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**BORN GLOBAL COMPANIES: A CASE STUDY ABOUT THE
INTERNATIONALIZATION BEHAVIOURS OF PORTUGUESE
COMPANIES**

Diogo Miguel Pais Grou Simões Carlos - 21139

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Professor Emanuel Gomes

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Abstract:

Portuguese Born Global Companies have been performing an important role in the Portuguese market, mainly due to their innovative ideas and the positive contribution to exportations. This study focuses on the international strategies of four of these companies, comparing them with four international Non-Born Global Companies, in qualitative analysis.

It will be possible to see a preference by the Non-Born Global Companies over proximate cultural countries. By following opportunities instead of markets, Portuguese Born Global Companies excel at internationalization growth. The purpose of this study is to help managers of small, innovative companies understand the internationalization strategies in Portugal.

Keywords: *Market, Internationalization, Global, Opportunities*

Introduction

There have been many studies about companies that perform well in early stages of business by internationalizing immediately. The idea of this study came from the fact that no article had been released so far by Portuguese companies with the same characteristics, and for that we took the opportunity to analyse and see their critical success factors in internationalization procedures. What we want for the reader to understand is the challenges that small and entrepreneur companies face in early internationalization, giving a small guidance for Portuguese managers and awareness for international managers of the success that the companies in this study had. The reason we focus on internationalization is because it is a factor of interest to all companies in the world. Over the years, internationalization became a normal stage for companies, mainly due to the shifting powers in economies and politics that facilitated

the openness of the markets and the creation of new opportunities. These opportunities increased by the reduction of the cost of technology (Andersson 2003). Internationalization became an entertaining challenge for the companies that were able to exploit the various opportunities (Johanson 2006).

The literature behind these companies that excel in international activities beyond domestic companies can be characterized as “International New Ventures”, or “Born Global Companies” (BGs). The two concepts have been used so far by many authors to describe the phenomenon in the economy of small and medium sized firms that begin early internationalization (Rennie 1993). BGs are mostly identified within the technology industry, but they also exist in many other industries (Luostarinen 2006; Rennie 1993). The success of BGs relies on the innovativeness, and in some cases, of the technology used or developed (Chetty 2004; Coviello 2006; Kim 2011; Laanti 2007; Oviatt 2003; Spence 2011). As Acs (1997) mentioned, “*Smaller firms are the innovators in more innovative industries*”, giving importance to the BGs appearance in the market, and how they influence the industries to develop into new paths. In addition, we also want to discuss the challenges that some authors pointed out in literature about the incoherent and different countries chosen for internationalization. Some defend internationalization over proximity and culture, and Portugal has several countries that have similar cultural characteristics. On the other hand, a direct approach to opportunities, independent of country may also be favourable.

Our main focus is on the internationalization strategies of the Portuguese companies; their challenges; and business solutions. This study will allow a better understanding of the Portuguese companies’ processes; answer to questions that are related to the internationalization; the search for proximate cultural markets; and the reasons for

expanding their products and services to other markets in early stages of business. It will be a comparative study between eight companies, four BGs and four Non-Born Global Companies (Non-BGs) that have allowed us to recover and gather information to achieve this case study.

The presentation of the case study is made by the Literature Review, divided in four titles about BGs academic know-how, collected by the various authors, followed by the Methodology and the demonstration of the Findings and Discussion, completed with Managerial And Future Research Implications, and Limitations And Directions For Future Research, overviewing all the case study main achievements and difficulties.

The Internationalization Actions

It is the identification of opportunities that opens the door for internationalization (Chandra 2012). In the traditional international model companies give importance to learning and committing to their partners and customers as a way for business development (Johanson 2006), going to the encounter of the various opportunities (Chandra 2012). As companies learn, it is common to see an increase in their internationalization process and investment needs (Gabrielsson 2008), this can be made in two ways: one is through enforcement of relationships with partners (Sharma 2003); another is the acquisition of resources as the company grows (Laanti 2007). As for BGs, in literature their commitment is towards their customers and partners, making it easier to enter foreign markets and expand their networks (Freeman 2006; Laanti 2007). Their capability of starting international relationships from the beginning increases their speed of internationalization (Freeman 2006). In general, by acting sooner, companies develop more opportunities and gain more businesses advantages (Johanson 2006).

Stages Of Internationalization And Cultural Proximity

For BGs, internationalization is made in a short period of time, mostly due to their capability of trust and reliance in their channels and networks (Gabrielsson 2008). Companies internationalization is generally triggered by identifying particular opportunities (Johanson 2006) but also by consequences, internal or/and external, which can vary from: a hostile domestic market; existence of larger and attractive foreign markets; technology advantages (Evangelista 2005); and small financial viability in the domestic country (Freeman 2006, 2012). Still, traditional companies may delay internationalization because the risk is considerably high. BGs also have to face these risks (Freeman 2012), and the fear of failing is present (Luostarinen 2006), which combined with the lack of financial resources can become catastrophic. As time passes, BGs enter in a recognition phase and try to use their reputation as a tool to facilitate and increase the transparency of business (Zahra 2003). The more a company is able to achieve reputation, the more entry modes it can use (Andersson 2003) making it easier for internationalization, as discussed before. In line with reputation, is the ability of BGs to learn through their mistakes, which is identified in literature as a required aspect in order to grow internationality (Chetty 2004). But a crucial and important issue is the market selection by companies. Where to internationalize? Which way to go? It has been identified that BGs start to actively internationalize into proximate culturally markets (Freeman 2007, 2012; Hashai 2004; Laanti 2007; Sharma 2003). These actions have been described as a test and a way to bust the process of internationalization to non-culturally proximate markets (Freeman 2012), but the process to non-proximate markets is also described in literature as being very fast (Chetty 2004). In proximate markets, companies increase their networks and knowledge, in order to enter non-

proximate markets (Freeman 2012), making it easier to arrange financial resources (Laanti 2007) and gain credibility (Arenius 2005). It is also identified that BGs behave better in sales in proximate markets (Hashai 2004), and as they expand to further countries it becomes more difficult to penetrate in the markets and to have a reference of the type of clients to acquire (Arenius 2005). Still, study over literature has given proof that BGs do not have the need to internationalize to proximate cultural countries, but to follow niche markets and potential customers (Freeman 2007), much over the fact that BGs are really proactive and do not wait to conquer the markets were they station (Laanti 2007).

Network As A Gateway For Business

In literature it is criticized that network is a fundamental tool for the BGs (Chandra 2012). Its use can have positive influences to business, mainly in internationalization aspects, such as, entry modes (Freeman 2006); means to achieve valuable resources (Blomqvist 2008; Chandra 2012; Coviello 2006; Evangelista 2005; Freeman 2007, 2012; Madsen 1997); generate and reinforce relationships and alliances (Blomqvist 2008; Chetty 2004; Freeman 2006; Kim 2011); provide changes of information that can be critical for the company (Zahra 2003) in market penetration (Arenius 2005; Gabrielsson 2008); development of technological capabilities; improvement of organizational skills and competences (Coviello 2006); and gain of political and economic advantages. An incredible importance must be given to partners, mainly the informal ones (Gabrielsson 2008). In some cases their use is only considered as a way to provide an increase in the internationalization process (Kalinic 2012), not taking into account that is necessary to increase the network in order to increase the internationalization process (Freeman 2007) and the stability of business (Hite 2001).

The Importance Of Knowledge

Knowledge is an important factor for internationalization process (Chandra 2012; Freeman 2010). For BGs, knowledge should be towards high technology products and businesses (Freeman 2007, 2012), mostly because BGs distinguish themselves by their technology usage, solutions and innovative practices (Aspelund 2012; Freeman 2006, 2010). BGs prefer to manufacture at home for several of reasons: economies of scale; concentration of expertise and knowledge; acquisition of competitive advantage in production. The founding members are another important aspect of companies and are seen as critical for BGs (Almor 2004; Andersson 2003; Evangelista 2005; Freeman 2006; Gabrielsson 2008; Karra 2008; Madsen 1997). They have individual-specific resources and know-how that facilitate lack of knowledge among each other's (Evangelista 2005; Gabrielsson 2008; Jones 2001). Most of their experience was based in doing business on international markets. This international experience is clearly described in literature as a key factor for BGs (Chandra 2012; Evangelista 2005; Kim 2011; Laanti 2007; Oviatt 2003). In a clear way, the leaders possess a large amount of knowledge, mainly technological (Ojala 2011); great amount of network (Chandra 2012); previous knowledge of the market and its necessities (Andersson 2003). It is the responsibility of the entrepreneurs to have a global vision of the market (Karra 2008), that can be leveraged to see and build opportunities. These entrepreneurs also use their vision and sense of opportunity in order to implement global strategies (Andersson 2003).

Methodology

In this case study, we will be exploring a multiple case scenario. We will use a qualitative approach, because it collects an array of formal and informal information

that quantitative data does not provide (Evers 2012). The multiple case scenario is more appropriate since it provides a stronger, more accurate, and generalized results for the theory building (Eisenhardt 2007; Yin 2003). The use of questionnaires combined with interviews allows better observations of reactions and gathering of critical information in a qualitative research (Eisenhardt 2007). Still, the main disadvantages identified are: the difficulty to generalize results; and the use of few companies, which may have less impact in literature. The idea of this case study is to be an initial step to understand and guide BGs in Portugal. The goal is to provide knowledge and serve as a comparative and scientific study in the future, knowing that this can be a small, and non-generic applicable set of data for the all Portuguese industry. Still, our motivation lies on having base information for future studies.

The criteria used to describe BGs was simple, we considered the companies that started exporting after 2 to 3 years after the beginning of their business. The main objectives of the study with these companies (associated with the fast internationalization) was to understand what types of markets companies internationalize; if the markets were based on countries with Portuguese origins; or if they went to markets where there was presence of large Portuguese communities. The study also compared these values with other companies that also internationalized in a more traditional way, Non-BGs. In our research for BGs, we found that their existence is present in many industries, and not specifically one (Luostarinen 2006; Rennie 1993). This way, we incorporated a broader view of data and possible results. In terms of quantitative analysis the number of BGs identified, and contacted, during the study were 63, of which only 6 were available for interview or to receive the questionnaire, but 2 companies were not able to give the necessary information. As for the Non-BGs, the

number of companies contacted was 259, of which only 10 were available for interview or to receive the questionnaire, being only possible to count with four companies with their responses.

For the data collection, the search of the companies was made through the public institutes and private market analyst companies, who provided with periodic magazines a compilation of companies with the characteristics necessary. Examples of institutions used were the Public Portuguese agency for international businesses, AICEP, and private magazines publishers, i.e., EXAME. The approach of a qualitative study was seen in other studies (Andersson 2011; Evangelista 2005; Evers 2012; Freeman 2006, 2007; Kalinic 2012; Karra 2008; Laanti 2007; Ojala 2011), but most of the authors explain that even the use of a qualitative analysis can provide increase of information, being recommendable the use of a quantitative study aside with the qualitative. Our collection of data was based on questionnaires and interviews to the companies. To collect more accurate information, we personally interviewed some companies that were available for a meeting. Please refer to Table 1 for a complete description of the companies.

The collection of this data was made in one time, meaning that the interviews and answers to the questionnaires only happened once. The time of the interviews varied between 30 minutes up to 2 hours, depending on the availability to disclosure sensitive information.

In order to test the hypotheses described before, our questionnaire had a wider scope. Please refer to the annexes to view the complete questionnaire, which has the following indicators: The Attitude Towards Internationalization; Networking; Knowledge; and Countries Internationalized. The first point allowed us to understand why the companies

started their internationalization process and their main ideas before and after internationalization. The second provided a clear detail of the networking power, and where the companies started to search for the opportunities. The third indicator measured the know-how of the elements of the company, and how critical each resource was for internationalization. The last indicator, made us understand the advantages and disadvantages of the countries chosen.

Table 1

Description of the cases					
Company	Industry, location	Employ Profile	Year of Birth/Inter.*	Main reasons for Inter.*	Main markets
<i>Company 1</i>	<i>Fashion, Lisbon</i>	<i>CEO</i>	<i>2013/2013</i>	<i>Small domestic market, Few customers in the domestic market</i>	<i>Brazil Colombia Mexico Portugal Venezuela</i>
<i>Company 2</i>	<i>Health, Porto</i>	<i>CEO</i>	<i>2007/2007</i>	<i>Small domestic markets, Late payments, The need to increase levels of production</i>	<i>UK USA</i>
<i>Company 3</i>	<i>Toys, Lisbon</i>	<i>CEO</i>	<i>2008/2009</i>	<i>Expansion of business, Strategic</i>	<i>Portugal Spain UK</i>
<i>Company 4</i>	<i>Entertainment, Lisbon</i>	<i>Marketing Director</i>	<i>2010/2010</i>	<i>No business limitations, Cover investments, Search for resources</i>	<i>Brazil USA Ukraine Portugal Israel</i>
<i>Company 5</i>	<i>Construction Materials, Viana do Castelo</i>	<i>Exports Manager</i>	<i>1989/2012</i>	<i>Search for new customers, Expansion, Going after main customers</i>	<i>Portugal Spain Angola Mozambique Cape Verde</i>
<i>Company 6</i>	<i>Textiles, Guimarães</i>	<i>CEO</i>	<i>1997/2007</i>	<i>Expansion, Continuity of the business, Strategic</i>	<i>Portugal Italy Spain Brazil Angola</i>
<i>Company 7</i>	<i>Special Installations Techniques, Santa Iria da Azóia</i>	<i>Marketing Director</i>	<i>1978/1992</i>	<i>Small domestic market</i>	<i>Angola Equatorial Guinea Algeria Saudi Arabia</i>
<i>Company 8</i>	<i>Biomass technical devices, Ílhavo</i>	<i>Inter. & Marketing Technician</i>	<i>1971/1990</i>	<i>Expansion, Opportunity seeking</i>	<i>Spain</i>

*Inter - Internationalization

To perform the analysis of the study we used the *NVivo* qualitative data software tool (Gabrielsson 2011; Odoreci 2013). The records of information were collected via questionnaire questions, which were semi-structured, and introduced in the software. The coding was made through important key words found in the literature. By arranging these words and making them into “nodes”, it was possible to divide the information gathered in an easier way. Each important and similar quotes were inserted in these “nodes”, making it possible to understand the tendency of the results and agreement or disagreement of ideas by the companies collected information. The “nodes” were built according with the literature analysed and the results compared with the same.

In terms of confidentiality to ensure that information was not used for other purposes, an agreement between the interviewed companies and the study representatives was made in order not to divulgate critical information and hiding their true identifications, university procedures also secure information confidentiality for three years.

Findings

The study allowed us to take some critical analysis, the main two being: a more active approach to businesses from BGs than Non-BGs; and an immediate international behaviour from the BGs. The main reasons for internationalization for each company are described in Table 1, such as, small dimension of the country; and lack of financial profitability to cover investments. In Table 2, we can view the required aspects for internationalization, in the view of each company.

BGs see the building of trust as a very important trait for internationalization. Non-BGs are more cautious, and only consider going forth once their partners gather enough information and confirm that a new market will bring returns, making them dependant of their network to evaluate the risks. Taking a risk and failing would possibly put the

company's finances in jeopardy. The big difference between both cases is that some BGs decided to go immediately abroad prior to accounting the risks.

Table 2

Requirements for internationalization from the companies	
Company	Required aspects
<i>Company 1</i>	<ul style="list-style-type: none"> - A creation of a process able to input all the necessary data for business in three hours, each day; - Human resources with international experience in business and countries were the company was located; - A company help builder capable of offering essential resources; - Great number of partnerships and work coordination for stability of the business; - Know-how of the market, mainly if it possesses the conditions for technological tools.
<i>Company 2</i>	<ul style="list-style-type: none"> - Financial resources and other resources more associated with technology; - Attraction of investors; - International contacts were essential, even if the company didn't had it at the beginning.
<i>Company 3</i>	<ul style="list-style-type: none"> - Financial and human resources; - Use of universities for development of innovative resources, products and services for business; - Use of public institutions for international market knowledge acquisition.
<i>Company 4</i>	<ul style="list-style-type: none"> - Financial resources; - Acquisition of partners in the sectors of production and marketing. All of them specialized in their sectors; - Constant intensification of the international team; - Acquisition of international contacts; - Contact with public institutions from foreign markets.
<i>Company 5</i>	<ul style="list-style-type: none"> - Modernization of the company resources; - Team with international experience, knowledge of the market, and multilingual; - Partners with high experience on the foreign market.
<i>Company 6</i>	<ul style="list-style-type: none"> - Partners with high experience on the foreign market; - Contacts with customers and suppliers.
<i>Company 7</i>	<ul style="list-style-type: none"> - Local foreign partner with financial capability and that correspond to standard expectations of the company; - Collection of knowledge about the market.
<i>Company 8</i>	<ul style="list-style-type: none"> - Financial resources; - Human resources with technical and linguistic knowledge; - Partners that can complement the company activities; - Support by the public agencies.

The growth of BGs in international markets depended on the continuous sharing of information and capabilities with their partners that have specialized products or

services that they could use in obtaining critical resources and expand the business portfolio.

The initial network search of BGs consists of consistent informal contacts. These informal contacts were extremely important, mostly due to their connections and influences. They opened doors to the BGs and gave them massive credibility and reputation to their business. In the study, after this phase it became simpler to obtain the formal contacts and advantages, such as, openness of opportunities; capacity of gaining investment; gaining new markets; avoiding markets with low political maturity; achieving goals faster; and enabling the entrance to markets with technological advantages.

“What helped us at the time was the British ambassador, who was in Portugal at the time, who understood the value of the company and bet on it, and made a point, both inside as outside, to disclose us in an extraordinary way, which came brought a lot of credibility to the project, internally and internationally.” – Company 2

“As stated ... it was necessary to talk to credible institutions to create credible health materials ... Only with three contacts we were able to reach Michelle Obama.” – Company 4

For Non-BGs the main importance was to find partners with large experience and reasonable recognition in the foreign market, as well as partners connected with public agencies. Non-BGs used their partners as a critical link for internationalization, but similarly to BGs, they tried to develop most of their formal and informal contacts in order to have the best knowledge of the market laws and regulations.

In general, all companies chose countries to internationalize where the access to knowledge and financial resources was easier. BGs used proximate cultural markets that could add some advantages to their business (see Table 3).

For example, Brazil was targeted as a country where it was possible to gain more opportunities, mainly technological advantages and political advantages (especially for

businesses that are related with social issues). But, the Brazilian market was not seen as culturally proximate by BGs, since companies experienced critical cultural differences, mainly in language. Nearly all BGs did not acknowledge any advantages in venturing into Portuguese Speaking African Countries (PSAC).

Table 3

Proximate Countries & International Advantages And Disadvantages by BGs		
Country	Advantages	Disadvantages
<i>Spain</i>	<ul style="list-style-type: none"> - <i>Bigger market;</i> - <i>Similarities in culture;</i> - <i>Proximity.</i> 	<ul style="list-style-type: none"> - <i>Lack of protection over Research and Development.</i>
<i>Angola & Mozambique</i>		<ul style="list-style-type: none"> - <i>Financial constraints;</i> - <i>Economic instability;</i> - <i>Great amount of rules to make business.</i>
<i>Brazil</i>	<ul style="list-style-type: none"> - <i>Potential economic growth;</i> - <i>Technological;</i> - <i>Health issues related with politics.</i> 	<ul style="list-style-type: none"> - <i>Linguistic differences for business.</i>
<i>France & Italy</i>		<ul style="list-style-type: none"> - <i>Lack of market simplicity and structure.</i>
<i>PSACs (in general)</i>		<ul style="list-style-type: none"> - <i>Lack of technological development;</i> - <i>Constrains in fiscal system;</i> - <i>Barriers to entry.</i>

Three of Non-BGs saw the cultural aspect as critical, and they ventured into new countries by following important customers, with whom they already shared a valuable business relation in Portugal. They identified that these markets could provide identical characteristics for the continued success of their business, and even new opportunities. In these cases, the need to be immediately present in a proximate cultural country was not seen as a requirement for BGs and for one of the Non-BGs – “...we wanted to go to a country where access to investment were easier than others” (Company 2); “Our main focus was to concentrate on emerging markets, such as Brazil, Mexico, Colombia, Venezuela,...” (Company 1); “In a business as internationalized as the yarn trade, cultural proximity does not come first” (Company 6). Distance seems to be a critical issue, when the products require more tough logistics (Companies 4, 5, 6, 7 and 8),

which is not the case for more technological BGs, *“We can be wherever we want”* (Company 4). For example, United Kingdom was seen by BGs as a country of extreme strategical importance, in terms of access to venture capital, partner potential and openness to other markets. Non-BGs, however, internationalized due to the effects of the environment, i.e., emigration of Portuguese population or pull behaviour by national and international customers – *“The criteria for our internationalization, were mainly the countries where we thought that our company could succeed and where the Portuguese emigration was more focused, that is, initially the main factor, was to internationalization as a function of displacement the vast majority of our customers...”* (Company 5).

Table 4

Importance of Teams & Leaders		
Group	BGs	Non-BGs
<i>Teams</i>	<ul style="list-style-type: none"> - <i>International experience;</i> - <i>Market knowledge;</i> - <i>No international experience but capability to internationalize and learn.</i> 	<ul style="list-style-type: none"> - <i>Commercial knowledge;</i> - <i>Multilingual knowledge;</i> - <i>Market knowledge.</i>
<i>Leaders</i>	<ul style="list-style-type: none"> - <i>Knowledge of the market;</i> - <i>Experience from creation of other businesses;</i> - <i>Commercial knowledge;</i> - <i>Marketing knowledge;</i> - <i>Strategic knowledge;</i> - <i>Will for internationalization;</i> - <i>Contacts;</i> - <i>Spread passion about the business;</i> - <i>Select the right resources, mainly human.</i> 	<ul style="list-style-type: none"> - <i>No references made about their importance.</i>

One of the BGs already had a team with international experience, and they were able to present the founder with the opportunity to expand internationally, taking advantage of their know-how. The other BGs did not have experience in their business field, and neither international experience prior to the creation of the BGs. For Non-BGs,

knowledge of the teams has been considered an important aspect, but their actions are limited by the use of limited resources. Please refer to Table 4 for the summary and comparison of these aspects.

For one of the BGs the ability of the founders to see an opportunity in a public health problem was what made the business possible. In terms of market knowledge prior to creating the business, just one of the BGs took advantage of their privileged know-how about the market before grabbing its opportunity.

Discussion

During the collection and analysis of the data we tried to adjust the study and maintain that the main goal which was to interpret the challenges and solutions of the companies, but mainly to answer to the literature idea that companies internationalize to proximate cultural countries. We believe that this study will be a starting point for future studies about Portuguese BGs and reinforce the importance of small business that are innovative and the entrepreneurship of Portuguese leaders and teams. In short as the findings have proved, BGs are not interested to internationalize into proximate cultural markets; they use informal contacts as a gateway to open the business; they are seen with great importance for their innovation; and depend of investors, partners, and of financial and resource helpers to develop their business. As for Non-BGs they have dependence of know-how market and technical resources; financial resources; formal and informal partners of the foreign countries as a key element to enter into international markets; and only internationalize due to the saturation of the domestic market.

Based on the literature, a confirmed aspect was the importance of resources for internationalization; such as Laanti (2007) referred, but BGs seem to acquire the

resources slowly as the internationalization progresses, always functioning with minimum resources to make their business, and begin below the necessary ones. Fact is, they behave in order to depend on their partners (Johanson 2006; Sharma 2003) for specific needs of resources (Blomqvist 2008; Chandra 2012; Coviello 2006; Evangelista 2005; Freeman 2007, 2012; Madsen 1997). Over the financial resources it was possible to analyse literature similar to studies on small countries (that Portugal has the same characteristics), by not providing financial viability, due to lack in size (Freeman 2006, 2012). This as the literature refers, enforced the internationalization from Non-BGs and one BG to foreign markets (Almor 2013).

Non-BGs have shown that they are more committed to their customers than BGs, which is contradictory to Freeman (2006) and Laanti (2007) findings. This may be due to Non-BGs having customers who searched for internationalization and for that they followed their track, providing more insight for their choice in proximate cultural countries. They follow the internationalization Uppsala model, only making small steps at a time, and investing just enough with the market knowledge acquired (Johanson 2006). As for BGs, they only intend to find markets for their solutions, not committing so closely to their customers. Internationalization for BGs became beneficial as Anderson (2011) and Zahra (2003) indicated, as a way to increase competitive advantages and improve quality of the products. BGs explore the markets in order gain experience (Almor 2011; Chetty 2004), and to gain reputation, which will allow them to gain new markets (Andersson 2003).

In terms of contact importance for the beginning in internationalization, BGs were divided, such as seen in Table 2. It was in agreement with Chandra (2012) and Kalinic (2012) search results. The companies that did not deem contacts as important referred

that it was more so to build a quality products and services first. As for Non-BGs, they identified as critical for internationalization having contacts before internationalizing. Like in other studies, BGs felt the need to build a trust connection with their partners (Acs 1997), this was used as a way to obtain more knowledge over the business (Zahra 2003). In general, informal contacts tend to be more profitable for BGs. These contacts provide valuable market knowledge and access to information, as referred by Gabrielsson (2008), but also very important credibility to the next contact. This is due to the fact that BGs found contacts that had great influence in the international markets and were well recognized. In the case of Non-BGs, they only feel comfortable collecting large and differentiated amounts of information (Arenius 2005; Gabrielsson 2008). The advantage of the use of informal contacts by BGs in this study, has been the access to important and critical knowledge (Gabrielsson 2008), combined with many political advantages. Having this knowledge allowed BGs, before going to market, to avoid risks (Freeman 2012) and increasing their chances of success (Arenius 2005; Gabrielsson 2008).

In Portuguese BGs, most of the founders contradict literature over BGs. Half of them had knowledge of the markets (Ojala 2011), but there was no record of having international business experience, contrary the literature (Chandra 2012; Evangelista 2005; Kim 2011; Laanti 2007; Oviatt 2003). They focused in finding resources that fitted and not the best ones, meaning that they may have been or not the best, such as Freeman (2012) suggests. But in fact, the leaders had the global vision to find and generate the opportunity (Karra 2008). One of the main characteristics analysed in previous studies has been that the BGs leaders already have a network of connections that they can leverage to develop internationalization (Freeman 2006), however, the

BGs in our study had to start their networks from scratch, rendering the process of internationalization and contact acquisition slow. We were unable to prove the premises stated in the literature (Chandra 2012; Evangelista 2005; Kim 2011; Laanti 2007; Oviatt 2003), that BGs require collaborators with international experience, given that all the BGs in our study lack the international experience. Contradictory, all Non-BGs had individuals with international experience. Moreover, Non-BGs require the expertise of specialized personnel to facilitate internationalization (Evangelista 2005; Gabrielsson 2008; Jones 2001). These findings may be due to the early stages of internationalization, as BGs internationalized very early, great importance in success goes to the leaders, as for Non-BGs the team was responsible for the internationalization under the supervision of the CEO.

BGs in this study chose to venture to non-proximate markets, either in terms of culture or location, probably because they saw better opportunities (Freeman 2007), than in other more proximate markets. As Cheety (2004) said, the internationalization after proximate countries to non-proximate countries was in fact very fast. They do not have any difficulties in internationalizing to these countries during time (contrary to Arenius 2005). Some of the Portuguese culturally proximate markets were used in order to gain business advantages (Table 3), but most of cultural proximate markets have presented lack of conditions to enter, not providing a single advantage, except for Non-BGs who went to these markets to follow Portuguese emigrated customers. PSAC countries did not seem to provide good international advantages, being also considered by Non-BGs as markets to be avoided (contrary to literature, Freeman 2007, 2012; Hashai 2004; Laanti 2007). The only proximate markets that were explored were Brazil and Spain, which were considered as stepping stones for non-proximate markets

(Freeman 2012). As for BGs, since the beginning they went after unique opportunities, not waiting to internationalize if they saw these opportunities outside (Almor 2008, 2013; Andersson 2003; Aspelund 2012; Chetty 2004; Laanti 2007). In the case of United Kingdom, previous studies have shown that it is due to its offering in network and investment capabilities, size of market and potential resources accumulation (Freeman 2012), such tendencies were identified in the study.

Managerial And Future Research Implications

In this section we will highlight some of the aspects that were seen as critical for BGs and that in our opinion were important during the study:

- The role of the Portuguese BG's leaders are characterized as an element of knowledge and network power, and are able to share their passion for their products and innovations, as well as taking on new opportunities by providing the necessary critical resources;
- Contrary to Non-BGs in our study, BGs expanded internationally by taking opportunities in proximate and non-proximate cultural markets alike. This factor may have accelerated the rate at which these BGs expanded internationally;
- Non-BGs preferred venturing into countries where Portuguese community was already present. Originally, and according to the literature, we proposed a hypothesis that BGs would prefer this route of internationalization. However, we later verified this tendency in the Non-BGs present in our study instead of the BGs. The latter believe that their innovations are not bound by distance and cultural factors;
- The most important factor for BGs entrepreneurs was the network of informal contacts. This group of individuals/organizations generally have great

knowledge of the markets and in some cases, a privileged position in society, which combined provide a great help in the recognition of companies in their early stages. They can also facilitate and streamline the setup process of the company in foreign markets, as well as elevate the visibility and credibility to a multinational company standard.

In conclusion, the fundamental aspect of the case study that we want to highlight is the type of companies and their internationalization strategies. Literature states that BGs are mostly contained in the technology industry (Freeman 2007, 2012), however we managed to include Portuguese BGs in other fields, achieving the same success as the technology companies. Regardless of the field, what makes BGs successful is their use of innovative and advanced technology methods for production, and better structured processes and communication strategies.

It is vital that managers and founders of companies, especially BGs, interiorize the importance of the commitment to their products and contacts. They will depend on the niche customers and not on specific markets, taking aside factors such as distance and culture. With the findings of this study we hope to help Portuguese managers achieve their goals and help their businesses succeed beyond proximate cultural markets. Sometimes, it is wise to risk venturing into countries where opportunities are available, even if they can only be found on the other side of the globe.

Limitations And Directions For Future Research

Finally, we will discuss some aspects of the study that we consider as limitations and that should be addressed in similar studies and future work:

Despite our efforts in contacting several hundred companies, we only received positive feedback from eight companies. The lack of feedback and resources to ask

personally for their support limited the sample size, and in turn produced a less valuable qualitative result. However, several studies have a small sample size (Almor 2013; Andersson 2011; Arenius 2005; Gabrielsson 2008; Ojala 2011), and their results were considered valuable by the scientific community;

It was not possible to find a direct comparison between BG and Non-BGs, in terms of products and industries, making it difficult to understand the results of having different internationalization strategies;

It would be interesting to do a longitudinal type of study instead of just a transversal study, so that we could see the actions and results of the utilized strategies;

We felt the need to explore other factors on the Portuguese context, since there is not much literature on the subject. This, however, translated in a lack of focus in the main purpose of the study, which was internationalization towards proximate cultural markets;

We feel it is important to analyse the impact of government agencies in the internationalization processes of the BGs. It was not part of the hypothesis of this study, but almost every company had something to say about the subject. The initial phase of a BG is critical for its success, and it may be important to understand the various types of support they need;

Although we concentrated on success cases, it would be interesting to interview some less successful cases and the valuable know-how that those experiences provide;

We saw also a tendency for BGs to choose companies that were similar to them as partners. Studies over this should be made to understand if Portuguese BGs have the need for strong ties with the same characteristics.

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