

STRATEGIC PLAN FOR A BORN GLOBAL FIRM AND THE CONTRIBUTION
OF NETWORK RELATIONSHIPS IN THE PROCESS OF
INTERNATIONALIZATION

ATTENTIVE

Leandro Jorge André Salvador

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Supervisor:

Prof. Renato Lopes da Costa, Assistant Professor, ISCTE Business School, Department
of Marketing, Strategy and Operations

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Abstract

The present Master thesis is introduced upon the form of a Strategic Plan, which is intended to express the commercial viability of the internationalization of a born global firm in the United States. Therefore, Attentive is a startup that has the ambition to make a relevant impact in the Software-as-a-Service applications for business to business market.

In order to achieve the main objective of this dissertation, it is carried out the internal analysis of the company, external and competitive market. As well as a secondary source for the accomplishment of this same dissertation was used the literature review, based on different approaches regarding networking relationships, the advantages and challenges of born globals to compete with mature companies in foreign markets in a deductive and inductive perspective have been developed by different authors. In terms of the functional presentation of the Strategic plan, during this thesis it will be explored the characterization of the sector, the choice of the new physical location and the establishment of the marketing mix components. Furthermore and to conclude this dissertation, the final chapter is going to be an evaluation of the impact of strategic control and Scoreboard card to make this plan the most complete possible.

Keywords: Strategic plan, Internationalization Process, Born Global enterprise, Growth strategies.

JEL Classification System:

M1 – Business Administration

M13 – New Firms/Startups

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Introduction

The phenomenon of globalization is related with a high speed of the technology evolution and innovativeness of born global firms that want to enter into international markets. These companies sometimes are facing challenges along the process that are more impactful and greater than multinational corporations, since their resources are scarce. In fact, these obstacles can be surpassed by the establishment of networking relationships. So, the development of these relations has caught the attention of a several authors throughout the years.

On the other hand, the IT industry has aroused a special care in the international business literature. However, most of the studies were focus on larger organizations. It has arisen an opportunity to invert this trend and develop a strategic plan for a born global SaaS firm (Attentive). The complementary interests between the author of this thesis and the founder's ambition to start the internationalization process for United States were the reasons behind the choice for this startup to elaborate this report.

There was an outstanding trend over the past years to study networking relationships in the context of the international entrepreneurship theory, and the findings suggest that it represents a huge factor for the success of a born global company in a foreign market. As a matter of fact, the role of Born globals associated with the generation of relationships for internationalization purposes has been more and more evident. So, network relationships are seen as a tool for small firms in order to overcome the challenges and scarcity of their resources, as well as creating a competitive advantage compared to multinational enterprises.

Throughout this report there are numerous objectives and purposes, the first one is to do a strategic plan for attentive, secondly explore and analyze the company internationalization process and the last goal is to understand the impact of networking relationships on their first years of their international activities.

Regarding the structure of this strategic plan, it is considered a theoretical revision in order to framing up the concept of network theory, which appears as an evolution of the early internationalization models like Uppsala model and others more traditional within the theme of market expansion from small companies in a global environment. The considered topics

were the following: internationalization theories to understand the evolution through the years and the key factors that enable value of network relationships in the business context; the concept of born global firms and the rapid internationalization of them and the acquired knowledge to BGs, as well as the effect cultural impact that companies face when interact with different persons across the world.

Furthermore, when the theoretical framework is completed, the next stage of this thesis is related with the functional presentation of the strategic plan where is going to explore a market analysis and it is based on research data and numeric data, towards see the environmental context, as well as transactional context that Attentive is inserted. Moreover, in order to select the most suitable location for the born global company, the report breakdown into four different criteria to narrow down the possibilities and give credible reasons of its choice. Nevertheless, throughout this report is explained in detail the strategic plan with the following concepts addressed: internal and competitive analysis; a new way of doing the SWOT analysis provided by ISCTE professors; dynamic capabilities and the remaining strategic analysis, as well as its implementation with the marketing mix approach and finally, but not least, the resources that Attentive need to implement in the new office in the USA and how this firm will evaluate its progress and management control.

1. Literature Review

1.1 Internationalization Theories

1.1.1 Early Internalization Models (Uppsala)

At the end of 1970's companies tried to disrupt the way of doing internalization and, because of that numerous studies appeared. These models first explained by Johanson and Wiedersheim-Paul (1975) and consecutively by Johanson and Vahlne (1977) illustrated the slow series of distinct stages towards internationalization process of multinational manufacturing enterprises. Presumably, the most accepted of these models is Uppsala model, it is the first to appear in the International Management literature and it has been one of the most alleged so far (Blomstermo and Sharma, 2003).

According to Machado (2015) an assumption of the model is that the firm obtains gradual market knowledge throughout understanding the market increases its market shares with an evolutionary incremental investment decision; more learning of new markets, increases investments and finally lower risk perception. The previous research made by (Johanson and Vahlne, 1977) illustrated the lack of market knowledge is an important barrier to surpass on internationalizing SME and can be mostly obtained through operations abroad. Therefore, the same author argues that knowledge and learning of foreign markets plays a critical position regarding internationalization. The Uppsala Model is structured into two specific parts: Market-specific Knowledge and General Knowledge. The first one is conceptualized as experiential in nature and it is performing the daily activities of the company in the foreign country, having its bases on earlier experiences which combine its market structure, culture and customers in the market. Contrarily, General Knowledge is overall the issues that are intrinsic from the operation to marketing methodologies and finally representative customers in a global scale. (Johanson and Vahlne, 1977).

Concerning the selection of the markets to operate firms tend to minimize risk by starting the internalization with geographically near countries and psychological similar attributes. The concept of psychic distance by Johanson and Wiedersheim-Paul (1975, 507-508) is particularly relevant for this model as they described it to be "*factors preventing or disturbing the flow of information between firm and market*". These are for instance, education, language, business

culture and stage of industrial development practices. Furthermore, Ojala (2015) in more recent literature have reported that besides the fact that geographical distance it is a simpler concept, measuring psychic distance is complex, due the fact that it varies and modifies overtime. As in further the market size influences entry decision; smaller market opportunity can be for example geographically close country whereas bigger market offers more business opportunity.

Although Uppsala Model has strongly contributed for internationalization literature studies (Coviello and McAuley, 1999), it has to be taken account that this early studies were focus manly large manufacturing firms, for that reason it could be argued that the results do not apply straightly to knowledge comprehensive of SMEs, for instance technology firm studied in this thesis. Earliest researchers, Johanson and Vahlne (1990) along with other authors (Bell 1995; McDougall, Shane and Oviatt 1995; Moen 2002) recognized that classical models may not be appropriated for services firms. At the end of 1990's several scholars argued that exist a need for a whole new theory to demonstrate more precisely the impact of internalization (Roberts, 1990). Nowadays, it is evident that internationalization cannot be taken as an incremental process (Oviatt and McDougall, 1994). For this reason, the following chapters are some evidence of the impact of Network Model and Serendipity Effect at internationalization of SME.

1.1.2 Network Model

More recent literatures, Johanson and Vahlne (1990, 2003 and 2006) continued with the exploration of Internationalization process, applying and considering the role of network interactions as impactful and game changing to increase the opportunities in international markets and for learning and knowledge creation for the enterprise.

It is fundamental to highlight the difference between the Uppsala model (Johanson and Wiedersheim-Paul, 1975) and the network model, in order to clarify some doubts. Therefore, the greatest differentiator aspect is that the network model is not based in a consequential and gradual advancement in nature (Johanson and Vahlne, 2003), but it enables an access to

resources which are controlled by other agents in the market independently of psychic distance (Johanson and Mattsson, 1988; Håkansson and Snehota, 1995).

The network relationships have been especially useful in analyzing smaller internationalizing firms (Coviello and Munro, 1997; Loane and Bell, 2006) due to the introduction of multilateral perspective, which said that relationships dictated the path of foreign expansion. Essentially, decisions in the geographic expansion are influenced by interactions and cooperation with other firms. Network relationships allow guidance concerning which market to enter, which market most fits the necessities of the firm and when to do it, thereby determining the patterns and scope of internationalization. According Bell's (1995) research on small software firms have showed that networks interactions to be preexisting, so the author claimed that this fact can be turned on its head by massive empirical discoveries demonstrating that companies can proactively develop network relationships to serve their own goals.

Moreover, these findings assume that networks and strategic decision making are indeed compatible and can be use as powerful leverage for international operations.

Conversely, since the influence of the network relationships on the market has been viewed into various countries, instead of a scenario where an enterprise is entering a singular country, it remains unclear the impact of networking on the entry of a foreign market. To explore this issue, it is understandable that there is a mutual action between the degree of internationalization of the firm in the network approach and the internationalization of the market (Jansson, 2007; Johanson and Vahlne, 2009). To increase the success rate, it is indispensable that the firm share common interest, which in consequence, motivates them in developing and maintaining long lasting relationships with each other in order to provide mutual benefits (Johanson and Mattsson, 1988, Johanson and Vahlne, 2003). This is strengthened by Blomstermo and Sharma (2003), who suggest that establishing, growing and maintaining deep-rooted connection is critical for the process of internationalization, Johanson and Vahlne (1990), to complement and go further with this vision by create bonds with distinctive countries is one of the best gateways and functions as a bridge to new markets.

Nonetheless, there are some applications as network partners. They can use these network relationships for consulting or advisory purpose and to share knowledge (Harris and Wheeler,

2005), to set up new business activities, resources and finally but not least to build potential partnership via these networks (Schulz et al., 2009).

To sum up, the motioned gain of networks knowledge comes from the exchange of experience, market knowledge and reciprocal help that allow geographic expansion to foreign markets. Moreover, according with Hilmersson and Jansson (2012) experiential knowledge is inherent to the increase of knowledge itself and is crucial to create strong relationships in the foreign market; therefore, it is a key fact in the internationalization process. Furthermore, it is necessary to realize the surrounding environment and the context of the company operates (Johanson and Mattson, 1993).

1.2 Born Global

In the past few decades, the business environment experienced several changes in terms of economic integration; one of the main drives for this phenomenon has been called as globalization (Borghoff 2005). It is relevant to say that globalization has grown in a fast paced, due to improvements in communication technology, logistics as well as relative ease of travel (Andersson and Wictor 2003). In consequence of this phenomenon, it also influenced marketing demand and strategy and trade barriers, since they increasingly become identical worldwide, for that reason, the globe become less hostile business environment. Notwithstanding, although firms have more access to new markets, it is relevant to keep in mind that competitors have the same access.

The globalization effect, figuratively speaking, “open the door” for new business opportunities, thanks to the availability of the advanced communication technology that has increased the connections between different actors within companies across international boundaries (Sasi and Arenius 2008). Based on a lecture provided by Andersson and Wictor (2003), international networks, not only for personal, but also for organizational purpose have gained a greater understanding of their international development.

It is important to highlight that it is not only the international networks that have impact on the way that a firm is able to internationalize, but also the network relationships established in their

own domestic market which enables the internationalizing company to gain social capital. This Social capital is crucial for exchange in networks, which is embedded in relationships that allow potential access to information, transfer of knowledge, spreading information, access resources, and contacts, etc. But it is important to note that social capital has not valuable by itself (Pernas, 2017).

There are several prevailing definitions of Born Global, this study will be based around the description created by Oviatt and McDougall (1994); these firms have an international mindset since their foundation and they attempt to win a competitive advantage over others by utilizing their respective unique resources and buy or selling their products/services in several foreign markets. Plus, they are encouraging to commit larger amounts of resources to their international activities compared to other classic SMEs. Another aspect of Born Global is the fact that they prefer to rely upon networks, both preexisting and newly formed, as a means to achieve international markets and have better return of investment (Oviatt and McDougall 1994; Coviello and Munro 1995).

According with Oviatt and McDougall (1995) there are seven different characteristics for a company survive and grow successfully in the international markets as a Born Global. These are the main characteristics: an international experience manager, a global vision from inception, global entrepreneurs with strong international business networks, preventive technology or marketing is exploited, an exclusive intangible asset, the organization which is closely coordinated across the globe, a service or product extensions are firmly linked. Although these characteristics are a good guideline of what a firm who wants to become Born Global should strive for, Oviatt and McDougall (1995) clarify that is not such thing has assured success and prosperity. Towards better understanding of the definition of these characteristics will all be touched upon later in this research.

1.2.1 Challenges of Born Global

Most SMEs have several difficulties in their daily activities and Born Global firms are not the exception. A quite interesting factor is that these challenges are often unique to BG's when compared to most MNEs and others mature players. According with Freeman (2006) the following challenges that Born Global can find are lack of economies of scale and a serious need of financial and international knowledge resources. Moreover, Oviatt and McDougall (1995) and Coviello (2006) identified some issues that BGs may face which are the inclination of the managers to risk taking and the newness in the foreign markets. These problems might have undesirable repercussions, because if the risks taken are perceived to be excessive or unreliable in terms of profits in long-term. And in parallel the naive behavior thanks to newness of Born Global startups. They would suffer legitimacy since BGs do not have social ties to established players within foreign markets. However, there are ways to alleviate newness, based on Beamish (1998) lecture, gaining social capital which includes: active customers, management contacts and involved suppliers, may be beneficial for BGs in their method to overcoming these challenges. Likewise, access to resources in the target markets (Sasi and Arenius 2008).

The liability of novelty of these companies combined with the expansion to many new foreign markets simultaneously or at least in rapid succession, presents another possible challenge that these enterprises may face: the liability of foreignness. In order to clarify this concept Beamish (1998) said that in some cases the entrepreneurs within the Born Global may not have the appropriate amount of international experience to understand the differences between how business is conducted in their countries and locally in the respective foreign markets. Another difficulty could be the existence of high entry barriers, which may include discrimination by different actors inside of the foreign market, such as suppliers, governments and customers (Beamish 1998). Furthermore, Raft and Lord (2000) admit that other challenges to consider include: uncertainty of local partners, cultural differences, language barriers, and adapting products to national requirements. These challenges are related with the concept previous mentioned from Wilfred Beckerman (1956) "psychic distance" this arises from such factors that it can heighten – or reduce – psychological barriers between regions and frequently prompt entrepreneurs to make counterintuitive choices.

Other factor that may cause adversity is the sizes of BGs. Small firms tend to have shortage of tangible assets possessed by larger firms, along with intangible knowledge gained through experience (Freeman, 2006). This modest size has tremendous downsides, since the labor markets in the new foreign environments may be more challenging for BG companies, because they have little influence towards the way that market are shaped, consequently lack of leverage and competitiveness (Beamish 1998). In addition to this factor of firm's limited dimension, Casseres (1997) has identified as "resources poverty", which may include characteristics like scarcity of financial capital and non-proficient in global management and personnel skills. Notwithstanding, some authors have advised to form network relationships with other key players, companies or organizations, to overcome such resource poverty (Oviatt and McDougall 1995; Coviello and Munro 1995).

Davis and Harveston (2000) have studied some methods to overcome size related disadvantages and they found out that the use of technology could bring massive returns, especially internet which, not only enables small enterprises to reach new customers, but also it creates awareness to consumers for their products or services worldwide. On the other hand, technology boost innovation and it is identified as being in domain of entrepreneurs, and frequently the result of the two subsequent sources: imitation of other company's innovation and internal analysis and development resulting from accumulated knowledge. The most prominent way to accomplished is to match the responsive to customer needs and expectations via new creations that generate value in the minds of the end users (Massini and Lewin 2003).

1.2.2 Born Global Capabilities for Overcoming these Challenges

Conversely, Born Global size tend to have multiple advantageous to the firm that allows achieve their goals successfully. Associate with founder's entrepreneurial mindset, McDougall and Oviatt (1995, 903) have identified that the entrepreneurial behavior exhibited at an international level may be illustrated as "...a combination of innovative, proactive, and risk-seeking behavior that crosses national borders and is intended to create value in organizations". However, it is relevant to highlight the fact that the entrepreneurial aspects are not limited to the founder, but rather may also be enforced at a company-level, because of limited small size of most Born Global and diminished power distance. Moreover, Zou and Cavusgil (1996)

demonstrate that SMEs must set clear performance goals and constantly monitor the external environmental situations before formulating their global expansion. These objectives, not only can overcome some challenges, but also highlight the importance of the drive and vision a strong leader process. Nonetheless, another attribute, thanks to little size of the firm is the flexibility that is prominent. This advantage allows for the BGs to be able at any moment to adapt to new markets in more fluid way and, consequently react to market conditions quicker (Andersson and Wictor 2003). On the other hand, the reduced magnitude of the firm allows employees to communicate more effectively and share knowledge with each other's (Freeman et al. 2006).

To sum up, Born Global share similar size-related disadvantages, as well as advantages compared with SMEs are known to face. Notwithstanding, the main difference is that BGs relies on its commonly superior level of product specialization and the knowledge of its entrepreneurial minded people (Freeman et al. 2006). Therefore, the founders and managers frequently have international experience and, due to this fact they can have access to new global networks, knowledge and markets. In addition, many born global enterprises possess valuable international expertise from inception that numerous other types of firms regularly spend massive amount of time and capital resources to develop (Knight et al. 2004).

1.3 Rapid Internationalization of Born Globals

1.3.1 Drivers of Rapid Internationalization for Born Globals

In fact, there are key drives that enable rapid Internationalization for BGs in terms of speed of geographic expansion and product strategies. Luostarinen and Gabrielsson (2004) admit that Born globals exhibit a focus on niche segments within the product dimension. To clarify, these unique firms focus in niche strategies when introducing new products, or several at the same time, allowing the BG to position itself into multiple markets with relative small opposition (Rennie 1993). Some researches illustrate that there has been an increased global demand for specialized products, since foreign borders for international commerce have decreased and the customers progressively are more demanding (Oviatt and McDougall 1995). Moreover, continuing with product dimension Born Globals have taken standardization in certain fields, such as Information and Communications Technology (ICT) and high-technology focused

subjects, such as marketing which allows uniformity of their process and product strategy. It seems to be the most efficient approaches from BGs (Gabrielsson and Gabrielsson 2003).

On the other hand, one of the main drivers that influence Born global enterprises is the phenomenon of Globalization. Despite of that, it is also relevant to recognize the influence of technology advancements, market opportunities abroad, the influence of the founders and managers, and less legislative restriction that cause BGs to aspire to internationalize rapidly (Andersson and Wictor 2003).

1.3.2 Market Influence and Product Competitiveness on the Internationalization of BGs

There are prevalent characteristics that a large proportion of born globals often share. Amongst the most relevant attributes are their product and industry conditions. Rennie (1993) verified that these companies tend to compete against multinational enterprises by way of high-technology, niche markets, marketing techniques, product design or by introducing preemptive technology. Thanks to these strategies, Born Global players likely to have a competitive advantage to distinguish themselves from the adversaries by creating new technologies, disruptive the industry, improve quality controls or adding value for the end users.

The evolutionary Economics theory presented by Nelson and Winter (1982) is one of the best ways to understand innovative tendencies of Born Globals. In their lecture, firms that seem to sustain innovation and consequently create new knowledge, regularly tend to have capabilities to achieve superior performance in “red ocean” environments. Usually, Born Global enterprises are build in industries with knowledge-intensive minded and, because of that they likely are specialized in relatively narrow markets, thanks to small size, limited capital and industry (Madsen and Servais 1997).

Nowadays, it becomes more evident why BGs need to internationalize rapidly, in consideration of the increasing degree of uniformity of consumer’s need and rapid pace of obsolescence of new technology (Meldrum 1995; Madsen and Servais 1997). In order to make the most amounts of sales, it is crucial to spread the product to foreign markets where the demand is frequently higher. For this reason, a concept called push and pull factors of economics emerge

from Luostarinen and Gabrielsson (2004). These individuals have illustrated why the push factor is evident in Born Global firms where their domestic market may be too limited to host Research and Development (RandD), whereas the demand of large global markets could act as a pull factor for expansion.

1.3.3 Market Entry

A study made by Coviello and Munro (1997) regarding formal and informal networking effect in different industries show that opportunities for “tinier” and younger enterprises are much more dependent on network ties than on traditional strategy plan as in huge corporations for example. Another author saw evidences of this subject Ojala (2009) illustrated that a formal relationship is preserved when BGs companies wants to expand for an international market and they need help of foreign distributors, in order to maximize the initial return of the investment.

On the other hand, managers that were working in previous jobs may establish great connection that allows the process of international expansion much easier and efficient than before (informal relationships). It is relevant to understand that in fact there are unlimited ways to enter into foreign market. But, usually social ties can grant this access, however is not a straightforward process (Gupta and Govindarajan, 2000: 46).

1.3.3.1 Methods of Market Entry

The company has the control to determine its path towards cracking into international market. Agarwal and Ramaswami (1991) have stated that companies operating in foreign markets commonly can choose between either high or low commitment entry modes. Born Globals tend to be less risk aversion individuals, so they conventionally try high investments and focus on differentiated products (low commitment). In addition, they established strategic alliances, which provide accessibility to resources, markets and knowledge (Lu and Beamish, 2001). Conversely, large companies have high commitment in the target market, since their entry strategies are exporting, licensing, FDI and joint ventures (Albaum et al., 2005).

Choosing the way of entering in a new market may determine the success or failure of internationalization of the company. Therefore, this subject is highly important, especially for firms that were born globally, and they are looking forward to expanding geographically. For BGs gain access to these new markets, they should find a suitable channel strategy to get favorable market entry. Gabrielsson and Kirpalani (2004) have identified the subsequent four channels to internationalize a company: Multinational companies that were incorporating systems integration, Networks relationships, Internet, and finally Multinationals that distribute products or services from BGs.

Although, Born Globals need to use one of these channels when internationalizing, typically it is relevant to choose a combination of two or more of these channels (Gabrielsson and Kirpalani 2004). Generally, the approach of which channels seem to be more appropriate for the internationalization process, because is fairly dependent on particular firm characteristics: organization, founder, innovation and finally, but not least product. Nonetheless, the company has to decide regards networking due to relevancy of the relationships or potential relationships that might be established in the near future (Gabrielsson et al. 2008).

Born Global may try to rely on foreign independent multinational distributor and those potential distributor's abilities to maximize performance outcomes related with business activities overseas Knight and Cavusgil (2004, 11). Notwithstanding, there are mutual benefits between Born global companies and MNC's, thanks to complementary resources to add to multinational companies' product line and the evidence of outsource which can help BGs (Gabrielsson and Kirpalani 2004).

Despite of the fact that some startups created into global environment need some help from MNC's to gain foreign market, other BGs use Internet to penetrate to new markets. There are many alternatives of internet applications, for example process automation (inventory management, bidding purchasing and order/shipment tracking), along with information provider, communication tool and promotion of services or products, which can generate direct sales (Hamil and Gregory 1997). In addition, internet is one of the main responsible to provide SMEs with plenty international commerce opportunities and compete with mature companies, thanks to reduced barriers to entry. The benefits of it are immensely as companies that are more focus on niche product can easily find critical mass of clients throughout internet and increases

product or brand awareness much faster due to spread online and transform into viral marketing (Quelch and Klein 1996).

Besides time frame, market entry modes from BGs do not differ from ordinary SME. Usually, Born Global enterprises have been adopting the following market entry modes: turnkey projects, direct sales, joint ventures, inauguration of subsidiaries or offices, exporting, licensing and sometimes in foreign direct investment (McDougall and Oviatt 1995). Since these companies are highly technology oriented with a core characteristic in niche products, this rapid willingness to open new markets makes sense, due to increase the possibility to become first mover advantages. This approach has massive benefits related with superior market share, attempt to create monopoly economy until other competitors enter the market, and strong market position. Moreover, first movers can advance their learning curve regarding their product and respective market, and since they are pioneer the customer's preferences are more likely to be influenced by the company (Knight et al. 2004). However, it is relevant to highlight the fact that some first mover advantages are not given for Born Globals and there are a probability to be very dependent on specific network connections that the company has through its founders. Mort and Weerawardena (2006) have stated that those modest sized firms who have the "right man" have greater success in using their networks into foreign markets. The definition of "The right man" is a person that enables strategic alliances abroad in the markets which the firms are eager to enter. This thesis

1.3.4 Network Application during Rapid Internationalization of BG Companies

In 2003, NiNikkanen further explain his network theory and figuratively speaking he said that: *"a network is a constellation of various, partly overlapping nets including tying actor bonds, which strengthen the relationships and which the roles/positions are based on."* Therefore, networking brings massive knowledge, deeper understanding of complex markets and permit managers to advance business-to-business relationships (Olkonnen et al. 2000). This essential concept is used to overcome limitations that many SMEs and BGs are facing when they try to go abroad.

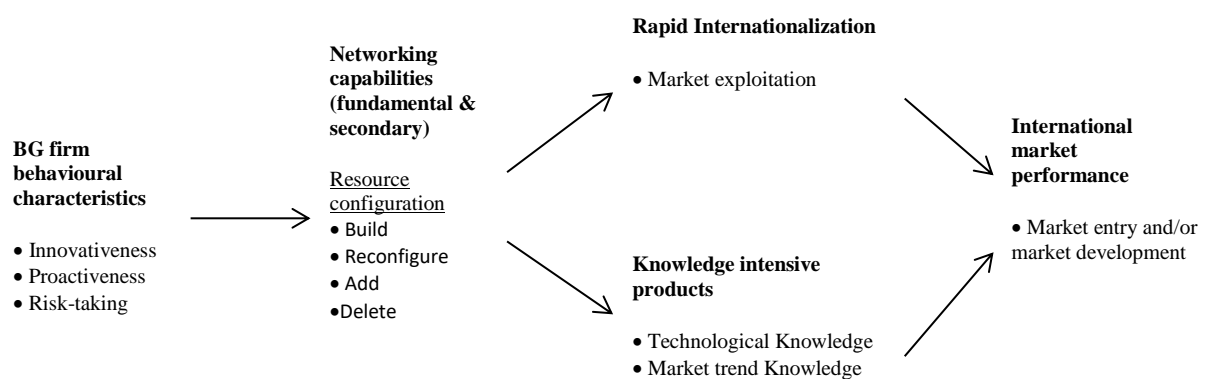
Furthermore, it allows an opportunity to gain necessary resources via mutual relationships with other companies (Gilmore et al. 2001). Nonetheless, these companies, since they have more information access, they can compete more evenly against powerful firms, thanks to networks relationships previously established, not only at domestic level, but also at international markets (Gilmore et al. 2006). An interesting fact provided by Gabriëlsson and Kirpalani (2014) is that networking is not only useful to acquire resources as it likewise to bring simultaneous learning amongst all actors within the network. According with the sentence above from NiNikkanen (2003) related the concept. He expresses some thoughts about the Actors, for that reason it becomes important to demonstrate examples of these actors and their connections. Actors may be identified either persons or organizations depending on the specific relationships. After all, these network ties can be built between people, among companies, between individuals and firms. Moreover, this relationship may take different forms such as ties connecting services providers, or government agencies, clients or suppliers and it can vary if it is for a long-term or short-term as well as it consists in both economic and non-economic bonds (Johansson and Mattsson 1987).

As the following figure illustrates, Born Globals benefit of networking to penetrate throughout the new market and to surpass resource poverty. Along with dynamic network capacities BGs are more willing to internationalize faster and export/selling their products internationally, whereas diminishing the risks associated with the global expansion by gaining resources from different parties within the network. Mort and Weerawardena (2006) have stated that the main determinants of building network bonds are the attractiveness of the innovation as well as the strategic role of the BG's founders. These encouragements of building network ties are intrinsically linked with behavioral characteristics of BGs which reflects their proactive mentality to create new network relationships, an inclination for risk taking, along with an innovative atmosphere.

Although Born Globals are resource poor, their network capacity provides these firms with the need sources of market knowledge by forming offices/subsidiaries abroad to form sales actors and boost their revenue, and the financial and HR resources to contribute for the Research and Development department, otherwise BG enterprises could not perform in the best way possible. Networks have a particularity to provide ideas for product development of knowledge intensive products, as well as specific insights from the market to adapt the product or service at its needs (Freeman et al. 2010). After BGs absorb these inputs, it is used towards rapid

internationalization, since the firm is capable to seek the opportunities present in the new international market. According with Regarding Weerawardena (2006), international market performance of BGs it is inappropriate to use metrics such as return on investments and profit as metrics, because born global firms are not in the stage of sustained growth. They argue that when examining these companies, the indicators such as the BGs skills to reach new international markets, and constantly form new networking ties in order to create new market opportunities are greater metrics of initial market performance of Born Global enterprises. The below figure illustrates the previously discussed conclusions Mort and Weerawardena relating Born Global companies and rapid internationalization.

Figure 1: Conceptual model of networking capabilities for BG firms



Source: (Mort and Weerawardena 2006, 567)

1.3.5 Potential Benefits and Risks of Networking

Although Networking is extremely relevant for BGs, it is crucial to understand what possible (positive and negatives) roles it can play when Born Global firms engage with other companies, especially with larger companies. On the other hand, it is also essential to understand what the advantages are for larger firms and what concerns them in regards of forming business connections with BGs. But before act upon these potential benefits and risks, it is crucial that a firm highlight the reasons behind its consideration, because strategic activities will significantly influence the choice of the partners, then the relations and which activities may be the best ones to integrate with them (Badaracco, 1991a). Informal networking is very useful

specially for BG's managers to see if an individual is reliable before starting commercial transactions. Therefore, managers have used personal contacts, because these previously connections come from mutual trust and past experiences, which assure integrity, legitimacy and ethics. (Musteen et al., 2010).

Frequently, Born Global enterprises have been seen to cooperate with companies with greater dimension via networking towards engaging in international business rather than operating independently (Hyotylainen 2000, 25). In consequence, the smaller ones are able to overcome some challenges such as, the newness, resource poverty and size. In addition to that, as in an initial stage they experience a shortfall of credibility and legitimacy, which is defined as a lack of reputational capital. For that reason, memberships with other companies may bring business opportunities throughout networks connections (Sasi and Arenius 2008) and gaining rapid entry into foreign markets and enhancement their position abroad with credibility and acceptance (Aldrich and Fiol, 1994; Stuart et al., 1999). Once BG firms are well established in the new market, the relationships in the network allow the procurement of local market knowledge, which is imperative on the internationalization of resource (Aldrich and Fiol, 1994; Stuart et al., 1999). In fact, these local knowledge can be achieved through partnerships with international mature companies that are well established (Zhao and Aram, 1995) or by referring the owners of BG firms to a third party with the needed knowledge (Zain and Ng, 2006). Otherwise, the scarcity of this local knowledge could delay for instance, business practices, norms or laws (Eriksson, Johanson, Majkgard, and Sharma, 1997). To conclude, these partnerships allow BG enterprises to gain access of distribution channels, as well as added benefits of lowering the cost related to foreign market entry, reducing risks, implement norms and saving time (Coviello and Munro 1995).

On the other hand, there are risks associated with network relationships that should be highlighted. Firstly, one of the concerns is opportunism by larger companies within the network. According with Oviatt and McDougall (1994), commonly large firms want to form greedy alliances with smaller companies to try to possess their knowhow, this is evident around high-technology startups. Secondly, the BG companies may find itself over relying of their business partners during internationalization specially on resources and activities, which create enormous dependency on the larger companies. Moreover, because of smaller firms tend to have shorter power compared with their allies; there are notable differences in the influence of decision among the firms. On the third place, business owners need to put too much effort and

time to create significant relationships before they can benefit from network bonds (Jack, Dodd, and Anderson, 2008). According with Semrau and Werner (2012) this is precisely what defines opportunity cost of time spent by partnership and with the dimension of the network. Although, the time that founders/owners spend to build a strong network with important individuals is excessive, this tie are more relevant, because they are based on deep personal trust like the informal bonds are. These ties have greater repercussion than formal ones, due to the fact that, formal bonds could increase opportunistic behavior from managers who are in larger foreign firms (Etemad, 2004).

Another factor that could be rough for the Born Global firms is the culture differences between both companies in terms of preservation and development a long-term relationship (Batonda and Perry 2003). A way to surpass the last dilemma is to use personal contacts and try to “make a bridge” between the BG manager and the foreign company’s regional managers. Freeman (2006) pointed out that, in such cases the regional manager has the possibility to be promoted to director positions in their respective firms, it means that direct communication with the heads of the foreign company may bring advantages in the long-term and adapt to the culture and habits.

Notwithstanding, from corporation’s perspective, they tend to question: do BG firms are reliable to develop sufficient volumes of products when commonly they likely have a shortage of resources? There is often this type of doubt to understand to what extent large foreign enterprises should outsource or subcontract their activities within the network. Consequently, if the partnership between both companies is not strong, larger enterprises would have severe strategic weakness and incurred costs in the long term, since they subcontract and devoid core competencies (Salo and Lukka 2004, 17). Also, engagement within networks may cause “lock-in effect” (Gulati and Gargiulo, 1999; Nahapiet and Ghoshal, 1998). This phenomena is often linked to the failure of the company on identifying new business opportunities, thanks to expanding their network horizons with prospective partners or predetermined network boundary (Adler and Kwon, 2002; Gadde, Nohria, and Zaheer, 2000). Consequently, not only opportunity costs arise, but also dependency and loss of control may happen, furthermore companies end up reaching information provided by the network ties (Hitt, Lee, and Yucel, 2002).

In order to overcome this problem, that may sometimes outbalance its benefits; the corporations must create a complementary relationship with Born global companies where the different stages of product development and distribution are done in a cooperative environment.

Although collaborative tactics may be a concern for multinational companies, it brings massive benefits, particularly when the colossal ones are in an urgent need of specialized product in a relatively short period of time. Otherwise, their competitors may enter first in a specific market and gain market share. Therefore, such collaboration between larger firms and BGs may be a beneficial situation for both parties, because it allows the large company to take advantage of the adaptability, flexibility and specialization of the BG, and on the other hand, Born globals reach mechanisms to make the internationalization process easier, thanks to the larger company's network, along with knowledge for additional market development (Coviello and Munro 1995).

1.4 Dynamic Relationships and Partner Commitment

Holm in 1996 has verified that dynamics relationships towards internationalizing have serious impact in both parties, due to the fact that each side has the power to influence other side. In fact, firms that once considered being autonomous and craving to compete against one another are now commonly share the same interests through many kinds of social, professional and exchange relationships. Independently of the company size, dynamic relations are true for all firms, including Born Globals, since these enterprises often have a scarcity of resources, knowledge of overseas markets, as well as contacts to key foreign actors, it becomes crucial to establish external networks in order to make easier broad international business activities. In consequence, this means that born globals tend to create dynamic relationships towards gaining necessary resources to expand their operations globally (Johansson and Vahlne 2003).

First, collaborative partnerships between MNCs and small companies are becoming quite popular nowadays, because of constantly changing industry characteristics and advancements in IT, which help outsourcing. It is evident these dynamic relations occur in high-technology sector, because the rising costs and growing knowledge specialization (Ritter and Gemuenden 2004).

Secondly, a different dynamic is natured by “client followership”, when the subcontractor company may use its domestic market by following their greatest client to international markets Servais (1997). In other words, firms that sometimes utilize their customers towards penetrating foreign markets as an access point to scale up their sales to wider markets, and after that later as a reference point if they want to look to foreign networks used by the respective client. It is worthy to search for opportunities using their domestic networks, due to the fact that if these customers expand into several global markets, BGs will have leverage to boost their sales abroad. Another benefit of take advantage of domestic network relationships is the fact that academic institutions may be a co-operative partner, not only information acquisition, but also possible source of personnel recruitment. Small companies in general, have difficulties to gathering information and knowledge to acquire in short periods of time, so universities and polytechnic institutions provide a massive amount of information in several markets, products and companies with minor associated costs (Luo and Peng 1999). Moreover, student associations and other sources of academic networks bring advantages for product development and insightful information to new technologies (Majkgård and Sharma 1998).

Finally, since the networking effect between born global firms and their partners, namely MNCs, major customers and academic organizations are frequently vital relevancy to each other and require commitment, so it is evident that partner’s commitment should be examined. As Holm (1996) state, commitment is a central part in models of relationship development. Therefore, in order to have cooperation in a business relationship and mutual understanding, both parties must be willing to invest in their relations related with the business, but also including other activities. For that reason, there are correlations between the investment that partners are willing to put into relationship, more the partners embedded their relationship becomes and consecutively commitment to each other also exponentially rises (Gulati, et al. 2000). To conclude, according with Holm (1996) business connections may be viewed as strategic alliances that were established throughout the totality of the network, because of that it can be viewed as a sum of various sets of business being affiliated to each other via relationships of dynamic nature.

1.5 The Value of Knowledge to the BGs

Born Global companies are the ones who lack financial and human resources, who the man in charge constantly seek high risk (entrepreneurial mindset) and have a global vision from inception. Therefore, these companies have little or even no choice; besides expand quicker to foreign markets, as a result of limited market potential and/or saturated market conditions of their domestic markets and because of their product nature which are knowledge-intensive in the fast-paced high-tech industry. These characteristics, made it so difficult for Born Globals achieve the fast-geographic expansion with such size and resources constraints, especially when ancient internationalizations theories as the Uppsala model have illustrated that the way to internationalize is from stepwise approach instead of rapid geographic expansion. However, Born Globals have key factors that boost their expansion and it is the engagement in networks and partnerships have been demonstrated in this thesis to be a reason to this quicker internationalization by the means of resources acquisitions (market information, facilities, suppliers, finances and so on...), also by reaching new actors connections within the international networks. But, in order to have a sustained rapid internationalization and implemented from the beginning towards gaining tangible resources these factors alone are not enough. Unless these young firms, firstly must gain access to these networks by using its own competitive advantages that are frequently based upon intangible resources (Sharma et al. 2004).

The Knowledge-Based View (KBV) illustrates that an intangible resource, as know as knowledge, has been recognized as the factor that gives Born Global enterprises an edge to compete against the rest of the challengers, as well as it gives rise to the firm's organizational capabilities (Prashantham 2005). Moreover, Gassmann and Keupp (2007) have reinforced the relevancy of the knowledge by declaring that in the environment that BGs with intangible resources have higher contribution in their performance compared with tangible resources. Other authors verify this statement by stating knowledge as an "*enabling resources*" to Born Global firms Oviatt and McDougall (1997). According with Knight and Cavusgil (2004) along with tangible resources is the peculiar knowledge base and gained that increase the international organizational capabilities of BGs.

Therefore, the next topics will go in depth on how the Born Global enterprises are capable to expand globally faster than others by acquiring and using this key intangible resource.

Moreover, the importance regarding knowledge will be divided in several standpoints. Initially, the different types of knowledge gained by BGs its founders. Another relevant topic is the role of networking and Born Global companies' key individuals and how they accelerate the acquisition of this knowledge. Lastly, the ability of young companies to use the retained and acquired knowledge in its geographic expansion process will be examined, and how it performs and promotes the rapid internationalization of BGs.

1.5.1 The Knowledge Acquisition Gained by the Founders and Network Relationships

The knowledge provided by the owners of the company is extremely relevant when the firm wants to expand. This expertise is acquired via their education, direct international experience, and previous work experience as well as network connections. According with Laanti et al. (2007) these insights not only from the founders, but also from key personnel is identified as the "stock" of experience. Moreover, the same author has verified this concept allows predicting the internationalization success as well as helping facilitate the speed of knowledge acquisition during the global expansion. Although this expertise promote accomplish main goals, it is relevant to combine this knowledge with local insights, because its benefits tremendously the firm in foreign markets. Regional individuals may become great assets to hire, since they know more about the region than BGs who have arrived earlier in the foreign country. In consequence young companies acquired important external knowledge and expand their social capital, which provide opportunity for BG firms to open new access to an even wider source of knowledge, thanks of hiring local people from existing networks (Coviello 2006).

Objective knowledge is constantly receiving less attention from researchers in regards the role in companies' internationalization patterns. Information is almost a commonality; therefore, the acquisition of objective knowledge can easily be associated with standardized market research (Eriksson et al. 1997), also with textbooks and marketing courses in academic institutions (Blomstermo and Choi 2003). It is evident that objective knowledge can be easily transferred and, as a result of that does not support companies with a source to create a competitive advantage. Notwithstanding, it becomes highly important when experiential knowledge should be codified and transferred. This experiential knowledge should be

converted firstly into objective knowledge towards sharing perspectives and information, close dialogue amongst actors and learning by doing and test it. When this first stage is finished, as well as experiential knowledge is codified it can after being presented to others by the means of invoices, pamphlets meetings and so on and so forth (Hussi 2004).

Once the acquisition of knowledge is done, regarding international markets and operations which are decisive for Born Global enterprises to attain an international presence. It is essential to develop an efficient way use it and keep accumulating upon it, in order to not becoming stagnated or satisfied with the retained knowledge. Nonetheless, in some cases entrepreneurs are so focus in their own expertise and vision, that they may have difficulty to store new relevant inputs regarding new opportunities due to their obsession (Michailova and Wilson 2008). Therefore, this is why it is advantageous to have a group of individuals which bring sharing of knowledge and their respective networks, allowing more people to invest their views within the company. Moreover, it possibly contributes new product opportunities and open markets that were antecedently unrealized to the company during initial internationalization plan (Freeman and Cavusgil 2007).

Since the phenomenon of Globalization has started, sharing knowledge is further enhanced by it and consequently factors like technology advancements in IT, have led better access to information amid actor ties (Andersson and Wictor 2003). Furthermore, globalization, thanks to open boundaries has created industries which are intensely knowledge oriented, partially contributed to the rapid internationalization of Born Global companies that they typically operate in. In fact, Global markets in these specific industries need less local adaptation, because of globalization. Brennan and Garvey (2009) stated that smaller internationalization knowledge is required from the BGs to adapt their products or services effectively.

1.6 Defining Accelerators and the influence for BGs

Accelerators as the name indicate are programs that speed up the process by helping entrepreneurs develop their technologies for a period and bring their products into the marketplace. Previous articles related with this concept defined them by the unique services they provide to entrepreneurs. Fishback (2007), who was one of the experts at Kauffman

Foundation explain that accelerators are organizations that offers a suite of professional services, mentoring and office space in a competitive program format. However, in the recent year the number of accelerators has increased considerably, an necessity to narrow this definition is needed, particularly to distinguish accelerators from business incubators. Several authors ((Bøllingtoft and Ulhoi 2005; Isabelle 2013; Hoffman and Radojevich-Kelley 2012) stated that both incubators and accelerators can be widely characterized as groups of knowledgeable business persons who provide nascent companies with advice, financing from time to time, business services, and sometimes office space to help them develop and launch their businesses with greater success, compared with startups that did not have assistance. Yet, according with Allen and Rahman (1985), business incubators have been a popular means to support startups since at least the early 1980s.

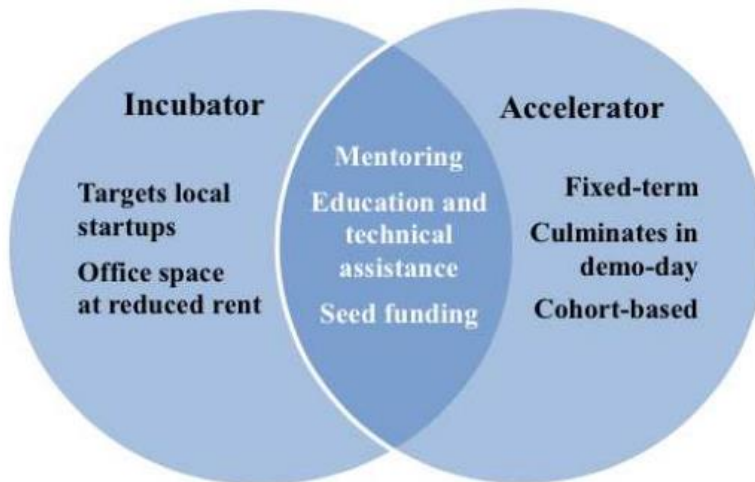
Therefore, the National Business Incubation Association (NBIA) – a membership organization for the incubator industry – establishes some key differences between these definitions. The analysis express that their dissimilarities lie upon their nature, intensity, and duration of characteristic, rather than its presence or absence in a program. Thus, it is useful to highlight differences in the characteristics of both entities. Isabelle (2013), Radojevich-Kelley (2012) and Atkins (2011) spelled out several attributes associated with incubators are the following:

- They quite often target local startups.
- They do not invest capital in the startups.
- They provide office space at low rates for the startups they support.
- They are nonprofit entities, commonly associated with universities.

Conversely, they found the subsequent features to be more typical of accelerators:

- They targeted regional, national, or even global startups.
- They do not necessarily provide office space, however they tend to provide meeting space for the startups they support.
- They are profit driven entities that receive equity in exchange for the provision of funding the startups.

Figure 2: Incubator and Accelerator Characteristics



Source: Dempwolf et al. (2014:14)

Since this differentiation is already not so blurred, it is crucial to do an overview between accelerators in different regions in the world. The National Endowment for Science Technology and the Arts (NESTA) conferred that some of the European accelerators have adapted the business models of U.S accelerators in order to account for differences and be able to adapt in local funding and networking needs. Moreover, there are even government-funded accelerators. For example, Start-Up Chile in Santiago attracts business from other countries and provides short-term funding to the startups, but do not receive equity stakes in the companies (Miller and Bound 2011).

Data provided by NESTA also illustrates that the most cited accelerators are settled in USA, for that reason, it is crucial to compare accelerators that are based in U.S and non-U. S and characterize the similarities and differences. As a matter of fact, in terms of industry focus, both are quite similar – software design and mobile application development – however, in terms of organizational structure while U.S accelerators are interested in helping small business that are located in close geographic proximity to mentors and investors to reduce market entry (Geographic based approach), the Non-U.S accelerators are inclined to have their headquarters or branch offices host events around the region for small business. Investors are not necessarily in close proximity to the mentored businesses (Event based approach). Additionally, the access to investors is another distinguishes criteria that these two regions diverge, American accelerators preferred to communicate with investors that are near to them. On the other hand,

Non-American accelerators identify that access to potential investors is not always a factor in organization of accelerator events. Access is limited by distance between startups and investors (Miller and Bound 2011). For instance, the Startupbootcamp operates in alternating European cities. Several accelerators are working to close the investment gap in startups between U.S and Europe. As a matter of fact, Seedcamp has worked with the British government to develop a visa that would allow accelerator founders from outside the European Union to help close this gap.

As aforementioned, most of the existing accelerators to date have operated in the software or mobile applications arena, due the fact that is an industry typified by relatively low capital requirements and short prototyping durations. Moreover, in terms of revenue assumptions are then built around rapid growth and large-scale markets. The accelerator must be able to create value for founders and managers of the small business, who are caving to make an impact and consequently achieve rapid, but sustainable growth through their mentors, technical assistance and network connections (Cohen, 2013).

1.6.1 The impact of Accelerators for Born Global firms

It is crucial to indicate why these accelerators can boost the growth of a nascent company as well as the benefits which attract a lot of attention from startups founders. For that reason, this report is going to compile the 7 benefits that are impacting positively these young firms.

- a) **Funding:** Frequently, emerging business that are joining the accelerators program may receive a seed capital investment. Thanks to this enticing feature, people agree to apply for these programs, but is not the main driver when people make the decision to be there (Miller and Bound, 2011). The amount of money can vary for programs and accelerators, and the main purpose for this investment is to cover the incremental expenses while they are developing their ideas. Another important aspect is it allows the founders to focus completely on their startups.
- b) **Comprehensive advice and support:** Get involved in the program is critical for founder to have a tremendous opportunity to access the network of people in several industries, they may be form by highly successful entrepreneurs from large companies or in startups. Moreover,

accelerators hold tremendous amounts of events that enable connection and communication which is essential to get some feedback on the founders' products and services, as well as consolidate relationships with potential investors that could propel the startup to the next level.

Another benefit related with this topic is the possibility of founders can derive valuable knowledge from the experiences and skills of mentors of the management team. This earlier education can prevent unwanted obstacles, not to mention to quickly speed up the process (Gibbons, 2018).

- c) **Bridge to potential investment:** When the startup enters the program it receives a small amount that can pay the minimum expenses, however, in order to the startup grow exponentially they need to have investors that fuel this ambition. For that reason, accelerators are the bridge that connects the investors and startup founders. The small business man has an opportunity to meet with high quality persons and pitch his idea. It is the main return of joining accelerators, due to the networking aspect and the chance to raise further investment.
- d) **Validation:** Once the startup is admitted to the accelerator program, it is evaluated by successful investors and founders. The better reputation of the accelerator program, the more reliable the validation can be. As a result, it brings to the startup undeniable advantages over others for example with journalists, future clients or investors. It is hard to calling investment, particularly for a first-time entrepreneur, so there is not greater reassurance for the investors to fund a small business with credible accelerators, rather than unknown founders with no support.

Nevertheless, the founders need to keep in mind that they need to “step up their game” and get beyond the accelerator’s brand. Initially, the investors tend to be more focus on the team and then the idea. Further, the idea needs to be practical and work properly in reality, therefore the founders before hitting the investors, they need to approach their first customers and get their first revenue (Millers & Bound 2011).

- e) **Peer support group:** Accelerators are a great resource to connect the founders and build tighter relationships, they are working together and can actively support each other and provide invaluable advice, guidance since they all go through the same difficult periods and almost in the same stage when they start it. In consequence this creates an encouraging environment for the start-up founders and they do not feel alone in their journeys.

Furthermore, the importance of alumni network has to be emphasized in this part, because success and failure stories from the previous candidates are meaningful for acquiring lessons behind those stories are relevant for other founders need to know in order to set their future goals and prevent the obstacles (Miller & Bound, 2011).

- f) Discipline and pressure: Startups that are involved in accelerators are the ones that need to follow deadline frameworks and since they are set they need to follow, another thing is they need to attend regular meetings with the management team to review the progress. For that reason, founders must be discipline and goal oriented to accomplish these key aspects, and according with Paul Rawlings (2003) these characteristics of accelerators have immense value and forced progress of high achievers to get success inside of the entrepreneurial ecosystem.

- g) Risk management- Long term view: Working in accelerators and have the support not only of the management team, but also their mentors can help startups to identify the risk and instruct the way to prevent risk. Since the majority of the founders have less knowledge and do not understand so much the market and see if their products or services are suitable, the contribution of their supports can provide positive impact and overcome obstacles. On the other hand, early founders only have short term vision for their product or service (in general about 6 months), but working with further view and objectives well established is crucial. Thus, accelerators can help to break this myopia and make the founders think outside of the box, by asking critical questions which can clear up the difficulties. As a matter of fact, they can assist the founders to think about a bigger picture and advice possible tactics and tools to achieve the objectives (Gibbons, 2018).

2. Functional Presentation of Strategic Plan

2.1 Contextualization

2.1.1 The Origin of Attentive

Daniel Araújo, who is the founder of Attentive, had the ambition to create his own business, but the only question was when and what kind. The founder is an individual that is resilient, passionate and committed to solve problems, especially the ones that are related to generate revenue for the company. After a few years working for Google, between Dublin and London, the what kind of business started to appear inside of his mind: how to use the huge amount of information available to empower sales representatives? With this question in mind Attentive was created in 2015 to become a Software as a Service (SaaS) solution that can give a self-enforced sales process that: - Only takes one minute a day to update the CRM for the salespersons; - Generates accurate reporting data; - Gives to the sales team specific recommendations on what to do next; - And, does not even require the user to login the CRM every day! Notwithstanding, the founder realized that it was clearly an opportunity to develop a tool that could enhance the CRM, that could remove several barriers sales reps encounter. According with Daniel, it took a while to understand what kind of solution the market really needed, to get the product “from a nice-to-have to a must-have”. Along the way come mentors, accelerators, namely Beta-i and Techstars and the willingness to learn and absorb knowledge and a keen to be #1 when it comes to making sales teams reach their full potential.

Beta-i: Is an organization created to boost entrepreneurship and according by its website their mission is based upon building and foster a true innovative culture by helping a sustainable growth not only new startup, but also established businesses. As a matter of fact, since 2009, the firm has focused its attention to build a solid innovation ecosystem. It is important to highlight that it have been the pioneer in the implementation of open programs and had contribute for global programs, such as Singularity and Free Electrons – a innovation program developed with 8 companies in the energy sector across the globe.

Most recently, the company merged with Couture and, as a consequence of that the team has increased more than 50 members. Couture is a company that was founded curiously at the same year at Beta-i (2009) and has an interesting methodology that puts the people in the center of

innovation and the process of business developer and strategic awareness. It is a different way of thinking which is based upon “client-centric”. This consulting firm is currently working with one of the main companies in Portugal, and as a unique value proposition, by providing innovation projects which are fostered in certain criteria, like relevance utility, brand strategy and development throughout three levels of services: Business design, innovation process and people training.

Additionally, Beta-i offers a 360° innovation services with its 6 main areas: Acceleration, Events, Corporate (Innovation & Open Innovation – which incorporates external knowledge into innovation into the top management), Education, Investment and Hub. Notwithstanding, Beta-i is internationally recognized as one of the leading enterprises in this field, and for managing Lisbon Challenge which is identified by one of Europe’s most active startups accelerators, since 2010. Nevertheless, this contest has received more than 5000 applicants to their programs and accelerators over 850 startups, as a consequence of that they have raised above €65 million. As a result of this outstanding event, in 2015 Attentive joined Lisbon Challenge, a 3-month acceleration program in Lisbon, and in consequence the company won first prize on pitch competition, got €100,000 in investment from Caixa Capital. However, the founder’s ambition went beyond the Portuguese contest for that reason in May of 2016 he joined Techstars’s Risingstars virtual acceleration program.

Techstars: is an American seed accelerator founded in Boulder, Colorado in 2006 that establish a worldwide networking of investors, mentors and founders that helps entrepreneurs succeeds. Hereby, Techstars is working with dozens of mentorship-driven accelerator programs and thousands of community programs across the globe, the accelerator supports the world’s most talented entrepreneurs throughout their lifelong journey, from inspiration to IPO. Additionally, Techstars, supports every stage of the entrepreneurial journey – from early grassroots community development to formal opportunities that are aiming to enhance experience, education of the founders, acceleration, funding and beyond.

In 2017, the company had accepted more than 1000 applications into its programs with a combined market capitalization of \$9.6 billion. This well-known accelerator has highly reputation in the entrepreneur ecosystem and therefore the standards to entry in their programs are very intense, the applicants need to surpass, not only the viability analysis of the Managing Director of the program they applied, but also the screening committee composed of numerous

members of the Techstars network, as a result of that process almost less than 1% of applicants are accepted. When finally, the process terminates, in exchange of 6% common stock, each company accepted into Techstars receives \$120,000 of seed capital, as well as access the accelerator network for life and a three month accelerator program. In terms of Attentive, after a long application process the company was succeed and in January of 2017 they joined Techstars Boulder and after three months Attentive presented at Techstars Demo Day. When Daniel was in the program he begun to have great mentors that supported him and give goals that attentive needed to achieve, Daniel also stated that his mentors already did 3 IPOs and he receives mentorship meeting weekly.

Furthermore, besides the capital injected by Beta-i and Techstars, Attentive has gained in the recent months (2018) two more fundraising to develop his software, the first one was approximately €260,000 and the second one was around €1.2 million. Moreover, the idea of this strategic plan is to expand the company for foreign markets, namely the United States of America which will be presented in the course of this work. Thus, the implementation will require the opening of new office there, as well as the acquisition of software and hardware and hiring of experienced employees to carry out the other tasks inherent to the company's activity, aiming to convert more prospects into clients and consequently increase the market share of the company.

2.2 External Market Analysis

According with Freire (1997), the survival of companies depend on their ability to interact with the surrounding environment. The continuing evolution of markets and industries generate multiple opportunities and potential threats to which companies have to be able to respond. Competitors who are less quick and effective at adjusting to the trends in the surrounding environment are therefore at risk of losing customers and ultimately enter in bankruptcy. Therefore, it is highly relevant to analyze the environment, namely the Contextual Environment, as well as Transactional Environment.

2.2.1 Contextual Environment

All organizations operate within a very broad external environment that condition in different periods of time (medium and short), the companies' attractiveness, strategies, goals and in extreme cases their ability to survive. For that reason, this concept can be divided in four distinct contexts for the USA market:

- Economic Context;
- Political-Legal Context;
- Socio-cultural Context;
- Technological Context.

2.2.1.1 Economic Context

In 2017, global economic growth is estimated to have reached 3%, which is the highest growth rate since 2011. It is relevant to highlight the fact that currently, all major developed economies are experiencing a synchronized upturn in growth, compared to the previous years (almost two-thirds of countries worldwide). However, the main drivers remain the emerging economies in the global growth. In the last year, East and South Asia accounted for nearly half of global growth, as both regions continuing with the accelerated pace. One of the key players in this region is without a doubt China with a contribution of one-third of global growth during that year. As a matter of fact, recently, a report released by PwC has presented growth forecasts for the world's 32 largest economies and countries that will dominate the planet by 2050, placing China as the world's largest leader, accounting for 20 percent of world GDP.

The recession in 2009 adversely affected the economy of the USA and the unemployment rates soared to an alarming point. However, the economy bounced back with a growth. According with the World Bank and the United Nations Report (2018), the economy of the United States is growing annually 2.2%. This acceleration is largely stemmed from shifting dynamics in business investment and, to a lesser extent, net trade. Furthermore, steady growth in the US is underpinned by a sustained pace of expansion in household spending, projected at 2.6 per cent in 2017, following growth of 2.7% in 2016.

Despite a strong job creation, growth in real personal disposable income has remained weak in the US. This aspect is highlighted this weak growth of average wages, which in part reflects stagnant wages at the lower end of the wage spectrum, which results on the arise in the ration of mean-to-median wages, as the following image illustrates Figure 2. This current economic situation is an opportunity for Attentive to penetrate into the US market and expand their business operations, due to the wage inequality that tends to reduce the salary costs of hiring local employees.

Figure 3: Wage inequality in the US



Source: UN/DESA, based on data form U.S Bureau of Labor Statistics, Current Population Survey and Current Employment Statistics (2018)

Changes in income tax brackets and standard deductions expected in the 2018 budget may in part offset any improvement in after-tax wage inequality and complementing with this data an independent agency has estimated that the bulk of tax relief would be directed towards households with the highest incomes (Tax Policy Center Urban Institute and Brookings Institution, 2017). The United Nation report also indicates that the rise in inflation towards central bank target contingent on acceleration in wage growth. This is regarding the inflation, which is expected to rise the Federal Open Market Committee (FOMC) target of 2% over the course of 2018.

Regarding GDP, in 2017 US has a Gross Domestic Product of \$19,390.6 billion and continues being the world largest economy, representing approximately 24% of the world GDP, China and UE have represented around 15% and 21% respectively. Notwithstanding, Foreign Direct Investment had a relatively rebirth in previous year, after contracting by 0.6% in 2016. This

revival is caused by the rise in equipment investment, which accounted for 40% of investment growth in the first three-quarters of the year, is particularly supportive, since it lays the foundation for a recovery in productivity growth.

Whereas the USA has proposed an Infrastructure plan to support \$1 trillion in infrastructure investment has not yet gained traction, the reawakening of external demand complemented with expectations for stable domestic growth will continue to support conservative investment growth into 2018. The following tables show the largest sources of FDI in the US as well as the fastest growing sources that are seeing interesting opportunities to invest in America in 2017 by country.

Figure 4: Largest sources of FDI and fastest-growing sources of FDI in US

Largest Sources of FDI in the United States (by UBO)				Fastest-Growing Sources of FDI in the United States (by UBO)			
Rank	Market	2017 Position In USD millions	Share of total	Rank	Market	2017 Position In USD millions	CAGR 2012-2017
1	United Kingdom	\$614,865	15.3%	1	Greece	\$1,028	70.7%
2	Canada	\$523,761	13.0%	2	Argentina	\$4,608	56.6%
3	Japan	\$476,878	11.8%	3	Thailand	\$2,160	38.9%
4	Germany	\$405,552	10.1%	4	Singapore	\$88,596	38.4%
5	Ireland	\$328,671	8.2%	5	China	\$58,048	32.8%
6	France	\$301,540	7.5%	6	Ireland	\$328,671	29.6%
7	Switzerland	\$201,867	5.0%	7	Turkey	\$2,282	26.7%
8	Netherlands	\$169,155	4.2%	8	Brazil	\$42,841	22.7%
9	Singapore	\$88,596	2.2%	9	Belgium	\$80,352	21.0%
10	Belgium	\$80,352	2.0%	10	Chile	\$2,674	17.7%
11	Spain	\$73,244	1.8%	11	Canada	\$523,761	16.3%
12	Australia	\$73,002	1.8%	12	Luxembourg	\$28,792	15.2%
13	China	\$58,048	1.4%	13	South Korea	\$50,633	15.0%
14	Sweden	\$54,150	1.3%	14	Bermuda	\$35,920	14.4%
15	South Korea	\$50,633	1.3%	15	South Africa	\$5,073	14.4%

Source: BEA- Bureau of Economic Analysis (2017)

Therefore, it is relevant to indicate that the UK continue being the largest source of foreign investment with \$614,865 million in 2017 capitalizing a total share that is 2.3% above the second place, which is Canada. On the other hand, the country that has the most rapid growing source of FDI in USA is Greece with 70.7%. However, 3 out of 5 countries that are considering US a highly profitable market to invest are Asian countries (Thailand, Singapore and China with \$2,160 million, \$88,596 million and \$58,048 million respectively).

Although, lingering uncertainties regarding future trade relationships, as well as the withdrawal of monetary stimulus are likely to hold back investment activities, the Government is also planning to reduce the corporation tax which has tremendous importance for companies that want to establish its offices overseas, like Attentive, and in consequence this action is going to encourage private investment as well.

2.2.1.2 Political-Legal Context

Overall, USA has a strong political setup and effective rule of law, with elections that are considered fair and transparent. The country enjoys massive political and economic influence over both national and worldwide policy-making and is considered a leading force in the world. Still, the country faces international censure for its interventionist policies, particularly since the last elections when Donald Trump won against Hillary Clinton. Since that time, political situation of US is becoming highly volatile. As an example of this political instability, in 2017 the Trump administration prioritized the Obamacare repeal among other major policy issues, such as tax reform and infrastructure development. Nevertheless, its approach had a setback, and it was not capable to continue, due to not enough support of Congressional Republicans. It is crucial to say that in the lead up to mid-term elections on November 6, 2018, the administration plan to enact a tax reforms bill centered on the reduction of corporate tax, which is currently at 35% and they aim to reduce to 20%. Another issue is that the relationship between Trump administration and the Congressional Republicans has been souring. The President has criticized the Congressional Republicans and some senators, who are not seeking re-election, due to the publicly criticism of the President. Therefore, Trump currently finds himself in a situation wherein he is not able to work either with the Republicans or the Democratic.

Regarding Foreign Affairs, Trump administration reveal for several instance uncertainty in the US foreign policy, resulting of lack of coordination between the President and the Cabinet, resulting in inconsistent comments by the President. Additionally, Trump has been ignoring international agreements and conventions.

Regarding fiscal policy, accordingly with The United Nation report (2018) while the budget for 2018 remains unclear, policy changes are expected to contribute marginally to growth in

2018 (approximately 0.1%) and remain neutral in 2019. Moreover, government spending, most of the part is going to be implemented in the area of defense, will be partly offset by cuts in spending on education, healthcare, development aid and environmental protection. As mentioned before, some degree of corporate tax cut is expected, which will have a tiny, but positive impact on growth in both years.

However, in 6th of November of 2018, US had new mid-term elections and accordingly with The New York Times, Republicans moved towards expanding their control of the Senate, conversely the Democrats took power in the House of Representatives, so currently America society is facing a Congressional division.

2.2.1.3 Socio-cultural Context

Turning now to the socio-cultural context during this section the report is going to approach the population, multiculturalism, the trends and projection of the demography and finally but not least the education system in USA.

The United States is a country situated in the north part of America, in a country divided into 50 states. This giant country is the third largest in the world and has the capacity to include approximately 327 million people in 2018, its most populated states are California (39.5 million) and Texas (27 million), and its most populous city is New York City with 8.5 million people.

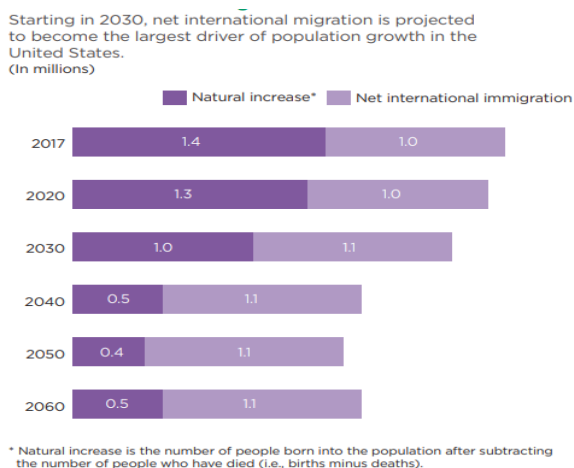
The United States contains a highly diverse population with a wide range of cultures and customs. In the next years the country's racial profile will be vastly different, and although whites will remain the single largest racial group in the US, white people we will lose the majority by 2055 according with Pew Research Center. Growth in the Hispanic and Asian population is predicted to almost triple over the next 40 years. By 2055, the breakdown is estimated to be 48% white, 24% Hispanic, 14% Asian and 13% Black. As a result of that the majority of people have a liberal mindset, but rising racial intolerance is a serious concern. Additionally, increasing illegal immigration is another concern, as there are more than 12 million people living illegally in the US, further increasing the risk of racial discrimination.

However, the number of refugees’ arrivals declined after 2016, conversely of the number of refugees in a global scale increased. In the US this drop of refugees’ population was also widespread across the US with declines in 46 states during the beginning of 2017. In terms of the ethnicities of these refugees tends to vary between the Middle East and Africa, additionally an interesting fact was between fiscal year 2008 and 2012, more than four-in-ten refugees admitted to the US were from Asian Countries.

A relevant cultural aspect that can shape the way that companies approach the market is that Millennials are projected to outnumber Baby Boomers in 2019. Numbering 71 million in 2016, Millennials in the United States of America are getting closer to the Baby Boomers (74 million) in population and are projected to surpass them as the nation’s largest living adult generation in 2019. In order to clarify these two concepts, the millennial generation is defined as people who are born between 1981 and 1996, corresponds to adults ages 22 to 37 in 2018. Another key factor that is going to influence marketing and media will be done is that, Millennials are already the largest generation in the US labor force, making up 35% of the total, surpassing the Generation X in 2016.

Like most developed countries, the United States faces the problem of an aging population which can lead to a serious labor shortage. As a matter of fact, this issue can “open doors” for a age turning point in 2030 for the US, according with Vespa and Armstrong (2018) in 2030 all the baby boomers will be older than 65 and, within the decade, older adults (65 years and older) are projected to outnumber children (under 18 years) for the first time in the US history.

Figure 5: Projected population change from natural increase and net international migration: 2017 to 2060

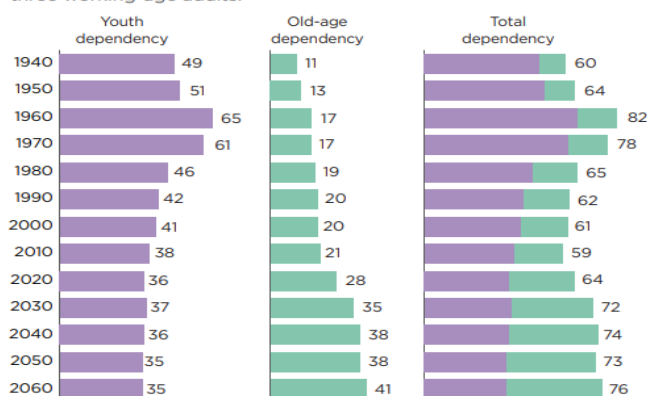


Source: U.S Census Bureau: National Population Projections (2017)

Figure 6: Dependency ratios for the population: 1940 to 2010, projected ratios 2020 to 2060

Dependency Ratios for the Population: 1940 to 2010, Projected Ratios 2020 to 2060

By 2020, there are projected to be two dependents for every three working-age adults.



Source: U.S Census Bureau: National Population Projections (2017), 1940-2012 Population Estimates

During that year immigration is projected to become the primary driver of population growth – more persons are projected to be added to the population through net international migration than from natural increase, this is caused by the failing fertility rates and the globalization phenomenon.

The last topic that is going to be discussed in this socio-cultural context is the education sector. Accordingly with The World Development Report (2018) education builds human capital that translates into economic growth. There are two ways to catapult progress, the first one by improving the capacity to absorb and adapt new technology that will affect short to medium term growth, and the second one by catalyzing the technological advances that drive sustained long-term growth. Therefore, the United States is a country that invests massively in education. In 2014, the US spent \$12,300 per Full-Time-Equivalent (FTE) student on elementary and secondary education, which was 29% greater than the OECD average of \$9,600. Additionally, at the post secondary level, the US spent \$29,700 (FTE) student, compared to OCDE average of \$16,400, which represents 81% higher than OCDE expenditures.

2.2.1.4 Technological Context

Over the last few decades, the world has witnessed the incredible and exponential technological progress that has contributed to improving the quality of life of individuals and companies. In general, patterns, customs and habits of life have changed in recent years due to the fact that technology enables the workers becoming more efficient and productive with less time consumed. As a matter of fact, the advancement of technology has led to productivity growth by providing more efficient and effective methods of production, resulting in cost reduction as well as the time required to do a product or a service.

It is crucial to highlight the fact that, associated with the technological context is inevitably the almost indispensable tool of society's daily life, the internet. Thanks to this tool, information, once created, can be instantly received by other users in any part of the world in order to be treated, transformed or incorporated, creating added value for them. Nowadays, internet have supported the development of digital transformation, artificial intelligence and machine learning, and it also contributes with the disruption of entire sectors, such as the financial sector with the implementation of Bit coin. On the other hand, this digital transformation allows new entrants to dive in the business world with new ways of doing business and greater quality of their services.

Since Attentive is a company that is currently working with Artificial Intelligence (AI), it is relevant to describe what is this new concept and the applicability in the modern business world. Hereby, accordingly with AlSedrah (2017), AI is the field of study that describes the capability of machine learning just like humans and the capability to respond to certain behaviors. He also states that, since Artificial Intelligence was first introduced to the market, it has been the reason of the quick change in technology and business fields. Some computer scientists are predicting that by 2020, 85% customer interactions will be managed without a human. Although, AI revolution erupt criticisms by scientists, this technology offers reliability, cost-effectiveness. Moreover, PwC reinforce that 63% of consumers believe AI will help solve complex problems and make decisions much faster than humans, as well as restrict data from getting lost. In order to validate this assumption, PricewaterhouseCoopers has done a survey for 500 business executives and the result of this survey was very interesting, since 67% of executives said AI will help humans and machines work together to be stronger using both human intelligence and artificial intelligence. However, many scientists, in 2017 argued that

having AI machines, people will be jobless and that will conclude in losing the sense of living, due to machines rapid learning process and doing things more efficiently and effectively in a timely manner. But, conversely with criticism provided by AlSedrah (2017), PwC illustrates in the following data that the workers think positively the entrance of AI machines in their work life.

Figure 7: How employees think about human-machine AI centaurs

How workers think about human-machine AI centaurs











Source: PwC Consumer Intelligence Series (2017)

Base: 500 business executives; percent agreeing with statement

PwC further said that with more than 605 deals of venture capital investments over last 2 years that culminated into astonishing \$5 billion, AI is poised to have a transformative effect on consumer, enterprise and government markets around the world. While there are certainly barriers to overcome, consumers believe that Artificial Intelligence has the potential to assist in medical breakthroughs, democratize costly services, elevate poor customer service and even free up an overburdened workforce. In fact, some of the industries are implementing already AI and in the following table demonstrates the ranking of AI impact by its potential to free up time, enhance quality, and enhance personalization.

Table 1: Which industries will put practical AI to work

	Ranking	Industry	High-potential use cases
	1	Healthcare	<ul style="list-style-type: none"> Supporting diagnosis by detecting variations in patient data Early identification of potential pandemics Imaging diagnostics
	1	Automotive	<ul style="list-style-type: none"> Autonomous fleets for ride sharing Semi-autonomous features such as driver assist Engine monitoring and predictive, autonomous maintenance
	3	Financial services	<ul style="list-style-type: none"> Personalized financial planning Fraud detection and anti-money laundering Automation of customer operations
	4	Transportation and logistics	<ul style="list-style-type: none"> Autonomous trucking and delivery Traffic control and reduced congestion Enhanced security
	5	Technology, media, and telecommunications	<ul style="list-style-type: none"> Media archiving, search, and recommendations Customized content creation Personalized marketing and advertising
	6	Retail and consumer	<ul style="list-style-type: none"> Personalized design and production Anticipating customer demand Inventory and delivery management
	7	Energy	<ul style="list-style-type: none"> Smart metering More efficient grid operation and storage Predictive infrastructure maintenance
	8	Manufacturing	<ul style="list-style-type: none"> Enhanced monitoring and auto-correction of processes Supply chain and production optimization On-demand production

Source: PWC Global AI Impact Index (2017)

According with AISedrah (2017), the applicability of AI is so vast, here are some of the greatest AI application: - AI optimized hardware; - Decision Management; -Deep learning platform;- Biomatters; - Robotic process automation; Text analytics and NLP; Adaptive Manufacturing, which are machines that are “able to learn a multitude of tasks from demonstrations, just like their counterparts can.” (Yoa, 2017).

2.2.2 Transactional Environment

According to Freire (1997), the transactional environment consists of all the agents and factors that interact directly with the industry in which the company operates, that is, the elements that closely relate to the company. These elements that integrate the transactional environment are designated by *stakeholders*, customers, suppliers and competitors.

2.2.2.1 Stakeholders

Freeman (1984) argued that, regarding the stakeholders these group of individuals are concerned with the community as a wider picture that have any kind of interest in the activity, in the methods or also in the results of a given company. They could be regulators, environmental associations, suppliers, workers, customers, shareholders, among others. It is vital to meet the needs of key stakeholders to create and maintain a stable environment that benefits the parties involved. For Freeman, these are essential elements for strategic planning in companies.

2.2.2.2 Clients

Customers are the current and potential consumers of goods and services offered by companies that together form the market or demand. Different people, with the different kind of interests, tastes, styles, needs and desires, so each company must define in advance what kind of market they want to respond to.

Attentive works in a Business-to-Business market (B2B) and the main clients of Attentive are operating in two different Customer Relationship Management platforms (CRM) - Salesforce and HubSpot. As Oviatt and McDougall (1994) argued Born Global firms have an international mindset since their foundation and they attempt to win a competitive advantage over the others. These factors coupled with the digital transformation enhance the capability of Attentive to have currently clients in eight different places worldwide by utilizing their respective unique resources and selling their service in several foreign markets. In terms of enterprise subscriptions, it can vary between 2 and 25 sales representatives. Nowadays, the company struggles to see the best market segment and until now they are trying out potential clients toward better understanding of their capabilities and challenges. Therefore, the following chapters of this report are oriented to get not only the most suitable location for the company in the United States, but also segment the market, positioning the firm and finally select the best accessible target market.

2.2.2.3 Competitors

The competitors are those who supply or may supply the same products or substitute products to the same market where the company operates. It is crucial to identify and understand what the main goals of the rivals are, as well as their strategies and methods to seek a quicker and effective response towards the adaptation of the company to the market needs and expectations.

Attentive has competitors of its software, which means that companies with similar products can achieve the same benefits for the clients:

- **Troops, Inc.** interestingly has the same number of years as Attentive, it was founded in 2015 by Dan Reich, Greg Ratner and Scott Britton. Currently they have a team around 10 people and the main activity is to develop a mobile application to make work easier for the sales reps. The mobile solution allows users to configure salesforce reports, communicate deal wins, and pull salesforce data for all standard and custom objects through Slack. This enterprise has raised a total of \$17.3 million in funding over 3 rounds.
- **Clari** is a company that is deep rooted in the San Francisco Bay Area, it was founded in 2012 and has approximately 80 employees. The firm provides end-to-end sales analytics and forecasting platform, which means that they apply data science and cloud technology to create a better user experience, in order to make sales teams more effective and productive. This company already raised \$61 million in funding over 3 rounds. It is relevant to highlight the most recent investor, due to their credibility in the market, so they are Sequoia Capital and Thomvest Ventures and additionally to that the enterprise has \$9 million in revenue annually and is projected to spend around \$65.8 thousands on IT according with Crunchbase.
- **Sudo** was founded in 2016 by 5 entrepreneurs and it's based on Silicon Valley. The company is a venture-backed startup that is enabling people to talk to their company's CRM system. On the other words, Sudo allows salesperson to not waste their time doing data entry and consequently accelerates the sales pipeline, by connecting the networks of all stakeholders of the company, connect the CRM and request introductions. Sudo is funded by five investors. Slack and Innovation Endeavors contributes for the firm's seed capital.

- **Zapier** is another California based company that was founded by 3 entrepreneurs in 2011. According with its website this software solution helps anyone to automate the most tedious parts of a day to day job. In the other words, Zapier can integrate application in order to share data; pass information between applications with workflows called Zaps; - and build process faster and get more done (no code required), in order to users are able to focus on the most important work. The company has raised a total of \$1.3 million in funding in 2012, and it has approximately \$6 million in revenue annually.
- **Octiv** was founded in 2010 by 3 entrepreneurs and the company provides a sales and marketing platform designed to create and manage sales presentation, quotes, proposals and contracts. This platform leverage data from back office systems to create automated workflows and deliver valuable buyer behavior insights. Otiv has raised a total of \$13.9 million in funding, but in recent news the company **was** acquired by Conga in 2018, in order to complement with their solutions that are automating data, documents and reporting.
- **Costello** was founded in 2016 by 2 entrepreneurs and it's based on Indianapolis (US). The startup specializes in real-time sales playbook platform that helps sales professionals consistently have great conversations with buyers, allowing sales reps prepare for calls, ask timely questions, tell relevant stories, and sync insights back to the CRM. Moreover the platform can analyze the gaps in every deals so they can work together to move them forward. The company has raised a total of \$3 million and their last funding was raised very recently on June of this year from a seed round.
- **Seismic** was founded in 2010 by 5 entrepreneurs and it's based on San Diego. The firm is a leading global sales and marketing enablement solution, improving close rates and delivering larger deals for sales, whereas increasing marketing's impact on a bottom-line. They have more than 300 employees worldwide and the company serves e main industries: Technology, Asset Management and Banking. This company uses advance machine learning to eliminate parts of the sales cycle and generate sales assets tailored to the user audience. Seismic has raised a total of \$64.5 million in funding over 3 rounds. Moreover, the company in the last two years already acquired 2 companies, the most recent one was the acquisition of SAVO (May 2018) which was one of their competitors.

- **Pattern** was founded in 2015 by 3 entrepreneurs and it's based on Silicon Valley. The solution that the company provides is an intelligent workspace geared towards sales professionals. It prepares research for the user, streamlining the process with built in templates. Pattern is able to confirm meeting, automate follow-ups, and update stale records and research accounts. Finally, it uses machine learning to surface risk and, in the sales reps,, pipeline using data from email, calendar and Salesforce. The company has raised a total amount of \$2.5 million in 2016 and was acquired a year later by Workday.
- **SalesHood** was founded in 2013 by Arthur Do and Elay Cohen and it's based on San Francisco Bay Area. The product helps companies increase sales attainment by sharing knowledge at scale with them mobile-first Sales Enablement SaaS platform. They reinforce the idea that their platform is made to be mobile, social and accessible anytime and even anywhere. Moreover, their also states that their customers in less than one year have multiplied their revenue and engaged employees to do better than their best. Inside of SalesHood platform they have content library, stories, social learning, coaching, pitches, knowledge checks and performance assessments that can correlate engagement and progress completion to sales performance. Another key aspect of this company is the total funding amount which was approximately \$1.8 million and it all came from um investor TeleSoft Partners. The company has generated \$5.8 million revenue annually.
- **MindTickle** was founded in 2011 by 4 entrepreneurs and its HQ are in Sunnyvale. The company provides sales readiness solution for closing knowledge and skill in customer-facing teams. With a combination on-demand online training, bite-sized mobile updates, gamification, coaching and role-play with data-driven approach, MindTickle accelerates time-to-productivity, ensures consistent execution, as well as it helps boost sales performance. It has around 150 employees and the firm's funding are around \$41.3 million, furthermore the most recent investors are Cannan Partners and New Enterprise Associates. MinTickle has \$4 million in revenue annual and this year the company is projected to spend \$238.7 thousands on IT.
- **Highspot** was founded in 2012 by 4 entrepreneurs and its HQ is in Seattle, Washington. The company gives business sales acumen towards engaging in more relevant buyer conversation and achieves their revenue goals. Through Artificial Intelligence powered search, analytics, in-context training, guided selling and over 50 technology integrations, the Highspot platforms delivers enterprise-ready sales enablement in a modern design used by sales reps and

marketers. The company has currently more or less 200 employees and it has raised a total of \$61.9 million in funding over 4 rounds, the latest funding was raised on September 24 in 2018. OverView and Madrona Venture Group are the most recent investors. To conclude the firm has \$11 million in revenue annually and the main competitors are Highspot and Seismic.

2.2.2.4 Suppliers

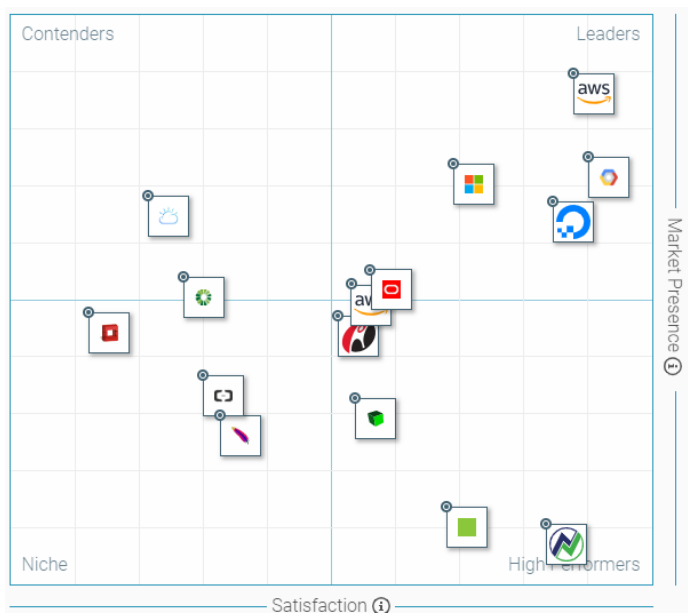
Companies that are operating in the SaaS market tends to choose between having their own hardware and purchase servers, software, data-center space or network equipment or are willing to have an Infrastructure as a Service platform (IaaS) that provides a way of delivering cloud computing infrastructure – storage, network and operating systems which are an on-demand service. In the most cases, IaaS can be obtained as public or private infrastructure, or a combination of both of them. IaaS providers maintain the equipment, while users or buy the specific services that they need, the most common term for rental or purchase is usually “*pay as you go*” which offers flexibility and ease in growth. With, the most credible suppliers in the market according with different types of sources are:

- **Amazon AWS** is one the most popular when it comes to cloud computing. It has the ability to offers a wide range of storage services, for instance compute power, content delivery, storage or other service functionality. The cost of this service is depending on the necessities of the consumer; however, the potential client can do a free demo and test it by himself.
- **Google Compute Engine** Is a scalable, high-performance virtual machine that can allow the client to run large-scale workloads. Additionally, the main features of this service are the low cost, automatic discounts, fast and efficient networking, it is a user friendly global network and lastly it is flexible. The costs are available and regarding Provisioned storage is \$0.125/GB/month, but the prices can vary according with the services that the clients want in their infrastructure.
- **Digital Ocean** provides tools to control client’s virtual server in the cloud. They are driven to put the cloud platform simple for developers and IT teams. This infrastructure is capable. For \$5 per month, the company is willing to store 250 GB, 1 TB of outbound transfer.

- **Microsoft Azure** is also known as Windows Azure, this service is a public cloud that provides a structure from which users can build, deploy and manage applications. It can be used on windows and other operating systems, language and tools. The key features are: ease of use, administrative tool, can be used as PaaS and can be used on all operating systems. The costs starting from \$13 per month in virtual machines and for SQL Database starts from \$4.99 per month.
- **Oracle Compute Cloud** is a service that provides flexibility and scalable computing, block storage, and networking services on Oracle Cloud. The key features are predictable computing, lifecycle management, secure access and virtual networking. The benefits of this outstanding service are to speed up innovation and agility, predictable performance, by running legacy Oracle and/or third-party workloads on a predefined, isolated environment. Moreover, it can secure access by using a dynamic firewall to protect the virtual machine instance and restrict login access.
- **Rackspace Open Cloud** is a computing service with all the tools that users need for building scalable websites and applications. The key features are this service can be for public, private, hybrid and multi-cloud, easy to use control panel, great customer service, and finally it can create basic monitoring checks like ping or HTTP checks for a extra fee. The cost for only the file storage starts at \$0.10/GB per month and block storage is \$0.12/GB per month.

The following matrix illustrates different categories in the IaaS market: The Contenders, the Niche players, the High performers and the Leaders based on market presence and the level of satisfaction of the clients in all segments (small business, mid-market and Enterprises). Regarding the metrics market presence score is a combination of more than 15 data points from G2 Crowd's user reviews, publicly available information, and third-party sources. The satisfaction rating is based on customer satisfaction data from real users' reviews (over 900 reviews).

Figure 8: Infrastructure as a Service (IaaS) Providers (2018)



Source: G2 Crowd (2018)

Accordingly, with this matrix, the leaders of the IaaS providers are the five companies that are described above. It is relevant to highlight the fact that, Amazon AWS (EC2) is the IaaS that has more market presence and provides greater satisfaction for the clients in the market, but overall this market is highly segmented and in consequence is a “red ocean” ecosystem, therefore Attentive has high power of bargaining with the suppliers, since there are so many players. In the subsequent chapters this topic is going to be acknowledged more in depth especially with the analysis of the five forces of Porter.

2.3 The New Location of Attentive

Choosing the right place to expand a business may seem like a simple and low time-consuming process, but such characteristics do not match the degree of importance of this strategic decision. Therefore, numerous aspects must be considered in this process, and the demand and supply on that market should form the basis for decision-making. Thus, it becomes paramount the selection of a relevant criteria to select the best location possible inside of US, since this is the market that is currently contributing with 89% of the revenue annually. That being said, the criteria that are picked to achieve this goal are the following:

- TechStars Alumni Network;
- Most Innovative States;

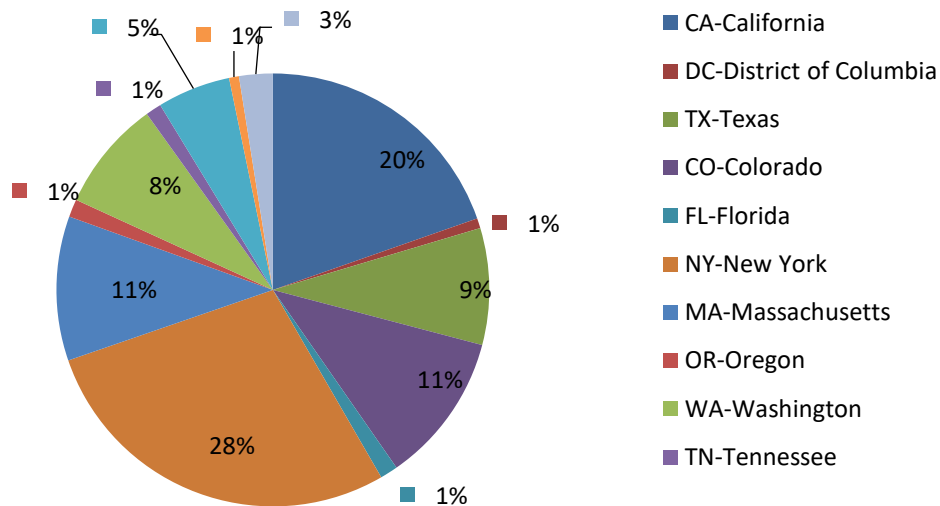
- Market Dimension;
- Attractiveness of the Location.

2.3.1 TechStars Alumni Network

Laanti (2007) argued the knowledge provided by the owners of a company is extremely relevant when the firm wants to expand. This expertise is acquired via their education, direct international experience, and previous work experience, as well as network connections. TechStars has supported the founder of Attentive, Daniel Araújo, to acquire knowledge through the acceleration program, as well as the experience that the founder gained by networking with other founders. Aforementioned, accelerators are a great resource to connect the founders and build tighter relationships. They are working together, and they can actively support each other and provide invaluable advice, guidance since they all go through the same difficult periods and almost in the same stage when they start it. For that reason, it is crucial to see which state has greater Techstar alumni to give support to Attentive inside of the United States. As a matter of fact, Techstars give a complete list of all of companies that have been funded since 2007 until now. The following chart represents 677 American based startups that entered in several programs from 2007 to the third quarter of 2018. It is relevant to highlight the fact that in this chart only appear companies that either were acquired or are currently active, and the remaining ones that failed or are stated as unknown are not included here.

Figure 9: Percentage of companies funded by state

Percentage of Companies that were Funded by TechStars



Source: Prepared by the Author

According with this graph, the state that has greater Techstars networking is currently New York with 28%, followed by California with 20%, Colorado and Massachusetts with the same percentage (11%). Regarding the regions (East, Center and West Areas) the biggest agglomeration of Techstars startups are in East Area – New York, District of Columbia, Florida, Massachusetts, Tennessee, Pennsylvania and Georgia with the total of 46%, the West Area has 29% (California, Oregon and Washington) and lastly the Center Area with 25% - Texas, Illinois and Colorado.

Notwithstanding, it is also relevant to see Attentive Class in 2017 towards seeing which state has the higher networking that enables the firm to penetrate into US soil. Therefore, the next table illustrates the company names and cities that they are based in.

Table 2: Companies that have been in Techstars at the same time as Attentive

Boulder 2017 Q1 – Attentive Class	
Apostrophe	Denver, CO
Blank Slate Systems	Boulder, CO
CANDL	Atlanta, GA
Data Nerds	Kelowna, BC
Global EIR	Boulder, CO
Hardbound	New York, NY
IronCore Labs	Boulder, CO
Monday	New York, NY
Prefix	Austin, TX
Rodin	Los Angeles, CA
Sitter	Boulder, CO
Stateless	Boulder, CO

Source: Prepared by the Author

This table illustrates that half of the enterprises are established in Colorado State, due to the proximity of the program (Boulder). However, the chart represents three eastern firms: Hardbound and Monday from New York and CANDL from Georgia. The remaining ones are from Canada (Data Nerds), California (Rodin) and Texas (Prefix).

To conclude, TechStars Alumni Network is important, due to the fact that networking relationships from accelerators may be highly supportive to the process of internationalization. Furthermore, the data of the above charts shows that the region that has the stronger TechStars Alumni is Eastern area, despite of the fact that the Attentive’s founder could be better known in the Colorado state, because of the strong presence of startups in the same program as Daniel in 2017.

2.3.2 Most Innovative States

In 2018, the US spent \$553 billion on research and development, which is more than any other country in the world, and over 25% of the world’s total. Moreover, according with Global Innovation Index the United States with a score of 60.1, USA is on the 4th place in this ranking, only loosing for Switzerland (68.4), Netherlands (63.3) and Sweden (63.1). WalletHub report

(2018) described that, although the USA is a country along with the highest top innovative nations, it is relevant to indicate that not all states innovate equally. In this report, there is an examination of 22 indicators of innovation across 50 states and the District of Columbia. These indicators fell into two specific categories: HC - Human Capital (for instance, STEM¹ professionals and graduates, projected STEM job demand, AP² exam participation and number of peer-reviewed articles published), as well as IE - Innovation Environment (for example, as a share of tech companies, invention patents per capita, R&D spending per capita, entrepreneurial activity, and average internet speed). Therefore, the most innovative states of 2018 are Massachusetts with an overall score of 73.04 (1st in terms of human capital and 2nd in the innovation environment ranking, only outperformed by California State). As a result of this study, the top five American states are: 1st - Massachusetts (abovementioned), 2nd - Maryland with a score of 63.53 (HC:2nd and IE:6th), 3rd - Washington with a score of 67.69 (HC:4th and IE:3rd), 4th - District of Columbia with a score of 66.09 (HC:3rd and IE:11th), 5th – California with a score of 65.37 (HC:7th and IE:1st). It is important to underline that there is a massive number of indicators and rankings to classify the states. However, WalletHub is by far one of the most credible ones due to the presence in articles and online news, for that reason this project is willing to use it. Nevertheless, during the research of the most innovative states, the majority of open sources indicate that Massachusetts is frequently in the top 5 positions, therefore this location is a serious candidate to become the most excellent region for Attentive.

Since the last two criteria already narrow the possible locations, and consequently chose one state to focus on, it is important to go more in depth in Massachusetts State, particularly in terms of the Market Dimension and the Attractiveness of the major city and capital which is Boston.

¹ STEM: Science, Technology, Engineering and Mathematics

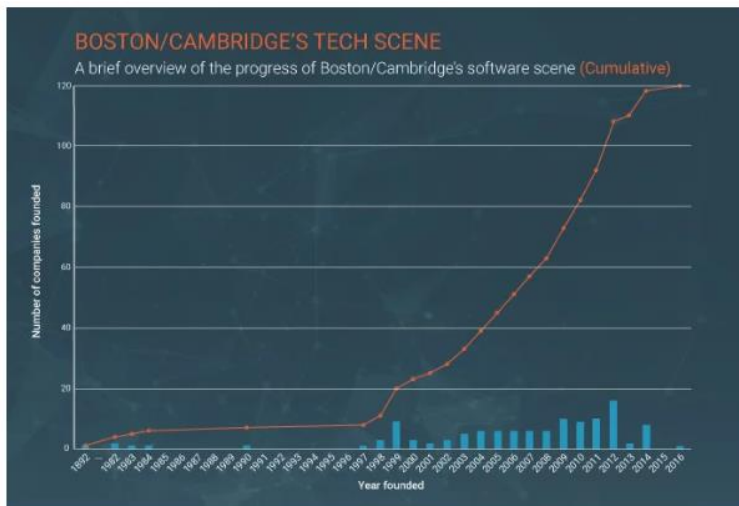
² Advancement Placement

2.3.3 Market Dimension

Massachusetts is a State with tremendous impact in the economy, not only in the United States but also worldwide, due to the impressive companies that are established in the state. The top publicly traded companies with the HQs in Massachusetts have them accumulate revenue a total amount of \$375.78 billion in 2017.

By definition the market dimension for business-to-business sector corresponds the number of companies in a certain market that are potential buyers of a product or service. Thus, before Attentive managing team expands their operations to foreign market they are interested to know the market size before launching the product in that area. Since Attentive is software as a service solution that allows to scale the sales process as well as keeping the sales reps' deals organized and reminding them to fill up their CRM, it can be implemented to the majority of companies that have salespersons and are savvy in the tech world. Therefore, it is important to see what the addressable market size is for Attentive in Boston.

Figure 10: Software vendors on G2 Crowd with HQs currently in the Boston area



Source: G2 Crowd (2016)

Accordingly, with G2 Crowd, only in the region of Boston there are around 120 B2B tech companies impacting the region's tech scene in 2016. This data is highly relevant, due to the fact that along with these enterprises, there are well known companies like WordStream, InsightSquared, and Hubspot. The last one may become an outstanding partner, not only

because Attentive is currently working with this CRM platform, but also to scale up the number of users that the firm already has.

2.3.4 Attractiveness of the Location

But after all, what makes Massachusetts the ideal location for the Portuguese start-up? Is it because it was considered in 2017 one of the leading technology states? Or is it due to the proximity with others, but also the crucial major technology hubs in the country with accessibility overseas? In fact, all of the above characteristics combined may enable Massachusetts to be a home to a thriving and top-ranked innovation economy. The “Innovation That Matters” report recognize the state as a provider of leading technology companies, academic institutions, incubators, entrepreneurs and research center make Massachusetts one of the most excellent places in the US to start a business, develop an idea, or launch a new technology.

Complementary, Governor Charlie Baker said that Boston was considered in 2016 “...*the best place to start and grow an innovative technology-focused business, whether it’s a startup emerging from one of our top academic institutions, or a major global company looking for next stage growth,*”. Also, this city is the habitat of almost 80% of Massachusetts’ population that are currently leaving in the Greater Boston metropolitan region. Moreover, it is the city that has two of the most famous universities globally (Harvard University and Massachusetts Institute of Technology- have been ranked among the most highly regarded academic institutions in the world), this aspect bring world class students to work for companies like Attentive as a trainee with a perspective to be included in the company after the graduation. Another, but relevant factor is Kendall Square in Cambridge that has been called “*the most innovative square mile on the planet*” referencing the high concentration of start-ups and the quality of innovation that have been emerging since 2010.

Nevertheless, since Attentive is a Portuguese enterprise, probably the frequency of travels between the USA and Portugal will be higher, so the city needs to provide airports that can do direct flights between these countries. In fact, Boston is an outstanding city to do it, due to numerous airports that surround the area - 8 airports – as a matter Logan International Airport in Boston is around 5 km northeast of downtown Boston. Additionally, of all the above

incredible characteristics of Boston, the city as a time zone of minus 5 hours compared to Lisbon that despite of the fact that there is a relevant difference of time, it still is lower than the other US cities. This aspect provides a better communication between Portuguese and American teams.

2.4 Internal Analysis

2.4.1 Supply Chain

The framework of internal organizational analysis is elaborated accordingly the Value Chain presented by Porter (1985) is a management tool that allows us to identify the way in which the individual activities are a reflection of its history, the formulation and implementation of its strategy and the economic aspects underlying their own activities.

This tool allows you to identify areas that add value to customers and maximize margin. Thus, the company must focus its resources and capabilities these areas in order to improve its performance and create or sustain competitive advantages. Porter also considers in this model the existence of primary activities and support activities. The primary activities are related to the physical creation of the product, sale and delivery to the customer and also with the after-sales service. Support activities, as the name implies, help and complement the previous ones (and vice versa), through the purchase of inputs, technological development, human resource management and company infrastructures (Lopes da Costa, 2012). However, regarding the SaaS and the technology that exists nowadays this model has suffered some changes towards adapting with SaaS products in areas such as customer relationship management, human resources management as well as service management gaining in popularity against the traditional way of packaged products. Thus, following primary activities are focusing the SaaS products, due the fact that is the field that Attentive is operating:

Inbound activities: While inbound activities remain centered on product vision and research, the attention is narrower upon selecting the development platforms, infrastructure and software. Products can either be developed on Platform-as-a-Service (PaaS) offerings or built from the scratch or storage on Infrastructure-as-Service (IaaS).

Operations: activities for instance product development are added a new dimension to preparing the core team for continuous product release and deployments. Moreover, since products need to be designed for the SaaS model, there is additional focus on measuring product usage, integration with IT systems, analytics and support and services requirements.

Outbound logistics: Is the tipping point compared with the traditional model, so for the SaaS-based product value chain is the primary differentiator. As a matter of fact, the type of subscription is a critical factor that enables product functionality access to the end user. Further, customers on boarding process coupled with the “*pays-as-you-go*” policy play a crucial role in enterprise product delivery. This pillar also adds activities relevant to platform integration, with IT systems running the business.

Marketing & Sales: are the activities that are aiming greater dissemination and promotion of the company’s products and all activities related to sales. In terms of Attentive, instead of retail, online selling is the primary sales channel in the value chain. Usage-based billing adds additional scenarios to create compelling value propositions for customers since they need not pay for the software as a whole, but only when it is used. One of the important factors to generate revenue, particularly for SaaS companies is the customer retention, due to recurring revenue being their lifeline. Thus, analytics techniques are deeply integrated into products to measure and improve customer engagement, product quality, sales and marketing effectiveness, and product support services.

After-sales service: are the main activities involving after-sales service and support. In terms of SaaS solutions, subscriptions require additional customer provisioning and on-boarding, billing and subscription management, and product function support. IT department needs to implement new systems or modify existing ones to adapt to changes in licensing, billing, procurement, payments. On the other hand, marketing department need to communicate with the IT division towards better marketing diffusion, reducing sales cycle as well as creating greater customer relationship management.

Regarding the Support Activities

Infrastructure: are activities that are general administration, planning and implementation, accounting, finance, etc. According with Porter (1980) these activities are sometimes seen only as the overhead of the company but can be considered as sources of competitive advantage.

Human Resources Management: refers to activities related to the management of human resources, from salary processing, vacations, and key drivers of human capital, hiring and training, among others. Since this sector is one of the most challenging ones, due to the constant disruption and the fast-passed environment, it is highly important to assure the employees motivation. Further the founder argues that he wants to create a sustained organization in all aspects not only financial one, by building a strong culture for their employees.

Technological Development: activities developed through technological tools that contribute to the improvement of existing products or processes in the company.

Procurement: concerns the consumable products by the company, such as office supplies, like chairs, tables, hardware, etc.

To sum up and analyzing the operation of Attentive through this management tool, it is possible to highlight some activities that allow adding value to its clients. The Marketing and Sales activities, which are included to primary activities, plays a fundamental role in value creation due to usage-based billing, since the customer only pays when it is using the software, therefore it is important to retain the clients. Another primary factor that creates massive value is the after-sale service, due the fact that subscriptions require additional customer provisioning and on-boarding and the account managers need to manage well these subscriptions towards a higher rate of client retention. On the other hand, the support activities, it is important to emphasize the human resources management, since this activity is responsible to retain the talented individuals and manage their emotions in order to get the relevant performance, particularly in this rapid paced environment.

2.4.2 VRIO Model

It is also important to include in this Strategic Plan for Attentive another powerful tool used to analyze the internal organizational aspect, placing the resources and internal capacities of a company as crucial factors to create a competitive advantage through the application of the VRIO Model. This acronym is generated by the initials letters of the four essential aspects to be taken into account in this methodology: Value, Rarity, Imitability and Organization (Barney and Hesterly, 2006).

Regarding the Value, this variable seeks to assess whether the resource or capacity of a company allows exploiting an existing opportunity in the environment or neutralizes a possible threat. In practice, it is difficult to identify the resources and capabilities that hold value for the company, however one thing that the firm can do is to verify the impact on revenues and costs. If a given resource or capacity allows to increase revenues and / or reduce costs, then it is considered valuable because it allows greater competitive position of the company.

The Rarity relies upon the scarcity of the resource and the capacity of a small number of players can control it. It is important to realize the value of a company's resources and capabilities, but if it is controlled by a large number of competitors, then the company does not have a competitive advantage over them. Most companies have valuable but not rare resources and capabilities, so they are only sources of competitive parity.

The concept of Imitability concerns the capacity of the company to obtain or develop a particular resource or capacity that another company already has. Companies with rare and valuable resources and capabilities are often strategic innovators because they hold the necessary factors to implement strategies that others cannot. These are considered as a source of competitive advantage if the companies that do not have such resources have a cost disadvantage to acquire and develop this resource. Companies have two possible choices, the first one is to ignore - which puts them at a competitive disadvantage, and the second one is to seek to imitate. If the firm decides for the second option, this decision will not represent any additional cost, the company it seeks to emulate achieves competitive parity in the sector and competitive advantage is therefore temporary. However, there are complex resources and capacities to imitate in the short term, namely experience, reputation, knowledge, pioneering advantages, interpersonal relationships, trust and culture.

In order to conclude VRIO analysis the last element is relevant, which is Organization. The firm competitive advantage is the combination of the three abovementioned resources and capabilities; however, the company must be properly organized in order to exploit the potential of these same factors. The way it is structured and represented hierarchically, its methods, standards of conduct and remuneration policies are some examples of factors that influence and contribute to a good internal organization of a company.

Attentive, since the beginning of its activities is developing resources and capabilities, which enables to reach certain competitive advantages over its current and potential competitors. An example of this is the assurance of almost 100% of the sales process is followed by the Attentive team on a daily basis. In fact, there is a huge amount of data processing on their side to achieve it. Besides that Attentive make recommendation for each sales representative of the client team and since this is a machine learning solution the system can improving by itself. Moreover, when the clients starting to see the true value of the platform, the relationship between Attentive and the current clients is going to get stronger and, in consequence the company will start a “Snowball effect”, by generating positive customers’ feedback as well as approaching clients’ referrals towards the expansion of Attentive in the US market.

2.5 Competitive Analysis

2.5.1 Porter’s 5 Forces

The 5 Forces of Porter (1980) is a model of market analysis that identifies the different forces that operate in the market inside of an industry. This model of analysis expresses the factors that influence the market and the buying behavior. Its main objectives are to understand the competitive environment in which a company is located and to identify future actions and strategies that can be carried out to gain an advantage over competitors.

According to the author's view, the essence of the formulation of a competitive strategy is to relate a company to its surroundings, both contextual and transactional. The structure of the environment in which the company competes significantly influences the choice of the strategy to follow.

2.5.1.1 Competitive Rivalry

The rivalry between competitors is evident in the dispute over tactical positions involving prices, introduction of new products and / or services and through the improvement of distribution programs, in order to increase the market share of the company, in a certain type of industry. It is considered a high competitive rivalry when: -there are a massive number of competitors in the market; - the growth rate of the market is reduced; - high diversity of competitors; - exist high fixed costs; - high exit barriers and absence competitors' differentiation.

In the case of Attentive market, the rivalry is immense, due the fact that the barriers to new entry are low (the following criteria will show more in depth this aspect), coupled with the technology industry growing rapidly, enterprises begin establishing prices lower than the existing companies due to the reduced amount of expenses. Therefore, a high competitive market, it comes with a higher degree of rivalry. There is almost none differentiation factor, making it difficult to identify one company from another, as well as distinguish the different, yet very similar products. In consequence, the rating for rivalry among existing firms is a high competitive force.

2.5.1.2 Threat of New Entrants

This force refers to the threat that companies, already established, feel when entering new companies to compete in the market. If entry barriers in a particular market are high then the threat is low, as well as if companies are already prepared for the emergence of new entrants. Conversely, this threat is considered high if do not require large investment; - there are easily accessible grants from the state; - low economies of scale, or even a lack of differentiation of the competitive product / service.

In the SaaS sector the new entrants are often times identified whether a ISVs or new startups. The first ones intend to add the SaaS offering to their product portfolios, primarily containing the traditional on-premise software. This new journey for the old ISVs can translate (on the operational side) massive investment for the firm, because a SaaS solution involves a different development, delivery, packaging and pricing approaches. And in terms of organizational

aspect, it requires new sales, support and revenue recognition processes. Additionally, there is a risk of cannibalism by the existing product and the new SaaS solution, due to the existing customer can erupts internal competition and channel conflicts (Kaplan, 2008).

On the other hemisphere, the threat of new entrants can be caused by the new startups, such as Attentive, due the fact that this sector is still in its beginnings stages, the industry is growing promptly and so the young startups can make a relevant impact, particularly in this current environment where the technology access and the globalization is a driver for BGs. However, SaaS market can be challenging for this fresh firms, due the fact that they are competing with giants like Salesforce. However, Born Global size tend to have multiple advantageous to the firm that allows achieve their goals successfully, coupled with founder's entrepreneurial mindset is a key attribute to overcome this obstacle. Nonetheless, another attribute that BGs firms have is the little size, which enables them to me more flexible. This advantage allows for the BGs to be able at any moment to adapt to new markets in more fluid way and, consequently react to market conditions quicker (Andersson and Wictor 2003). For that reason and because Attentive is a Born Global firm that has advantages in terms of flexibility, rapid response over new unexpected obstacles and lower bureaucracy than the leading enterprises could be a competitive advantage towards success in this fast-paced technological ecosystem.

As a conclusion, it is obvious that the SaaS market is characterized by medium higher entry barriers, because of the challenges that traditional ISVs firms need to face (operational and organizational challenges) and the considerable competitors that both new startups and old ISVs will face upon. However, new startups have a slightly advantage over the ISVs and can use it to gain market share.

2.5.1.3 Threats of Substitution Products or Services

Any company that has the capacity to implement products/services to the market is considered as a threat to existing products. Porter (1979) stated that the substitute products reduce potential profits to companies that already operate in the market, because they place a limit on the profit margin. This is the consequence of disequilibrium between the supply and the demand. This threat is still considered high if the costs of change are lower for the client, if technological innovations are involved and if the quality of the products or services is higher.

In the SaaS industry the first important issue is the existence of the alternatives to the offering that the existent companies are planning to provide to their prospective customers. In fact, these customers can either prefer the traditional *on-promise* software, or change for *on-demand* software, or switch for APS (Application Service Providers-which is the most outdated and less successful service) or even choose a hybrid in the form of Software plus Service, recently introduced by Microsoft Corp.

Although there are many software delivery alternatives, is still the greatest threat for SaaS solutions the traditional on-premises software and this due to innumerable reasons.

Firstly, the potential customer is highly familiar with the old ISV as well as most of the companies are risk aversion, particularly in Portugal. However according with 7 dimensions of Hofstede and Minkove (2010), uncertainty avoidance is the feeling that is related to unexpected events, this feeling may influence decision makers, because the managers can be threatened by ambiguous or unknown situations. However, Americans have lower risk aversion than Portuguese and as a consequence of it they tend to have a fair degree of acceptance for new ideas, innovative products and willingness to try new of different technological solutions.

Secondly, the Asp model is so outdated, despite of the fact that was popular in the 90s, has almost left the software market, since the SaaS offers multi-tenancy possibility. And the last one is the Software plus Services concept, the companies are either not aware of its existence or is difficult to see the added value and advantages compared to the on-premise software or SaaS.

2.5.1.4 The Bargaining Power of Suppliers

As above mentioned in the transactional environment (Suppliers), SaaS can either use their own hardware servers and choosing a vertical integration or outsourcing an IaaS providers, who offer the computing and networking resources. Seen the emerging nature of the cloud services is characterized by intense price competition, obliging the IaaS vendors to differentiate on type of service and establish a competitive price (Conry-Murray, 2009). This market features bring massive benefits from SaaS companies, not only because of the price, but also the freedom of choices that are intrinsic with the low bargaining power of the suppliers.

In general, the potential IaaS and/or PaaS providers do not possess much power, thanks to the accelerating growth of the cloud services industry, which is a description of market with intense competition. Furthermore, in the case of Attentive, its current vendor is Digital Ocean. It is highly beneficial for both suppliers and SaaS vendors to create the win-win situation in the form of partnership, as well as create a great long term relationship to solidify this bond, since Digital Ocean is already well established in the US, they can provide leads and prospects that might culminate into real clients.

2.5.1.5 The Bargaining Power of Customers

Customers are constantly looking the best correlation best price over quality to meet their needs. In this way, it can be said that they have the capacity to influence and regulate a certain market, forcing the existence of competitive prices. SaaS market implies fundamentally different vendor/customer relationship, positioning the customer in a more powerful spot. This is caused by several factors, the first one is the positive evolution of the SaaS market attracts increasing number of SaaS providers in all segments, which results in the rise of competition and consequently a wider choice for the customer. The second one is related with the first, since when the customer has broader possibilities the vendor needs to meet all the customer's needs concerning the availability, security, reliability and scalability of the software solution. If the customer's expectations are not met, the SaaS provider would risk losing the client after the expiration of the subscription period. Lastly, the customer can benefit from the relatively low switching cost, that is also positively influenced by the eliminated installation and maintenance cost, due to the service nature of SaaS subscription payment. However, the impact of networking in this environment is positive, due the fact that is much difficult to break a long-term relationship between vendor and client. Furthermore, if the vendor can achieve all the customer's expectations, the client can also provide referrals by word-of-mouth.

To sum up, taking into account the increasing competition on the SaaS ecosystem and the high bargain power of the clients, Attentive has the challenge to meet the customer's needs, but the BG firm can weaken the bargain power of its customers by continuously improving the quality of the services and creating long-lasting relationships with the major clients that can generate enormous amount of revenue.

2.5.2 SWOT & SWOTi Analysis

In order to achieve their pre-defined objectives, companies must have a clear sense of their capabilities, resources and limitations. A significant part of an organization's market performance results from the efficient exploitation of these factors. Therefore, the internal analysis, as verified in the previous chapter, is an essential process (Santos, 2008). This analysis allows the identification of the strengths and weaknesses of the organization and it is these same factors that help establish the competitive position of the organization, and it can decide possible competitive advantages compared to its main competitors. As a matter of fact, identifying strengths and weaknesses, along with identifying threats and opportunities, constitute the SWOT analysis. The strengths refer to what the company is capable of doing well or the characteristics that allow it to have that capability. On the other hand, weaknesses indicate something in which the company is less competent or worse than the competition. Opportunities arise through the development or the conditions of the environment itself, which may have favorable implications for the company, as opposed to threats that may compromise the company's position. The following table illustrates the SWOT Analysis of Attentive.

Table 3: Attentive SWOT Analysis

Strengths	Opportunities
<ul style="list-style-type: none"> -Strong Experience in the Sales operation sector; -Attentive guarantee 100% that the sales process is flowed; -Deliver unique insights for each client's team member; -One of the best hiring process and Innovative Culture; -Strong Adaptation of the new technology trends (Machine Learning and AI) 	<ul style="list-style-type: none"> -Online Market -Emerging Markets -International Expansion -Huge Potential for New Entrants to Grow
Weaknesses	Threats
<ul style="list-style-type: none"> -No reputation -No Credibility in the US market -Low starting investment and Lack of Resources -Necessity to improve the on-boarding process; 	<ul style="list-style-type: none"> -High number of Competitors -High number of substitutes products and services -SaaS providers are offering tools at a much lower prices

Since the report already shows the positive and negative existing aspects not only internally, but also externally, it is expectable to converge them in a way that maximizes market opportunities and minimizes the possible effects of threats to the enterprise. As a result of that,

it is crucial to implement a Dynamic SWOT analysis which confronts the current paradigm of the company, with the situation of the past and situation predicted in the future.

Table 4: Dinamyc SWOT Analysis

		Internal Analysis	
		Strengths	Weakness
External Analysis	Opportunities	Promote the company in the new foreign market to expand the brand and build long lasting reputation; Increase the sales volumes by stablishing network relationships.	Attentive needs to have a great investment in order to be a firm that will guarantee the access of US market without any issues.
	Threats	With the one of the best hiring process, the firm is capable to retain “High Flyers” employees and block the attempt of competitors want to hire Attentive’s employees.	The decision to grow a company is a complex and rigorous process any unexplored detail can compromise its implementation.

Source: Prepared by the Author

Notwithstanding, a new adaptation of this analysis is SWOT i (Figure 10), developed by ISCTE Business School teachers. This revolutionary SWOT is generated upon strategic pillars. Each of these strategic pillars is defined according with the organization. It is essential to consider that in SWOTi the analysis of strengths, weaknesses, opportunities and threats will have an impact on the strategic pillars, which force the analysis contextualization and to put it into perspective.

Figure 11: SWOTi



Source: Strategic Plan ISCTE (2018-2022)

According with the authors, the SWOT i matrix integrates the concern with sustainability, since it is a matter that must be increasingly present in the decision-making of the managers. Nowadays, almost all organizations have values, usually referring to environmental, social and economic concerns, but when analyzing the actions of the companies' values are often forgotten, and when managers are questioned about the decisions taken, the managers defend themselves with the market factors.

The main outputs of SWOTi analysis are the values and how the impact of the enterprise decisions would affect or not the surrounding society. For instance, when Attentive is about to make an action that can be implemented towards taking advantages of the strengths of the firm taking into account the opportunities of surrounding environment, the founders must always ask the following questions: 1) Are the actions synchronized with the values of the organization? 2) Will the actions have a positive or negative impact in environmental, social or economic sphere? In addition to that, it is also important to deliberate the extent to which actions will contribute to an increase in social inequality, or to accelerate climate change (Strategic Plan ISCTE, 2018-2022). As a result of that, Attentive managers and founders are responsible for the outcomes of their decisions and not the market environment, since they possess a strong expertise in the SaaS market and a strong adaptation of the new technology trends, coupled with the eagerness to explore opportunities like the internationalization of the firm into US market. However, the company needs to adapt the necessities of the customers as well as be interested to support the Boston community in order to become a valuable asset and implement a Corporate Social Responsibility (CSR) to the region. This approach of SWOTi benefits the young company thanks to the retention of "High Flyers" employees and, as a consequence block the competitors' attempt to hire Attentive staff. This revolutionary SWOT analysis is highly important for born global firm, due to currently the new employees do not seek only for high paid salaries, but to contributes for the society growth and maintain a robust ecosystem between Attentive and the surrounding environment.

That being said the three main pillars of Attentive are: (1) Develop Sustainable Growth, coupled with CRS, (2) Awareness of the society that the company is based, and finally (3) Operating with the highest morality and ethics in order to not harm its stakeholders and within environment.

2.6 Dynamic Capabilities

According with Lopes da Costa (2015) for a firm to survive and to thrive in conditions of change, they need to develop "dynamic capabilities" in order to create, expand and modify the internal organization's structure. In spite of this, it is important to emphasize that the search for change and innovation, as well as the search for opportunities to create this change creates tensions, since both situations are directly related to the organizational routines and the consequent constraints that they validate.

Since the decade of 1950 innumerable authors have been interested to define the concept of dynamic capabilities that Penrose (1950) had created. And overall this theory is centered in three assumptions: *resources*, *competencies* and *purposes*. Therefore, winners, have a combination of a resource-based strategy with the external shifting character of the environment, as well as the emphasis of the key role of strategic management in appropriately adapting, integrating and reconfiguring resources and functional competences towards changing environment. For that reason, it is essential to distinguish operational and dynamics capabilities. So, the first ones are related to the execution of actions raised by the internal challenges, specifically oriented for technical aspect and they intend to promote significant changes in a short period of time. On the other hand, dynamic capacities are motivated by the need to adapt to external environmental challenges, and seek to implement a set of activities on a basis of continuity and change that allows raising the "*status quo*" of the company.

Thus, dynamic capabilities are something that seek to perform reliably and repeatedly a set of intentional activities for specific purposes, not only for a group of persons, but also individually.

In the case of Attentive, the dynamic capacity to sense and shape opportunities and threats, seize opportunities and maintain competitiveness through enhancing and implement the strategy towards achieving the development of SaaS services that can determine competitive advantages in the US market. Due to the fact that, the opportunities like SaaS emerging market and the international expansion of the company needs to be acknowledge and driven by an efficient internal coordination, coupled with organizational routines for gathering and processing information, also linking customer experiences with IT engineering design choices for suitable solutions. Moreover, this internal coordination and technological resources are one of the key

competitive advantages of Born global companies, caused by a short number of employees and a straight forward communication channel, as well as a platform user-friendly. These are related to a rise of technology commercialization, regardless the threats that Attentive may face in the market.

2.7 Strategic Analysis

2.7.1 Business Analysis

Any kind of company that has goals (regardless the sector) must first delineate the path, the form, the methods, or in a single word, the strategy to achieve what they really want to accomplish. Managers who focus only on their company, their strengths, and set aside the competitors strengths and weaknesses end up hopelessly failing. Furthermore Freire (1997) stated that, the main strategic decision of a company is to select the needs that will satisfy and, as a result, the products or services that it will make available to its customers.

2.7.1.1 Porter Strategies

According with Porter (1991) there are three types of generic strategies that companies can adopt in a given market, in order to respond to the needs and desires of customers. Strategies it has designated as: *Cost Leadership, Differentiation and Specialization or Focus*.

Regarding the first one, adopting a cost leadership strategy means having the main concern of cost cutting practice. For this to become achievable, the company must be efficient in its production and its methods, avoiding to spend large amounts on advertising and distribution, firm should systematically seek the best prices and discounts together of current and possible suppliers and, in some situations, have a lower profit margin than the market.

The second ideology is differentiation which intends to serve the market with products and services of superior quality. This is inevitably the most expensive strategy since the company invests more in its brand, in its own promotion as well as the promotion of its products and services, particularly in terms of design and packaging, in the distribution with shorter delivery

times, in the superior customer support, more qualified human resources and, in R&D towards guaranteeing a differentiated product and service of quality, even if the price is higher.

The third one and lastly, Porter stated the strategy of specialization or focus, whose main objective is to serve a narrow segment or niche, responding efficiently to the needs and desires of a particular market segment whose competition has difficulty attending. This can serve this particular market with one of the strategies mentioned above, leading by costs or differentiation.

In the case of Attentive, in order to attract customers and to survive the intense market competition, it is important to determine how the company competes differently from its competitors, therefore Attentive needs to establish a combination of different ideologies. In the first stage a cost leadership approach is recommended, not only because the company is going to enter in a new foreign market (American marketplace), but also in the initial phase of this internationalization they need to be aware of the high costs that are intrinsic in this process. This strategy is going to be implemented by the founders and, in order to still have profit margin, owners need to have the willingness to do a strict control over the costs inherent in the activity, the amount spent on advertising and branding is reduced and above all by the constant negotiation of better prices and discounts granted by IaaS suppliers. However, when Attentive may has stronger presence in the foreign market and in consequence gain market share caused by low prices, and constant controlling the expenses, it is considered a positive transition for a differentiation ideology for specific services – as called as premium services – which the demand is craving for.

2.8 Strategic Management Analysis

2.8.1 Ansoff Matrix

It is highly importance to underline the design of a matrix with the aim of relating all the products offered by the organization to its target markets and facilitating the identification of new business opportunities (needs that are still to be met and which may give rise to new products for current or new customers). This Ansoff Matrix refers to four strategic quadrants of analysis, *Market Penetration*, *Market Development*, *Product Development*, and

Diversification (Ansoff, 1965). The first corresponds to the exploitation of existing markets serving existing products, while the Market Development, also known as Market Expansion strategy refers the sale of existing products in new markets. Regarding Product Development is selling new products in the market that the business is already operating in. And finally, but not least, Diversification is the development of new products for new markets.

With that being said and combining with company information, Attentive best strategy is to continue to serve the same services in the new market, i.e. meet the salespersons need of dealing with data easier and faster as well as helping them to achieve their maximum potential with Attentive solution in the United State market. In this way, it is concluded that the company adopts a line of Market Expansion strategy in order to win new customers and increase its market share in the new foreign market.

2.8.2 Outsourcing

The main function of *outsourcing* is to concentrate resources on what the company does best and refer to third parties the other activities that are not carried out so efficiently. This concept is defined as for instance an organization that is not capable or is not convenient to perform a certain activity, contracts another to carry out certain services in which it is a specialist, in order to create a symbiosis relationship in the medium or long term. In recent years, outsourcing has gained a prominent role in creating value for companies and many already use this tool as a way to obtain competitive advantages in terms of market (Lopes da Costa, 2012).

Especially when a company needs to go abroad, outsourcing becomes a crucial part of the tax and accounting part of the firm. Attentive abdicates the need to have qualified and properly licensed personnel in the area to perform such tasks, concentrating its human resources on the main functions inherent to the activity.

2.9 Strategy Formulation

2.9.1 Vision, Mission and Values

In order to implement the appropriate strategy in a particular type of market, companies must define clearly and concisely three strategic foundations that determine the company's goals, vision, mission and values.

Drucker (1994) argues that a company is not defined by its name, status or product that it does, it is defined by its mission. This should be clear because it is the essence of being an organization and makes it possible, clear and realistic its objectives.

Thus, Attentive vision was expressed in one quote from the founder: “*We are Attentive, so you don't have to be*”. This quote reflects what Attentive wants to become and the commitment to inspire people to achieve their fullest potential as well as engaging team to share knowledge and measure outcomes that matter!

The mission is a statement of the reason for the organization existence, so Attentive ultimate purpose is a powerful combination of set its customers up for a consistent success by creating software that sales reps love to use and, on the other level generates accurate reporting data and specific recommendation on what to do next.

The organizational culture is comprising by the set of values and modes of conduct practiced by the employees of the company, essential for the creation of an image about it. As a result of that the studied company core values are innovation, transparency, integrity, curiosity and teamwork, in order to promote the fulfillment of the mission and the scope of its vision.

2.9.2 Company Objectives

The company goals of Attentive are entirely related to the mission and vision presented.

There are two types of management goals: the so-called big goals and the specific objectives (SMART). The big goals are objectives that are planned to reach the medium / long-term and are considered as more specific goals. Notwithstanding, for these to become feasible, more

specific objectives, called SMART goals, should be stipulated and delimited. These are specific, measurable, attainable, realistic and defined goals within a given time frame. Following are the big goals and the specific objectives of Attentive:

Big Goals:

- Expand globally the company
- Increase operational efficiency
- Improving Marketing Strategy
- Become a benchmark in SaaS sector
- Prospect and retain new customers

Specific Goals (SMART)

- Raise between €5 million and €8 million in funding over 1 round to start the internationalization process to USA
- Start their activity in Boston by the end of 2020
- Generate a turnover of €500,000 in revenue in the second year in Boston, extending its performance across the United States.
- Reach €3 million in revenue until 31st of December of 2022
- Serve approximately 1 million users until 31st of December of 2022
- Expanding sales and having a strong presence in other regions (Canada, Latin America, Asia, Central and Easter Europe) by the end of 2025.

2.9.3 Critical Success Factors

A company's Critical Success Factor (CSF) corresponds to the skills or activities that deliver the most value to customers. These are determinants for the maximization of the internal performance of a company, thus, achieving the defined objectives. The success of companies in their market depends on the CSF since it allows the company to have competitive advantages (Grant, 2008).

Attentive is a Born Global company that was accepted to one of the most credible American accelerators – TechStars, so the network relationships established there as well as the relationships in the Portuguese market enables the internationalizing company to gain social capital. This is a huge asset, due the fact that the founder has access a broad knowledge of the

American market and the SaaS industry overall, its needs and its tendencies in the near future. This aspect coupled with the experience acquired in Google provides clear and useful set of skills and information for customers, ensuring a higher level of service.

Furthermore, this aspect was discussed in the previous chapter, the good relationship with the supplier is highly appreciated, since Digital Ocean is already well established in America and has massive networking connections of business persons in the US marketplace is a great stakeholder to trust. As long as there is a mutual respect and both parties seek to honor their commitments in the best possible way so that everyone benefits.

Nevertheless, since the clients tend to be very volatile in terms of replacing the current SaaS for the new ones, this could be an initial advantage for Attentive (foreign company) due to the strategy cost leadership, which generates more initial demand and consequently increase market share.

2.10 Implementation of the Strategy

2.10.1 Marketing Mix

In recent years, the concept of Marketing has grown exponentially in the business world, gaining a decisive role among the other departments, and Marketing's goal is to make the sales effort superfluous by concentrating on the needs and desires of the customer in order to extol the most appropriate product or service that can be sold for the clients (Kotler, 1973). Nowadays it is the market that determines what type of product a company should adopt, since make profits through the satisfaction of its customers is the primary goal of Marketing Mix. Currently, the perspective of most companies is not to find the right customer for their product, but the right product for their customer.

Since companies are driven by their ambition to gain more market share and assure the highest level of customer satisfaction through a response of their needs, they must take into account four crucial variables: *Product, Price, Place and Promotion*.

2.10.1.1 Product

Attentive solution pretends a unified operational sales platform that ensures a combination of Slack, Attentive and CRM (in the same manner with Hubspot or Salesforce) which allows the customer team to get the most out of their CRM with minimum effort. Therefore, with this integration, Attentive connects with Slack chat tool to view and share the client pipeline information about their deals and enable the customer team to get their action out of the way quickly and schedule tasks, as well as it reminds sales representatives when a deal has not been updated in a while or if there is information missing. Since the pipeline gets updated without leaving their Slack, the solution presented can be classified as advanced for companies that need to increase the productivity of their sales persons and compared the existing limitations of most SaaS solutions, it is undoubtedly a competitive advantage for Attentive. Thus, the platform is building upon a unified and operational model, resulting in a centralized software, safe, user friendly and tailored the sales people action to fit their process and needs.

Moreover, the adoption of this solution benefits the client companies from null investments in CAPEX, because they do not required investments ranging from infrastructure (hardware), service implementation and software licensing. Nevertheless, companies will also benefit from a high reduction in their OPEX expenditures, no longer requiring specialized infrastructure maintenance teams and application support, reducing their training and communications efforts.

There will be available three versions of the SaaS with different prices and functionalities, in order to satisfy distinct segments of the market and their respective needs.

- Free Trial Version: In this version, it will be available the main common features to meet the ordinary needs of sales persons, particularly analyze the sales velocity by analyzing the number of deals processed, pipelines conversations, sales velocity by rep, number of CRM actions taken with Attentive.
- Professional Version: In addition to the features in the previous version, the Professional version provides with advanced functions, such as Data Quality and Sales Velocity. Thus, the first functionality is on improved data quality on SFDC namely: increased reporting activity,

detection of data issues as soon as they happen and finally it reports the percentage of stale deals and incomplete opportunities.

- Enterprise Version: Compared to the previous version, the Enterprise version will assure the best technical support (almost 100% of the sales process) is followed by the Attentive team on a daily basis and make recommendation for each sales representative of the client team.

The product will be marketed through the Attentive webpage, corresponding in practice to the operating lease of software (SaaS) through a prepayment to be charged on a monthly basis through electronic payments.

2.10.1.2 Price

Price strategy is to seduce the customers by betting on a low price platform, offering a differentiator solution on an international scale for sales team up to 20 individuals. The following figure shows the prices for each version.

Figure 12: Table of prices for each version

Trial Version	Professional Version	Enterprise Version
<ul style="list-style-type: none"> • Platform Accessibility: Limited • Technical support: Community Support • End user capacity: Up to 3 sales persons • Main Features: Sales Velocity • Shared Attentive Cloud 	<ul style="list-style-type: none"> • Platform Accessibility: Total Access • Technical support: Professional Support • End user capacity: Up to 20 sales persons • Main Features: Sales Velocity + Data Quality • Shared Attentive Cloud 	<ul style="list-style-type: none"> • Platform Accessibility: Total Access • Technical support: Enterprise Support • End user capacity: Up to 50 sales persons • Main Features: Sales Velocity + Data Quality • Shared Attentive Cloud

Source: Prepared by the author

The difference between the Community, Professional and Enterprise support is related with the way that Attentive team will provide the support that is required. Thus, Community support will be provided by FAQ in the company webpage and by creating a forum for the customers can not only express their questions, but also to receive insights and useful feedback to improve the platform. Regarding Professional support, clients that will subscribe to this version will have an account manager fully committed to support their sales team, however with specific days during the week. Contrary to the Enterprise support which is going to have all work week to support clients' sales team and deliver useful recommendations to achieve the maximum growth potential and generate more revenue.

2.10.1.3 Promotion

Since Attentive is a Born Global firm the promotion needs to be widely carried out from an international perspective, using the following channels and mechanisms:

- On-line: This context is going to be the primary channel to promote Attentive solution with distinct practical plans:

- Search Engine Optimization (SEO): is the set of strategies aimed at enhancing and improving the positioning of a site on organic results pages on search engines. It is considered the most important online marketing tool for a medium/long term (around 4 to 8 months), if well implemented the outcome of this investment will be massive, because it ensures an incremental traffic quantity.
- Pay-per-click (PPC): This mechanism is excellent to obtain short term results and is a useful complement for SEO, due the fact that both target potential customers online.
- Retain customers: Often times existing clients are placed in the backstage in the customer satisfaction, due to the willingness to gain new clients by the marketing and sales department, however if these loyal customers can be managed properly, they would reduce the global cost of the sales effort. Moreover, communicate effectively online in forums and engaging regularly with meaningful information for the clients via email, will reinforce the visibility of Attentive brand and consequently increase customer loyalty.
- Principal Technology Fair and Events: Given the innovative nature of the platform and consequently being technology and business model disruptive allow to expand globally the solution. Therefore, the following fairs and events are primordial to attend in the USA and Europe.
 - Consumer Electronics Show (CES), Las Vegas; www.ces.tech
 - The Next Web, Amsterdam; <https://thenextweb.com/>
 - TechCrunch Disrupt, San Francisco, New York, Berlin and London; <https://techcrunch.com/events/>
 - Web Summit, Lisbon; <https://websummit.com/>
 - CeBIT, Hanover; <https://www.cebit.de>

2.10.1.4 Place

In order to address the aforementioned customer segment, the company, in addition to the direct sales team and online promotions, intends to have a distribution network that ensures product placement in the global market.

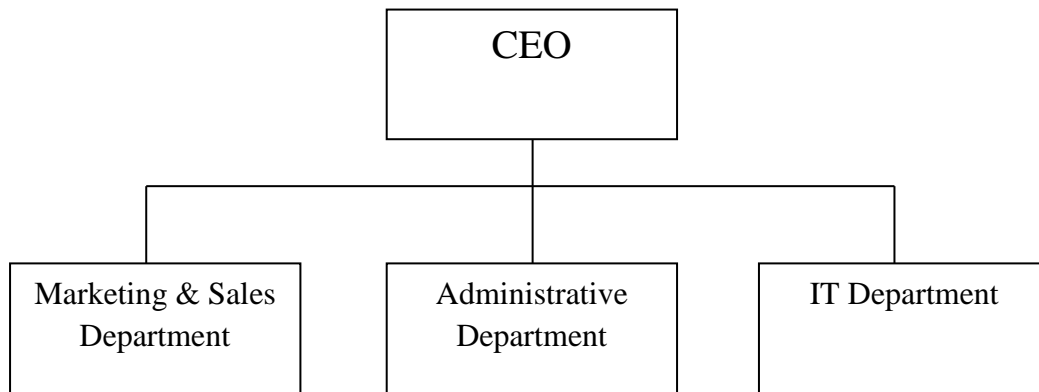
- Networking with International Partners: Since Attentive will go to US and it has already a strong accelerator networking, the company needs to select one or more partners to address the market and taking advantage of their specific knowledge of the country. In addition to that firm must be focus on innovative companies with up to 50 sales persons in order to carry out specific campaigns for these potential clients.
- Individual Agents and Contact centers: Individual agents are capable to promote and distribute the product through privilege relationship with companies in the SaaS sector. On the other level, contact center can be outsourced by the company in order to increase the sale of the platform.
- CRM Vendors: they can be considered as strategic partners, since they can play a more active role if they decide to offer the integration Attentive solution to its customers in their CRM platform.

2.10.2 Resources

2.10.2.1 Company Organization Chart

The formal structure of an organization is represented by its organizational chart. It identifies how the functional units of a company are arranged, as well as the hierarchy and its communication between the main elements that constitute it. The most common type of organization chart is the classic, also called functional and Attentive has it, but since the company is still small, it only has a few structural ladders as can be seen in figure 13, in which the CEO is Daniel Araújo and all the decisions that the company needs to implement are his responsibility, due to the small complexity of the firm.

Figure 13: Attentive Company Organization Chart



Source: Prepared by the Author

The administrative department is responsible for the planning, organization, direction and control necessary to an efficient operation of the company. Whose main objective is to facilitate cooperation between employees to achieve the previously stipulated objectives, as well as do the financial control and budget to support decisions.

Regarding the Marketing and Sales department, this is responsible for the company's sales and purchases. Purchases refer to decisions about what, where, when need to negotiate and make a decision on suppliers' offers and payments based on customer demand and requests. Sales are the activities responsible for promoting, realizing and controlling the sale of products, ensuring a good pre-sale and after-sales service. And lastly the marketing activities like online marketing, update the webpage and write articles, as well as search for new events and fairs. And finally, the IT department is the one that needs to ensure that the platform is performing well, provide inputs and innovative solutions to increase the quality of the software.

2.10.2.2 Human Resources

The human resources that are in the organizations are critical to the functioning of the companies, regardless of their size. Is the duty of the employees and managers to accomplish their main responsibilities and tasks as well as build the organizational culture and environment of the firm. Currently, Attentive is constituted by nine members, including the managers and founders. However, for the internationalization process the firm needs to acquired more talented people, especially in the USA to start their operations. According with the founder,

after they get funded, company wants to select a head of Growth in America and consequently an international sales team to penetrate into foreign market.

2.10.2.3 Material Resources

Material Resources are physical resources that the company needs in order to operate properly on a daily basis. Therefore, acquisition of equipments and systems such as computers, tables, mobiles, chairs, software, telecommunication services, etc. are essential for company daily work. Moreover, since the enterprise pretends to establish in a different country, it needs a HQ and therefore they need to analyze the real state properties towards renting an office.

2.10.2.4 Accounting and Legal Support

Aforementioned, since the company does not have accounting and legislative background, particularly in the US it is logical that this section will be outsourced and prepared for a third-party entity in order to proceed with the construction of personnel maps, processing salaries, clearance and payment of taxes, among other tasks.

2.10.2.5 Sales Force

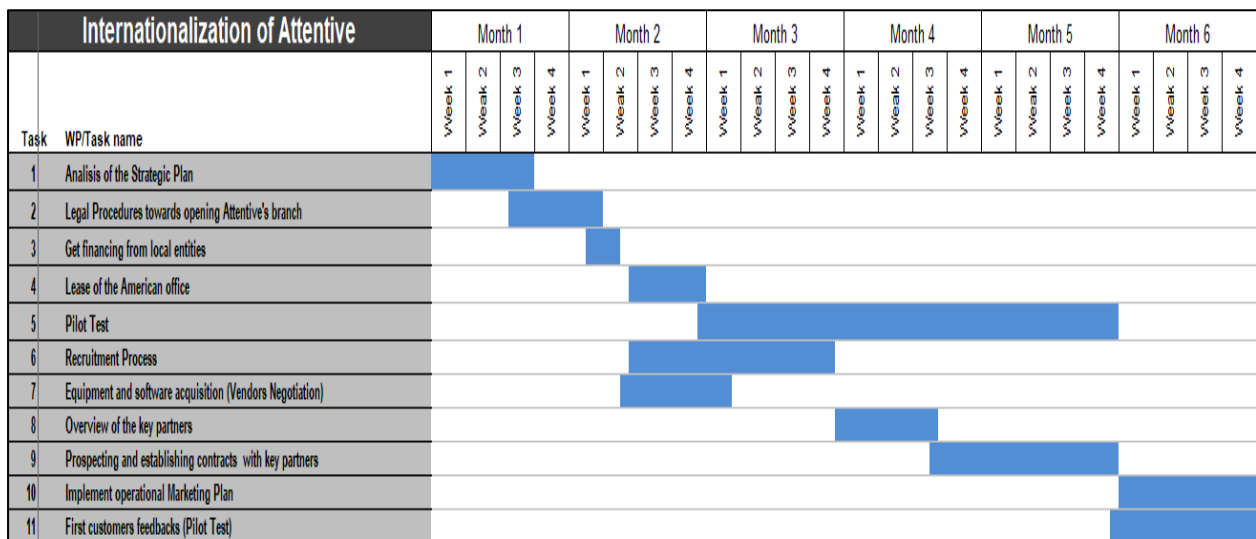
The sales force of a company is composed of employees whose main objective is to sell and promote the products and / or services made available by the company. In order to reach the specific goals aforementioned Attentive needs to acquired sales representatives in the first year of activity towards reaching in the second year a turnover of €500,000 in revenue in the US soil. According with Daniel Araújo (CEO), the company is planning to have 5 American sales representatives and one head of growth to manage the sales team in the US. This manager will be main responsible for capturing and maintaining relationships with customers overseas. It is crucial to understand that firm turnover will depend substantially on the performance of the sales team, so it will be essential to have some experience of sales in the SaaS industry. Moreover, in the American office it will require one secretary with secondary responsibility like vendor in the customer service and inbound sales assistance. Thus, it is important to hire

an experienced secretary that meets the expectations of the clients and she/he must have problem solving skills in order to be a tremendous asset for Attentive’s branch.

2.10.3 Implementation Plan

As the report already identifies necessary resources to open the new office in America, now it is crucial to make the implementation plan. This plan aims to expose the tasks / activities and the estimated time for carrying them out in order to have a robust strategic plan. The Gantt chart illustrated in Figure 14 identifies, in an orderly way, the progress and time intervals of the steps required until the start of Attentive activity in Boston area.

Figure14: Gantt Chart of the internationalization process of Attentive first 6 months



Source: Prepared by the Author

1

The first stage of this Strategic plan is to analyze and correct some errors or misunderstanding. The deadline for this task will be three weeks. Then managers have to approach all kinds of bureaucratic procedures, which will be carried out to open and operate the activity in the company's new physical space, this procedure will have the duration of approximately 3 weeks.

The conditions and negotiations of the financing needed for the project will be the next step. This will be obtained in three different ways, by private investors or by bank loan. It is estimated that the time spent for this third stage will be two weeks.

Next, the appropriate space will be chosen for the Attentive activity in Boston. The establishment should be in a good condition with around 50 square meters. Regarding the timeline is about three weeks to do the procedures inherent to the lease contract. In fact, when both lease contract and financing for software and equipment's are done, the pilot test can be implemented and the duration of it is going to be approximately three months is ordering to have relevant information and time to adapt to this new market.

Regarding the recruitment process, it is going to taking place in the early stage of the implementation in order to have time to select the most suitable head of growth, plus five sales reps and additionally one secretary. Therefore, it is estimated to spend around 2 months to get all recruitment process to be complete. Subsequently, the purchase of all kinds of furniture, software, hardware and administrative equipment necessary to carry out the activity inside the establishment is continued and is going to be done in approximately one month.

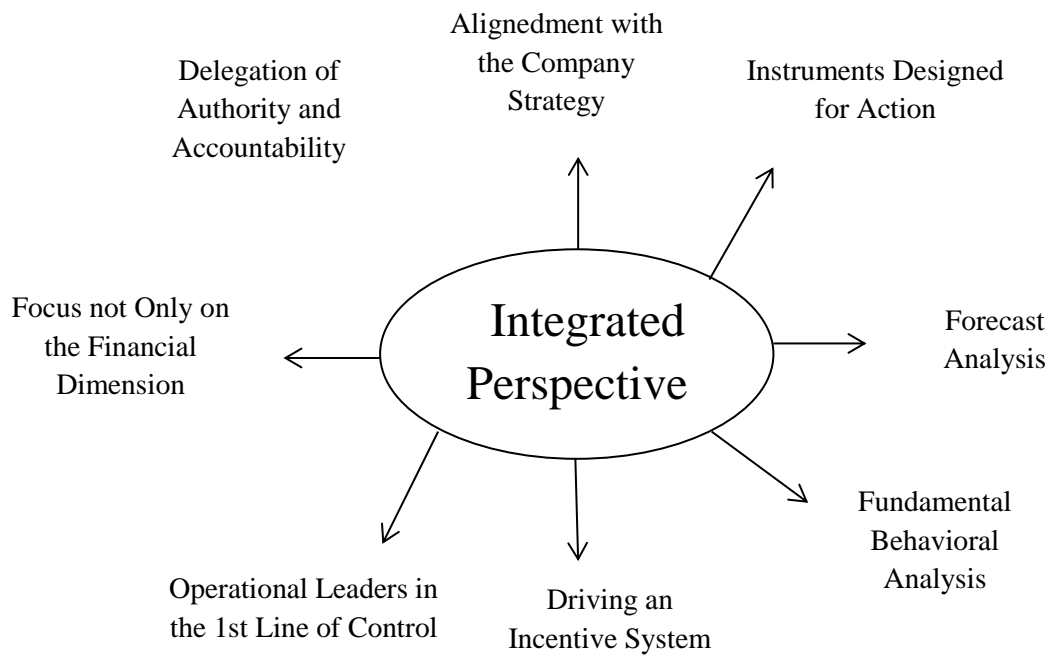
In the fourth month the managers tends to analyze key partners in order to get some interesting potential allies in 1.5 months later and provide inputs to build a robust marketing operational plan in the finally of the 6th month. With almost the same amount of time, Attentive is getting feedbacks that will be provide by customers inside of the pilot test and ensure that the platform is effective in this challenging foreign market.

2.11 Strategic Control

According with Jordan (2008), management control is the ability of managers to monitor what is going on in the company, based on an instrument that (1) must be linked to an incentives system reflected in numbers and behaviors, (2) it needs to take into account the past, but also the future, (3) it provides financial information, but also non-financial information, (4) and to be connected to the top and middle management, but also operational members. Thus managers will be able to motivate the whole organization in the creation of value from two basic premises: *communication and alignment*. Moreover, it is highly important to ensure convergence between individual and organizational initiatives, to select only what is critical for the entity in order to have an integrated view of results and activities.

Jordan (2008) also argues that it is important to highlight the fact that an appropriate management control system helps the company succeed, and for this to happen it is necessary to consider the eight principles of management control.

Figure 15: The Eight Principles of Management Control



Source: Lopes da Costa (2012)

It is mandatory to create value for the *Stakeholders*, and this value needs to be linked to different performance metrics for each of the interested agents in the firm. Furthermore, these metrics need to be aligned with the company's mission, because it defines the primordial orientation of the company, the *Big Goals* as well as the SMART specific objectives.

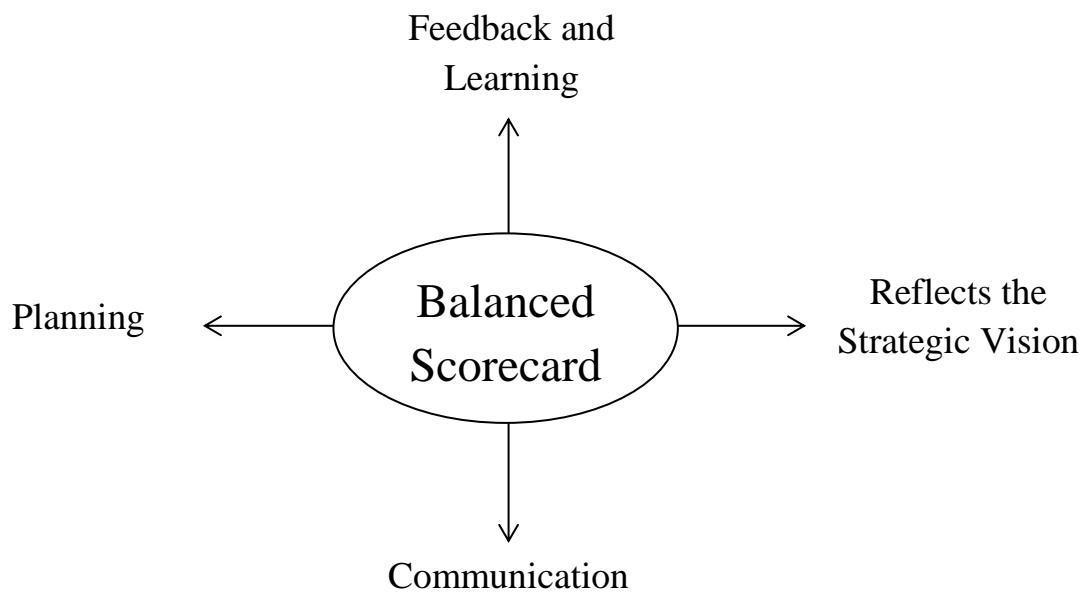
For these reasons Attentive needs to generate value for all stakeholders through:

- The creation of financial metrics for shareholders;
- Profitable customer analysis, towards create awareness which clients are profitable and the ones that are less profitable;
- The creation of metrics to measure employee performance and compensation plan
- The creation of metrics to manage properly the payment for suppliers, lenders and others.

2.11.1 Balanced Score Card (BSC)

According with Lopes da Silva (2012), the Balanced Scorecard is a performance metric used in strategic management to determine and to improve several internal functions of a business and their resulting external outcomes by isolating four separate areas that need to be analyzed. Therefore, these four different sections are Feedback and a learning process, alignment with the strategic vision of the firm, efficient and effective communication and planning. The applicability is to measure and provide feedback to organizations, and to reinforce good behaviors inside of the firm. Moreover, an organization use the BSC to implement a strategic plan to spot where value is added within an organization, as well as to develop new initiatives and strategy objectives.

Figure 16: Practical Methodology of “Balanced Scorecard”



Source: Lopes da Silva (2012)

In order to Attentive to solidify its management control system, the performance monitoring needs to be framed into four perspectives of analysis. Kaplan and Norton (1996) propose that performance monitoring needs to be related with Financial perspective, market perspective, internal process perspective and finally, but not least organizational development perspective, adjusting with strategic vision and mission of each company.

The financial perspective, also known as the shareholder's perspective, aims to elaborate a specific action plan in order to know the performance of the company leveraged by the capital invested. Hereby, the financial analysis pretends to show that the company is focus on three different aspects: Growth, Profitability and Value creation.

Table 5: Attentive: The financial perspective

	Critical Success Factors	Performance Indicators	1	2	3	4
Financial Perspective	Growth: Company Expansion	- Rate of growth of activity - Turnover -Market share				
	Profitability	-Return on equity -Profitability of sales -Earnings per share				
	Value created: Capabilities to generate value for the shareholders	-CVA (Cash Value Added) -EVA (Economic Value Added) -NI (Net Income)				

Source: Lopes da Silva (2012)

The Market perspective, known as the Customer perspective, aims to contribute to a better consolidation of the relationship with customers, allowing the achievement of financial objectives in a sustained manner. The analysis of this perspective is based on not only the level of customer satisfaction, but also on the profitability of the company, and is therefore centered on 4 aspects: Retention, Loyalty, Profitability, and Satisfaction.

Table 6: The market perspective

	Critical Success Factors	Performance Indicators	1	2	3	4
Market Perspective	Improve customer satisfaction	-Satisfaction index (Surveys) -Waiting Period -Claims				
	Degree of loyalty of current clients	-Growth rate of turnover in current customers				

		-Number of customers per year "Repeat Clients"				
	Ability to innovate on offer. Acquisition of new customers	- Turnover -Market share -Number of differentiated offers in the market				
	Yield	-EVA (Economic Value Added) -Return on Sales / customers				

Source: Lopes da Silva (2012)

The perspective of Internal processes ensures the analysis of activities related to the processes of each business that lead to the fulfillment of the goals established in financial and market terms, furthermore it allows the identification of capacities and resources necessary to increase the quality of services provided by the organization throughout its value chain (Lopes da Costa, 2011). So the activities that are intrinsic in this perspective and consequently enables competitive advantages is the existence of a supply chain model that: (1) includes the process of innovation in researching the needs of customers and creating products or services to satisfy them, (2) which guarantee the quality of the offer through the optimization of the operational process, and lastly (3), to manage the relationship with the customer through a service that accompanies the consumer after the sale of the product or service. Thus, the analysis of this perspective should be focused on organization, Rationalization, Quality, Efficiency and Effectiveness.

Table 7: The internal process perspective

	Critical Success Factors	Performance Indicators	1	2	3	4
Internal Processes Perspective	Rationalize Elimination of non-value-creating activities	-Product unit costs				
	Efficiency analysis Resource optimization	-Productivity -Tax capacity utilization rate -Absenteeism				
	Quality	-Rejection Rate				

	Ensuring high levels of acceptance of the products / services					
	Organization Improve service delivery	- "Lead time" or deadlines -Waiting time -Claims				

Source: Lopes da Silva (2012)

Nevertheless, the Organizational development perspective analyses the results obtained and trying to generate a future model focusing upon three different aspects: People, Systems and Procedures.

Table 8: The organizational development perspective

	Critical Success Factors	Performance Indicators	1	2	3	4
Organizational Development Perspective	Innovation: Employee capacity to generate new ideas	-Number of new ideas taken -Number of new products or services				
	Satisfaction: Guarantee High levels of motivation and commitment	-Satisfaction Index - Amount of awards and incentives				
	Qualifications: ensure knowledge levels of employees that enhance their performance	-Number of qualified staff -Number of training hours				
	Technology: harnessing the technological potential	Average investment per employee Number of computerized activities				

Source: Lopes da Silva (2012)

Thus, Attentive should improve its management tool in order to pursue a better efficient way of surpass its daily challenges. Additionally, thanks to the perspectives that were previously mentioned, this will help the company to get in markets as the US, which is an uncertain one.

Conclusion

The strategic plan was elaborated with the intention to study the feasibility of the expansion of Attentive in the USA. Therefore, it was presented the actions and respective strategies for the sustainable growth in this highly competitive technology sector. Allied with the environmental indicators that express the technology trends, political issues and social characteristics, as well as the economic context which expose the growth of the global economy and some predictions of the next years provided by the United Nations and other credible sources. The report illustrates that the economic context is going to be very helpful for the companies and therefore Attentive needs to increase its sales volumes. So, Attentive through the market expansion pretends to deliver the same software solution, but in different markets. The networking relationships that the founder has thanks to Techstars, the attractiveness of the place, the market dimension and the transportation accessibility between Portugal and the United States give Boston the best city to establish its office.

Moreover, competitive analysis translates a highly intense market for young companies. However, the capabilities that born global companies have to overcome these challenges are the competitive advantage that enables the success in this “red ocean” market. Combining with not only dynamic capabilities, but also the SWOTi analysis, show that Attentive has relevant factors, like the strong experience in sales operation analysis, deliver unique insights for each client’s team member and the opportunity to operate in an emerging market are key aspects to get well in this foreign market.

Regarding Strategy formulation and implementation of Attentive, it is crucial to understand firstly the drivers of the company and why they are operating in this sector. Therefore, the exploitation of the vision, mission and values are highly relevant to track a path that enables the company to continue pushing forward with a clear purpose. Complementing with the implementation process, Attentive marketing mix with four essential areas (product, price, promotion and place) contributes to understand the value proposition of the company software and the features varies according with the price (it is set the price up to €59 / monthly per user) and the promotion to increase the visibility of the product via online and offline, as well as some marketing approaches to create higher engaging and communicate effectively with customers and generate more business opportunities with events and fair. Lastly, the Attentive place will distribute their solution, and so the key paths to do it are establishing relationships

with international partners, individual agents and contact centers, as well as CRM vendors to make the process easier and efficient. Still inserted in the implementation plan are the resources that Attentive needs to explore in order to start their operations and the time to acquire these resources in the USA. Nevertheless, Attentive in order to get greater management than its competitors need to create a metrics and control its operations, so the Balance scorecard is extremely relevant because it can expose different metrics to gain better understanding of what is impact of these metrics in different perspectives.

Initial Main Objectives	Achievements in this Report
<ul style="list-style-type: none"> • Strategic Plan for Attentive 	<p>-Attentive is a company with tremendous potential. However, it is crucial to not neglect the environmental contexts, as well as be aware of internal examination and get a solid implementation of their plan coupled with the marketing mix approached throughout this report.</p>
<ul style="list-style-type: none"> • Analyze internationalization process of Born Global firm (Attentive) 	<p>-It was examed in depth and concluded that Boston is a key city for Attentive penetrate in the U.S market and scale up its business.</p>
<ul style="list-style-type: none"> • The influence of networking relationships 	<p>-An impactful approach of networking could be a critical turning point to generate revenue in a fast-paced industry like SaaS, due to the networking from the founder thanks to his background and accelerator programs (Beta-i and TechStars).</p>

To sum up, Attentive is a born global company with the potential to have a positive impact in the client sales personnel thanks to the characteristics of the software solution that they provide, and consequently it is generated more revenue and sustainable growth in the USA.

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