

**THE INFLUENCE OF ENTREPRENEURSHIP IN PLANNING  
AN INTERNATIONALIZATION STRATEGY**

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“Be happy with what you have, but get excited about the chance to have more.”

Alan Cohenw

## **Acknowledgments**

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## **Abstract**

Since the beginning of the 21st century, there has been a change in culture and, consequently, a change in the way of thinking and living, today people have stopped focusing only on the border areas of their country to start looking for opportunities outside their own country. comfort zones. With this new way of looking at the world, a strong technological advance was added, these variables contributed to the existence of a much more dynamic and competitive market.

From this competitiveness arises the need for companies to open their field of vision looking for new alternatives and new opportunities, and if they do not intend to survive, they cannot limit themselves to the competitive advantages they have, under penalty of “losing the train” of entrepreneurship. The elaboration of a strategic plan, therefore, presents itself as a mandatory step to respond to the needs of a company.

In a completely globalized world, where physical boundaries are no longer a barrier, the main objective of this investigation is to find out whether current leaders are preparing to compete in the current world market and how they put all these changes in their favor. On the other hand, more and more leaders believe it is possible to make business decisions, while simultaneously increasing revenues and managing positive economic and social results in the communities where they operate, as there are a range of alternatives and business options.

Another objective of this dissertation is precisely to find out how Portuguese leaders face these new opportunities, and resort to the implementation of innovative strategies in order to increase their business performance, achieve their strategic objectives, and compete with companies worldwide. In this sense, several interviews were conducted with sixteen leaders in our country, from companies under ten years old, in order to understand their perception of the current market situation, in order to understand the consequences of competing at a global level, and in parallel if they are willing to search for new alternatives to update, materialize and boost their commercial activity.

It is conclusive that although leaders recognize the need for good planning to be competitive internationally, the dynamism of the current market, leads leaders to devote less time and resources to this task. The speed and ease of creating business, has led

companies to think more and more in the short term, and entrepreneurs who are not afraid to start, have become more important not only for companies but for society in general.

Key words: Strategy, Strategic Planning, Internationalization, Entrepreneurship

JEL Classification:

F23 – Multinational Firms; International Business

L26 - Entrepreneurship

Y40 – Dissertations

## Resumo

Desde o início do século XXI que se tem assistido a uma mudança de cultura e consequentemente uma mudança na forma de pensar e de estar, hoje as pessoas deixaram de se concentrar apenas nas zonas limítrofes do seu país para iniciarem uma procura de oportunidades fora das suas zonas de conforto, ou seja, procurarem uma oportunidade fora das suas fronteiras. A este novo processo diferente de olhar para o mundo, aliou-se um forte avanço tecnológico, estas variáveis contribuíram para a existência de um mercado muito mais dinâmico e competitivo.

Desta competitividade surge a necessidade das empresas abrirem o seu campo de visão procurando novas alternativas e novas oportunidades, não podendo caso pretendam sobreviver, limitar-se às vantagens competitivas que detêm, sob pena de “perderem o comboio” do empreendedorismo. A elaboração de um plano estratégico, apresenta-se desta forma, como um passo obrigatório, para dar resposta às necessidades de uma empresa.

Num mundo completamente globalizado, em que as fronteiras físicas não são mais uma barreira, o grande objetivo desta investigação é o de averiguar se os agora líderes se preparam para competir no mercado mundial atual e de que forma colocam ou não todas estas mudanças a seu favor. Por outro lado, cada vez mais os líderes acreditam ser possível tomar decisões de negócio, e simultaneamente, aumentar as receitas e gerir resultados económicos e sociais positivos nas comunidades onde operam, pois existem uma panóplia de alternativas e opções de negócio.

Outro objetivo desta dissertação é precisamente averiguar de que forma os líderes portugueses encaram estas novas oportunidades, e se recorrem à implementação de estratégias inovadoras com o intuito de aumentar a sua performance empresarial, atingir os seus objetivos estratégicos, e competir com empresas a nível mundial. Nesse sentido, foram realizadas várias entrevistas a dezasseis líderes do nosso País, de empresas com menos de dez anos por forma de compreender a perceção destes sobre a atual situação do mercado, com o intuito de perceber quais as consequências de competir a um nível global, e em paralelo se estão dispostos a pesquisar novas alternativas para atualizar, concretizar e dinamizar a sua atividade comercial.

Desta forma, é conclusivo que apesar dos líderes reconhecerem a necessidade um bom planeamento para se ser competitivo a nível internacional, no entanto o dinamismo do

mercado atual, leva cada vez menos os líderes a dedicar tempo e recursos a esta tarefa. A rapidez e a facilidade de criar negócio, levou as empresas a pensarem cada vez mais ao curto prazo, e empreendedores que não têm medo de arriscar, tornou-se mais importante não só para as empresas como para a sociedade no geral.

Palavras-chave: Estratégia, Planeamento Estratégico, Internacionalização, Empreendedorismo

Classificação JEL:

F23 – Multinational Firms; Internatonal Business

L26 - Entrepreneurship

Y40 – Dissertations

## **List of abbreviations**

EU - European Union

ECSC - European Coal and Steel Community

RQ – Research Question

SME - Small and Medium Sized Company

WTO - World Trade Organization



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# **Chapter 1- Introduction**

## **1.1 Context**

We currently live in a time when there is a tremendous need for a company to be 100% efficient. The market is increasingly competitive and if a company wants to achieve success can not make mistakes and needs to always be a step ahead compared to its competitors, a company needs to always compete to be the best in its segment. Because of this need to always be one step ahead of competitors, strategic thinking has become increasingly important, and if previously companies were completely immune to interference from social forces and focused only on their own operations (Ansoff & McDonnell, 1993), now they are increasingly open and concerned about the environment in which they are inserted.

Technological evolution and the consequent transformation of the world into a global village is a factor that cannot be ignored as such the entry of companies in the global market has become inevitable, not only because of the limitation of the national market, but also because globalization has made domestic market participation much more competitive with the threat of foreign competition (Buckley, 2009). This increased competitiveness originated the need to find ways to compete in a sustainable and effective manner, which is why there is a need for entrepreneurial people who can cope with adversity.

Entrepreneurship means doing something new, different, changing the current situation and constantly seeking new business opportunities, focusing on innovation and value creation (Dornelas, 2003), and if entrepreneurs were once seen as people which are driven only by short-term profit, today they are considered energizers who take necessary risks in a growing and productive economy and are the job creators who introduce innovations and stimulate economic growth.

Although several authors have addressed these issues, there are still not many studies that focus on the relationship between these concepts, for this reason, a deeper study is necessary to understand how they relate and how strategies such as internationalization can be enhanced through an entrepreneur. The importance of internationalization and entrepreneurship is undeniable in the world as we know it today, so the theme of this

research: “The influence of entrepreneurship in planning an internationalization strategy” is very important.

## **1.2 General Objective**

In addressing the themes, strategy and entrepreneurship, this thesis aims to understand how these concepts can be related, with the main objective of understanding how a strategy, in this case internationalization, can be enhanced through the vision of entrepreneurial leaders who do not be afraid to take risks when applying methods other than traditional ones. This investigation is based on the history of some Portuguese SMEs, created in the last ten years, in order to have a clear perception of the position that leaders of the 21st century have in relation to ancient themes, such as strategic planning, and also more recent concepts like entrepreneurship.

## **1.3 Specific Objectives and Research Questions**

As we will see throughout this project, several authors have already dedicated themselves to explaining the internationalization strategy and the concept of entrepreneurship, and most of these studies have indicated that these two concepts are extremely important for any company that wants to start. However, despite the important contributions these studies have made to the development of any business, these studies address these concepts separately, thus ignoring the importance and advantages that entrepreneurship can bring to the development of existing strategies in general, and to internationalization strategy more concrete. To this end, this work is divided into three specific objectives:

1. Understand the notions that each leader has about strategic planning and the importance they attach to it.
2. Understand what motivations lead leaders to choose to internationalize their business, and what are the biggest barriers they encounter in this process.
3. Perceive what perspectives leaders have on the entrepreneur and entrepreneurship and understand how it can contribute to the development and internationalization of companies.

With these objectives, it was possible to outline some research questions that will be explored throughout the project:

**RQ1** - What importance do leaders attach to strategic planning, in an perspective of efficient and sustainable growth, and which strategies do they believe are essential to achieve success?

**RQ2** - What are the main factors that drive a company to internationalize and what are the main barriers?

**RQ3** - What behaviours do leaders associate with entrepreneurship and entrepreneurial people? What impact can entrepreneurship have on a company's development and internationalization process?

## **1.4 Structure**

In order to achieve the objectives and find answers to the questions mentioned above, the elaboration of this dissertation is composed by the following structure: In chapter 1, an introduction is made, where a brief contextualization of the themes covered in the thesis is made, briefly explaining the problem of investigation and its objectives.

In chapter 2 there is a literature review, which consists of the collection and presentation of studies by various authors on the topics under analysis, translating into secondary data for the answer to research questions:

This chapter will approach strategic development and growth, mainly by emphasizing strategic planning as well as its methodologies and limitations. Strategic planning can positively impact any business if correctly done, especially nowadays since most markets are very competitive and every company needs to be correctly positioned in its market if they have an urge to thrive and succeed.

After studying strategic planning and starting from the fact that any company wants to grow, to develop itself and therefore comes the urge to enter new markets, which can be done through numerous strategies directly linked to internationalization, majorly franchising, outsourcing, licensing, strategic alliances and joint ventures.

The next topic addresses the topic of entrepreneurship and why it can work so well alongside internationalization, of course digging deeper when it comes to its whole background history and concept, targeting what leads to entrepreneurship to happen and its multiple varieties all this combining a theoretical and a more practical approach, mainly pursued through data collection and further analysis.

Then, in chapter 3, we define the theoretical approach, with the respective research questions, which will serve to leverage the empirical part of this research, using the literature review relevant for this purpose.

Chapter 4 serves to explain the methodology applied in this dissertation, where it is described how the method was collected and analysed the information for the basis of it, specifying the research model used and the sample description of this study.

In chapter 5, analysis and discussion of results, an analysis is made of the data collected from the interviews conducted, using statistical methods and tools, in order to find answers to the research questions, always comparing the answers with the bibliographic information collected in the literature review.

To finalize, in chapter 6, the dissertation is concluded by answering the research questions. With the intention of achieving the goals of this project all the outputs will be covered, mainly incising in all the limitations of the project and how to overcome them, converging into a suggestion for future research.



## **Chapter 2- Literature Review**

### **2.1 Strategy and Growth Options**

The term strategy has been used for many years, derives from the greek verb "Stratego", and according to Desreumax (1993) means to plan the destruction of enemies by the effective use of available resources. Originally, this term was applied to define the plans used by the military to achieve victory. The subsequent formulation of business strategies derives from the recognition of similarities between the situations experienced by the armed forces and companies, such as the possession of established objectives, relatively scarce resources and the existence of an environment characterized by competition.

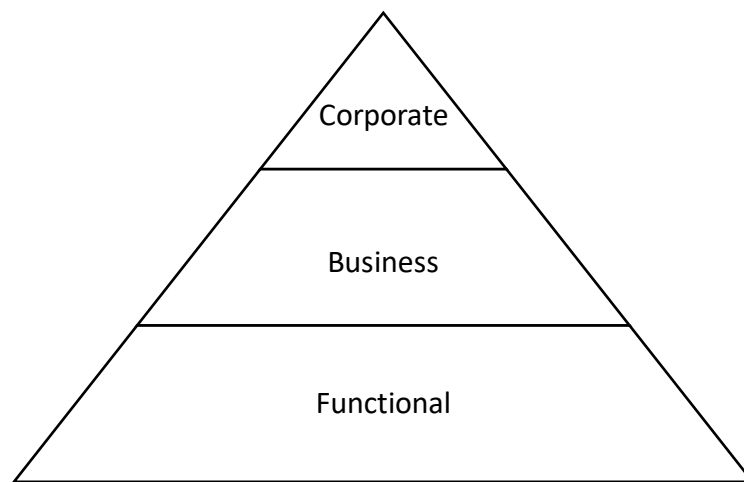
#### **2.1.1 Strategic planning**

Strategic planning is a management process that can and should be used by any company that wants to be competitive and maximize its resources. There are several definitions of strategic planning, however none is more correct than another, they just complement each other, in general, it is easy to see that whatever the definition, they all focus on an objective of creating value, whether from the point of view of the market, the organization or the shareholders (Renato Costa, 2019) . Henderson (1989) defined strategic planning as deliberate research to formulate a plan to develop and adjust competitive advantage for the organization and stated that the difference between a company and its competitors is the basis of competitive advantage. On the other hand, Miller & Dess (1996) defined strategic planning as a set of ideas taken to help organizations reach their goals.

It was from the 20th century, after the end of World War II, that strategy entered in the business world, which has since grown significantly and needed guidance, lines and paths to be followed. This growth has increased organizational complexity and, coupled with the accelerating pace of technological change, has required companies to deploy greater capacity to create and manage strategies to meet market challenges, achieving their short, medium, and long-term goals. Thus, in order to better understand this process, it is first necessary for the managers of a company to understand the market in which they are inserted and what are all their strengths and opportunities that they should exploit.

In order to be competitive in the globalized market, the company must constantly improve products, sales techniques, processes, etc. Looking to adjust its organizational structure to this new world full of constant uncertainties. These uncertainties can mean threats, but also opportunities for the organization. Strategic planning helps managers make decisions to anticipate changes or simply to prepare for them. According to some authors, a company's strategy can be classified at several levels. Figure 1 represents the various strategy levels defined by Thompson Jr & Strickland III (2000).

Figure 1: The Three Levels of Strategy



Source: Author

The **corporate strategy** that according to Thompson Jr & Strickland III (2000), is the strategy performed at the highest levels of the organization and accentuated in four vectors. The first vector is based on making changes to execute the diversification. The second is to initiate actions to strengthen the performance of the businesses in which the company has diversified. The third vector consists of trying to find synergies among the various sectors of the company, saving resources and maximizing efficiency, the fourth and final vector is to establish investment priorities by channelling resources to the most attractive business units.

**Business strategy** that involves making decisions in a specific business unit and aims to achieve a good performance in the same unit and to form or reinforce a long-term competitive position that produces a competitive advantage for the company. In 2000, Thomposn Jr & Strickland III stated that in order to achieve a competitive advantage, the business strategy should decide which area of the company has the best potential to grow and develop attributes in the products and services that arouse consumer interest in order to company a step ahead of its competitors. Complementing this definition Certo and

Peter (1993) stated that for a correct elaboration of the business strategy, it is necessary to analyse each level of an organizational structure and to choose a differentiating factor that can be the competitive price, the differentiation or even the specialization in a given target

There is also the **functional strategy**, this is the one defined by the specialists in each sector of the organization, describing the specific tasks that must be performed in order to implement the company strategy, in this way the managers of each area must coordinate their activities to ensure that these are consistent. Although this has a narrower scope than the other strategies, it has no less openings and practices for the activity of a business function. The functional strategy is intended to provide support for the company's overall strategy and outline how each area will achieve its mission. On this subject, much has been discussed, but in similarity to the definition, several authors have already studied about the process of strategic planning, and although each one describes the process differently it is possible to find common points between them. One of the common points is to divide the process into 3 distinct phases.

### **2.1.2 Strategic planning: Methodology**

On this subject, much has been discussed, but in similarity to the definition, several authors have already studied about the process of strategic planning, and although each one describes the process differently it is possible to find common points between them. One of the common points is to divide the process into 3 distinct phases

**1st Phase (Analysis and Formulation):** This phase is characterized by the environmental analysis and the formalization of the strategy. In environmental analysis it is extremely important to do both internal and external analysis. For this we can use the analysis of Albert Humphrey known as SWOT analysis, where we verify the great potential and at the same time the vulnerabilities inherent to the company, which translate into the ability of the organization to compete with its competitors. On the other hand, external analysis helps identify both the opportunities and the threats that may contribute to the company's success.

Having analysed the environment where the company is, we move on to define the company's objectives and mission, that is, to set an organizational objective that serves as

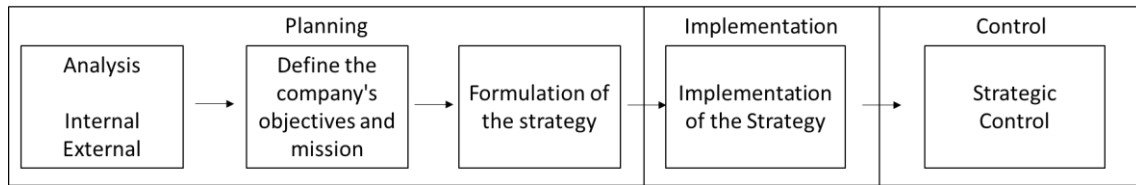
the goal for which the organization directs its efforts. Goal setting is very important because managers can use them as a guide in decision making and as tool to increase the efficiency of the organization.

In order to complete this phase, it is necessary to formulate the strategy that will in fact be implemented. The first step in this formulation is the use of the information provided by the environmental analysis, because it is this analysis that allows us to find the critical points to where resources should be directed in order to reach organizational goals in the most efficient way. This phase includes activities such as analysis, planning and selection of various strategies that fit the context of the organization. Therefore, it is necessary to establish measurable criteria such as: the level of investment, the expected returns, the use of synergies, among others to define the most appropriate strategy.

**2nd Phase (Implementation of the strategy):** This phase corresponds to the transition between the planning and the operationalization of the process. It is at this stage that the necessary adjustments of the organizational structure are identified and initiated, the budgetary parameters defined, and the necessary steps taken to the success of the selected strategies. The success of the strategy is directly related to its implementation, so this phase must be very well delineated and defined chronologically. This implementation represents some changes for the organization, as such, problems may arise, which obliges managers to be attentive in order to order the efforts of different departments and manage possible conflicts in order to eliminate or at least mitigate obstacles that may arise.

**3rd Phase (Strategic Control):** The last step is to certify that the strategy is developed as planned, based on the performance measurement of the organization. Initially, it is necessary to analyse the performance of the organization, that is, to study what is really happening in the organization, then it is necessary that the results obtained are compared with the expected results and if the results are not in agreement with the established objectives, remedial action is required. Briefly, this phase can be defined as the action necessary to ensure the achievement of objectives, challenges, goals and established projects.

Figure 2: Stages of the strategy planning, implementation and control model



Source: Certo & Peter (1993)

All these phases can be modified, because the market today is very dynamic, and it is normal that there are changes in the environment in which the organization is inserted. Thus, it is common that there are changes in the established definitions, so the company's mission, objectives, strategy and approach to implementation are never final. The adjustments are considered as normal and necessary in the strategic process of the organization.

### 2.1.3 Strategic planning: Limitations

Although many authors have demonstrated the importance of well-formulated strategic planning, Michael Aucin (2018) states that only 18% of organizations can be highly efficient in their strategic initiatives. According to the author there are two reasons for the lack of efficiency: the strategy may not be the most appropriate or is due to the lack of a coherent link between formulation and implementation.

Michael Aucin says that for many organizations, strategic planning is just an annual report, rather than relying heavily on solidifying processes for strategic planning and implementation. The author also argues that It is the people who design, implement and execute the processes that bring the strategy to life. We can conclude from this that the most important part of the strategy is to ensure the growth of the people who make and reach the strategy.

### 2.1.4 Types of strategies

The term strategy has been used for many years and has been inserted in the area of organizations to define the range of actions that managers take to achieve a certain goal. There are several types of strategies a company can follow to achieve their set of goals, they include strategies for leadership, administration and business execution. The following are examples of the main and most common management strategies.

In 2005 Mortensen & Bloch defines **innovation** as “the implementation of new or significantly improved product, or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations.” The option for the innovation strategy as well as the focus and objective detailing of it should be included in the strategic planning, in order to guide the monitoring and management decisions.

Innovation implies novelty and is understood as a multidimensional process (Chetty and Stangl, 2010). Innovation is considered an important source of competitive advantage for companies to compete in the global marketplace (Pla-Barber and Alegre 2007). Companies are trying to gain competitive advantage to help them gain a better and more stable market position through innovation (Ramadania and Gerguri, 2011). Different and more developed products and services are emerging from existing ones, and it is very difficult to distinguish what is an innovation from what is not. The main indices for defining something as innovation is the degree of novelty and market acceptance. If there is no combination of these two factors, it is not innovation.

Diversification is a strategy that allows a company to enter additional lines of business that are different from current products, services or markets. The rationale behind this technique is that a portfolio built of different asset types will produce higher long-term returns and lower the risk of any individual ownership or security. This strategy can be divided into two types: product diversification, which consists of developing new products or changing product characteristics while maintaining their distribution in the same market, and there is also market diversification consisting of expanding product sales. to new markets. In this way we can say that internationalization is a kind of diversification.

The concept of internationalization has long been a topic of discussion. If there is no consensus on its definition, a brief analysis will be made of the various approaches to the theme of internationalization as a concept. Wind, Douglas, & Perlmutter (1973), in their attempt to conceptualize the term.

Internationalization, referred to this concept as a process in which certain attitudes or orientations are associated with successive stages, present in the evolution of the company's activities in foreign markets. Other interpretations have emerged over time, focusing this concept on a sequential and orderly process of organizational development.

These interpretations will be explained later. The current situation is favourable to all companies that want to internationalize their business, and this strategy has become fundamental for all organizations that want sustainable development, so I will focus and deepen this theme throughout this project.

## **2.2 - Internationalization**

Today we live in an increasingly globalized world where international expansion has been the answer of many companies to the increasing competition and crises that threaten their survival. Several authors such as Borg, Bartlett and Ghoshal attribute the beginning of globalization to the end of the Second World War, and with the consequent creation of ECSC what is currently designated as European Union, because it was the first time that countries realized that they would be much more competitive if they worked together.

What is important, is that today barriers between countries are no longer as restrictive and stringent as they were a few years ago, so companies need to adapt to the new reality, and if they want to have success, they can not be restrained to a single country. Although we associate the concept of globalization is a recent phenomenon, already many authors in the late nineties had investigated this theme, Firat and Schultz in 1997 defended that “postmodern time offers diverse markets and businesses are working and handling their operations across borders and cultures.”

### **2.2.1 International Trade**

Since the mid-20th century, there has been a gradual opening of markets, which has made it possible to import and export with direct impacts on the economy of a country. Openness to the outside has assumed, over the years, as a vital condition for a country that wishes to affirm in an international context, since it allows the creation of an advantageous position in that context. This opening has brought advantages to companies that feel the need to establish themselves in an increasingly global and competitive market.

The creation of the World Trade Organization facilitated exchanges between countries by creating agreements and standards aimed at creating better understandings among the

various countries present in this organization with regard to the exchange of goods and services. The main purpose of this organization is to allow the members of the various governments to solve any trade problems that exist among themselves and consequently to improve the standard of living of the people in the member countries and to increase the production and trade of goods.

We are currently witnessing the growth of world trade as well as the evolution of the way it is transacted and the type of business on which it is based. Regarding the first aspect, it should be noted that between 1973 and 2018, according to data from the World Trade Organization (WTO), the volume of exports in the world increased exponentially from USD 579 billion to USD 18,919 thousand million. This increase was widespread across the globe.

Table 1: Amount of exports from 1973 to 2018 (in billions of USD)

	1973	1983	1993	2000	2010	2018
<i>World</i>	579	1.838	3.688	6.456	15.237	18.919
<i>North America</i>	100	309	660	1.225	1.965	2.573
<i>South and Central America</i>	25	83	111	198	577	643
<i>Europe</i>	295	800	1.671	2.634	5.632	7.114
<i>Africa</i>	28	83	92	149	508	473
<i>Middle East</i>	24	123	129	268	895	1.135
<i>Asia</i>	86	351	959	1.837	5.072	6.357

Source: World Trade Organization, Statics database

By analysing the table, it is possible to conclude that in the last 50 years, the value of exports has grown exponentially. This is because much of the barriers that once existed have disappeared and consequently world leaders have realized that for an economy to be competitive it needs to extend the number of consumers across borders.

### 2.2.2 Portuguese Case

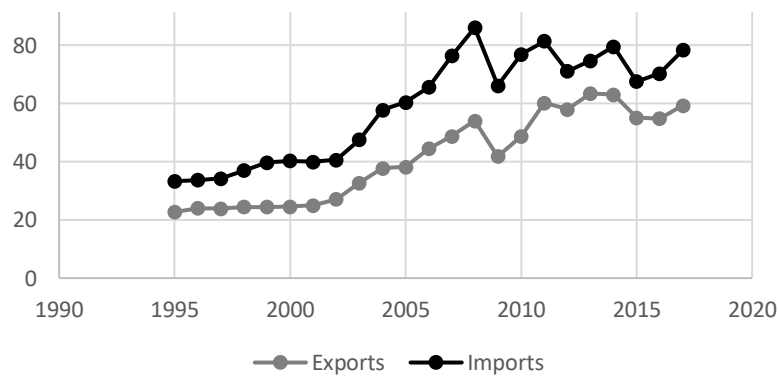
Portugal began to show signs of greater openness in the second half of the 20th century, the economy and the companies benefiting from the advantages of international trade, as well as the opportunities created by interaction with economic agents from other nations. This opening caused changes in the national economy when the productivity of the



economy converged to values close to the values already registered by other more developed European countries.

Although the values may not be similar to the more developed countries, with regard to the growth of the opening of the economy and export, this same growth that has occurred over time is mainly due to the reduction of transport and communication costs, the sharp rise in technological progress and, above all, the removal of political and economic barriers. These factors significantly increased the opportunities for the internationalization of production of Portuguese companies, since it was possible to subcontract activities abroad, which until then were commonly denominated as non-tradable.

Figure 3: Volume of exports and imports from 1995 to 2018(in billions of USD)



Source: OEC, The Observatory of Economic Complexity (<https://atlas.media.mit.edu/pt/profile/country/prt/>)

As it is possible to see in Figure 4, since the beginning of the 1990s, Portugal has shown great growth both in terms of imports and exports. This is mainly due to integration in the European Union and the consequent integration into the Schengen Agreement, which have largely eliminated the existing obstacles. However, the opening of Portugal in relation to the exterior was not always increasing, and in 2009 a marked reduction was observed to a level similar to that of 2005. The conditions of the world economy, which worsened between 2007 and 2009, may be a possible explanation for the reduction of the opening to the outside, as well as of the intensity of exports in Portugal

### 2.2.3 Internationalization strategies

Through globalization, business strategies are designed on a global scale in a highly competitive market (Tanrıverdi, 2009). Companies define their internationalization strategies for new markets with the objective of participating actively in the global market, because it provides them efficiency through competitiveness and division of labour and access to more opportunities, resources, capital, knowledge, plus exports, in short, more advantages and benefits.

Along with the theoretical understanding of the choice of the entry mode, which is made between clearly defined and differentiated alternatives (Benito et al., 2009), the researchers adopt very different criteria and classification variables to differentiate and determine the entry mode. However, before starting its international expansion, the company must diagnose the favourable factors in the countries where it intends to position (market, cost, environment and competitiveness) and, according to this analysis, opt for the most convenient strategy:

There are four types of globalization, and administrators should choose which one fits best with their organization and the strategy it follows: **Global Strategy**, the main feature of this strategy is that the business units are not autonomous, there is a central company that makes the decisions and the products are standard. **Transnational Strategy**, this strategy is characterized by the various phases of the process are done in specific places, where it is more profitable for the company. The organization is considered "a company of the world" and as a rule do not have social capital.

**International Strategy** is when the company uses international cooperation programs in order to internationalize. Some authors argue that companies should try to keep initial investment low and, in order to have more resources available for future investments (Brouthers et al. 2008). In these situations, the international strategy is seen as an excellent alternative (Morschett et al., 2010). Finally, there is still the **Multi-domestic strategy**, this strategy is the complete opposite of the global strategy, that is, each business unit is autonomous, and the products are adapted to each country. After choosing the strategy that best fits with the company, managers must choose the countries in which the company wants to compete and the role that these countries will play in its strategy, there are five types of countries:

**Key Countries**, represents the countries where presence is essential, are critical to long-term competitiveness. There are also the **emerging countries**, that are the countries with high growth rates, what represents sources of opportunities (Emma Wall, 2018). **The Platform Countries**, hubs for regional centres (location advantages, logistical, financial or legal infrastructures, skilled labour). **Market countries** which are countries that have a very attractive market but do not represent a strategic advantage, and finally there are the resource countries, which are countries that, although limited in terms of market prospects, are countries that have enough resources.

#### **2.2.4 Ways to enter in new markets**

Internationalization must be seen as a process. And although this process can take many and varied forms, the approach to foreign markets is, at an early stage, made through exports of goods or services. In fact, export is the entry strategy responsible for the massive commercial movement that constitutes trade global. However, there are other ways to internationalize, one of which is through contractual forms, that is, contracts that allow the reduction of the risk of internationalization by transferring it to a large extent for the local partners. In these contractual models there are several options such as:

The first contract model is **franchising**, this model is an agreement by which one company (franchisor) gives the other (franchisee) the right to exploit, under a clearly defined image and context, a particular business. The franchisee has the right to use the franchisor's name, trademark, know-how and services in exchange for a royalties payment. Franchising contracts involve a more in-depth commercial component, as well as a greater sharing of rights and resources than licensing, since it concerns the operational know-how of the business and the brands (Doherty and Alexander, 2004).

The second model is **outsourcing**, the model developed by Adam Smith (1776), defends the practice of obtaining goods and services a foreign supplier. This is most commonly used in industries where there is a shortage of labour for specific positions or where the cost of labour is very high. Outsourcing can be used for any position, but today we see companies using for non-core functions, those whose function is to support the core infrastructure of the company or assist in the ordinary operations of the company. The theory of transaction cost economics defends that an organization, in order to be able to

balance the transaction cost and the production cost, has the right to choose to outsource or incorporate (Bolat and Yilmaz, 2009).

One of the oldest and most widely used models is **licensing**, this can be set as an agreement between a licensor who grants the rights to an intangible property (patents, trademarks, copyrights, technology, management skills, know-how, drawings, or other factors and resources necessary for the manufacture of goods) and a licensee, for a specified period of time, to market them, within their country or group of countries, against a payment, usually expressed through royalties. This strategy is widely used by companies with smaller size and shortage resources, as well as for those who want to generate a high rate of return, with a relatively low initial investment.

Another model that has been growing a lot in recent times is the **strategic alliances**. Some analysts may say that strategic alliances are a recent phenomenon in our time, in fact collaborations between enterprises are as old as the existence of such enterprises. This model is an agreement between companies, through the acquisition of social capital and a joint activity, of an economy and different countries. The companies involved share knowledge, skills, efforts, capabilities and resources, as well as objectives, in economies of scale.

Usually, these types of contracts are the fastest and cheapest ways to internationalize, however, the strong uncertainty that is felt in the market makes it difficult to predict all future contingencies for which adaptations and modifications of a contract with a partner company would be necessary (Anderson and Gatignon, 1986). The last model under study is **foreign direct investment**, this way to internationalize is through direct foreign investment, which consists of the decision to enter through direct investment is the one that involves higher costs and risk, however, sometimes the prospect of obtaining bigger profits outweighs the inherent risks, in this form of entry the most common is the **joint venture**. This model involves a union between two or more existing companies, which aims to develop a common economic activity. They share the management, the profits, the risks and the losses of the same. There are still the **mergers or acquisitions**, where the company chooses to acquire part or all the capital of an existing company. In order to mitigate risks and increase benefits, studies confirm that companies use 'package modes', combining sales subsidiaries with agreements like outsourcing (Petersen et al., 2001).

### **2.2.5 Traditional way to entry in new markets: Advantages and disadvantages**

As seen in the previous chapter there are several ways to enter new markets, and of course they all have advantages and disadvantages, and all of them also have success examples that can be an inspiration for companies that want to internationalize. As described earlier, one of the steps in choosing the strategy is to compare several different strategies. In order to compare them, it is necessary to decide the determinants of success. In this comparison the most common criteria is: speed, strategies can take a long time to take effect, some can take a long time, which can be a hindrance, The second one is the initial Investment, the investment that each strategy requires is a very important factor, a very high initial investment can make it impossible for a manager to opt for a certain strategy.

Another relevant factor is the risk, this criterion is directly related to the initial investment, because as it is easy to perceive a reduced initial investment means less risk for the company. Permanence in the market is also an aspect to consider because in the long term, the possibility of gaining market share in a foreign country is very attractive. The last criterion and undoubtedly one of the most important is the return, the value a company expects to achieve with strategy is a decisive factor. A company may opt for a strategy that does not bring great future income but does not require large investment, and on the other hand can opt for a very expensive strategy, but that in the long run brings great competitive advantages to the company. It is these advantages and disadvantages that make companies increasingly change modes of operation incrementally, adding new modes to existing ones, which Petersen and Welch (2002) refer to as 'mode combinations'.

### **2.2.6 Traditional theories of internationalization**

The theme of internationalization has long been studied and discussed. Several authors have tried to define the concept of internationalization, and although there are several different theories it is not possible to say that one is more correct than another, they only complement each other. Since there is no consensus on the concept of internationalization, a brief analysis of various theories will be made.

The emergence of the internet has changed the world and the daily life of people and companies, as such it is possible to divide the theories of internationalization into two groups, traditional ones (theories before the emergence of the internet) and modern ones (theories that take into account the and the trends of online commerce). The main

difference between these groups of theories is the speed in internationalization, the traditional theories define the internationalization process as a gradual process, while the modern ones advocate a faster process.

There were several theories of internationalization strategies, but there are three that stand out from the rest. The theories of Vernon (the life cycle of international product), Dunning (OLI-framework) and Johnson and Vahlne (Uppsala model) are the traditional theories most renowned internationalization strategies. These dominant theories were formulated during the preinternet era:

### **The life cycle of international product**

As it is known, Vernon (1966) elaborated this theory when exploring analogies between the different stages of the life of alive beings and the phases of the products in the markets. Thus, it has been able to identify three phases of the product life cycle where the growth rate of sales and profits have a variable behaviour according to the different phases of the cycle. The phases are as follows: the introduction phase, the maturity phase and finally the standardisation stage.

The first is the introduction phase. The cycle begins when a company launches a new product to market. Initially, the market for this product will be small and sales will be relatively low. Vernon deduced that innovative products are more likely to be successful in a developed nation because the dynamic economy means that people have more disposable income to use in new products. As sales increase, companies should begin exporting the product to other developed nations to increase sales and revenue. It is a direct step towards the internationalization of a product because the appetite of people within developed countries tends to be quite similar.

Then there is the maturity phase, when reaching this stage, the manufacturer should consider opening new production points in each country to respond to local demand. As the product will be produced locally, labour and raw material costs will be lower, thus reducing unit cost and increasing revenue. At this stage it is expected that demand will continue to increase. Although costs have declined due to the decision to produce the product locally, the manufacture of the product will still require a highly skilled workforce.

According to Vernon, this phase is the most critical of this cycle, after a strong growth of demand, the national market begins to get saturated which means that despite the fact that

there is sales growth, this growth tends to be slower and slower, however, increased exposure to the product begins to reach countries that have a less developed economy and the demand of these nations begins to grow as well.

Finally, there is the product standardization stage, it is at this stage that exports to nations with a less developed economy begin in earnest. The original market is saturated which means that the original supplier of the product loses its competitive advantage. To counter this, instead of continuing to add new features to the product, the company must focus on reducing production costs. The most common hypothesis to achieve cost reduction is to transfer production to nations where the average income is much lower and standardizing and simplifying manufacturing methods. With these changes, the country that produced and exported the product initially becomes the importing country.

### **OLI-Framework**

John Dunning introduced this concept for the first time in 1979, at that time there were studies showing that the productivity of the American manufacturing industry was on average 2 to 5 times higher than that of British industry. The question that worried Dunning was whether the productivity gap was a result of the endogenous resources of the American economy, or whether it was due to the most efficient manner in which US corporate managers organized and used those resources. In this case, this competence could be transferred from one country to another, and the American subsidiaries in England should perform similarly to the headquarters, and far better than their local competitors. He identified this effect as property - specific (O - ownership).

However, if the British subsidiaries had a performance comparable to that of local competitors, and well below the results of the American, this was due to the non-transferable characteristics of the American economy, which he called the specific location component (L-location). The result of the research showed that the subsidiaries were not as productive as the parent companies, but were better than the English companies, which demonstrated that part of the differences were due to the L component and part to the O component.

In explaining the activity of companies outside their national boundaries, Dunning extended the advantages of O and L, including a new set of choices that companies could make: explore their specific property advantages internally, or sell those advantages or their rights through of the market, to other companies. To this he referred to as

internalization advantages (I - internalization). And this has become the third component of the eclectic paradigm to explain the scope and geography of value-adding activities carried out by multinational corporations (Dunning, 2001).

Although its own activities in overseas markets contribute to increasing O's advantages, Dunning believes that a company's ability to benefit from international activities is related to the assets it possessed before promoting internalisation. In other words, property advantages provide the ability to internalize markets, while the advantages of internalization have to do with willingness to do so.

The variable "ownership" refers to the company's specific capabilities, which enable it to better position itself in the foreign market compared to local producers or other foreign producers. It is the privileged access to some asset, economies of scale, patents, brands, technological and managerial capacities, product differentiation, and that must compensate the cost of maintaining an operation abroad.

Several aspects are determinant of the variable "location" - labour costs, transportation, energy and materials, production and communication, governmental intervention (tariff barriers, fiscal incentives), abundance of natural resources, infrastructure, institutions, size and dynamism of the market, presence of competitors or clusters, political and economic stability, among others. Having analysed the advantages of these two factors, the company would consider the alternative of internalizing its resources, producing abroad with its own structure (through subsidiaries or associates), or ceding the use of its property advantage through contracts or licenses.

The existence of different location factors led companies to focus certain types of value-adding activities on a limited number of sites. What prevails are the reasons for investment abroad - the search for natural resources, markets, efficiency or strategic assets that can add to the competitive advantages. In the latter case, the dispersion of innovative activities still occurs preferentially among developed countries. And this is the main reason for emerging countries to dispute the establishment of subsidiaries and offer additional location components that could attract such activities.

### **Uppsala Model**

Observing the internationalization process of four Swedish companies, Johanson and Wiedersheim-Paul in 1975 concluded that these companies internationalized with little investment and gradually tended to increase their presence abroad. Johanson and



Wiedersheim-Paul divided the internationalization process into three stages. Initially, companies only make direct sales to a new market without any commitment of resources. The choice of the first markets was related to the psychic distance between the country of origin and the importing country, companies with little experience in foreign markets preferred to initiate their internationalization in markets with characteristics similar to their market, that is, more culturally similar. In the second step, companies start exporting through an agent in the importing country. The last stage consisted in the creation of a sales subsidiary, followed by production in the new market, which already represents a high level of commitment of resources.

This theory defended a model of internationalization focused on the behaviour and growth of the company through the gradual increase of the level of internationalization of the company that occurred from the knowledge of the new markets and commitment of resources. The commitment of resources takes into account the volume of resources invested in a market and the degree of their importance in the operation. The more dependent the operational resources, the greater the commitment of the company to the market.

### **The limitations of traditional internationalization theories**

After a little analysis of the traditional theories of internationalization, it cannot be denied that they are a little out of date. These theories of internationalization fail to explain the process followed by many SME's today, which do their business via the internet (Chrysotome, 2004). Evolutionary theories were developed before the age of the internet and are mainly focused on exports. All these theories start from the assumption that all companies are owners of assets, which is not true in the present times, with the development and growth of online commerce it is possible to exist companies without any assets.

The advancement of the Internet, allowed the rapid internationalization of companies, creating a facility to expand, never seen before. International trade has become normal for SMEs, as the borders between countries have apparently disappeared due to the prevalence of information and communication technologies. (Juhana Harmanen, 2019)

Another limitation of these theories is that they all ignore entrepreneurship, all the strategic movements addressed in these theories assume that the organization is entirely dependent on the environments in which they find themselves, and although this is

somewhat true today. Today, entrepreneurs cannot be underestimated, because in most cases they are the main decision makers, as well as establishing mechanisms to identify international opportunities.

### **2.2.7 Internationalization: Advantages and disadvantages**

Firat and Schultz (1997) defended that the larger the company's borders the smaller the risk of the market becoming saturated, as the number of potential consumers will be constantly increasing, thus preventing the market from being stagnant. However, this is only an advantage, there are many others that must be referenced.

For many authors, internationalization is a strategy that brings stability to any company, as there are foreign markets that are less competitive than national ones, easing price pressure and allowing for secure profits (Stevanato, 2018). This ease in selling translates into the stabilization of the company's financial structure and the ability to create jobs.

Another consequence of the increase in the number of customers and sales growth is the ability to achieve economies of scale, that is, the internationalization of products requires that the volume of production be increased, thus allowing companies to exploit the benefits derived from economics scales. A company may decide to supply the same product with relatively little adjustment to local markets or try to take advantage of a unique and differentiating advantage, such as brand, service model or patent. (Stevanato, 2018)

The last advantage to mention is the increase of synergies, acting in the global market, the company enjoys new synergies, winning partnerships and international distribution channels. On the other hand, this process does not only bring advantages, a company can encounter export barriers at any stage of internationalization, from pre-export and other early stages, to extensive levels of international growth. (Ntokopoulou, 2018)

One of the main disadvantages is the need for great know-how, the obligation to meet international standards, different from those it is used to, the tax systems and licenses to be obtained can spend significant resources of the company, and these barriers can cause major obstacles, especially for SMEs, which can affect them so much that they can withdraw their activities abroad even before they start (Narayanan, 2015).

Another barrier is the fear of not being able to stabilize in the new market, the ease of internationalization, has brought with it a much more competitive and dynamic market, and for this reason some companies prefer to focus on the domestic market, believing they cannot compete with foreign companies. Zamberi Ahmad (2014), mentions that strong international competition is a great barrier when it comes to the decision of SMEs to internationalize.

Finally, high costs and long-term returns, the need to adapt processes to respond to new needs, can in themselves be a barrier to internationalization. Some products, for example, require the creation of new infrastructures for transportation, the need to hire experienced professionals, this in itself is not a disadvantage, but the price to pay may already be. (Xie and Suh, 2014)

### **2.3 Entrepreneurship**

Entrepreneurship has become one of the most widely spoken words in the 21st century, presenting different meanings to many authors. Over the last few centuries, researchers have emphasized the crucial contribution of entrepreneurial behaviour to economic development. Today, politicians, economists and society at large recognize the importance of the entrepreneur's role in the economy, so many academics and managers have devoted themselves to the study of this subject in recent centuries. However, there is still no consensus on the meaning of the concept. It is recognized for its importance as a strong driver of economic growth, for stimulating job creation and innovative products, as a way of accessing the labour market and for generating changes that may lead to better living conditions. (Parker et al, 2010).

Entrepreneurship allows not only the creation of new businesses but also allows the development and improvement of already established businesses (Ahlstrom, 2010). The responsible for this whole process is the entrepreneur. The entrepreneur is an individual who is willing to take risks and therefore takes advantage of business opportunities that come up in an innovative way to integrate into the market and succeed. Entrepreneurship plays a prominent role in the progress of the economy and society, especially in the creation of new jobs, as mentioned above. There are several reasons that lead individuals to become entrepreneurs, which can be profit, personal and family reasons, reinforcement

of autonomy and personal fulfilment or dissatisfaction with other life options at the professional level (Ahlstrom, 2010). An inseparable concept from entrepreneurship is the concept of innovation. The market is increasingly dynamic and susceptible to change, so it is crucial to have entrepreneurs with innovative spirit so that companies can meet the needs of the market.

### **2.3.1 History and concept**

According to some authors, entrepreneurship is totally linked to innovation. Joseph Schumpeter (1934) states that the entrepreneur is a creative individual who breaks the existing economic order by introducing new products and services. For this author, innovation must be present, whether in the introduction of a new good, a new method of production or marketing, the opening of new markets or the conquest of new sources of raw material. For Peter Drucker (1986), innovation is the main tool of entrepreneurship. According to authors, if innovation is not present, it is not entrepreneurship

For Kuratko (2005) this concept has emerged in the last two decades, being the largest economic force that the world has ever observed, the target of various definitions and seen as a dynamic process. However, Salim e Silva (2010) go further by stating that entrepreneurship is the same age as humanity, as human beings have always been proactive in their search for better living conditions, regardless of the time in which they lived or their living conditions.

According to Nazir and Ramzan (2012) the concept of entrepreneurship is currently seen as something that generates innovation and carries risk. Most economists and sociologists see it as a process and not as a static phenomenon. For Bucha (2009) entrepreneurship is not only a business concept, but also a life concept. It must be sustainable by offering more and better quality of life to the individual, which is one of the keys to development. Uncertainty is linked to the formation of new combinations of productive resources, as the profit of these entrepreneurs comes from innovative opportunities and the investment made in them. In this way, new business models are generated, which replace those that are obsolete and have a lower efficiency.

Luke, Kearins and Verreynne (2011) identified three central points for entrepreneurship: innovation, identifying opportunities and financial or non-financial growth. Innovation is of utmost importance for entrepreneurship, as novelty allows the introduction of

something new in the market. The identification of opportunities, as some entrepreneurs identify opportunities from different perspectives, as they sometimes consider them to be a risk. Finally, financial or non-financial growth is seen as the central outcome of entrepreneurship, which can come in the form of profit, gain, competitive advantage, recognition and reputation.

However, despite the long-term use of the concept of entrepreneurship, most authors who research recognize that the definition has always been problematic, Drucker (1985) even argues that the term entrepreneur presents definition problems even in the French language from which he came. It also argues that entrepreneurship cannot be classified as art or science, but as a practice and a discipline.

### **2.3.2 Reason for entrepreneurship**

According to Davey, Plewa and Struwing (2011), entrepreneurship is a vital source for growth and economic competitiveness, enables job creation and social interests to advance, leading professionals and policy makers to increase their efforts with the goal of promoting the entrepreneurial mindset in society. According to Eurostat (2012) the biggest social and economic objectives associated with entrepreneurship are job creation, economic growth and poverty reduction. Also, Rao, Rao and Ganesh (2011) see entrepreneurship as one of the most important factors for the economic development of society and, in turn, entrepreneurs are seen as indispensable for initiating and pursuing socioeconomic development.

The reference to entrepreneurship, as described above, has already been extensively studied, and it can be concluded that all the works mentioned in this section are interconnected and at the same time can be pointed as the basis for the development of entrepreneurship study.

### **2.2.4 Types of Entrepreneurship**

In 2010 Sarkar, defended that entrepreneurship could be divided into different types, among them the entrepreneur by necessity, family, location, ethics, electronic, in old age, in young people... However, the author highlights two types of entrepreneurship, those of

greater emphasis, which are increasingly present in today's society. These are intrapreneurship and social entrepreneurship.

Sarka defined intrapreneurship as a process of generating entrepreneurship in existing companies, that is, intrapreneurs are managers who operate within an already established organization, and which, in turn, have capabilities that “normal” workers do not have. This type of entrepreneurship is usually associated with areas such as strategic management, change, innovation and resource management (Fayolle, 2007).

On the other hand, social entrepreneurship is a way of manifesting some social intervention, such as creating alternative ways of producing but sustainable for all. According to Carvalho & Costa (2015), social entrepreneurship contributes to the development of actions that promote the sustainable development of the population, namely through access to education, income and health.

To better understand these two types of entrepreneurs, it is important to mention which aspects differ from traditional and social organizations. The objectives of these organizations are different, while the mission of traditional companies is to make a profit, social organizations are mainly focused on creating non-economic value. The way of evaluating performance within organizations is also different, in "normal" trade performance is evaluated mainly in financial terms, while in social organizations it is adapted to each organization, depending on its area of activity (Austin et al., 2006).

### **2.2.5 International Entrepreneurship**

The term international entrepreneurship first emerged as a response to technological advances and cultural awareness and is described as a tool that allows new ventures to access foreign markets. It comprises new and innovative activities that cross borders with the purpose of creating value and achieving competitive advantage for an organization.

McDougall and Oviatt were the pioneers of this concept, defining in 2000 the international entrepreneurship as “a combination of innovative, proactive, and risk-seeking behaviour that crosses national borders and is intended to create value in organizations”. After studying the concept, McDougall and Oviatt in 2005 deepened their concept and described this type of internationalization as the discovery, enactment,

evaluation, and exploitation of opportunities across national borders to create future goods and services and defined four fundamental steps.

The first step is discovery, which symbolizes the constant search for innovative opportunities, the next step is enactment, that is, attacking opportunities in order to gain a competitive advantage. The third step is the evaluation, the authors consider it fundamental to analyse all the steps taken thus gaining experience and knowledge and finally it is the exploitation that is described by the authors as the attempt to maximize all the gains of this opportunity.

The authors stated that entrepreneurs have the ability to analyse and interpret the potential of opportunity in all its aspects, the potential of communication, transportation, information technology to thereby enable internationalization and identify the threat level of competitors in the foreign country. This ability facilitates the decision-making process of the entrepreneur. We can thus conclude that entrepreneurial behaviour cannot be measured in any quantitative way but by the entrepreneur's perception of an opportunity.

In 2006, the authors Houser-Marko and Sheldon stated that individuals who associate more deeply with a certain identity, such as "entrepreneur", are more inclined to achieve greater goals. And 3 years later, in 2009 Melissa Cardon, confirmed that the passion of entrepreneurs for development reflects a propensity to grow and expand a business, as entrepreneurs passionate about developing orientation seek activities such as increasing sales, recruiting new employees and seeking external financing. to help expand business operations.

The authors stated that entrepreneurs have the ability to analyse and interpret the potential of opportunity in all its aspects, the potential of communication, transportation, information technology to thereby enable internationalization and identify the threat level of competitors in the foreign country. This ability facilitates the decision-making process of the entrepreneur. We can thus conclude that entrepreneurial behaviour cannot be measured in any quantitative way but by the entrepreneur's perception of an opportunity.

## Chapter 3 – Theoretical approach

Following the literature review elaborated in the previous chapters, where several points of view of recognized authors are presented, it was possible to elaborate some questions that will be deepened in detail in the following chapters.

Strategic planning is a deliberate research to formulate a plan to develop and adjust competitive advantage for the organization and stated that the difference between a company and its competitors is the basis of competitive advantage (Bruce Henderson, 1989). This is the starting point for the definition of theoretical questions, over the years many authors have defended the importance of good strategic planning, but in a world in constant change it is necessary to assess what importance Portuguese leaders attribute to this process. According to Certo and Peter (1993) one of the first steps of strategic planning is strategy formulation. Since there are several strategies that the manager can follow, in this project I want to try to understand which the most important strategic measures in strategic planning are and if internationalization is part of these strategic measures of the company and to what extent it can be useful in a logic of sustained growth.

Another curious factor that arises when writing the literature review is that according to Michael Aucoin (2018) only 18% of organizations report being highly effective with strategic initiatives, so I want to try to understand if managers are familiar with the various levels of strategic planning defined by Thompson Jr & Strickland III in 2020 and determine what are the most critical factors for a successful strategy. Michael Aucoin argues that the most important thing for having a successful strategy is to focus on the growth and education of company employees, which brings us to the first research question in this study.

**RQ1** - What importance do leaders attach to strategic planning, in an perspective of efficient and sustainable growth, and which strategies do they believe are essential to achieve success?

Now approaching the theme of the thesis more at the level of the internationalization strategy, an interesting point suggested by the literature review, is the evolution that this strategy has had in the last decades. All traditional theories such as The Life Cycle of International Product (Vernon, 1966), OLI-Framework (John Dunning, 1979), and Uppsala model (Johanson and Wiedersheim-Paul in 1975) have one aspect in common, both describing internationalization as a long process.



However, as we saw in the course of the research, these theories are a little out of date, because as Juhana Harmanen in 2019 argued, nowadays doing business outside the borders via online, it has become "normal" for any SME. Contradicting in this way the more traditional theories, and describing the internationalization done online as an easy, cheap and risk-free process. As seen during the literature review, enough authors have already focused on the internationalization strategy, and although authors like Firat and Shultz in 1977 defined this strategy as a way for the company to avoid falling into a saturated market, and Stevanato that in 2018, described this strategy as a way to reduce costs, there are authors who call attention to the risks it entails, Xie and Suh (2014), defend that it is a process that requires a high investment, and allied to the requirement of a great Know-How (Narayanan, 2015), makes many leaders afraid to face this process. That said, we want to try to understand if Portuguese companies are still a little stuck in traditional circuits or more open to innovation and what are the biggest advantages and disadvantages they find in this process, which will lead us to the second question.

**RQ2** - What are the main factors that lead a company to internationalize and what are the main barriers?

The biggest social and economic objectives associated with entrepreneurship are job creation and economic growth (Eurostat, 2012), that said, it is possible to affirm that never an entrepreneur has had so much importance and protagonism in the development of society, however, there are several distinct definitions of what entrepreneurship is, I want to try to understand how leaders in Portugal characterize an entrepreneurial person and how important they attach to him. Rao and Ganesh (2011) consider entrepreneurship as one of the most important factors today in any company, as it allows not only to bring innovation to the business, but also to improve existing processes.

According to Davey, Plewa and Struwing (2011), entrepreneurship is a vital source for growth and economic competitiveness, allows the creation of jobs and social interests, leading professionals and policy makers to increase their efforts in order to promote the entrepreneurial mindset in society. However, it is completely noticeable that some leaders are still afraid to define themselves as entrepreneurs, because the entrepreneur is a person willing to innovate without even bringing risk to an organization (Nazir an Ramzan, 2012). As there are several definitions of entrepreneurship, I want to understand what leaders think and how they would define this concept. Finally, and to see if entrepreneurship can act as an engine for the development of an international strategy,

the final question arises. The passion of entrepreneurs for development reflects a propensity to grow and expand a business (Melissa Cardon, 2009). In this last question, I still want to understand if leaders really demonstrate the passion that several authors consider to be what drives the entrepreneur, and also understand how that passion and desire to do better influenced the internationalization process of their organization.

**RQ3-** What behaviours do leaders associate with entrepreneurship and entrepreneurial people? What impact can entrepreneurship have on a company's development and internationalization process?

## **Chapter 4 – Methodology**

Dissertations, in general, aim to answer research questions, so it is necessary to have a process to collect information and later analyse it. This chapter describes the research methods used in this project to answer research questions and thereby achieve their objectives. Throughout this chapter all the collection and analysis techniques used will be described, as well as the reason for your choice.

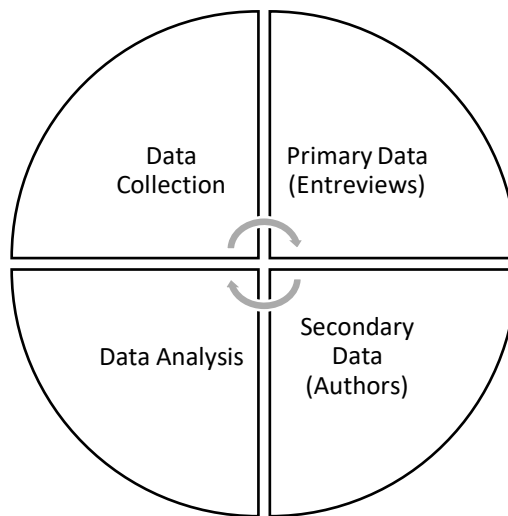
### **4.1 Methodological Options**

The project addresses topics that have been studied by many authors for a long time, so the initial step was to seek to increase knowledge about the topics under study through document analysis and gathering opinions of personalities with recognized practical experience on the subject. There are two types of research methods that are usually the most used in data collection, which are identified as follows: quantitative and qualitative methods (Ghauri, 1995). Quantitative methods consist of systematic studies involving quantification through mathematics and statistics (Bryman and Bell, 2007).

Data is collected and turned into numbers that are empirically tested to see if a relationship can be found to draw conclusions from the results obtained. In other words, quantitative methods are related to numerical interpretations. On the other hand, the qualitative research is an unstructured search methodology based on small samples that provides insights and understanding the context of the problem (Malhotra, 2004). In this project a qualitative method will be used, as this refers to a process of generalization in relation to the results (Mayring, 2002).

The qualitative interview is chosen not only to analyse the findings, but to understand processes and relationships (Mayring, 2015). In addition, an interview is appropriate, as the motivations and expectations of leaders regarding the topics studied can be captured first-hand. Data collection consisted of 16 semi-structured interviews that constituted a non-probabilistic convenience sample. Data processing has undergone rigorous content analysis.

Figure 4: Methodological Structure



Source: Author

## 4.2 Data Collection

Professor Perves Ghauri in 1995 stated that by using any technique to collect data, the data collected can be either primary or secondary. Primary information is the basis of any project, serves to analyze and draw the first conclusions, secondary information is collected to add value to the research, as it allows bringing new perspectives to the discussion. In this dissertation, the interview information is implemented as a source and data from websites and authors are used as a complement.

The primary data of this dissertation were obtained through semi-structured interviews, which did not follow a rigid model, thus allowing the interviewees to explore the topics they found most relevant. The interview guide can be seen in the appendix 1

Despite the existence of an interview guide that takes respondents to the topic under study, this approach allows for a better exploration of certain subjects and even brings to the discussion subjects that do not seem obvious. In addition, the interview is the best way to capture the conduct, opinions, desires, attitudes and expectations (Vilelas, 2017) of leaders.

### **4.3 Collection and analysis process**

As seen above, the primary source of information will be interviews with Portuguese workers, so planning and building the script is one of the most important steps in this project. The interview was prepared in order to be able to answer all research questions and consequently achieve the objectives of the dissertation.

Although there is no fixed script, the interview can be divided into three distinct thematic groups. In the first group, the questions are more focused on the theme of strategic planning; It is in this group that they will try to understand the importance that leaders attach to strategic planning, how they work to achieve the goal, and what notions they have about this process; The second group deals more specifically with the theme of internationalization, trying to conclude what motivations leaders have to internationalize their business and what are the main difficulties they have during the process, and finally comes the theme of entrepreneurship, where the goal It is understanding what characteristics leaders associate with entrepreneurs and what advantages they can bring to the business.

One of the goals of conducting the interviews was to make the interview a conversation by giving the interviewee freedom to choose the topic they wanted to delve into. So as not to condition the answers, it is important to mention that when approaching the themes, the interviewees were not aware of which theme would come next. The interviews lasted an average of half an hour and after the interviewees authorized and guaranteed complete confidentiality of the data and the anonymity of the participants and their companies, they were recorded so as not to lose any information and to be able to quote some of the sentences spoken later.

After the whole process of planning and conducting the interview, it was necessary to transcribe all the interviews in full in order to analyse, organize and further analyse their content. In order to form a coherent flow, all the information collected was divided into small parts, as proposed by Boeije (2010). Then, and following the teachings of Attride-Stirling (2001) the general themes were identified, thus generating the organizing themes. In this dissertation the organizing themes are the thematic groups of the interview, strategic planning, internationalization and entrepreneurship. These themes are divided into sub-themes and if necessary, they will be divided into sub-subthemes to form a hierarchy, classifying the entire text legibly and comparable among all respondents.

Using this data approach ensured that all topics that emerged during the interviews were explored, not just those previously found in the literature review.

After collecting and handling all information, it is time to interpret the data, as the interview script is not fixed, it is necessary to study in-depth the relationships between the various topics to have a broader and clearer view of the data collected. This data became the basis for answering the questions. research and, consequently, achieve the objectives of this dissertation. During the interviews, have been asked several times to evaluate the topics under discussion on a numerical scale to have a way of comparing the responses between the different interviewees.

In Figure 6, it is possible to analyse the relationship between the objectives of the study, the research questions elaborated in the chapter of the theoretical approach and the respective connection with the literature review previously done.

Table 2: Relationship between objectives, questions and literature review

Objectives	Research Questions	Literature Review
Understand the notions that each leader has about strategic planning and the importance they attach to it.	What importance do leaders attach to strategic planning, in an perspective of efficient and sustainable growth, and which strategies do they believe are essential to achieve success?	Aucoin, M. ,2018. Certo, S., & Peter, J. (1993). Henderson, B. D., 1989; Thompson, A. et al., 2000;
Define what motivations lead leaders to choose to internationalize their business, and what are the biggest barriers they encounter in this process.	What are the main factors that drive a company to internationalize and what are the main barriers?	Dunning,J.,1976 Fuat Firat, A., & Shultz, C. 1997; Harmanen, J., 2019; Johanson, J., & Wiedersheim-- Paul, F. 1975; Narayanan, V. 2015; Stevanato, Nicola. 2018; Vernon, R., 1966; Xie, Y. H. and Suh, T., 2014.

<p>Interpret the perspectives leaders have about entrepreneurship and what values they attach to entrepreneurs and how they can contribute to the development and internationalization of companies.</p>	<p>What behaviours do leaders associate with entrepreneurship and entrepreneurial people? What impact can entrepreneurship have on a company's development and internationalization process?</p>	<p>Bucha, A. I., 2009;  Cardon M.S et al., 2009;  Davey, T et al., 2011;  Eurostat., 2012;  Nazir, M. A., &amp; Ramzan., 2012.  Rao, S et al., 2011.</p>
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Source: Author

#### 4.4 Participants

This research is supported by a non-probabilistic sample, which means that not all members of the population have a chance to participate in the study, unlike probabilistic sampling, where each member of the population has a known chance of being selected. This type of sampling depends largely on the experience of the researchers. Non-probabilistic sampling is performed by observational methods and is widely used in qualitative research. In addition to being a non-probabilistic sample, it is important to mention that it is a non-probabilistic sample for convenience, this means that the sample was constituted according to the availability of the individuals addressed.

The sample of these interviews consists of 16 Portuguese workers, who have leadership positions in the companies where they work, and all have two points in common between them. They all consider themselves entrepreneurs, as they have founded their respective companies over the past decade, and they have all managed to pursue a coherent internationalization strategy, stabilizing in most of the markets to which they have expanded.

All those involved in these interviews are employees of companies that were founded in the last decade and all these companies have already gone through the internationalization of their business. Of the 16 leaders interviewed, the modal age group among respondents

(62.5%) is between 20 and 25 years old and the average age is 26 years old, the majority of males (62.5%).

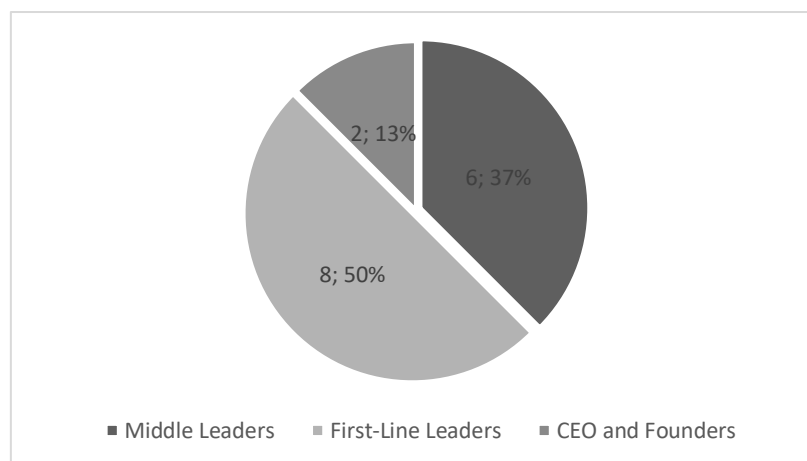
Table 3: Age Group Distribution

Age Group	Frequency	Percentage (%)
[20-25]	10	62,5%
[26-30]	4	25%
[31-44]	2	12,5%
<b>Total</b>	<b>16</b>	<b>100%</b>

Source: Author

Participants represent different organizational levels: first-line leaders (n = 8), middle leaders (n = 6), top leaders (CEO and founders) (n = 2) and on average had about 4 years of experience in leadership. Almost all respondents hold a university degree (71.43%).

Figure 5: Organization Levels



Source: Author



## Chapter 5 – Analysis and discussion of results

### 5.1 Notion of the importance of strategic planning

The first part of the interview was based on strategic planning and served to achieve the first research objective, understand the notions that each leader has about strategic planning and the importance they attach to it and for this it is possible to divide this part into two different categories. In this first category the first major objective is to understand the importance that each respondent attaches to strategic planning, and for this, each respondent was asked to rate it on a scale of 1 to 5 (where 1 represents “nothing important” and 5 represents “extreme importance”) and then asked to justify why they gave it a certain grade. The table presents the ratings assigned by the leaders and the most common justifications for each grade.

Table 4: Importance given to strategic planning

Evaluation	N°Times	Reasons	Interviewee
1	1	Strategic planning is unnecessary because there are so many factors that cannot be controlled, and when you are too focused on one strategy you can no longer see other opportunities that may arise.	11
2	2	Outlining strategic planning is unimportant because it is a process that takes too much time and does not protect the company from changes in the environment that invalidate an entire planning.	3, 7
3	4	Strategic planning is important to achieving sustainable growth, however it tends to be too time consuming and costly and does not prevent the company from external changes.	1, 6, 13, 14
4	6	Strategic planning is very important, but there is no plan that resists action, the plan only defines the starting point and the ultimate goal, however the process itself is always subject to change.	2, 4, 8, 10, 12, 16
5	3	Strategic planning is the basis for everything, because only by studying all the factors inherent in the business, and making the best decisions, can a sustainable competitive advantage be achieved.	5, 9, 15

Source: Author

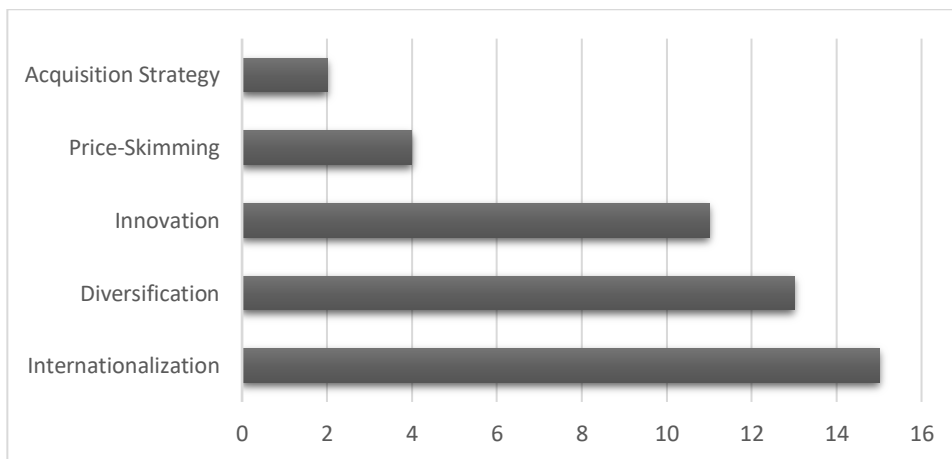
As can be seen, most respondents (56.25%) rated strategic planning as having great importance in the development of a company. During the interviews one of the interviewees defined strategic planning as a fundamental step to achieve a certain

competitive advantage and thus be able to stay one step ahead of the competition, thus giving a definition very similar to that presented by Bruce Henderson in 1989.

The second category is to try to understand what each leader knows about strategic planning. As seen throughout the literature review, strategic planning is not a simple process, it involves several levels, and each level has to have a tailor-made strategy, as advocated by Thomposn Jr & Strickland III (2000). The main objective of this part is to understand if the Portuguese leaders are aware of the complexity involved in outlining good strategic planning and if they have all the necessary know-how.

While most respondents recognized the importance of strategic planning, 12 of the 16 respondents (75%) were not familiar with the different levels of the company, nor were they able to describe a process for coherent planning like that of the authors Certo and Peter in 1993. For most of these leaders, defining a strategy is an exclusive activity of senior positions and the different departments must adapt to the strategy defined by their superiors. This allows us to conclude, and as Michael Aucion stated in 2018, the lack of a coherent link between formulation and implementation at different levels of the organization is a common mistake of companies today, and for this reason, Michael Aucion stated that only 18% organizations can be highly efficient in their strategic initiative.

Figure 6: Strategies Referred by Respondents



Source: Author

At the conclusion of this first part, respondents were asked to say which business strategies they consider essential for achieving sustainable growth. A curious point in this question is that the answers were very much as their companies represent the market in

which they operate. Although several strategies were mentioned, the most mentioned were undoubtedly internationalization, diversification and innovation.

## 5.2 Internationalization situations, barriers and advantages

Following a general approach to the topic of strategic planning, the second part of the interview focuses on the theme of internationalization. This block, similar to the previous one, can be divided into two distinct parts: the first part consists in trying to understand what are the main factors that lead a company to internationalize, and the second part is to try to understand what are the biggest barriers that may arise during this process. As one of the criteria for choosing the interviewees was that they worked in companies that have already gone through this process, allowed to have a practical view of the current business world.

### 5.2.1 Advantages

To achieve the main objectives of this part, respondents were initially asked to mention the main advantages that the internationalization strategy brought to their companies.

Table 5: Advantages of internationalization

Advantage	N°Times	Reasons	Interviewee
More potential customers	14	Portugal is a relatively small country, so any Portuguese company cannot be limited by borders.	1, 2, 3, 4, 5, 7, 8, 10, 11, 12, 16
		An international company has a larger customer base, which allows it to increase sales.	1, 3, 4, 5, 6, 8, 9, 11, 13
Stability	12	When a company focuses on only one market, it is dependent on it.	1, 6, 13, 14
Brand recognition	10	Expanding business across borders allows for the confidence that domestic market customers have in the company.	1, 2, 4, 5, 8, 10, 12, 13, 16
Cost Reduction	8	Access to cheaper means of production.	1, 4, 5, 9, 11, 14, 15
	6	Allows to achieve economies of scale.	1, 2, 5, 11, 12, 14
Sinergies	3	Makes it possible to eliminate waste of time, money and materials by making use of synergies	4, 7, 14

Source: Author

Overall, respondents (14 out of 16) found that the biggest benefit of the internationalization strategy is the increase in the number of potential customers. As is well known, Portugal is a relatively small country, so any Portuguese company cannot be limited by borders, this opinion confirms that despite the fact that more than 20 years

have passed, the 1997 theory, by Firat and Schultz, larger the company's borders the smaller the risk of the market becoming saturated. When expanding, the company has a larger customer base, which allows it to increase sales and, consequently, profit, "any Portuguese start-up that wants to grow needs to be international since birth".

Another factor mentioned by 75% of respondents was the stability that internationalization can bring, that is, when a company focuses on only one market, it is dependent on it, which means that the company is completely vulnerable to changes that may occur in this market. There are foreign markets that are less competitive than national ones, easing price pressure and allowing for secure profits (Stevanato, 2018). One of the interviewees illustrated this theme with Uber's case study, which despite having its services banned in countries such as Italy due to changes in law, was never compromised by being present in at least 30 other countries.

Increasing brand awareness was also one of the advantages most cited by respondents, 10 of the 16 leaders surveyed (62.5%) said that expanding business across borders allows for the confidence that domestic market customers have in the company. One of the interviewees stated that for a company to be respected in the domestic market, it must first be recognized internationally. This recognition puts the company in a very advantageous position as it allows the company to start its business abroad while simultaneously increasing its volume in the domestic market.

Cost reductions were the last of the factors most frequently mentioned during the interviews. Access to cheaper means of production and economies of scale, which were referenced by 50% and 37.5% respectively, are factors to be taken into account. When a company stabilizes in a new market, it is able to produce its products or services where it is most convenient. This gives the leader the power to choose the place that is most advantageous to their business situation. Internationalization also allows the leader to organize the production process in such a way as to achieve maximum utilization of the productive factors involved in the process, always seeking to reduce production costs, thus achieving an economy of scale.

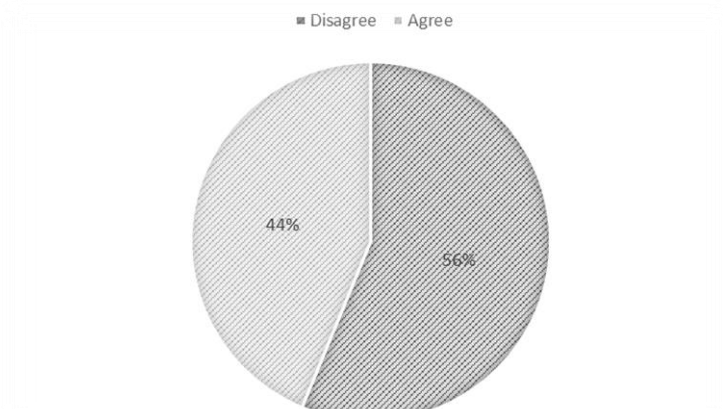
Finally, there were some advantages that, although not often mentioned during the interviews, such as allowing a better responsiveness to global clients and taking advantage of synergies. For three leaders, internationalization has allowed them to eliminate waste of time, money and materials when they have increased their business

volume through internationalization, thereby leveraging synergies. One of the interviewees also mentioned that by internationalizing, they gained greater knowledge about the international market and thus improved their responsiveness and negotiation with global clients.

### 5.2.2 Barriers

Although internationalization has many advantages for a business, there are still some barriers that somehow influence some companies not to opt for this strategy. As can be read in the literature review at the end of the twentieth century, theories on internationalization described this strategy as a long and complicated process. In this part, the goal is to understand if barriers like this still exist today and find out what are the main difficulties that leaders believe have the most impact. For this, respondents were given five sentences and asked to say whether or not they agreed with these statements and to say why.

Figure 7: The internationalization process is a very long process

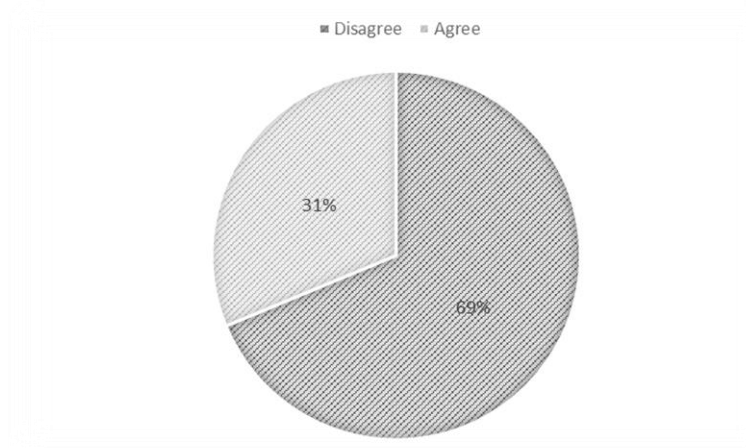


Source: Author

As figure 12 demonstrates, this disadvantage was the one that most divided respondents, 9 of the leaders disagree that internationalization is a lengthy process, while the other 7 described this strategy as a lengthy process. This division is due in large part to the fact that some of these companies do business on the Internet, confirming the idea of Juhana Harmanen, when in 2019, she argued that doing business outside the borders via online has become "normal" for any SME. In general, respondents working in online companies stated that to internationalize their business it was enough to create a website and do their business from it, contrary to the traditional theories of Vernon, Dunning and Johnson and Wiedersheim-Paul. On the other hand, companies that involve the creation of assets in

foreign countries, such as warehouses or production centers, affirm that the internationalization process requires a strong and time-consuming planning in order to maximize its expansion, spending less. possible amount of money.

Figure 8: Requires a large investment



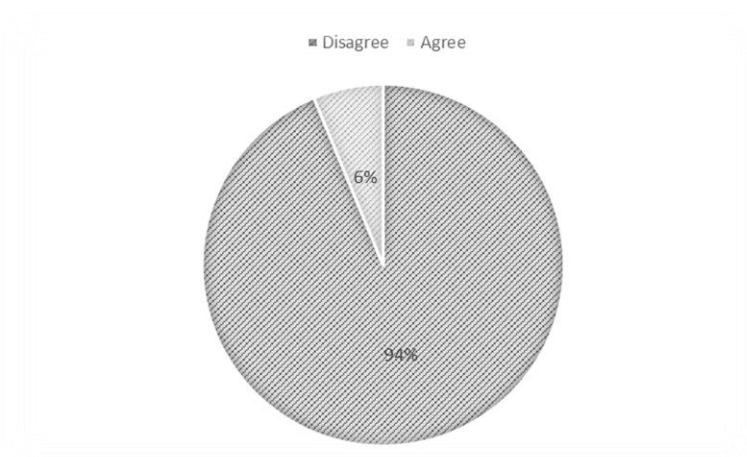
Source: Author

This question arises in order to prove the theory that the costs of internationalization can be a huge barrier when it comes to internationalization (Xie and Suh, 2014). Overall, respondents disagreed that internationalization required a high initial investment, as with the previous disadvantage, this can also be justified by the possibility of doing business exclusively online. For online business leaders, the costs of internationalization are exclusively delivery costs, which often end up being borne by customers.

Respondents who need to be physically present say that with good planning it is possible to internationalize with a reduced budget, as there are ways such as outsourcing that allows you to be present across borders at a reduced cost. On the other hand, 5 of the interviewees admitted that their internationalization process was expensive as it forced them to acquire assets in foreign countries.

However, when faced with the prospect of partnering with local businesses, they have shown that they are unwilling to enter into agreements with third parties because they do not want to be conditioned by others to do their business. Another of the barriers in question was that internationalization is a high-risk strategy, however, this disadvantage turned out to be directly related to the initial investment. By investing little, leaders eventually have nothing to lose, thus reducing risk to nothing.

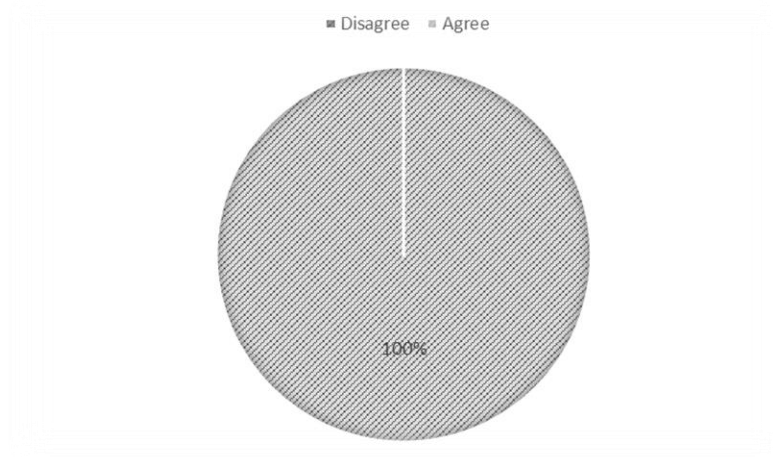
Figure 9: Requires very large know-how



Source: Author

In 2015 Narayanan stated that the need to adapt to new markets, required a high level of know-how, and that this was a barrier for many SMEs, however the answers to this question completely invalidate that theory. This barrier, the need to acquire a large know-how, was undoubtedly one of which the respondents gave less importance, only one of the respondents considered the lack of know-how a disadvantage. This is due, in general, to living in a world where full access is possible. the information only with a search on the internet. What could once be a huge barrier today is just a simple step of strategic planning. “To gain knowledge today, all you have to do is get it.” This statement was made by one of the interviewees, summarizing in a general way what leaders think about this disadvantage.

Figure 10: I am afraid of not stabilizing in the new market



Source: Author

When asked about the fear of not being able to stabilize in the new market, the answers were concise. None of the respondents said they considered this fear as a disadvantage.

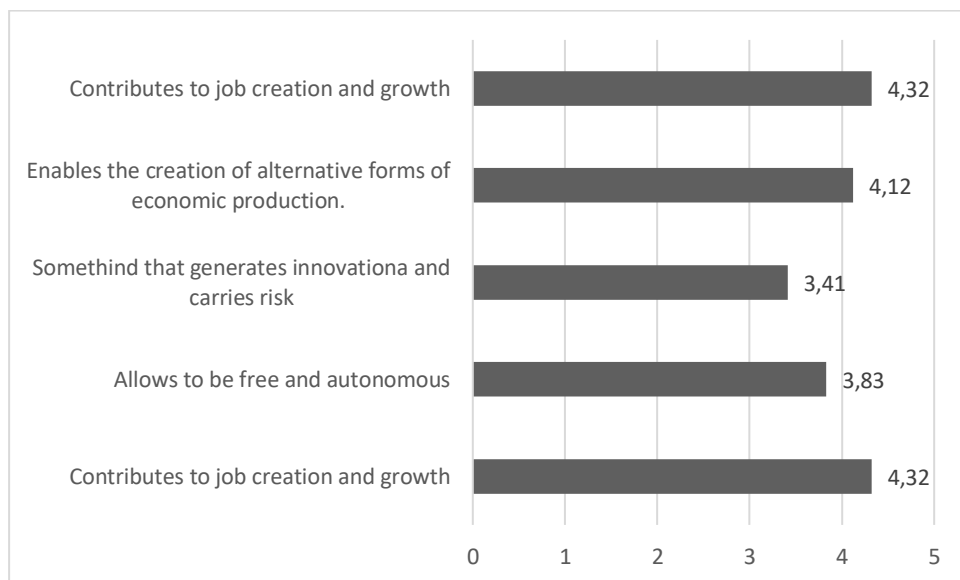
“When you want to succeed, you can't help but risk the future,” “regardless of the outcome of an action, you can always learn something”. These were some of the phrases spoken by respondents in response to this statement.

As described in the previous section, internationalization can bring several advantages to a company, and managers are aware of globalization and know that physical barriers are no longer a barrier to business development. This, together with the pursuit of competitive advantages for the company, makes leaders increasingly afraid to risk internationalizing their companies. This, together with the search for competitive advantages for the company, makes leaders not afraid to risk internationalizing their companies.

### 5.3 Notions of entrepreneurship and impact of entrepreneurs on performance

The third and last part of the questionnaire consists of two variables whose objective is to know the opinion of the respondents about entrepreneurship. To analyse these variables, is used the Likert scale consisting of several statements. The response options for the statements ranged from one to five, where number one corresponded to "strongly disagree" and number five to "strongly agree". The statements in question were all based on quotations from recognized authors and institutions.

Figure 11: Entrepreneurship



Source: Author



By summarizing the most salient statements in Figure 15, which expose the respondents' opinion about the concept of entrepreneurship, it can be seen, as regards the average, that two statements, “contributes to job creation and growth” (Eurostat, 2012) and “the vital source for growth and economic competitiveness.” (Davey et al., 2011) has an average value higher than four (4,32 and 4,25, respectively). The statement “something that generates innovation and carries risk” (Nazir and Ramzan, 2012) with the lowest average value (3,41).

These results reflect the general idea that all leaders have about entrepreneurship. For the interviewed leaders, entrepreneurship is the main engine of the development of any organization and has consequences not only for themselves and their company but also for society, as it allows us to increase and boost the national market to compete with foreign markets.

Another point in discussion in this part was to understand what characteristics leaders assign to an entrepreneur. By analysing Figure 16 it is possible to summarize the statements regarding the respondents' opinion about the entrepreneur concept.

Figure 12: Entrepreneur



Source: Author

There are two statements that obtained the maximum value of all respondents: “Have a passion for business”, with an average of 5 and “resilient person”, with an average of 5, thus coinciding with Melissa Cardon's 2009 idea that the passion of entrepreneurs for development reflects a propensity to grow and expand a business in 2009. With the lowest

average values are the statements: “Intelligence above the common” with an average of 3,25 and “own his own capital” with an average of 2,87.

These evaluations attributed by the interviewees confirm the idea that to be an entrepreneur is not characterized by what he has, but by what he represents. These answers show that it is not necessary to have a high budget or above-average qualifications to be a good business owner and a great agent in creating opportunities for yourself and others. This meets the definition of Bucha in 2009, which stated that more than a business concept, entrepreneurship is a way of life.

## **Chapter 6 – Conclusion**

### **6.1 Synthesis of the research**

Strategic planning is a deliberate research to formulate a plan to develop and adjust competitive advantage for the organization and stated that the difference between a company and its competitors is the basis of competitive advantage (Henderson, 1989). This said, the first research question of this investigation had as its main objective to understand which view the Portuguese leaders have about the strategic planning process and what knowledge they have about it.

At this point, the two sources of information in this thesis, the interviews, and the literature review, differ slightly. Despite studies that prove the importance of strategic planning, it is possible to conclude that a considerable percentage of Portuguese leaders do not attach much importance to this process and do not have much knowledge on this topic.

That said, it is easy to understand why Michael Aucion in 2018 stated that only 18% of companies can be highly efficient in their strategic initiatives. This lack of preparation can pose a major threat to companies, as although an organization can grow rapidly, poor planning can lead to instability for the company.

In conclusion, strategic planning can bring a big number of advantages to a company as it allows it to be stable and prepared for any eventualities that may arise in the future, however this process is sloppy due to resources such as time and money, which implies, leaving companies and their leaders a little dependent on external factors.

The second objective of this study was to analyse the notions that the leaders in Portugal have about the internationalization strategy, how they perceive the impact of this strategy on the results of the organization and what are the greatest difficulties felt. There was a consensus among the various leaders, all of whom stated that internationalization is an essential step for any company that wants to be sustainable today.

Among the main reasons for internationalization are the three most mentioned: Increasing the number of customers, greater stability and greater brand recognition in the country of origin. However, and for the purposes of investigation, it is pertinent to mention that the

people interviewed represent a small percentage of Portuguese leaders, and all of them have the particularity of managing recent companies. These interviews give only a current and non-illustrative view of older realities, which is why when asked about barriers to internationalization, they did not raise major concerns. Factors such as globalization and the possibility of conducting business exclusively online, without major investments, make leaders less and less afraid of risking the internationalization of their organizations.

From all these facts, it can be concluded that global and technological evolution has greatly facilitated the process of internationalization of companies, and what a few years ago was a strategy that entailed great costs and required very long processes, has now become a simple but important step for the growth of the great majority of Portuguese companies.

To complete this project, the main objective was to understand what is the differentiating factor of companies that succeed to others that do not survive in an increasingly dynamic and unstable market. Entrepreneurship is one of the most important factors today in any company, as it allows not only to bring innovation to the business, but also to improve existing processes (Rao and Ganesh, 2011). With this in mind, the final part of this research aims to analyse the notions that leaders in Portugal have about the concept of entrepreneurship and how they perceive the impact of entrepreneurs on the performance of organizations and society. There was no consensual definition of the concept of entrepreneurship, with the dimension “passion for business” and “resilience” being the ones most often associated with this concept.

One of the factors that became clear during the conversations is that when a company is formed it is imperative to offer a product or service that differentiates existing companies. Creating a business just because others have done it and been successful is not enough to succeed.

This research shows that an entrepreneur is driven by his passion for the business, and this is the engine for the implementation of any strategy such as internationalization. Only the constant pursuit of perfection allows you to be the best and to be one step ahead of your competitors, the incessant search for more is what allows you to define a clear vision of when and how to move forward. In the course of the interviews it was concluded that all the leaders interviewed have a passion for what they do, and 100% believe in the products or services that their companies sell, and only in this way is it possible to devote

all the time and effort they need to take their ideas far away and bring benefits to themselves and to society at large.

The author hopes that this study will increase interest in exploring this latest style of leadership, especially because it is a very current topic, with countless future research opportunities and increasingly relevant in the current organizational context.

## **6.2 Study Limitations**

A common point in all thesis is that they all have limitations that prevent a rigorous and representative survey of a whole population from being performed. First, it is important to bear in mind that the findings presented in this thesis result from limitations inherent in reduced sample size research and the fact that it reproduces results from a given context, and in a particular country. Although it is not possible to achieve data saturation with the 16 interviews, there are also limitations related to the fact that the sample is neither probabilistic nor large enough to extrapolate its characteristics to the Portuguese population.

Thus, the results of this study, while corroborating some of the existing theory regarding the role of entrepreneurs in organizations, cannot be extrapolated to the entire universe of leaders in Portugal. It is noteworthy that this study was not designed for this purpose either, as it is an exploratory study that sought to capture the perceptions of the themes under analysis.

Finally, the fact that one of the subjects under study, entrepreneurship, is a somewhat factual matter, is itself a limitation, as it may lead to different interpretations.

## **6.3 Contribution to Services and Technology Management**

The results obtained during this investigation are a good resource for the management of services and technology, as well as for strategic management. Through this study, it was possible to obtain a view of the current international market, by ascertaining which are the greatest fears and expectations of 21st century managers. With a concept increasingly explored and developed by the academic community, it was possible to establish a strong parallelism between the ways of leading today, with what was happening in the past.

Managers who want to internationalize their start-ups find here a general guide for doing so, and with the results of the interviews, they are able to foresee what the main concerns

should be taken into account. Technological evolution has completely changed the way of doing business, making it inevitable that practices and strategies within each company will change, thus forcing managers to have continuous learning so that their organizations are not left behind.

There has always been a tendency to evaluate a person through their academic qualifications, however it is impossible to deny that this paradigm is changing, nowadays there is much more tendency to evaluate a person by the so-called "Soft-skills". This study also defines what skills a manager needs to have to be considered an entrepreneur, and in this way, be more apt to be successful. One of the foundations of the business sector argues that the greater the risk, the greater the adjacent benefits, so there must be a balance between good preparation and not being afraid to risk it.

#### **6.4 Suggestion for future research**

Some of the above limitations may be addressed through changes to be considered in future studies. Firstly, it would be very interesting to follow the whole process of strategic planning of one of the companies, from the point where the idea starts to come to the point of implementing and controlling the results, to have a more real and broad view of this whole process. Following this, another suggestion is to extend a study of this caliber to other companies, all leaders represented relatively small and recent companies, so it would be interesting to have access to larger and older companies in order to have other viewpoints.

In this research, there was a slight tendency for younger leaders to attach more importance to entrepreneurship, and to be less afraid to risk it. Future studies can explore whether, in fact, young people's perception of the effects of entrepreneurship is more positive than that of older leaders, the origins of this difference in perceptions, and the implications of this phenomenon on organizations. This more positive view on the part of young people may also mean that they tend to be more entrepreneurial and less addicted leaders, future studies may explore this point.

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# Appendix

## Appendix 1 - Interview guide

1. Age
2. Genre
3. Company position
4. Literary abilities
5. On a scale of 0 to 5, where 0 means unnecessary, and 5 means very important, how do you assess the importance of strategic planning in the development of a company? Why?
6. Talk a little about the concept of strategic planning.
  - a. Concept
  - b. Strategy levels
  - c. Strategic planning process
7. What strategies cannot be missing in a current strategic planning? Why?
8. What are the reasons that lead a company to internationalize?
9. Please say if you agree with the following statements and justify.
  - a. The internationalization process is a very long process
  - b. Internationalization requires a large investment
  - c. Internationalization strategy requires very large know-how
  - d. I am afraid of not stabilizing in the new market.
10. For you, what is the concept of entrepreneurship, and what characteristics do you associate with an entrepreneur?  
Rate on a scale of 0 to 5, where 0 means "Totally Disagree" and 5 symbolizes "Totally Agree", the following sentences:
  - a. Contributes to job creation and growth;
  - b. Enables the creation of alternative forms of economic production;
  - c. Something that generates innovation and carries risk;
  - d. Allows to be free and autonomous;
  - e. Contributes to job creation and growth.

11. What characteristics do you associate with an entrepreneur?  
Rate on a scale of 0 to 5, where 0 means "Totally Disagree" and 5 symbolizes "Totally Agree", the following sentences.
- a. Own his own capital;
  - b. Can handle and manage people;
  - c. Has a passion for business;
  - d. Intelligence above the common;
  - e. Ability to analyse the potential of an idea;
  - f. Is willing to take risks;
  - g. Resilient person.
12. How does the entrepreneur contribute to the development of your company?
13. How did the entrepreneur contribute during the entire internationalization process?