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**INTERNATIONALIZATION PLAN FOR SOCIAL ENTERPRISES: A RESEARCH
ON THE INTERNATIONALIZATION OF “BOOK A STREET ARTIST”**

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Abstract

While working as an intern for the social enterprise Book a Street Artist, I was responsible for implementing an internationalization plan. Due to the lack of information about how social enterprises internationalize, a three-plus-two step structure has been developed and applied to the enterprise. This work demonstrates that to precisely scale up social impact, the actual implementation of social enterprises' internationalization should be done in a rapid, not necessarily systematic manner. Therefore, the best way to internationalize is based on an implementation strategy which is suited to the enterprises' actual market conditions and its business model.

Key words: Book a Street Artist, Born Global, Internationalization, Social Enterprise.

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1. Introduction

The definitions of a social enterprise vary from country to country. In general, those definitions include various organizations which fall along a continuum: from profit-oriented businesses engaged in activities which benefit the society as a whole, over hybrids which are basically dual-purpose businesses that mediate profit goals with social objectives, to nonprofit organizations engaged in commercial activities which are mission-supporting (Kerlin, 2006). One example for a social enterprise providing social benefits despite earning profit is Book a Street Artist (BASA). Precisely, the vision of BASA is the acknowledgement of street art as a true form of art in today's society.

The enterprise was formed by two former students of the NOVA University of Lisbon, Portugal, in 2011. Up to now, it grew to a total of eight employees. BASA promotes street artists online via www.bookastreetartist.com and via the enterprise's Facebook website¹ mainly within the area of Lisbon. Hence, the enterprise offers an online booking platform which connects street artists with clients and which is aiming at providing street artists with enhanced visibility and bookings. To be able to benefit the enterprise itself, BASA started to incorporate a service fee as a percentage of successful bookings. This service commission is around 10 to 20%.

Enterprises which from foundation acknowledge the world as one market are commonly known as born globals (Chetty & Campbell-Hunt, 2004). BASA is a born global enterprise and perceives the world as one market due to several factors: first, street artists are not tied to a specific country and thus, can be found around the world. Second, BASA gets pulled into international markets by the enterprise's clients because

¹ <https://www.facebook.com/bookastreetartist?fref=ts>.

clients increasingly state that they highly appreciate booking artists from various countries in order to perceive different kinds of arts and culture as well as to get exactly what they are searching for – services tailored to their wishes (C. Specht, personal communication, November 13, 2013).

To contextualize BASA, it is helpful to look at similar business ideas which have evolved. Two suited examples are Cirque du Soleil and the Fringe Festival in Edinburgh, Scotland. Precisely, both businesses are rooted in street art but developed in different directions. While the founder of Cirque du Soleil, Ste-Croix, turned a youth hostel occupied with performing street talents into an organized performing group and eventually into an enterprise with solely profit objectives, the Fringe Festival evolved into an un-juried festival open to everyone and therefore, a non-profit organization (Molaro, 2005; Dibdin, 2008). Businesses such as the two mentioned facilitate the fact that art in general is not a country-specific factor but one which can be found worldwide.

It has been noted that internationalization tends to be a suited strategy for small and medium-sized enterprises (SMEs) as well as born globals to access and exploit global market opportunities (Andersson, Gabrielsson & Wictor, 2004). Additionally, evidence exists proving that social enterprises have enormous ambitions to grow (SEUK, 2011). Consequently, it can be argued that BASA wishes to internationalize - increasing the involvement of the enterprise in international markets by promoting artists from all over the world to customers worldwide. Internationalization can have several benefits such as spreading business risk, exploiting first mover advantages, expanding brand awareness to a new audience, increasing revenue generation by diversifying supply and especially for BASA, providing social benefits on a broader scale.

While working as an intern for BASA and being responsible for implementing an internationalization plan, it became apparent that current literature lacks information about how social enterprises internationalize. More in detail, since current articles solely describe internationalization activities from multinational enterprises (MNEs) over SMEs to born globals, the following research question can be defined: **How can social enterprises internationalize?** What factors influence the success of internationalization processes and subsequently, facilitate the extension of social impact?

In this project, an attempt was made to answer these important questions. More precisely, first an extensive literature review will be conducted to find tendencies for a successful internationalization of social enterprises. Second, after reviewing BASA as an enterprise, a three-plus-two step structure will be developed and applied to the enterprise. Particularly, the first three steps form the **planning phase** which deals with the eligibility to internationalize, the analysis of the international business environment, and the ways of entering international markets. The following two steps form the **execution phase** and will be the formulation of the implementation strategy and the theoretical realization of the internationalization strategy².

2. Literature Review

In general, internationalization can be described as “the extent to which a firm is involved in international business” (Kiran, Majumdar & Kishore, 2013, p. 18). According to Hollensen (2008) the reasons why companies engage in internationalization can be divided into proactive and reactive factors. Proactive factors are represented by profit and growth goals, cost reductions, foreign market opportunity exploitation potential, and access to further resources (Hollensen). Reactive factors,

² An extensive, graphical representation of the three-plus-two step structure can be investigated in Appendix I.

however, are competitive pressures in domestic markets which might be small and saturated, the wish to extend sales, and the proximity to international customers (Hollensen).

Throughout the years, it has been conventional practice for companies to begin doing business in their home countries and after years of gaining knowledge about the corresponding home market to internationalize mostly in a stepwise manner (Andersson, Gabrielsson & Wictor, 2004). This progressive model of internationalization is known as the Uppsala Model which is built on learning and knowledge (Danciu, 2012). Traditionally, internationalization processes were associated with the following four stages: 1. fitful exports; 2. exports through different agents; 3. overseas sales through contractual agreements (licensing or franchising); 4. foreign direct investment (FDI) (Johanson & Weidersheim-Paul, 1975).

However, nowadays, rapid globalization and the pace of technological change have not only led to lower trade barriers as well as cheaper and faster communication but also to enhanced mobility and thus, to an increased global competitive field (Halldin, 2012). Hence, an increasing number of enterprises seem to get involved into the international scene at a much earlier stage than ever before to maintain their competitive position (Kiran, Majumdar & Kishore, 2013). Besides, a new concept has evolved: born global enterprises - the “early adopters of internationalization” (Knight & Cavusgil, 2004, p.124). Born globals target global markets without having the necessary knowledge or learning from international activities due to the fact that global markets have become increasingly homogeneous (Danciu, 2012).

Despite the fact that traditional models of internationalization might be suited for slow internationalization processes, they are not flexible enough to facilitate rapid internationalization of smaller and younger firms (Etemad & Ala-Mutka, 2009). Rapid, accelerated internationalization has become a necessity for smaller and younger firms' survival and overall growth in small domestic markets with highly specialized services (Etemad & Ala-Mutka). Precisely, one stage to rapidly enter similar markets is sufficient for SMEs and born globals opposed to multiple stages as recommended by traditional models (Danciu, 2012). This is being facilitated by new research which proves that firms do not necessarily follow a sequential pattern (Kiran, Majumdar & Kishore, 2013).

In theory, due to market imperfections, enterprises tend to choose between varieties of foreign market entry modes: from simple exports, licensing and less committed strategic agreements toward wholly-owned subsidiaries and joint ventures (Eriksson et al, 1997). In praxis, however, SMEs and born globals use internationalization and market entry strategies which are suited to their actual market conditions and to their business models (Etemad & Ala-Mutka, 2009). Particularly, the preferred mode of entry is foreign direct investment (FDI) to protect priorly established first-mover advantages by offering a new service to recently opened-up markets (Etemad & Ala-Mutka). Besides, many small and young companies enter multiple markets simultaneously (Halldin, 2012).

In literature, several strategies for scaling up social enterprise operations can be observed and divided into three main categories. The first category is about growth within the organization and includes maximizing social impact of existing provisions, diversification, and starting new sites. The second category consists of scaling through formalized relationships with other providers such as social franchising whereas the last

category is about open access sharing and disseminating good practice, e.g. training and accredited courses (Paton, 2003; Nicholls, 2009; Lyon & Fernandez, 2012). Kalafatas (2006) adds geographical expansion to attain the goal of scaling social impact as well as organizational branching and/or affiliation as a strategy for scaling social impact. Organizational branching and/or affiliation means replicating branches in new locations or creating a network of affiliated but independent organizations. Further approaches can be seen in Appendix II.

However, little remains known about the internationalization processes of social enterprises. What can be stated, based on individual case studies of social enterprises such as TOMS Shoes³ and Specialisterne⁴, is that social enterprises seem to internationalize due to their wish to broaden their mission internationally as well as because they get pulled into international markets by their clients (Daniels Fund Ethics Initiative, 2013; Wareham & Sonne, 2008). Furthermore, social enterprises mainly rely on word-of-mouth, viral marketing, social networks, and social media as part of their marketing strategy because those channels are subject to client experience as well as feedback and thus, are highly credible (Daniels Fund Ethics Initiative).

Several characteristics facilitating internationalization are noticeable and can be divided into the following three categories: entrepreneur, firm, and environment (Ruzzier, Hisrich & Antoncic, 2006). Those are investigated in Table I.

Entrepreneur	Entrepreneur characteristics are described by human capital factors such as international business skills and orientation, environmental perceptions, and management know-how. It is stated that those characteristics have a positive impact on internationalization (Ruzzier, Hisrich & Antoncic, 2006). Manolova et al (2002) add demographics, especially age, education and tenure, to the human capital characteristics. Moreover, a social enterprise is
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³ TOMS Shoes is following the philosophy of sending a pair of shoes to a third world country which is in need of shoes for every pair of shoes sold. More information: Baddur, 2013.

⁴ Specialisterne is a socially innovative enterprise which provides meaningful employment in form of software testing to people with autism. More information: Wareham & Sonne, 2008.

	in a better position to scale its social impact if it has recruited as well as developed human capital with appropriate skills, education, and training (Bloom & Smith, 2010).
Firm	According to Kotha, Rindova and Rothaermel (2001), firm characteristics include the amount of intangible assets such as reputation as well as website traffic, and the levels of competitive and cooperative activity. Precisely, those characteristics have a positive relationship with the degree of internationalization. According to Knight and Cavusgil (2004), young companies, with a strong innovative culture as well as a lack of deeply rooted administrative heritage and tangible resources, seem to be flexible and agile which facilitates sustainable, superior performance in foreign markets. Moreover, social network ties tend to have a positive impact on the success of internationalization processes (Rutihinda, 2008; Zhou, Wu, & Lou, 2007) and the extension of social impact (Clark et al, 2012).
Environment	Environmental characteristics are related to the domestic as well as the international environment (Ruzzier, Hisrich & Antoncic, 2006). According to Rutihinda (2008), domestic market conditions and industry globalization in terms of high levels of domestic competition as well as operating in globalized industries play an important role while internationalizing.

Table I: Facilitating Characteristics – Entrepreneur, Firm, Environment.

3. Discussion of Topic

In the following sections, after reviewing BASA as an enterprise, the three-plus-two step structure will be applied to BASA. This structure can be used to develop an implementation strategy for the internationalization of social enterprises which at the same time can be characterized as young and born global.

3.1 Enterprise Presentation

The most important points about BASA are summarized in Table II.

Mission Statement	The mission statement of BASA is the following: “We want to reposition and revalue Street Art globally by promoting the work of talented street artists world-wide and offering their services to an international audience through an online booking platform.” (C. Specht, personal communication, November 13, 2013).
Vision Statement	The vision of BASA has been defined as follows: “We believe that many artists found in the streets are as valuable and talented as those in concert halls or art galleries, yet many times undervalued. We want Street Art to be accepted as an official form of art and appreciated at such. We want to become the specialists for talented street artists world-wide and become the number one booking platform for Street Art.” (C. Specht, personal communication, November 13, 2013).
Business Model Canvas – viable and continuous (derived from enterprise internal material)	
Customer	BASA is a two-sided online platform which exists to connect two parties: artists and clients.

Segments	Particularly, clients can be segmented according to the commerce transactions between them, BASA, and the end customers: B2B - Bars/restaurants, small concept stores, multinationals and festival producers are businesses which are engaged in commerce transactions with BASA by booking an artist from the enterprise's portfolio; B2B2B - Creative agencies, multimedia agencies, and event agencies are businesses which are engaged in commerce transactions with BASA but in the end they are forwarding the artist or the artist's work to other companies; B2B2C - Wedding agencies and event agencies are companies booking artists via the platform of BASA and in the end forwarding the artist or the artist's work to individual customers; B2C - Individual customers are engaged in commerce transactions with BASA by booking an artist from the enterprise's portfolio.
Channels	Through various channels such as the online platform, word-of-mouth, recommendations, and online as well as offline ads (e.g. e-mails, magazines, the street, and festivals), BASA is trying to deliver its value proposition in the right way.
Value Proposition	The value proposition has to be tailored to the two sides of the platform: artists and segments. Particularly, value for artists is being created through BASA's efforts to promote street art in a new way and thereby increasing the number of bookings for artists as well as their negotiation power with clients. Furthermore, BASA can create value for the various client segments by offering them a unique and original concept of entertainment, promotion, and decoration in addition to complementary consultancy services. Due to the specialized knowledge of BASA about the artists within their portfolio, clients can be guaranteed that the service they are about to get will surely match their wishes and this in turn will indirectly save them time and money to search for a matching artist on their own.
Customer Relationship	Customer relationship has to be tailored to the two sides of the platform. BASA is building a specific relationship with artists by giving them personal, automated, and outsourced services. Precisely, personal service is guaranteed by continuously assisting and communicating with the artist and consequently, updating the artist's profile on the website of BASA. Automated services are realized by dealing with the client segments to forwarding the right artist to a specific job. Outsourced services are represented by services done by the filming team which films and takes pictures of an artist to promote a specific work. However, BASA is building a specific relationship with the different segments by offering them a follow-up policy and continuous services after the actual service is being done, such as sending them newsletters with new promotions and offers.
Key Resources, Activities, and Partners	BASA's key resources are all of intangible nature: knowledge about street art, artist database, human resources, and the online platform. The enterprise's key activities are customer as well as artist seeking, artist management, promotion, consultancy services, customer relationship management, and taking care of the online platform (development and maintenance). Key partners of BASA are represented by cities and institutions, local competitors, street art projects as well as festivals, journalists, media, famous artists, schools and universities, photographers, video makers and sound engineers.
Cost Structure	The costs incurred by running this kind of business are represented by automation costs and outsourcing costs. Particularly, automation costs are the costs incurred due to the development and maintenance of the online platform, due to personalized services, and lastly, due to human resources. Outsourcing costs, however, are the costs of promotional material, graphic design, and printing (magazines, flyers).
Revenue Stream	The main revenue stream of BASA is commission based: a service fee as a percentage of successful bookings. This service commission is around 10 to 20%.

Table II: Enterprise Presentation – Main Points.

3.2 First Step of Planning Phase – Assessment: Evidence of Eligibility to Internationalize

In the following sections, BASA will be examined according to the three characteristics which have been mentioned in the literature review: entrepreneur, firm, and environment. Based on this analysis it can be claimed that BASA is suited to internationalize.

3.2.1 Entrepreneur Characteristics

The founders and managers of BASA are 25-year-old Charlotte Specht and 29-year-old Mario Rueda. Due to their education, both entrepreneurs possess valuable international business skills and management know-how. Particularly, Charlotte Specht has business degrees from University of Mannheim, BI Handelshøyskolen, and Nova University of Lisbon whereas Mario Rueda has successfully built his own international career path – from a temporary worker to a forensic engineer investigating the collapse of the World Trade Center in NYC. Nevertheless, due to their young age and their corresponding small tenure within the business world, both managers can be criticized for not having enough experience to successfully internationalize a social enterprise.

However, both entrepreneurs have international orientation as well as high ambitions with positive perceptions of the environment evidenced in both entrepreneurs taking a considerable amount of risk. Precisely, since Charlotte was 14 years old, she visited almost every continent and lived and worked in different places. During these years, she learned to love different cultures, stepping out of her comfort zone and adapting to unfamiliar environments. Besides, Charlotte is the initiator of the enterprise dedicating all time and efforts in the creation of the business whereas Mario has worked to help

paying part of his studies since he was 20 years old. He was born and raised in Colombia but he considers himself more as a World Citizen. He has lived in more than five countries and besides Spanish he speaks English, Italian, Portuguese and has some knowledge of French and Chinese – Mandarin.

Moreover, the human capital pool of BASA is very dedicated as well as motivated and this is a valuable basis for taking a social enterprise one step further. The dedication as well as motivation of the employees is evidenced by their willingness to work because of an inner fulfillment instead of a monetary return – BASA's employees are working on a voluntary basis and without receiving salary.

3.2.2 Firm Characteristics

Even though BASA operates in Portugal since 2011 and subsequently did not actively enter international markets from inception, it always perceived the world as one market. The main reason why the enterprise did not enter international markets from foundation was the prior necessity of creating an online booking system and the lack of financial resources for this matter (C. Specht, personal communication, November 13, 2013). Hence, BASA decided to initially start in Portugal as part of a “pilot” before having collected enough financial resources to finally go abroad. Besides, without intending to go abroad, the enterprise already received bookings from clients in different countries, e.g. from Thailand and the United Arab Emirates (C. Specht, personal communication, November 13, 2013).

BASA has already domestic experience in promoting street artists online as well as how to use visual aids to promote artists from its operations in Portugal. Those can be used to facilitate artists on an international basis. Additionally, the enterprise has a well-

established foundation of finding new artists through several partnerships with street artist databases and the enormous amount of established social ties via using social networking platforms. Subsequently, a positive reputation as being an enterprise with social objectives has been established evidenced in certain Portuguese magazines as well as the national TV reporting about BASA. To those belong the Portuguese national SIC Notícias⁵, the online magazine P3 Público⁶, the online magazine for arts and culture Rua de Baixo⁷, the online and print magazine iOnline⁸, and the women's magazine HAPPY April 2013⁹. In turn, those publications facilitate the enterprise's website traffic.

However, when expanding operations social enterprises incur higher operating costs than other types of enterprises because of extra challenges represented by extending their social impact (Jones, 2013). Taking this into consideration, BASA needs to pay attention to expand and grow its revenues significantly without equally increasing its cost base. This should be done by broadening both – its artist as well as client base internationally in a rapid manner. Additionally, the lack of high amounts of tangible resources and the strong innovative culture facilitate the flexibility as well as agility of the enterprise. In turn, this has a positive impact on the success of internationalization and the extension of social impact because of being able to rapidly react on unforeseen complications.

3.2.3 Environmental Characteristics

⁵ Portuguese national TV: http://www.youtube.com/watch?v=_H-dTUiS5P8.

⁶ Portuguese online magazine: <http://p3.publico.pt/cultura/palcos/5784/queres-encomendar-um-graffiti-book-street-artist>.

⁷ Portuguese online magazine: <http://www.ruadebaixo.com/luis-reis-street-artist-22-03-2013.html>.

⁸ Portuguese online and print magazine: <http://www.ionline.pt/artigos/boa-vida/book-street-artist-artistas-rua-espectaculos-porta-fechada>.

⁹ Women's magazine: <http://bookastreetartist.files.wordpress.com/2013/04/happy-magazine.jpg>.

Regarding domestic market conditions, the enterprise did not fully exhaust the market in Portugal but a particular environmental dynamism favoring internationalization could be perceived. Precisely, street artists can be found all over the world since art is one of the few subjects which can be perceived in every single city regardless of the corresponding country. Therefore, BASA wants to exploit the opportunity of extending the enterprise's social impact beyond domestic boundaries. Additionally, a moderate level of domestic competition can be perceived mainly by event agencies in Portugal. Nevertheless, those event agencies rarely operate outside of Portugal and this, in turn, facilitates the intention of BASA to internationalize. By internationalizing the enterprise will be able to gain and sustain the first mover advantage of offering globalized services (C. Specht, personal communication, November 13, 2013).

Other external characteristics can be identified. Particularly, English is the world language and therefore, it is relatively easy to communicate with different people coming from distinct backgrounds. Furthermore, the constantly rising trend and popularity of internet usage will facilitate marketing efforts and thus, implementation of internationalization will become easier than ever before (Liu & Li, 2004).

3.3 Second Step of Planning Phase – Analysis of the International Business Environment

Carlof (1993) states a positive relationship between firm size and markets served and thus, enterprises should internationalize according to their resource capabilities. This implies that BASA should try to focus on one market (country) at a time due to being a small enterprise with a limited amount of resource capabilities. In the following sections, a ranking of five different countries according to priorly selected criteria will

be developed, resulting in a final ranking of the countries which BASA should initially enter.

3.3.1 Selected Countries

In general, prior research by BASA has shown that the highest concentration of street art can be perceived within Europe (C. Specht, personal communication, November 13, 2013). Hence, the countries to possibly enter have been limited to the following five: United Kingdom, Germany, Netherlands, Spain, and France (C. Specht, personal communication, November 13, 2013). It should be noted that BASA decided on those European countries mainly due to the amount of street art exhibited in those countries and irrespective of low psychic distance to the Portuguese market – low cultural and low geographical distance (C. Specht, personal communication, November 13, 2013).

3.3.2 Selected Criteria

In close collaboration with BASA, four selection criteria have been chosen and are visible in Table III.

Evolution and General Relation to Street Art	As a foundation of this criterion, the study “Street Artists in Europe” initiated by the European Parliament in March 2007 is being used. It is highly important to investigate this criterion because it will determine whether the corresponding country exhibits a favoring environment for street art to evolve as a true form of art.
Existence of Institutions and Funds for Arts and Culture	As a foundation of this criterion, the study “Street Artists in Europe” initiated by the European Parliament in March 2007 is being used. It is important to investigate this criterion to find out whether street art is supported by the corresponding country and thus, highly appreciated or rather oppressed.
English Proficiency	The level of English proficiency will be examined using the English Proficiency Index (EPI) which is a report produced by EF Education First that ranks various countries by the average level of English skills among adults. The report being used for the following investigation is the most recent one of October, 2012 (Education First, 2012). The skill to speak English is highly important for BASA’s internationalization because irrespective of the cultural background, the artist, the client and BASA need to communicate specific wishes in a comprehensible way.
Online Booking	There are three main reasons why information about online booking trends are important for the country selection decision: 1. Since the main service of BASA consists of offering

Trends	artists’ work online, online booking patterns are important to know to get an impression of how many people are likely to book an artist online; 2. In case people from a specific country are reluctant to generally use the internet to book artists online, it would be advisable for BASA to offer alternatives such as preferred customer service in terms of bookings via phone; 3. Since BASA’s main advertising channel is the internet (Facebook, twitter, website, blogs, the video-sharing website Vimeo), internet users in the different countries are highly important in order to reach and communicate with clients.
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Table III: Selected Criteria.

3.3.3 Matching of Countries and Criteria

In the following Table IV, the above listed five countries will be examined according to the mentioned criteria and finally, a ranking will be created. As far as not stated differently, the study “Street Artists in Europe” initiated by the European Parliament and written by Floch in March 2007 is being used.

UK	<p>Around 2006, the perception of the general population in the United Kingdom about street arts carried little artistic value and thus, within the area of arts, work on the streets had a low status. One reason for this poor perception was the development of commercial partnerships which were primarily concerned about creating a well-established image rather than contributing to artistic innovation. Nowadays, the main area in the UK where street arts can be found is still in the commercial, private sector but also in parts of festivals and public events. Many companies still experience anxiety about the artistic recognition of street arts even though it had become a separate entity with its own philosophy and aesthetics. However, 200 companies, around 20 major festivals, as well as several hundred multidisciplinary events include street arts in their programming in the UK nowadays. Particularly, street art can be found outside in sites as well as in streets, parks, shopping centers, and markets. Moreover, support given to street arts in the UK is continuous increasing with growing funding for investments, creation, and production.</p> <p>In general, politically recognized street art with policy orientation, dedicated funding systems, and the support of professional training exists within the UK. Cultural jurisdictions are delegated to the Arts Council. Precisely, the Arts Council is highly concerned with promoting cultural diversity as well as providing more regular funding and advices to arts organizations. The government culture department is funding the Arts Council whereby social inclusion is an important topic, and thus, this department is indirectly supporting street arts. Furthermore, two professional networks, namely the Independent Street Arts Network (ISAN) and the National Association of Street Artists (NASA), are concerned with improving the political perception of street arts.</p> <p>English is the native language of the inhabitants of the UK. Consequently, the UK has not been ranked within the report of EF in October 2012. Moreover, in 2012, the UK had an absolute population of 63.05 million out of which 52.73 million were using the internet regularly, representing 83.6% of the population (Internet World Stats, 2012). Additionally, 62.5% of the internet users are also Facebook users and thus, engaged in social networking. As can be seen in Appendix III, 86% of the people in the UK are planning to make an online purchase in the next six months.</p>
	In Germany, street arts appeared in the early 1990s and since then artistic dynamism and

Germany	<p>public enthusiasm have existed. However, since street art is not rooted in the German tradition, this kind of art is not yet recognized as being a complete art form. Nowadays, around 100 street festivals can be found within the borders of Germany which are mainly sponsored by the respective town via municipal and local authorities. Examples of those festivals are: Open-Flair, International street arts festival of Holzminden, La Piazza, Welttheater der Straße, and Tollywood.</p> <p>In general, politically recognized street art with policy orientation, dedicated funding systems, and the support of professional training exists within Germany, but only in Nordrhein-Westfalen (NRW). In 1998, the Chancellery Secretariat of State for Culture has been established in Germany followed by the creation of the Federal Cultural Foundation in 2002. However, most of the public action in the cultural area takes place at local instead of national level. There are two foundations, namely the Lotto-Stiftung in Niedersachsen and the Kultur-Stiftung in NRW, which directly give financial support to street arts. Besides, since the state can engage in additional funding, public funding is said to be diversified. The only part of Germany which is willing to give subsidies for street arts is NRW via the institution Kultursekretariat Gütersloh. The budget provided by this institution for street arts can mainly be seen as promotional aid and amounted to €80,000 in 2005.</p> <p>Germany has been ranked ninth with a score of 60.07, according to the EPI. This score implies high English proficiency. Moreover, in 2012, Germany had an absolute population of 81.31 million out of which 67.48 million were using the internet regularly, representing 83% of the population (Internet World Stats, 2012). Furthermore, 37.5% of the internet users are also using Facebook and consequently, engaged in social networking. In Appendix III, it can be seen that 83% of the people in Germany are planning to make an online purchase in the next six months.</p>
Netherlands	<p>In general, politically recognized street art with policy orientation, dedicated funding systems, and the support of professional training does not exist within the Netherlands, but the country is pursuing a far-reaching tradition of street events. Cultural jurisdictions are delegated to the Arts Council. However, there is neither information about the exact time when street art started to evolve nor about whether it is perceived as a true form of art.</p> <p>In terms of the EPI, the Netherlands are ranked third with a score of 66.32. This score implies very high English proficiency. The population of the Netherlands counted 16.73 million in 2012 (Internet World Stats, 2012). Out of these 16.73 million, 15.55 million were using the internet on a regular basis, representing 92.9% of the population. Additionally, 7.55 million of these 15.55 million were using Facebook, accounting for 48.6% of the internet users who are engaged in social networking. As can be seen in Appendix III, 74% of the people in the Netherlands stated that they are planning to make an online purchase in the next six months.</p>
Spain	<p>In Spain, street arts could not develop until the post-Franco period and thus, one of the earliest festivals was only held in 1980 with the return to democracy. However, since then tradition and culture have been important factors for the Spanish population, so that the public place has transformed into a performing venue. Nevertheless, nowadays the Spanish culture as well as live performances are in crisis and professional groups are talking about a “growing cultural fragmentation” (Floch, 2007, p.135) which means that instead of culture being a common ground for the population, it becomes a dividing factor with different people having different preferences for art.</p> <p>In general, politically recognized street art with policy orientation, dedicated funding systems, and the support of professional training exists within Spain, but only in Catalonia. Since 1977, the Ministry of Culture is taking care of cultural matters whereas the National Institute for Theatre Arts is responsible for the protection, dissemination, and promotion of circus performances, dance, music, and theatre not only in Spain but also abroad. In Spain, autonomous communities have legislative as well as executive powers and are of the opinion</p>

	<p>that culture is highly important to create and preserve cultural identities. Even though circus arts are covered by cultural policy, street arts seem to get little attention from policy-makers but are subject to some funding schemes. However, legislation is needed to encourage private sector aid.</p> <p>Spain has been ranked eighteenth with a score of 55.89, according to the EPI. This score implies moderate English proficiency. The Spanish population counted 47.04 million in 2012, out of which 31.61 million were using the internet regularly, representing 67.2% of the population (Internet World Stats, 2012). Besides, out of these 31.61 million internet users, 17.59 million were also using Facebook and thus, 55.7% of the internet users are engaged in one type of social networking. In Appendix III, it can be seen that 72% of the Spanish population are planning to make an online purchase in the next six months.</p>
France	<p>Until the 1980s, street arts have been recognized neither by cultural networks nor by the Ministry of Culture’s funding mechanisms. This changed during the 1990s when street arts were associated with circus arts and thus, protection and promotion started to be provided by the state. In 1999, a national consultative committee was set up especially for street arts. Furthermore, in 2000 street art companies were guaranteed greater financial stability through three-year contracts. However, the most significant milestone in the official recognition of street arts was the action of the Ministry of Culture which led to an increase of state financial as well as local authority support, the development of street art creation centers, and an increase of the national budget for the creation and production of street art.</p> <p>In general, politically recognized street art with policy orientation, dedicated funding systems, and the support of professional training exists within France. Cultural jurisdictions are delegated to the Ministry of Culture. In France, local authorities are the main source of funding for culture. Besides, the government highly supports street arts in many ways: financially as well as inspirationally and creatively. The reason why the government heavily invests time and money in the protection and promotion of street arts is the recognition that street art is a true form of art and culture and not only entertainment. Additionally, promotional aid which helps in making going abroad easier is being provided by several companies.</p> <p>France has been ranked twenty-third with a score of 54.28, according to the EPI. This score implies moderate English proficiency. Moreover, in 2012, France had a population of 65.63 million, out of which 52.23 million were using the internet regularly, representing 79.6% of the population (Internet World Stats, 2012). Furthermore, out of these 52.23 million internet users, 25.62 million were also Facebook user and thus, 49.1% of the internet users were engaged in one type of social networking. As can be seen in Appendix III, 77% of the French population stated that they are planning to engage in an online purchase during the next six months.</p>

Table IV: Matching of Countries & Criteria.

3.3.4 Final Ranking

To evaluate prior analysis and subsequently, rank the five countries, evaluation criteria have to be outlined. Precisely, the first criterion of Evolution and General Relation to Street Art depends on two evaluation criteria, namely the beginning of street art – the earlier, the better - and whether it is a true form of art. The evaluation of the second

criterion, the Existence of Institutions and Funds for Art and Culture, depends on whether street art is politically recognized and funded, and whether the country provides professional training support for artists. The third criterion, English Proficiency, is evaluated based on numerical scores which are already given by the EPI. The evaluation of the last criterion, Online Booking Trends, depends on the percentages of Internet usage, Facebook usage, and the intention to engage in an online purchase within the next six months. The final result and a corresponding explanation can be seen in Table V and will further be discussed in the formulation of internationalization strategy (section 3.5).

Ranking	Reasons
1 UK	Even though the history of street art in the UK is not as far reaching as in Spain and street art in general has not yet become a true form of art like in France, the favoring environment heavily facilitates the evolution in this direction. The funding system is highly developed but the providing institutions solely supply financial opposed to inspirational and creative support like in France. However, since English is the native language of the British population, this country possesses the highest English proficiency. Additionally, the internet as well as social network usage is the highest among all of the listed countries. The intention to engage in an online purchase within the next six months does not differ significantly among the listed countries but with 86%, UK is the leading country. This positions UK on rank one.
2 France	Even though the history of street art in France is not as far reaching as in Spain, France is the only country which acknowledges street art as a true form of art. Additionally, fund providing institutions supply support for street artists on the highest level: financially, inspirationally and creatively. Nevertheless, the English proficiency of the French population is the worst among the listed countries. Furthermore, internet as well as social network usage is only moderate and hence, France is positioned on the second rank.
3 Germany	The history of street art in Germany is not as far reaching as in Spain and additionally, street art in general has not been recognized as a complete art form yet. State as well as local authorities provide financial aid to street artists, but only in NRW. The English proficiency of the German population is high, but not as high as in the Netherlands. Moreover, internet as well as social network usage is moderate and hence, Germany is ranked third.
4 Spain	Even though the history of street art in Spain is the oldest among the listed countries, street art in general is not considered as a true form of art. Additionally, financial support is guaranteed to street artists but only in Catalonia and only by a limited amount of institutions. English proficiency of the Spanish population is only moderate and the internet and social network usage is the lowest among the listed countries. This positions Spain on rank four.

5	Netherlands	Due to the lack of information about the history and perception of street art in the Netherlands as well as the lack of financial support providing institutions, the Netherlands is ranked last among the listed countries. Despite the fact that the Dutch population has a very high English proficiency and a high amount of internet and social network usage, this country cannot be positioned on a higher rank since the environment is not favorable for street arts to evolve as a true form of art. Hence, the extension of social impact in this country will be too difficult for BASA to achieve.
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Table V: Final Ranking according to Evaluation Criteria.

3.4 Third Step of Planning Phase – Ways of Entering International Markets

In general, the decision for an entry mode is a tradeoff between resource commitments and preferences for control, taking into account environmental variables such as dynamism, turbulence, and complexity (Rasheed, 2005). By entering international markets, tangible resource commitments in form of the construction of factories, warehouses, or some kind of stores will not be necessary since BASA is offering services instead of a physical product. Hence, by nature the tangible resource commitment level will be low. Furthermore, the barriers to enter international markets are low since all business processes will be made online, via phone or in person by meeting new artistic candidates for BASA’s portfolio or new potential clients.

Other social enterprises such as Specialisterne decided to remain 100 percent in control of new initiatives due to risks involved in poor performance (Wareham & Sonne, 2008). Particularly, it is much more complicated to find suitable franchisees or joint venture partners for social enterprises than for the commercial sector due to complex assessment activities to test on their ability to achieve social as well as financial benefits (Tracey & Jarvis, 2007). Since the services provided by BASA are primarily related to the delivery of social benefits to the artists and additionally, have never been on the market before, there will be a lack of potential partners with whom to engage in licensing, franchising, or joint ventures.

Moreover, Sharma and Blomstermo (2003) indicate that knowledge-intensive enterprises base the entry mode choice on the needs of the clients, e.g. the necessity of extensive customer service or personal aid. It should be made clear, that due to the main technology being used by BASA, the enterprise is not bounded by a specific country and hence, employees can work from all over the world. Nevertheless, high control levels as well as the needs of artists and clients might require BASA to physically remain in a particular country for a longer time. Besides, to hold transaction costs low while simultaneously keeping tight control, the enterprise can leverage on its well-established social networking presence.

According to Dees, Anderson and Wei-skillern (2004) organizational branching represents the greatest opportunity for central coordination and is particularly suited as an entry strategy for social enterprises, in case the enterprise's innovation is dependent on the following factors: tight quality control, tacit practices and knowledge, and strong organizational cultures. Resulting, the best suited entry mode for BASA is represented by **FDI** in terms of **wholly-owned subsidiaries** or **organizational branching**. Particularly, since BASA is offering intangible products (services), a regular office room in a chosen country would be sufficient for international business operations. By entering foreign markets with 100 percent ownership, the highest social impact can be achieved.

3.5 First Step of Execution Phase – Formulation of Internationalization Strategy

The main reasons why BASA wants to internationalize are similar to the two which influenced both social enterprises, TOMS Shoes and Specialisterne: first, due to the wish to provide social benefits on a broader scale and second, because BASA gets

pulled into international markets by street artists and clients. At this point, it should be emphasized that even though the suggested structure for social enterprises' internationalization is represented in a stepwise manner (first a planning phase and subsequently, the execution phase), the actual implementation of social enterprises' internationalization should not be done in long-lasting sequential steps, but in a rapid, not necessarily systematic manner. Therefore, the best way to internationalize for BASA is not based on progressive models of internationalization (Uppsala Model), but based on an implementation strategy which is suited to the enterprise's actual market conditions and its business model.

Based on prior analysis, **UK** represents the best suited location to enter initially and to spread the enterprise's social mission by seeking and promoting street artists within this country. Additionally, British clients seem to be highly receptive for street art performances and thus, it is probable that bookings for street artists will be enhanced by entering the UK. However, as far as the enterprise's resources reach, **France** and **Germany** are also promising countries to internationalize in. Hence, due to funding reasons, once the business plan of BASA has successfully been established, the enterprise will be able to start focusing on those countries. This is expected to be in the beginning of year 2014 (C. Specht, personal communication, November 13, 2013).

BASA should start setting up a sales team which will solely focus on finding street artists in the UK as well as appropriate clients not necessarily bounded by British boundaries. Since the business of BASA is created around an online platform, physical presence within the UK is not required right from the start but would be advisable because of evaluation as well as quality control reasons and local customers. Internally, BASA already established specific criteria which are being used to evaluate street

artists' appropriateness with the enterprise's portfolio and in this respect, being physically present will accelerate the searching, matching and promoting processes. Furthermore, physical presence within the UK is especially important for local customers – customers who book artists from the same country opposed to global customers who book artists from other countries than where the actual event takes place – because in this way the matching process between local street artists and local customers will become highly efficient in terms of cost, knowledge, and time. Additionally, one native speaker per sales team would highly facilitate as well as accelerate the whole internationalization. Besides, translation activities of the enterprise's website for the UK are not necessary, since the website is already available in English. An example of a more precise model how to enter new countries can be investigated in Appendix IV and represents a first attempt to implement the recommended internationalization strategy.

In case the enterprise's resources are large enough, BASA can start to set up sales teams for France and Germany as well. However, in the case of France, translation activities might be necessary since France has only moderate English proficiency according to the EPI. Later in the process with a higher amount of financial resources available, BASA can start creating professional casting teams per country including talent scouts who will be responsible for recruiting talents by holding auditions and scouting during street art related events or festivals.

With regard to marketing efforts, it is advisable to follow the same strategy as social enterprises such as TOMS Shoes (Daniels Fund Ethics Initiative, 2013) and many others. Precisely, relying solely on word of mouth, viral marketing, social networking, and social media will lead to higher credibility than with other types of marketing

efforts because those are highly dependent on customer experience and corresponding feedback (Daniels Fund Ethics Initiative). Besides, they are also the most cost-effective ones. Since BASA has been engaged in this kind of marketing strategy before, it is probable that those efforts will be highly efficient. Once funding has been received, broader promotional activities such as an enormous street art event with various international performers can be initiated to further increase the enterprise's awareness as well as social mission worldwide.

3.6 Second Step of Execution Phase – Theoretical Realization of Internationalization Strategy

In Table VI, key success factors and main challenges of the internationalization of BASA will be outlined to protect the enterprise against unforeseen complications.

<p>Key Success Factors</p>	<p>The first key success factor is related to the relationship between BASA and both – the enterprise's artists and clients. While internationalizing it is highly important to understand customers' needs and to respond in a fast, suited manner (Caniels & Romijn, 2005; Johnston, 1995). Additionally, creating long-term relationships with international artists as well as clients and engaging in frequent interactions can facilitate the understanding of cultural differences and foster the successful delivery of services and the enterprise's social mission. Besides, the delivery of high quality services is of utmost importance for BASA's reputation as well as present and future earnings. In this respect, it can be recommended to constantly review the quality of the enterprise's services by using concepts such as the House of Quality (Hauser & Clausing, 1988). Furthermore, it is highly important for BASA to continue establishing informal contacts while keeping a professional reputation as a social enterprise.</p> <p>Further key success factors are related to BASA's human resources. Gadrey, Faiz and Weinstein (1995) stress the importance of management skills including strategic planning and decision-making, customer management, and risk assessment for global competitiveness. More in detail, risk assessment is an important process to consider due to the high degree of intangibility of the enterprise's business model. Having a high level of intangibility requires BASA to decide on how to work internationally while maintaining reputation and safeguarding intellectual property.</p>
<p>Main Challenges</p>	<p>One of the biggest challenges young enterprises face while internationalizing is the planning and decision-making process. This process demands both human as well as financial resources and is subject to strategic and operational issues (Heino, 2008). However, since BASA is a small enterprise, it possesses a low amount of internal resources as well as a limited amount of capabilities which serve as the basis for attentive strategic planning and complex decision-making. However, lack of managerial time, skills, and knowledge</p>

	<p>represent one of the main barriers to internationalize, according to OECD (2009). This may harm a successful implementation of the planning and decision-making process. Moreover, limited information to analyze different markets as well as the inability to contact potential overseas customers can also harm the planning and decision-making process. Within the same context, BASA needs to consider how to establish a suited reputation as an enterprise with social objectives while adapting to local conditions.</p> <p>A further challenge is rooted in financing. Even though BASA is a social enterprise, the enterprise can be perceived as for-profit along many dimensions. It faces demand by the market in terms of clients wishing to book artists online as well as supply in terms of offering many different artists exhibited in BASA's portfolio. To survive and grow, the enterprise has to generate more revenues than it spends on operations. This requirement is being facilitated by the target market which is willing to pay for receiving customized services on the demand side and willing to perform art on the supply side. Besides, it should be mentioned that BASA is facing one dilemma: the enterprise is considered not social enough when comparing to companies such as the Red Cross but it is also not for-profit enough when comparing to Apple. This dilemma will probably turn into a problem when searching for funding to finance internationalization processes since social investors will rather choose to support the protection of human health whereas commercial investors will invest in enterprises promising a higher return on investment than BASA.</p> <p>Further challenges will probably face BASA once a foreign country has been entered. Precisely, constantly changing risks within the different foreign markets such as currency risk, unemployment rate, GDP, or political instability can have an enormous effect on the international operations of BASA and subsequently, can turn a priorly attractive market into an unprofitable, unattractive one. Moreover, searching simultaneously for potential artists as well as clients in different countries in addition to taking care of already existing ones can harm the enterprise's service quality and thus, overall satisfaction of major stakeholders. Furthermore, since service companies heavily rely on people for the production and delivery of a service, foreign operations will become more difficult to manage and will create higher internal organizational costs than other types of companies. BASA should start early choosing and training appropriate candidates for the different foreign operations in order to keep communication costs and other administrative costs at a low level.</p>
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Table VI: Key Success Factors & Main Challenges.

4. Conclusion

After an extensive literature review and the application of tendencies to BASA, the question how social enterprises internationalize has been answered. Precisely, a three-plus-two step structure has been developed and can be applied to social enterprises. To precisely scale up social impact, the actual implementation of social enterprises' internationalization should be done in a rapid, not necessarily systematic manner. Therefore, the best way to internationalize while attaining the highest social impact possible is based on an implementation strategy which is suited to enterprises' actual

market conditions and business models. Particularly, the extent of enterprises' internationalization is defined by resource capabilities and the recommended entry strategy is FDI since social missions can precisely be communicated in this way. Additionally, being physically present in foreign countries will accelerate the internationalization processes while remaining 100 percent in control over operations will guarantee the highest possible social impact. Marketing efforts mainly rely on word of mouth, viral marketing, social networking as well as social media due to credibility reasons.

5. Critical Reflection

Several critical points underlying this project should be outlined. First, the three-plus-two step structure has been developed with reference to a social enterprise with social and profit objectives. Hence, the emphasis was not set solely on extending social impact but also on gathering revenues from different markets. Therefore, the recommended step structure might not be applicable to every type of social enterprise. Second, due to being an intern at BASA, critical thinking abilities about this enterprise might lack precision. Consequently, the application of the recommended step structure to BASA might be biased in a subjective direction.

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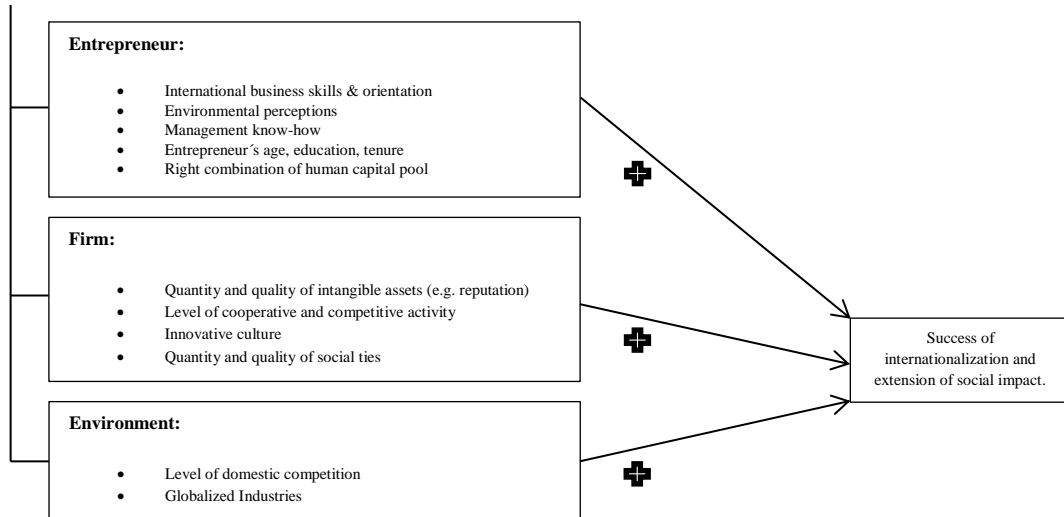
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7. Appendices

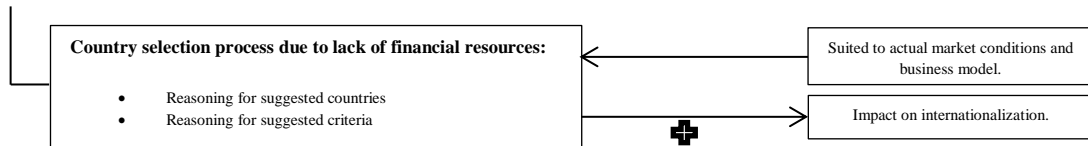
Appendix I: Graphical Representation of the Three-plus-Two Step Structure for Social Enterprises' Internationalization

PLANNING PHASE

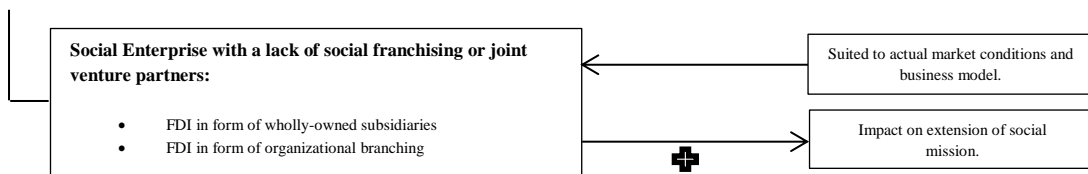
1) ASSESSMENT: EVIDENCE ON ELIGIBILITY TO INTERNATIONALIZE



2) ANALYSIS OF INTERNATIONAL BUSINESS ENVIRONMENT



3) WAYS OF ENTERING INTERNATIONAL MARKETS



EXECUTION PHASE

1) FORMULATION OF INTERNATIONALIZATION STRATEGY

Social Enterprises should answer following questions:

- Which country/countries to enter?
- When to enter the country/countries simultaneously?
- How to enter this country/those countries?
- What is the respective marketing strategy to gain awareness?

2) THEORETICAL REALIZATION OF INTERNATIONALIZATION STRATEGY

Social Enterprises should answer following questions to prevent unforeseen complications:

- What are key success factors?
- What are main challenges?

Source: The author, 2013.

Appendix II: Approaches to Scaling Social Impact

Approaches to Scaling Social Impact (with definitions)

Organizations face a many options about what to scale and how to scale their impact. The spectrum of goals and strategies for creating and scaling social impact ranges from impact through direct service to impact through indirect influence.

← **Impact through Direct Service** ←←←← →→→→ **Impact through Indirect Influence** →

<p>GOALS for Scaling Social Impact</p>	<ul style="list-style-type: none"> • Increase Quantity and/or Quality of Impact: Increase impact by providing existing programs more frequently or in greater quantity in current locations. Increase impact by improving quality of existing programs. • Diversify Communities Served: Increase impact by offering existing programs to new groups of people in current locations. • Diversify Services Offered: Increase impact by providing new programs addressing new issues in current locations. • Expand Geographically: Increase impact by offering existing programs in new locations. 	<ul style="list-style-type: none"> • Promote a Model: Increase impact by encouraging the replication of your organization's model by promoting your organization and its activities to others. 	<ul style="list-style-type: none"> • Influence Public Policy: Increase impact by changing public policy in order to increase the number served or needs addressed, or to reduce the need that necessitated your social enterprise. • Establish a Social Movement: Increase impact by creating cultural, political, or social change through a large-scale social movement that influences public opinion or collective action in support of an issue. • Change/Create Markets: Establish new markets or influence existing markets to increase social impact providing by organizations in the market.
	<p>STRATEGIES for Scaling Social Impact</p> <ul style="list-style-type: none"> • Organizational Branching and/or Affiliation: Replicating branches in new locations that remain part of one, multi-site organization. Creating a network of affiliated but independent organizations connected by shared principles, goals, or activities. • Expanding Org's Delivery Capacities: Making investments within your organization that improve and increase its effectiveness to deliver programmatic performance. 	<ul style="list-style-type: none"> • Technical Assistance: Providing technical assistance, training, or consulting to others interested in offering similar programs or activities. • Knowledge Dissemination: Sharing information with others through publications, the Internet, or presentations. • Packaging/Licensing: Packaging a successful program and licensing it to existing organizations in other locations. • Partnerships/Alliances: Collaborating with other organizations to deliver services or address needs in new locations. 	<ul style="list-style-type: none"> • Research & Public Policy Development: Researching and generating knowledge about the social issue and proposing public policy, i.e., a think tank approach. • Influencing Public Awareness, Norms or Behaviors: Using various means of communication to inform, educate, and influence public awareness, opinion, or action about the social issue. • Direct Advocacy & Lobbying: Engaging public policy makers, legislators, and other government officials to influence the legislative or resource environment for the social issue. • Convening Networks: Organizing social-purpose organizations or individuals from the same field into a network or association mobilized to advocate for shared goals and policies.

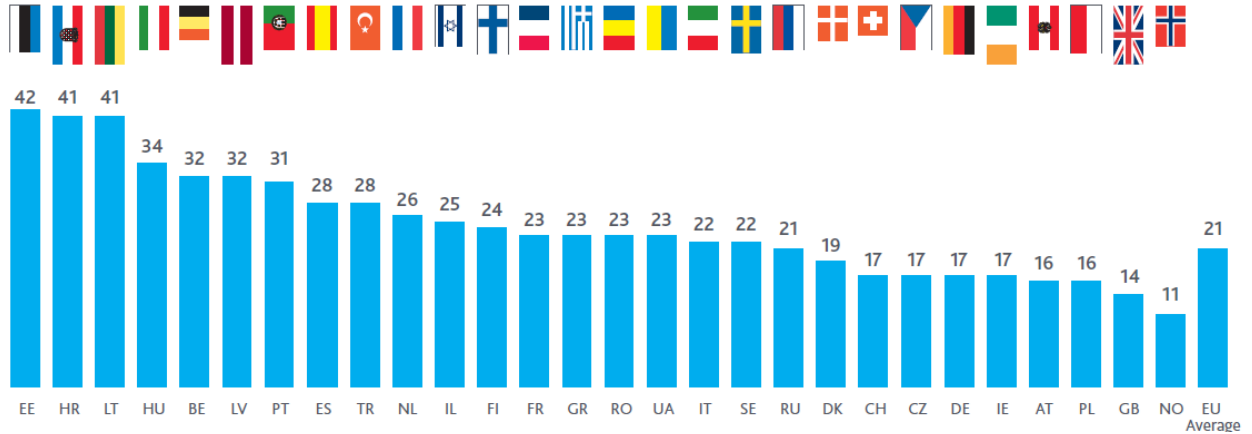
Source: Kalafatas, 2006.

Appendix III: Plan to make an Online Purchase in the Next Six Months

What product/services do you intend to purchase online in the next 6 months?

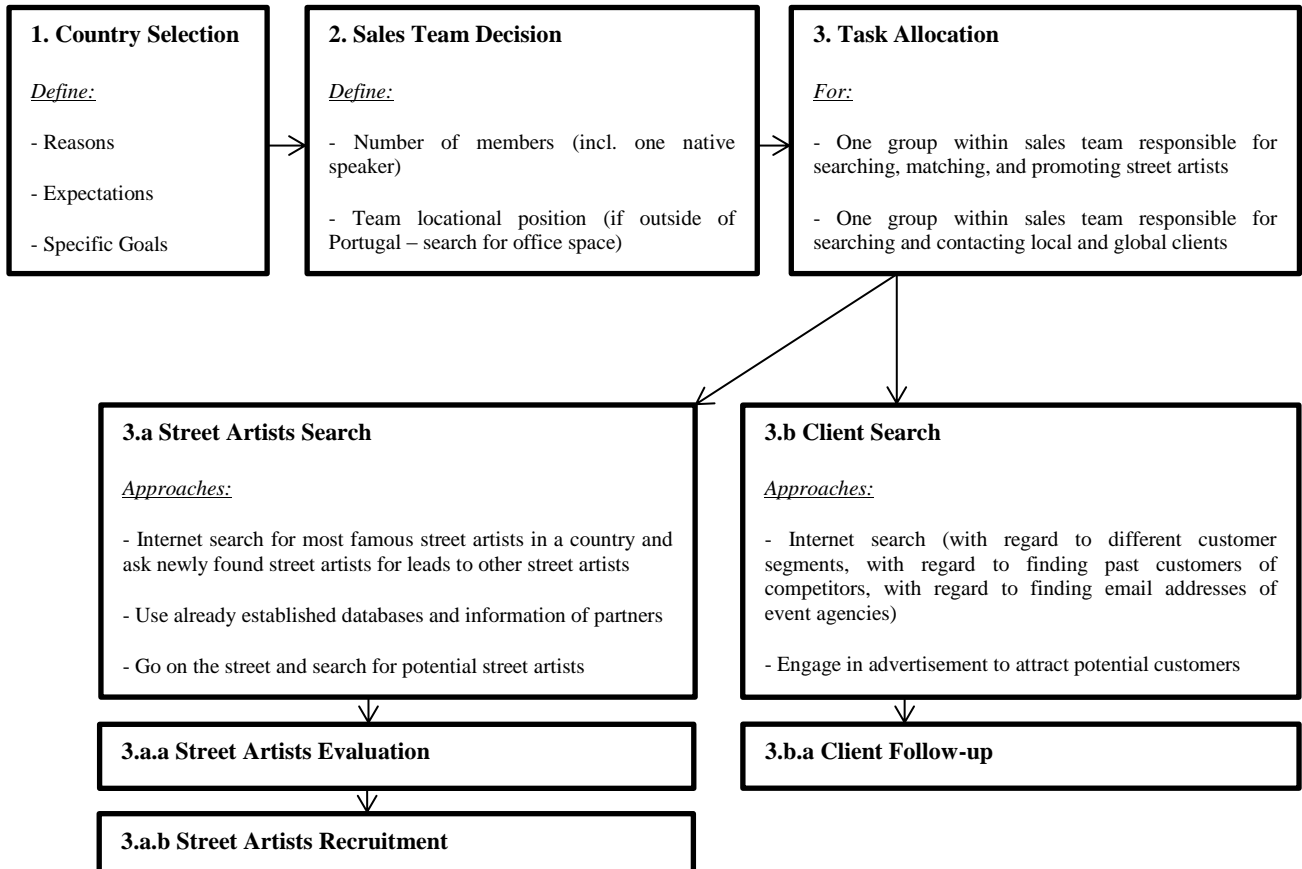
I do not plan to make an online purchase in the next 6 months

Europe Region



Source: Nielson, 2010.

Appendix IV: General Model to enter New Countries



Source: The author, 2013.

Personal Communication in form of an Interview with Charlotte Specht (Co-founder and
Manager) of Book a Street Artist

ANNEX TO THE WORK PROJECT:

**INTERNATIONALIZATION PLAN FOR SOCIAL ENTERPRISES: A RESEARCH
ON THE INTERNATIONALIZATION OF “BOOK A STREET ARTIST”**

TERESA MOANA MANNEBACH #1339

LISBON

JANUARY 2014

Personal Communication in form of an Interview with Charlotte Specht (Co-founder and Manager) of BASA as of November 13, 2013:

1.) What is the Mission Statement of your company?

“We want to reposition and revalue Street Art globally by promoting the work of talented street artists world-wide and offering their services to an international audience through an online booking platform.”

2.) What is the Vision Statement of your company?

“We believe that many artists found in the streets are as valuable and talented as those in concert halls or art galleries, yet many times undervalued. We want Street Art to be accepted as an official form of art and appreciated at such. We want to become the specialists for talented street artists world-wide and become the number one booking platform for Street Art.”

3.) Did you already receive bookings from clients in other countries than Portugal? If yes, from where?

Yes, we have had a booking from Amsterdam, The Netherlands. They hired a street musician based in Amsterdam for a conference. We knew this artist because he is connected to artists in Lisbon, Portugal where we are. More than bookings, we have already had several leads from countries like UK, Thailand, India, Azerbaijan, and Dubai.

4.) Does your company perceive competitive pressure? Do similar services to your services exist?

More than competition, similar services that already exist verify for us that there is a market for street art, and that there are actually bookings of street performers in countries around

the world. Our core service, the fast and easy online booking of a street artist without intermediary boundaries, will be new in this market and there is no such a service as we envision it. Existing online platforms have complicated navigation and user-unfriendly contact forms – if they have a booking service at all, and not only list street artists in a database. Interestingly, there are moreover no booking platforms known to us which offer street artists collectively (i.e. musicians, performers, graffiters, living statues, etc.) but rather have “street performances” as a sub-category, or they promote and offer only one category (most of the time graffiti and urban painters).

5.) Is it true, that the highest concentration of street art can be perceived in Europe?

Yes, from what we know by talking to the artists and observing the global street art movement, we can say that street artists from anywhere in the world come to Europe to perform on the streets. While some of them are only travelling to Europe for this purpose, many also settle in a European city.

6.) What countries does your company consider to enter? And why?

Book a Street Artist considers to enter those countries where we suppose to find early adopters of our services. We assume these countries to be those which are open to street art, sometimes to an extent of accepting street art as a true form of art. We focus on our base country Portugal, and want to extent the business into the UK, Germany, Spain, France, and The Netherlands because these are the countries in Europe where we perceive the highest concentration of street artists and street art projects.

7.) What do clients say about your services? Would they like to book artists from different countries?

Talking to past and potential clients, we found out that our customers are booking our services in search of an original and innovative performance or artist. Most of the time, the fact that the artist comes from a foreign country can play a huge role in satisfying this need. Sometimes, it is even inevitable to book an artist from a different country since not every instrument, art, performance, or tradition is found in every country. For example, a Portuguese customer flew in a light graffiti artist from the UK since there is no such artist in Portugal.

8.) When do you think, will the business plan be completed?

The first draft of the business plan is to be completed by December 31st 2013. The final version should be finalized in the beginning of 2014.

9.) Why did you not enter international markets right from the start in 2011?

We started with just a vague idea and with many assumptions. Unlike a product-based company, or many other companies, we could not conduct market research easily. This is why we took a long time to talk to artists on the streets in order to understand whether our assumptions were right and to learn how we can create a business model to support street artists. Many of them were from different countries. Quickly, it became clear that we needed a business model with international outlook, based on an online platform. There are three strong reasons why we chose to start only in 1 market: 1. to 'test' the market and use it as a pilot in order to proof the business model; 2. to exploit the steep learning curve and to keep risk low; 3. because we did not have the financial resources, nor did we see the sense in creating the expensive online booking system without the proof of the business model.