Should I Stay or Should I Go? A Managerial Toolbox for 21st Century SMEs

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ABSTRACT

The rise of new technologies reshaped the way firms face new challenges. Consequently, companies in small open economies, namely SMEs, are more susceptible to environmental changes, therefore they must develop new ways to adapt to the continuous transformations that characterize the business environment. This way, expanding to other geographies is the optimal solution to the generation of new business and adaptation of the existing ones.

When internationalizing, firms face the decision of how to enter new markets, and sometimes managers lack the acknowledgment of which advantages and drawbacks are at stake. Consequently, this paper aims to present a systematized toolbox that will guide decision-makers, when developing their internationalization strategies.

Keywords: SMEs, entry modes, small open economies, managerial toolbox

INTRODUCTION

As Wright & Etemad (2001) argued, the overwhelming changes introduced by the globalization (in fields like telecommunication, transportation, technology) are pressing managers (re)shape their companies' strategies.

Internationalization is a process of continuous adaptation of a firm's operation to the international environment. Consequently, it regards not only the growth component, but also the fact that a company may de-internationalise, in the sense that it can reduce its overseas operations, or withdraw completely (Benito & Welch, 1997; Calof & Beamish, 1995; Chetty, 1999; Welch & Luostarinen, 1988). This process is highly connected to the entry mode chosen, meaning, the "institutional arrangement that makes possible the entry of a company's products, technology, human skills, management, or other resources into a foreign *country*" (Root, 1998, p. 5).

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This phenomenon caused firms, markets, and industries to experience some forms of overseas operations.

Internationalization is even more relevant to small-medium enterprises (SMEs). According to EUROSTAT, SMEs account for 99,8% of the number of companies in the EU28, whom due to their idiosyncrasies, are more profoundly impacted, thus facing this challenge in a different way that large companies (Kalinic & Forza, 2012; Olejnik & Swoboda, 2012; Oviatt & McDougall, 1997; Ruzzier, Hisrich, & Antoncic, 2006).

This process is also frequently present in small open economies (SOE), as are the cases of countries like Denmark, Finland, Portugal, among others, which seek internationalization as a way to overcome their limited domestic markets (G. R. G. Benito, Larimo, Narula, & Pedersen, 2002; Kyläheiko, Jantunen, Puumalainen, Saarenketo, & Tuppura, 2011; Nummela, Saarenketo, Jokela, & Loane, 2014).

The current research on SMEs indicates that they can change the pace of their commitment to foreign markets, meaning that can they decrease, increase or re-increase it (Dominguez & Mayrhofer, 2017). Moreover, the way SMEs who follow a more incremental approach, use their experiential knowledge differently, accordingly to their internationalization stage, also changes the source and content of learning (Pellegrino & McNaughton, 2017).

Consequently, the process of SMEs' internationalization, how they enter new markets, and how they design their strategies, emerge as topics worth researching.

This paper structures as follows: firstly it is presented the widely accepted internationalization theories. The following section focuses on the internationalization decisions, focusing on SMEs, entry modes, and it is introduced a managerial toolbox. Then, it is presented the findings, and in the end, the limitations and future research.

INTERNATONALIZATON THEORIES

Past studies have focused on establishing some major lines regarding the path that firms follow when internationalizing. Therefore, there has been some consensus regarding how firms tend to penetrate foreign markets (see Table 1). However, with the rise of new information and communications technologies (ICT), which fastened the pace of globalization, the "traditional models" are no longer the only ones applied to the new managerial landscape (Kalinic & Forza, 2012), which results in the rise of new theories.

Table 1 – Overview of main Internationalization theories

Theory	Basic Principles	Main Proponents
Internationalization Theory & Transaction Costs Analysis	Firms follow an opportunistic behavior; therefore, they internationalize to overcome market imperfections and regulations	(Buckley, 1989; Buckley & Casson, 1993; Williamson, 1985)
Eclectic Paradigm and OLI (ownership, location, internalization) Model	Firms propensity to internationalize depends on their ownership, location and internalization-specific endowments. If they are competitive enough to overcome the cost of operation in a foreign market, firms start operating in overseas markets	(Dunning, 1988; Hill, Hwang, & Kim, 1990)
Evolutionary Model	Uppsala model posits that internationalization is a process of small incremental steps, where experiential market knowledge and the number of resources committed, impacts the decisions, making firms increase their current business activities which enhance their market commitment (the more firms learn, higher the commitment, and vice-versa). Consequently, firms start their internationalization process with intermittent exports, secondly, they export via agents, then they start overseas sales via agreements with local companies (e.g.	(Johanson & Vahlne, 1977; Johanson & Wiedersheim-Paul, 1975)

	contracts, licensing, among others), and finally, they fully commit to foreign direct investment (FDI).	
Networks Theories	These theories claim that internationalization is a process of network management because it allows firms to form relationships with new overseas counterparts (i.e., international expansion). It leads to an increased commitment in the already established networks, reinforcing their position in the network (i.e., penetration), and companies coordinate the different international networks (i.e., international integration). Consequently, it regards business networks, social networks and collaborative networks that are established.	(Costa, Soares, & de Sousa, 2016; Johanson & Mattsson, 1988; Madsen & Servais, 1997; Pinho & Prange, 2015)
Resource-Based View	This theory is based on the assumption that a firm's unique attributes (tangible and intangible assets, organizational processes, capabilities, knowledge, and so on), are the main drivers for its competitive advantage and consequently, sustainability. Thus, the ownership and management of such attributes in the domestic market determine the way firms exploit new markets.	(Barney, 1991; Barney, Wright, & Ketchen Jr., 2001; Wernerfelt, 1984, 1995)
Entrepreneurship Theories	This approach to internationalization focuses on the role played by the decision-maker, as internationalization is perceived as the result of	(Knight, 2000; McDougall & Oviatt, 1997, 2000; Reid, 1981)

	a proactive, innovative and risk-seeking behavior. Thus, it reflects the entrepreneur's visions, beliefs, knowledge, among other traits.	
Born-Global Theories	These theories emerged in the 1990s, with the. Therefore, it was found that there are firms that defy all other internationalization models, by starting immediately overseas operations since inception, targeting multiple countries/regions.	(Knight & Cavusgil, 1996; Oviatt & McDougall, 1994)

INTERNATIONALIZATION DECISIONS

Foreign market entry is a multilevel phenomenon. It involves the institutional arrangement of a firm that allows it to introduce products, management, or other resources in a host country, requiring a careful strategic planning, regarding the following aspects (Cateora, Gilly, & Graham, 2013; Hollensen, 2013; Root, 1998) (see

Figure *1*):

Figure 1 – Internationalization concerns.

There are also other variables related to the theoretical approaches above presented that influence the foreign market entry as it is the case of the institutional arrangement that firms choose to adopt when starting foreign operations (Kumar & Subramaniam, 1997).

The Particular Case of SMEs

According, to EU recommendation 2003/361, SMEs are companies have less than 250 employees, its turnover is less or equal to 50m euros or a balance sheet total less or equal to 43m euros.

These firms share some common characteristics, regardless the geographical context where they are inserted (Bell, Crick, & Young, 2004; Buckley, 1989):

- target niche markets, or residual markets that MNEs or the industry do not serve,
- face internal (capital, managerial and informational limitations) constraints and vulnerability towards external changes (market, political, technological, and institutional);
- are affected by the rise of new ICT and manufacturing techniques, and consequently alternative forms of technology transfer;
- are favored by their idiosyncratic flexibility to adapt to new circumstances (lower structural rigidity when compared to MNE);
- moreover, they benefit from the constant change in consumer’s preferences, as well as the mutable competitive conditions.

Additionally, there are more vulnerable to the push and pull factors that may propel or deter internationalization, as well to the firm’s and the entrepreneurial orientation (Knight 2000).

The success of SMEs under globalization depends, in large part, on the strategy formulation and implementation (e.g. Miles and Snow 1978; Porter 1980), which reflects the firm's short- and long-term responses to the challenges and opportunities posed by the business environment (Knight, 2000).

Entry modes: main considerations

The choice of entry mode is one of the most important strategic decisions taken in the internationalization process. This relevance is due, in part, to all the research and commitment it involves. Additionally, it is also important because previous research finds it as a ‘point of no return,’ because once chosen the entry mode, it is not easy to change, rearrange, or correct it, without giving rise of long-term consequences (Pedersen, Petersen, & Benito, 2002).

There are two main perspectives towards the choice of mode of market entry (Li & Qian, 2008). One perceives this choice as a function of risk, resource commitment, and control (Anderson & Gatignon, 1986; Hill et al., 1990; Maignan & Lukas, 1997). The other divides the modes of entry into contracts and equity (including joint-ventures (JV), and wholly owned subsidiary (WOS)). In this case, the difference between entry modes resides on the remuneration of the input providers (if it is *ex-post*, we are in the presence of equity; if it is *ex-ante*, it regards contracts) (Brouthers & Hennart, 2007; Hennart, 1988, 1989).

When deciding the entry mode, the decision-maker has to regard four main issues: resources commitment, the level of control s(he) is willing to 'loose,' the dissemination of risk, and the uncertainty that will be faced (Agarwal & Ramaswami, 1992; Anderson & Gatignon, 1986; Conconi, Sapir, & Zanardi, 2015; Hill et al., 1990; Laufs & Schwens, 2014; Maignan & Lukas, 1997) (see Figure 2).

Figure 2 – Entry modes considerations

When considering **resources commitment**, it is verified that some entry modes require the employment of more resources than others, accordingly to a natural hierarchy (Kumar & Subramaniam, 1997).

Particularly strongly committed firms tend to use equity entry modes (Root, 1998), and companies internationally oriented tend to choose modes of entry that involves higher levels of resources commitment (Ripollés, Blesa, & Monferrer, 2012).

In the case of SMEs with higher asset-specificity investment (the resources employed to the development of a single task), they prefer equity entry modes (Brouthers & Nakos, 2004).

The level of **control** of international operations and decision-making is another fundamental issue that a firm has to consider when internationalizing, once each entry mode implies different levels of control over its operationalization (Agarwal & Ramaswami, 1992; Anderson & Gatignon, 1986; Root, 1998). Firms must develop control systems in order to monitor firm's operations and performance, target variances, and to create mechanisms to eliminate or reduce them (Root, 1998).

The level of control is even more relevant in the case of SMEs, which due to their scarce resources and consequently 'vulnerability' towards host market risks, tend to have little control when compared with MNEs (Laufs & Schwens, 2014).

It was found in the literature that SMEs with control systems are more prone to equity entry modes (Brouthers & Nakos, 2004). Moreover, in cases of incomplete control (like the example of the dynamic environment in high-tech industry), SMEs tend to rely on investment modes, such as JV, and contract modes, like contracts and distribution agreements that (Li & Qian, 2008).

Regarding **risk and uncertainty**, plenty of International Business literature emphasizes that it propel firms to develop a more gradualist process. This gradualist approach is due to the "characteristics of the specific national market – its business climate, cultural patterns, structure of the market system, and, most importantly characteristics of the individual customer" (Johanson & Valhne, 2006, p. 49).

It is not easy to separate risk from uncertainty; once uncertainty involves the risks faced in the host country, such as political (formal sources of environmental uncertainty), cultural distance (informal sources of environmental uncertainty), language diversity, economic, currency exchange and social volatilities (Ji & Dimitratos, 2013; Laufs & Schwens, 2014; López-Duarte & Vidal-Suárez, 2010).

Nonetheless, It is widely accepted that the mode of foreign market entry impacts the level of a firm's risk exposure and that the more resources committed to the international venture, the higher the risk of losing resources (Hill et al., 1990; Laufs & Schwens, 2014).

Notwithstanding, in the context of growing trading liberalization, and SOE, there are pieces of evidence that firms may opt to internationalize via exports, during a trial period. Then, depending on the realized profits, it can progress towards foreign direct investment (FDI), as a trial and error process, by reducing the associated costs, risk, and uncertainty (Conconi et al., 2015) (for further readings see Di Gregorio (2005)). This rationale comes in line with those who argue that the more firms learn about their markets, and gain experience and knowledge, lower are the perceived risks and uncertainty, which leads firms to move toward modes of entry that grants them more control (Agndal & Chetty, 2007).

Following a Transaction Cost Approach point of view, external uncertainty is perceived as a decisive factor conditioning the entry mode choice. However, the impact of uncertainty on the investing firm's decision can point to (López-Duarte & Vidal-Suárez, 2010):

- a JV approach: in a context where language barriers among partners (due to language diversity) do not exist (when firms tend to favor flexibility and have limited resources access and intends to share risk);
- the use of WOS: in cases when both formal and informal sources of environmental uncertainty require a higher level of control from the firm (in the sense that this avoids higher transaction costs).

Here, Brouthers & Nakos (2004) found that when facing environmental uncertainty, SMEs tend to opt to non-equity entry modes.

SMEs' profiles in the era of new technologies

When analyzing the extant literature, we could verify that there is a certain overlapping between born global theories and the characteristic of SME (Bell et al., 2004; Bell, McNaughton, Young, & Crick, 2003). Thus, based on the patterns of internationalization identified in the born global literature, we extended the rationale to SME and then derived three types/profiles of SME, contributing to the debate by incorporating internationalization theories with SMEs' entry mode knowledge.

This way, **traditional firms** are characterized by following an incremental internationalization approach evolving from serving the domestic market, towards target markets whose psychic distance increases and/or are less developed. This process is motivated by the pull given by the internal market, the response to unsolicited orders, the sought for new revenues/ market share, which describes a reluctant management position that faces the circumstances reactively and opportunistically (Bell et al., 2004, 2003).

Jansson & Sandberg (2008) found that SME in the Baltic region, characterized as being from traditional industries, are prone to have low levels of FDI due to their lack of resources. Hence the reason they rely on entry modes (i.e. contact points in a network) and exports modes.

For traditional manufacturing SMEs in the UK, the internationalization process relies on exports modes either by agents/ distributors or wholesaler, either by going directly to the customer (Bell et al., 2003; Root, 1998). These firms face internationalization in a more incremental and reactive perspective, and they accommodated the internationalization evolution as an evolutionary process, by continuously adopting a reactive, and an *ad hoc* attitude towards exports.

With regards to German context, in 2012 was conducted a study to examine the SMEs' internationalization patterns, and in a sample of n=674, 47% represented firms that followed a traditional internationalization approach and tended to rely on export modes (Olejnik & Swoboda, 2012).

With regards to **born global firms**, their main features are their quick and concurrent expansion in the international and domestic markets, targeting lead markets (Bell, McNaughton, & Young, 2001; Rialp, Rialp, & Knight, 2005).

These firms are propelled by a committed management, and by targeting niche markets and key customers using a structured approach. Thus, unveiling a proactive and committed attitude of a firm who seeks a first-mover advantage in order to protect and exploit protected knowledge and capabilities (Kuivalainen, Saarenketo, & Puumalainen, 2012; Pinho & Prange, 2015; Rialp et al., 2005).

In the case of knowledge-intensive and technology-intensive firms, they follow a rapid pace internationalization favoring the use of networks, and more flexible entry modes, such as the export modes (agents or distributors). In some cases, they evolve towards contractual ones (namely licensing, integration with clients' channels, manufacturing contracts), or even towards investment modes (JV or joint R&D), especially in marketing activities and sales representatives (Bell et al., 2003; Crick, 2009; Hashai & Almor, 2004; Nummela, Loane, & Bell, 2006; Root, 1998). These firms were more prone to target more markets, in a proactive, structured, and planned way, which allows them to increase their venture capital and knowledge through their expanding networks (Bell et al., 2003; Nummela et al., 2006).

In the concrete case a Swedish medical-technological company, Schweizer (2012) explains the internationalization process as a 'muddling-through process', with advances and withdraws, namely due to lack of financial resources and trust issues. Here the firm entered different markets with different modes: local distributor (in UK, Japan, South Korea, Australia, and South Africa); wholly-owned subsidiary (in USA), pan-European distributor (for the Western Europe market); and they also developed a knowledge network (to improve resources).

With regards to the German market, born global firms accounted for 36% of the SMEs, and they favored export and investment modes (FDI) (Olejnik & Swoboda, 2012).

Finally, **born-again global forms**, are companies that due to a critical incident, serendipitous event or any other contingency, face the urge to internationalize quickly after being established in the domestic market for a time frame of usually 2-5 years (Bell et al., 2001, 2003; Chetty & Campbell-Hunt, 2003; Olejnik & Swoboda, 2012).

This critical incident (CI) is crucial, because not only it triggers the firm to exploit networks, and or resources that the event created, but it also changes the firm's focus, increasing its knowledge, pressuring the company to the development of an international strategy (Bell et al., 2003; Kalinic & Forza, 2012). The critical incident/episode might be a change in ownership/management (e.g.: management buyout), acquisition (e.g.: of additional resources, networks) or client followership (in the domestic, and/or a foreigner firm that enters the domestic market) (Bell et al., 2001).

The international expansion pattern can be analyzed in terms of epochs/gushers of rapid internationalization (Bell et al., 2001; Chetty & Campbell-Hunt, 2003; Knight, 2001), that might be followed by periods of de-internationalization (Benito & Welch, 1997; Olejnik & Swoboda, 2012), where the firm retracts its activities in foreign markets, but keep at hand a 'sleeping strategy' (Chetty & Campbell-Hunt, 2003; Welch & Welch, 2009) that can be used when needed, with the help of the networks developed in that markets.

It is common that before the CI firms have few unsolicited orders or even a small export experience (similar to 'traditional firms), and that after it, they might evolve to more committed modes such as sales subsidiaries (Nummela et al., 2006). In the case of the firms studied by Bell et al. (2001), the sample involved technology-intensive firms, oil industry, commodities, among others, after the critical incident all of them boosted their exports (both direct and indirect).

Regarding the study conducted by Crick and Spencer among UK high-tech SMEs, it was found that 83% of the firms in the sample started to use on export modes, while 14% used investment mode. However, when expanding further, companies that previously relied in an investment mode, shifted towards export mode, while the others, either kept exporting, or accumulated this activity with more committed modes, such as contracts and investment modes (Crick & Spence, 2005).

Within the German market, born-again global represents 17% of the SMEs, and opt for a more investment mode of entry (FDI) (Olejnik & Swoboda, 2012).

Therefore, these firms from innovation-driven sectors that aim at a global scope tend to use less direct modes of representation and are keen to solidify their manufacturing in the home country, whereas the reverse happens with firms with a more regional scope (Chetty & Campbell-Hunt, 2003).

There is also the case of firms that evolve from sporadic exporting activity towards investment modes (FDI, acquisitions, and green field). This shift is due to a reconfiguration on their strategic focus, and strategic flexibility, which the authors do not consider that as a critical event, as it is described in the literature (Kalinic & Forza, 2012). However, if we look at a critical incident as the crucial point that created a relevant change within the firm internationalization process, this might be the case that these enterprises are born-again global.

SME's managerial toolbox for entry modes

Despite the pace of internationalization observed – traditional, born global or born-again global – when deciding the mode of entry into new markets, a firm has to ponder every single aspect regarding their internal and external environments. Additionally, they should always develop contingency plans and be open-minded enough, so that, when the occasion arrives, they can overcome any situation that was not planned.

Firm's knowledge regards all those aspects inherent to the company, since knowing the industry, the product, and the company's value chain. It also includes leadership-specific characteristics, like management orientation (Lisboa, Skarmeas, & Lages, 2011; Nielsen & Nielsen, 2011), the international knowledge (Hollender, Zapkau, & Schwens, 2017). The type of ownership (Agarwal & Ramaswami, 1992; C. L. Welch & Welch, 2009) and the networks the company establishes are also included (N. Coviello & Munro, 1997; Manolova, Manev, & Gyoshev, 2010). Furthermore, firm's knowledge regards national culture (Kogut & Singh, 1988; Pedersen et al., 2002) and the resources it has available (Barney, 1991, 2001).

Moreover, the ability of managers to decide how to internationalize relies on their capacity to react accordingly to the nature of the environmental change (amount of resources, experience and skills requirement, opportunities that emerge, and managers' attitude) and to their different perceptions (Calof & Beamish, 1995).

Concerning the **target market characteristics**, it is taken into consideration, both formal and informal knowledge of the market (López-Duarte & Vidal-Suárez, 2010). Formal knowledge involves the acknowledgment of market factors, production factors, and macro-environment aspects (legislation, political, economic, social, technological aspects), whereas the informal one pertains the cultural distance (Chang, Kao, Kuo, & Chiu, 2012; Gnizy & Shoham, 2014; Laufs & Schwens, 2014; López-Duarte & Vidal-Suárez, 2010).

As to the **domestic market characteristics**, they pertain to the knowledge of the domestic and potential foreign demand (Cerrato, Crosato, & Depperu, 2015), as well as to the internal market environment and characteristics such as export assistance and environmental hostility (Sousa, Martínez-López, & Coelho, 2008).

The **motivations to internationalize** and **the internationalization timing** are two related aspects, which are connected to the three characteristics mentioned above. Therefore, a firm might internationalize proactively, if it is part of their business strategy (like born global firms, that start overseas operations since inception), or they can start to operate overseas as a reaction to the domestic environment (in line with more traditional models), as response to foreign requests or even due to a critical incident (like born-again global) (Kalinic & Forza, 2012; Olejnik & Swoboda, 2012; Oviatt & McDougall, 1994; C. L. Welch & Welch, 2009).

These company's traits are closely linked to the amount of resources a firm wants to invest in the internationalization process, with the uncertainty that is going to be faced, the risk a firm wants to disseminate, and with the level of control a company is willing to share. Consequently, the design of a control mechanism and an evaluation system is of utmost importance within an internationalization process.

On balance, when developing an internationalization plan, it is essential for managers to acknowledge what are the advantages and disadvantages, as well as the main obstacles that may arise. Therefore, taking into consideration the resource-based view theory and the contingency perspective, as it is adopted by Ekeledo & Sivakumar (1998), we draw up a “managerial toolbox” (see

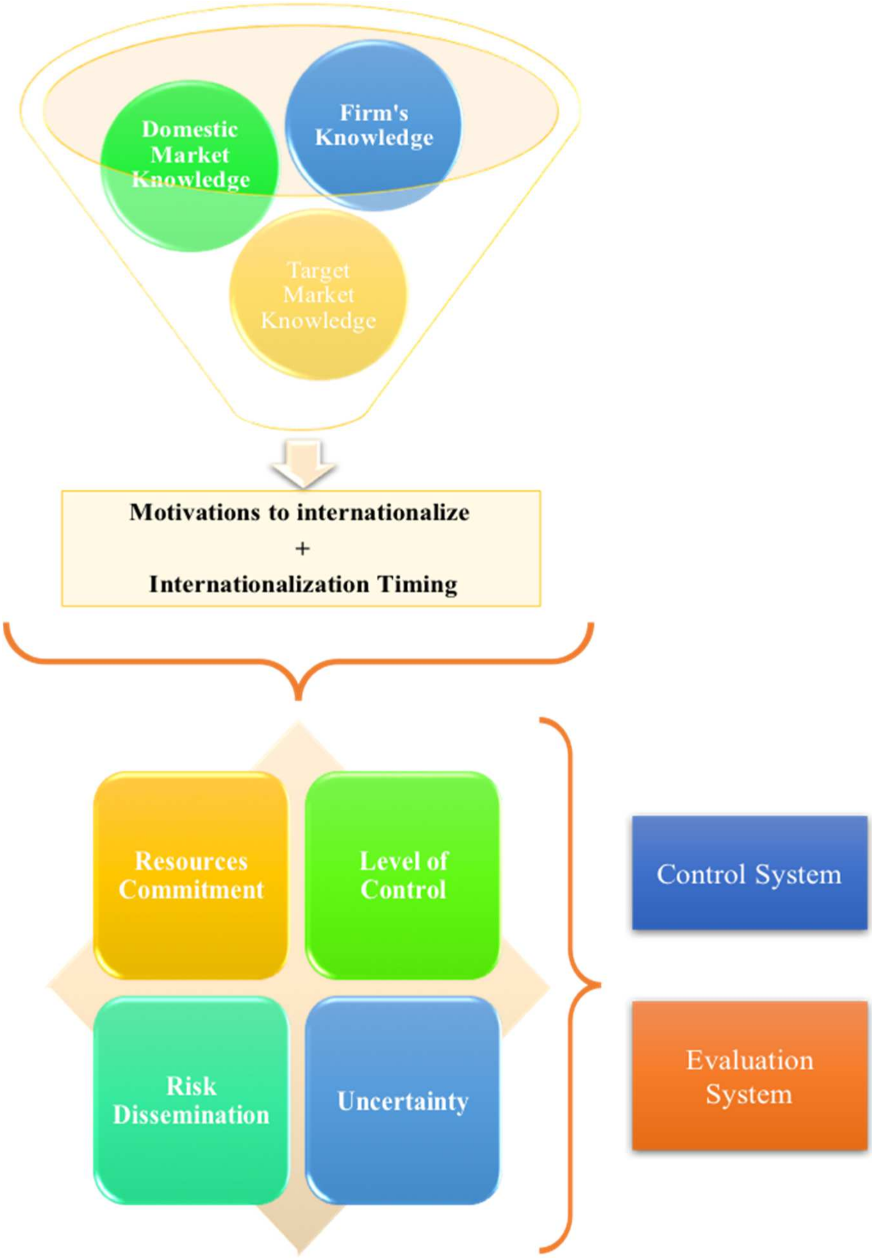

Figure *3*). In this toolbox, we take into consideration the impact of extraneous variables that the firm cannot control or predict (like serendipitous events). This toolbox aims to present an overall view of the issues that should be taken into consideration, thus helping the decision-maker to easily assess the most relevant aspects that must be regarded when deciding the mode of entry in a foreign market.

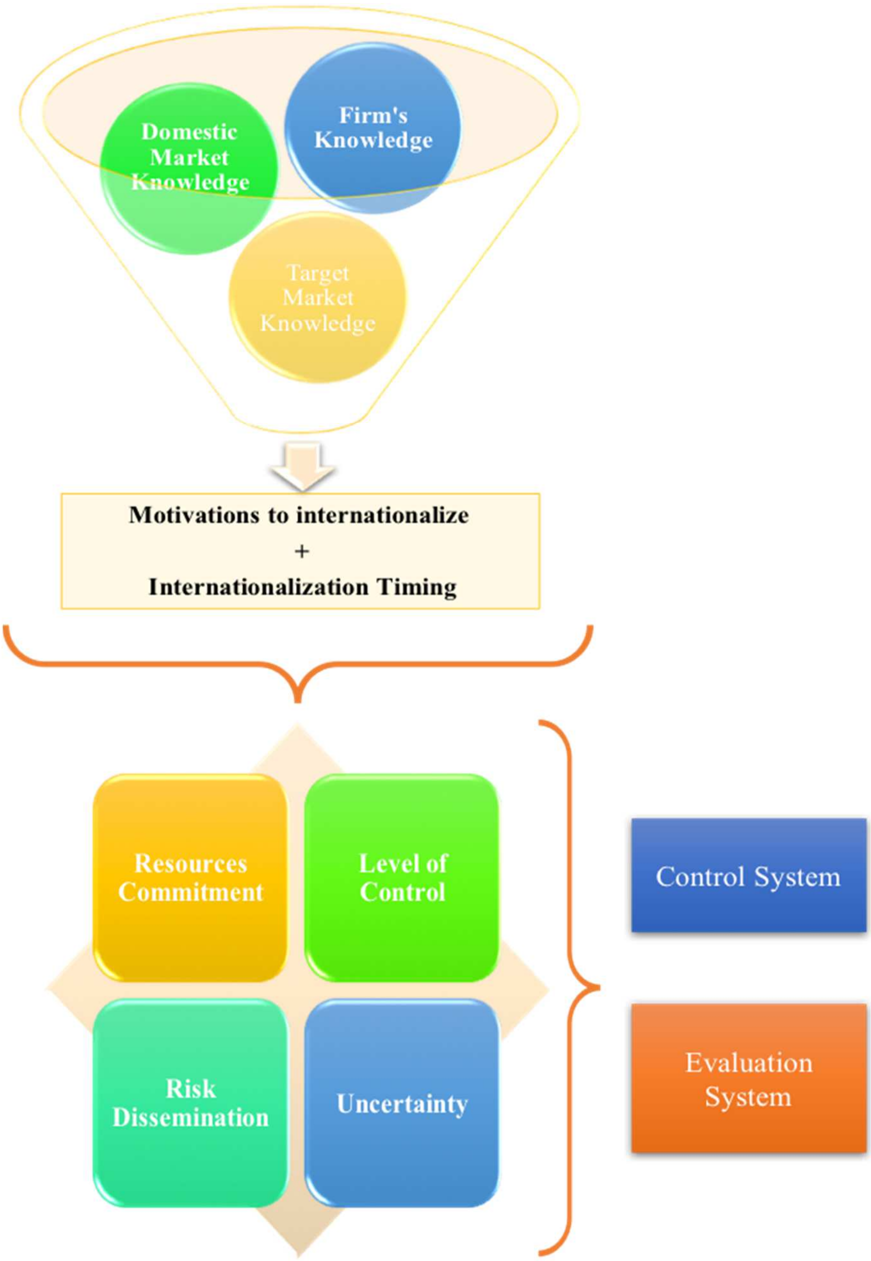

Figure 3 – SME’s managerial toolbox

FINDINGS

This toolbox aimed to schematically represent the most significant factors for SMEs when deciding whether they should internationalize, thus contributing to the existing knowledge by presenting a visual representation of a holistic toolbox of SMEs’ internationalization process, especially regarding the entry modes and its impact on the strategic planning.

Supporting ourselves on the literature produced relating to the internationalization of SMEs generated in a context of globalization and ICT, we tried not only to trace some firms' profiles, but we aimed at providing them of a toolbox that may be used in current business practice, by managerial teams. This toolbox is also aimed at researchers in the International Business field, once it provides an overall view of SME internationalization process, and its impacts on the entry mode chosen when internationalizing.

Moreover, it tries to contribute to the extant literature by responding to those who defend the need for a more holistic vision of the overall internationalization process (Bell et al., 2004, 2001; Coviello & McAuley, 1999; Crick & Spence, 2005; Fletcher, 2001; Rialp et al., 2005). We also find it relevant because it integrates views from the different theoretical different approaches such Resource-Based View (and organizational learning); networks, Transaction Costs Approach, contingency, among others (Hitt, et al. 2001), which provides the reader a more insightful and holistic perspective.

With regards to its managerial contribution, this "framework" is a useful tool for practitioners and consultants, when delineating the firms' internationalization plan, once it draws manager's attention to the different factors that must be considered when internationalizing. Thus, it highlights the various peculiarities associated with SME's and linking them to the entry mode in foreign markets.

Also, we mention the topic of de-internationalization and re-internationalization as part of born-again global firms' strategy. The motivation for such approach was the fact that a company changes their strategy and/or focus with the event of a critical incident.

LIMITATIONS AND FUTURE RESEARCH

The main limitation of this toolbox is that has not yet been empirically tested. Thus, the structure presented and relations taken, do not provide straightforward conclusions, but yet recommendations, for those who will use it. Consequently, it is highly recommended future studies use a multiple case studies approach (Yin, 2009) to assess how this tool acts in specific contexts (geographical, type of firms with regards to the sector, internationalization pattern, the length of time of international operation, and so on).

Moreover, there is the limitation inherent in the use of such holistic approach – scope problem -, because it might make us lose the focus, hence the need for a case study to at least bound the context, once SME involves many variables that cannot be all be tested in *ceteris paribus* conditions.

Regarding future research directions, we found that the current literature has not yet paid enough attention to the case of born-again global firms (Laufs & Schwens, 2014). Consequently, we stress the need to the employment of a systematic literature review/meta-analysis regarding the SMEs' profiles traced.

Furthermore, future studies regarding the topic of re-internationalization and de-internationalization are needed (Welch & Welch, 2009).

Finally, there is the need to develop some assessment measurements of the success of the internationalization, namely using both objective/quantitative (sales volume, foreign sales ration, number of markets entered, among others), and subjective/qualitative (manager/ entrepreneur/ decision-maker's assessment of performance) indicators, derived from the use of this tool.

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