts and reputation. Over the past decade, the company has been emphasizing the importance of its own brand, long-term goals, and risk mitigations. The focus on quality and the management of branding are critical to production and marketing. Giant Manufacturing developed its branding advantage in two stages. In the first stage of 1986~1998, the company rapidly set up its global reach and extensive distribution networks around the world on the basis of its quality manufacturing. In the second stage of 1998~2006, Giant Manufacturing focused on sports marketing by sponsoring two champion teams, i.e. ONCE Team in Spain and T-Mobile team in Germany, in Tour de France. The sponsoring of winning teams creates brand images. Giant Manufacturing became the leader in the global bicycle market with efforts in these two stages.

Complete product offerings.

Giant Manufacturing's current product portfolio comprises of mountain bikes, road racing bikes, bikes for women, bikes for children, bikes for fun, and newly developed electric bikes and foldable bikes. The complete product offerings address different needs in different markets.

Global marketing networks.

Giant Manufacturing is an early starter in the pursuit of sustainability. It adopts a dual system in marketing strategies because it serves the demand from ODM clients and the demand for its own branded products. The company designs and manufactures for leading global brands but also establishes a marketing network for its own branded bicycles.

Global service networks.

Giant Manufacturing offers global services no matter where consumers purchase their Giant bikes. The company provides five-year quality warranty and one-year warranty for perishable parts for all of its products. Its comprehensive after-sale service network consists of its local distributors and 10,000 directly-owned shops. This global service network provides the fastest and most convenient services to customers. Meanwhile, Giant Manufacturing purchases $30 million worth of product liability insurance each year.

The GIANT way.

This includes "Globalocalization" in its global management, "Inspiring Adventure" in its re-branding, "Action" in the pursuit of best practices, "Navigator" in the response to constant challenges and "Total Cycling Solution", a revolution in the channel network of the bicycle industry in the 21st century. Table 1. summarizes Giant Manufacturing's model of strategic entrepreneurship.

Conclusions and Suggestions

Conclusions

This study examined Giant Manufacturing in a case study and explored the company's process of strategic entrepreneurship. The research findings suggested the following

Table 1. Key Issues Regarding Strategic Entrepreneurship in Case Study

Theme	Presentation of the case study
1. Entrepreneurial mindset	● Entrepreneurship opportunity recognition: The Taiwanese government offered incentives to exports to the US and this prompted the bicycle industry in Taiwan to sell to the US market. Chairman Liu and eight of his friends put together NT$40 million to establish Giant Manufacturing, with an eye on the demand from the US. ● Entrepreneur awareness: The departure of its largest OEM client, SCHWINN, was a crisis for Giant Manufacturing, as well as an opportunity for the creation of its own brand. ● Actual decisions: Giant Manufacturing started in Taiwan for the development of its own brand and used this experience to attack the overseas markets.
2. Entrepreneurial culture & entrepreneurial leadership	● Three-stage plan to foster entrepreneurial culture: (1) the establishment of global footprint for Giant as a brand in the global market; (2) the division of labor across the Taiwan Strait and the operations in China with a global perspective; (3) synergies and global logistics management. ● Team leadership to build entrepreneurial foundation: Top leaders playing a key role in the fostering of team spirits. Experience sharing and mutual support as the key factor for Giant Manufacturing's success as a global power house.
3. Strategic management of resources	● Establishment of barriers to imitations: Being the only one in the bicycle market as the key to survival and irreplaceable competitiveness ● Construction of value chain with maximum differentiation: Giant Manufacturing as the only bicycle maker in the world with a complete value chain, with a dual focus on ODM business and its own brand. ● Sports marketing: 8% revenue spent on sports marketing each year. ● Success factors of A-Team: Industry leaders starting with experience sharing so that all the members acknowledge the importance of team work for future prosperity.
4. Application of creativity and development of innovations	● Globalocalization: The recruitment of the right people for local management with local autonomy; local hiring decided by local general managers; all employees regardless of sexes and nationalities all part of the Giant family; training of headquarters personnel with overseas assignments to broaden perspective and experience; the strategy of "global support and local success" regarding the strategic partnerships with overseas subsidiaries. ● Five convictions and four branding personalities: The Giant brand standing out with these lively images, and differentiated from others. ● Fault tolerance: Flexibility in system design to create a learning environment.
5.Competitive advantages	● Strong brand: The Giant brand, valued at $211 million, established in two stages. ● Complete product offerings: comprehensive product portfolio catering to specific needs of different markets around the world. ● Global marketing network: Dual-ladder marketing strategy in pursuit of the demand from ODM clients and the demand for Giant branded products. ● Global service network: the provision of comprehensive after-sale services via global distribution networks. ● Construction of a unique Giant quality: A pragmatic and successful model shared by all within the organization.

key issues for strategic entrepreneurship: (1) an entrepreneurial mindset, including entrepreneurship, opportunity recognition, entrepreneur awareness, and actual decisions; (2) an entrepreneur culture and leadership involved three stages of global deployments and group leadership; (3) decision-making resources management included the establishment of barriers to imitations and the construction of value chains, sports marketing, and A-Team success factors with maximum differentiation; (4) creativity, development, and innovations encompassed three spirits of "globalocalization" management, five convictions, four branding personalities, fault tolerance, and learning; (5) competitive advantages comprised of strong branding, comprehensive product lines, global marketing networks, branding advantages, and the building of "The GIANT way". The findings regarding Giant Manufacturing's process of strategic entrepreneurship could serve as a reference to studies on the issues relevant to strategic entrepreneurship. In addition, the construction of a model for strategic entrepreneurship should help the bicycle industry in Taiwan to gain an understanding of the opportunities, resources, and processes associated with strategic entrepreneurship.

Suggestions to Follow-up Studies

This study examined the entrepreneurial mindset of a company in the case study and delved further into its process of strategic entrepreneurship. Future studies might apply other research methods in the construction of a complete model for strategic entrepreneurship. It took a long period of time to observe and study to determine the success of strategic entrepreneurship. Due to limitations in resources and time, this study started with a literature review. Subsequent studies might enlarge their sampling pools in order to enhance the depth of the research work. Kuratko & Audretsch (2009) indicated five organizational types of strategic entrepreneurship, which they are sustained regeneration, organizational rejuvenation, strategic renewal, domain redefinitions and business models. These might be a reference for future studies in the analysis and investigation between the organizational types and entrepreneurial performances in the context of strategic entrepreneurship.

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