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- 1) **Provisional title:** "Identifying the antecedents of Born Global"
- 2) <u>Keywords</u>: Born Global; Accelerated internationalization; Antecedents; Entrepreneurship; Networks; Dynamic capacities; International performances; Environments; Stages of development; Time of internationalization

3) Abstract:

It's evident from the number of researches that have been conduced lately that there is a new pattern followed in the process of Internationalization by the born global companies, but there is still no agreed definition of the concept. The aim of the research is to fill in the gap by conceptualizing a definition of born global. In our research, we intend to conduce a qualitative and quantitative meta-analysis research to explore the international behavior of these companies that follow this internationalization process, analyzing the evolution and orientation of this research over the years and highlighting the factors that take part in this model to identify clearly the influencing internal and external factors that push these companies to internationalize themselves so early, to cover such breadth of countries and to follow this rapid pace of internationalization. In addition, we are going to develop an empirical research about companies that follow this pattern of Internationalization at global and Spanish level.

From a deep analysis of the data, we aim to agree a definition of this concept and to identify and test a model based on external factors (environments and networks) and internal factors (entrepreneurship and organizational structure of the Born Global) to explain the performances of speed, breadth and pace of internationalization that obtain the Born Global companies.

4) Theoretical meta-análisis

a. Objetives

Our main objective is to identify and to propose a model of corporate behavior that follow the rapid internationalization process, identifying its antecedents and impact on performance. And at the same time to agree and to test a definition.

b. Theoretical framework

The main theories that we highlight to investigate the behavior of the Born Global are the following:

• Internationalization Theory:

The interest of this theory focuses on the perspective of the company, internationalization process was studied mainly with the gradual or sequential model of Uppsala internationalization (Johanson and Vahlne, 1977, 1990), 90's was the decade when most of the researchers focused on studying and analyzing a new process of accelerated internationalization, represented by the Born Global. Therefore, this theory allows us to study the differences between the different processes of internationalization and compare the key factors for the development of these processes of internationalization.

Network Theory:

To get a quicker access to international market these born global companies utilize "Network theory" by consolidating and building on their network and business alliances. Network theory allows us to explain how Born Global firms develop these networks and adapt to international markets so rapidly.

■ Theory of Knowledge:

Born Global companies are generally companies with limited resources, therefore their strategies are focused on intangible resources to successfully compete internationally. Knowledge transfer is one of those intangible resources efficiently managed by Born Global and that they use so as to gain competitive advantage in international markets

Dynamic Capabilities Theory:

The possession of dynamic capabilities gives these Born Global companies a high degree of adaptability to the environments in which they are confronted, and this high degree of adaptability allows them to reduce risk associated with the act of setting up a new business or entering in new markets and to reduce all the other risks linked to international environment.

Resource Based Theory

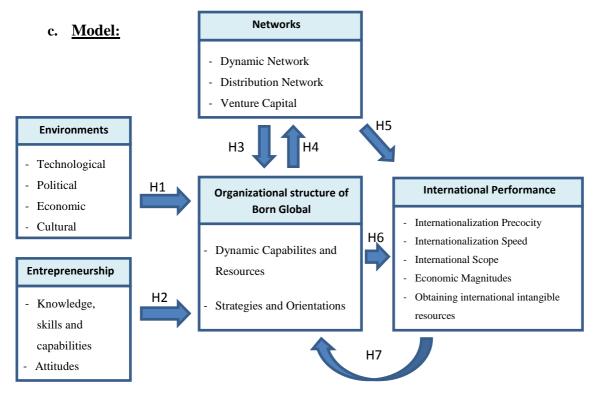
In order to maintain their competitive advantage, the Born Global companies given with its limited resources must depend on distinctive and valuable intangible assets in order to compete successfully at international podium.

c. Review of the literature

Author/s (year)	Key research findings
> Hedlund Gunnar and Adne Kverneland (1985)	
	 Changes in the internationalization process towards more rapid internationalization models
	• "Leapfrog" or "Leapfrogging" jump of internationalization steps (Gradual or sequential internationalization steps)
	 Using a different model from Uppsala
> Young (1987)	
	 They develop their internationalization processes within a very short period of time
	 High flexibility Profile
	 They focus on niches international market.
	 They are high-tech companies
➤ Jolly et al. (1992)	
	■ high-tech Start-ups
	 Since its inception they have their strategies aimed at niche markets
	 Manager with previous international experience
McKinsey y Co.; Rennie (1993)	
	■ Use of the term "Born Global"
	 Companies with an accelerated process of internationalization
	 Orientation towards international market niches, due to:
	 An increase in international demand for specialized products
	 A reduction in the products life cycle
	 Very flexible and innovative companies, with customer orientation
	 They don't belong essentially to the technology sector but also to more traditional sectors.
	 Improvement in the information and communication technologies (ICTs) and reduced transport costs
> Oviatt y Mcdougall (1994)	
	• "An international new venture is as a business organization that, from inception, seeks to derive significant competitive advantage from
	the use of resources and the sale of outputs in multiple countries"
	 They highlight the skills and abilities of the entrepreneur as a key factor to drive these companies in international markets

Author/s (year)	Key research findings
Knight y Cavusgil (1996)	
	 They defined Born Global as small businesses (mainly oriented to technology sector) operating in international markets since their early
	days of establishment
	 They are characterized by a share of not less than 25% of exports within their first 3 years of their existence
	• They determined that the factors that drive to the existence of Born Global are:
	 The existence of an increasing number of market niches around the world
	 The changes that have occurred in the production and communication technologies
	 The existence of an increasing number of international networks
> Jones (1999)	
	 The rapid internationalization process can be seen as a holistic process
	 Very important role of the "International Entrepreneurship"
	 Their internationalization process usually starts with the development of networks
Oviatt y McDougall (1999)	
	 They study 4 blocks to understand easily this process: speed of internationalization, its scope, modes of internationalization,
	technological and environmental changes
	 They refer to the essential role of the entrepreneur and human resources in this process of rapid internationalization
Zahra y George (2002)	
	 They conduct a review of existing theoretical models, categorizing the key factors of this research into three categories: organizational
	factors, environmental factors and strategic factors which are influenced by the factor of entrepreneurship
	 They refer to Born Global companies as "the process of creatively discovering and exploiting opportunities that lie outside a firm's
	domestic markets in the pursuit of competitive advantage"
> Rialp y Knight (2005)	
	• They develop a model based on resources and capabilities of the Born Global in which they investigate the relationship between the base
	of the company's intangible resources and their effects in generating a rapid internationalization capacity of the same.

Author/s (year)	Key research findings
➤ Weerawardena et al. (2007)	
	 They use the theory of knowledge to explain the strategy of internationalization of Born Global They establish the Born Global concept from the perspective of dynamic capabilities, which are built and promoted by the entrepreneurs / founders who possess international orientations
➤ Gassmann y Keupp (2007)	
	 They have shown three models that reveal how the Born Global are developed: The first is the "Virtual Internationalization", that made available for the Born Global partner or network, their specialized knowledge whereas the partner or the network provides the necessary resources for the Born Global and he is responsible for accessing the company to international markets. The second model refer to the "Advantages of international experiences", previous experiences, knowledge gained and the limitations of the domestic market allow the company to be more likely able to deal with barriers that may arise, and to bring up forward their internationalization process faster . The last model is based on "Extreme niche strategy", which identifies the segments that are too specific for the others large companies or simply they are not interested, but these segments offer great opportunities for SMEs.
➤ Gabrielsson et al (2008)	
	 The Global Born describes three phases: In the "introduction" they explain all the factors that drive the early internationalization "The growth and accumulation of resources" in this stage they comment the capacity to absorb knowledge, and the capacity of financial and resources accumulation of the company The independent development of the company as a global player They estimate that the founder and his global vision are key factors as innovation, finance, product strategy, channels and / or networks, operations and marketing strategies, and organizational learning
Rialp-Criado et al. (2010)	
	• From the perspective of strategic processes, they identified three stages of development of the Born Global: (1) "pre-start up / new venture creation" (2) "pre-globalization" (international development), and (3) "post-globalization" (international entry, development and growth), and they viewed that from a perspective based on the time, the strategy of the development process of the Born Global, may adopt a holistic approach configuration, first with emerging strategies until to reach deliberate strategies



<u>Hipótesis 1 a</u>: Technological differentiation advantages will increase the likelihood of adopting an accelerated internationalisation process. (Pla-Barber. J, Escribá-Esteve A., 2006)

<u>Hipótesis 1 b</u>: The reduction of trade barriers imposed by countries in the world, has helped to further the development of the Born Global (WTO)

<u>Hipótesis 1 c</u>: The extension of the phenomenon Born Globals is positively associated with the degree of internationalization of the market (Madsen y Servais 1997)

<u>Hipótesis 1 d</u>: The reduction of cultural barriers has allowed helped to further the development of the Born Global (Hofstede)

<u>Hipótesis 2</u>: A proactive attitude on the part of the management team, in relation to international strategy, will increase the likelihood of adopting an accelerated internationalisation process (Pla-Barber. J, Escribá-Esteve A., 2006)

<u>Hipótesis 3</u>: The intensity of the "network" of relationships established with customers, competitors, suppliers and institutions will increase the likelihood of adopting an accelerated internationalisation process (Pla-Barber. J, Escribá-Esteve A., 2006)

<u>Hipótesis 4</u>: The collaborative know-how is positively related to their short and long-term operational flexibility, in such a way that the greater the know-how, the greater its effect on flexibility (O. F. Bustinza, L. M. Molina and D. Arias-Aranda, 2010)

<u>Hipótesis 5</u>: Export orientation of the SME is positively associated with the presence of global networks. (Igor Filatotchev, Xiaohui Liu, Trevor Buck and Mike Wright, 2009)

<u>Hipótesis 6</u>: A firm's dynamic capabilities positively affect its performance. (Lei-Yu Wu, 2006)

<u>Hipótesis 7</u>: The positive relationship between innovativeness in international venturing and the performance advantage of newness in early internationalization is mediated by knowledge capability upgrading (Lianxi Zhou, Bradley R Barnes and Yuan Lu, 2010)

5) Empirical investigation

a. Target sample

From the analysis of 60 empirical researches on the Born Global companies conducted between 2000 and 2011, we have highlighted the selection criteria for the target sample to study the pattern of internationalization of Born Global.

studied samples in 60 empirical researches developed between 2000-	Average	% of Data obtained in the	
011		investigations	
Total studied sample	2803	76,67%	
Sectors investigated		100%	
Manufacturing / Industrial	28%		
Technological	45%		
All sectors	27%		
Methods used			
Random Sample		21,67%	
Surveys		63,33%	
Interviews		46,67%	
Case studies	8,16	20%	
nternational criteria for sample selection			
Share of Foreign Sales:		30%	
10%	11%		
20%	17 %		
25%	56%		
30%	6%		
50%	6%		
75%	6%		
Year of internationalization:		37%	
1	14%		
3	50%		
3,5	5%		
5	5%		
6	9%		
8	5%		
9	5%		
10	9%		
Scope of internationalization:		5%	
More than 1 country	67%		
More than 5 country	33%		

Entrepreneurial criteria for sample selection		
Age of the company		18.33%
Less than 1,6 years	9%	
Less than4 years	9%	
Less than5 years	9%	
Less than 10 years	27%	
Less than 15 years	18%	
Less than20 years	27%	
Size of company		43,33%
SMEs		
Less than 50 employees	4%	
Less than 100 employees	12%	
Less than 200 employees	4%	
Less than250 employees	38%	
Less than 300 employees	4%	
Less than 500 employees	27%	
Other criteria of size		
More than 5 employees	4%	
More than 50 employees	4%	
Between 100 and 1000 employees	4%	
Other criteria used		
Independent Business		18,33%
Sales share of the company		8%
Initial public offering (IPO)		5%
Investment in R+D more than 5%		1,67%
Trade on the stock market		1,67%

U.S	23,33%				
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	_3,0070	Greece	5%	South Africa	1,67%
China	13,33%	Europe	3,33%	Israel	1,67%
U.K	11,67%	Switzerland	3,33%	Canada	1,67%
Australia	10%	Sweden	3,33%	Netherlands	1,67%
Germany	8,33%	Denmark	3,33%	France	1,67%
Finland	6,7%	Irland	3,33%	Japan	1,67%
Norway	6,7%	New Zealand	3,33%	Czec Republic	1,67%
Italy	6,7%	India	3,33%	Belgium	1,67%
Spain	5%	Costa Rica	1,67%	World	1,67%

b. Statistical Methodology

The statistical methodology used is based on developing a qualitative meta-analysis of research conducted between 1989 and 2011, a quantitative meta-analysis on research conducted between 2000 and 2011, and in turn, to seek to develop an empirical analysis of firms that follow the criteria of the accelerated internationalization model in Spain and at international level.

c. Preliminary findings

Data obtained from 60 empirical researches developed between 2000-	Average	% of Data obtained in the
2011		investigations
Final sample studied	317	100%
Sectors investigated		
- Manufacturing / Industrial	28%	
- Technological	45%	
- All sectors	27%	
Data of the companies		
- Employees	215	55%
- Total sales (in millions of dollares)	107,5	28%
- Foreign Sales (% Total sales)	48%	45%
- Scope of internationalization (number of countries)	16	28%
- Speed of internationalization (years)	3,73	62%
Other variables studied in the research		
- International performance	73%	
- Innovation orientation	55%	
- Previous experience of the entrepreneur	47%	
- Networks	47%	
- Size of the company	45%	
- Entrepreneurship	42%	
- Age of internationalization	38%	

6) Orientations

Since the 90's, researches and contributions about the study of firms that have an accelerated internationalization, have been numerous and have fostered greatly to develop the concept. But while the researches point in the same direction, there is still no universally agreed definition of the concept. We investigate to develop a model to explain how those companies develop and configure their structure and strategies to adopt an early and accelerated international position with specific external and internal factors that allow the company to achieve superior internationalization performance, especially in regard to the dimensions of time, conferring to the company an increased

speed of internationalization, which is often defined by a high precocity of internationalization, an increased pace of globalization and greater international expansion.

After the analysis of the literature and compared it with some experts in the field, we detected a number of limitations and therefore propose the following improvements:

- Expand and strengthen the variables of Entrepreneurship
- To study efficiently the Globalization and its effects in our model
- To study the degree of involvement of dynamic networks and in our model
- To study the efficiency of the Born Global model as a model of internationalization in relation to other models of internationalization

7) Anticipated contribution

- Provide a tested definition of Born Global and contribute to a consensus
- To test the model
- To determine the performances of the Born Global

8) Managerial implications

Nowadays the accelerated internationalization model is a model that can be developed in many different economic sectors, and in fact over time, the number of companies that follow this pattern of internationalization will be increased dramatically. Born Global model is today one of the most efficient and most competitive internationalization model for the development of SMEs at international level, our contributions would allow the entrepreneurs to identify a way that will allow them to follow and to develop an efficient model of internationalization and in turn, to help the companies to develop an organizational and personal reflection to identify if they are using appropriate mechanisms to internationalize them early and rapidly.