

Determinants of Export Success in International New Ventures

Abstract

New ventures often become active in foreign markets from surprisingly early stages of their existence, thus becoming international new ventures or so-called born-globals. While some succeed, others fail and little is known why this is. This present paper is an inquiry into some of the determinants of success. In detail, the paper investigates the motives for early internationalization as well as the effect certain independent variables have on the export performance of new ventures, including age at time of foreign market entry, entrepreneurial orientation, and the entrepreneur's international work experience. Based on a sample of 135 Austrian small and mediums-sized enterprises, our findings indicate that early internationalization is positively related to export revenue and export profit, whereas there is no correlation between entrepreneurial orientation and the entrepreneur's international work experience and export performance.

Keywords: International Entrepreneurship, Entrepreneurial Orientation, International New Ventures, Export Performance

The internationalization process of firms has been the topic of research in the fields of *International Business* and *Entrepreneurship* for roughly five decades (Rialp-Criado, Rialp-Criado, & Knight, 2002, p. 1). Especially during the past decade, the business environment has dramatically changed as a result of the evolution of the global economy and the introduction of the information age. Traditionally, new ventures started as domestic firms and evolved in the course of time into international businesses. In this new, globalized economic environment, however, especially knowledge-intensive firms have flourished by internationalizing in faster and more proactive ways than traditional, national firms (Johnson, 2004, p. 139). Many contemporary new ventures start as international companies right from inception (Johnson, 2004, p. 140; Schwens & Kabst, 2008, p. 3). *International New Ventures* (INVs) have existed for centuries, but it has only been since the late 1980s, that INVs have been recognized as a phenomenon of growing importance and a valuable sub-set of companies in the world economy (Zahra, 2005, p. 20f; McDougall, Oviatt, & Shrader, 2003, p. 59; Oviatt & McDougall, 1994, p. 46). It was in this regard that the term *Born Globals*, originally coined by McKinsey & Company (1993, cited in Rennie, 1993, p. 45), has been used in a growing number of articles on the internationalization processes of firms.

While some of these INVS succeed, others fail and not enough is known why this is. Despite the growing scope of *International Entrepreneurship* (IE) research (Oviatt & McDougall, 2005a, p. 537) that is at the intersection of these three research fields (Zucchella & Scabini, 2007, p. 2), the study of INVs only provides hints, but no ultimate answers. It has mostly challenged the traditional theories of internationalization such as product cycle theory, oligopolistic reaction theory, internalization theory, monopolistic advantage theory, and stage theory of internationalization (McDougall, Shane, & Oviatt, 1994, p. 469f). It has mainly encouraged researchers to look for new models and perspectives to examine international business activities (McDougall et al., 2003, p. 59). The phenomenon of early internationalization is still far from being defined as a research issue (Rialp-Criado, Rialp-Criado, & Knight, 2005, p. 162). The current understanding of INVs is mainly based on case studies, and therefore, only few general statements about them are made with confidence (Oviatt & McDougall, 1997, p. 89). In addition, the literature on internationalization activities of entrepreneurial firms is quite limited and rather inconsistent in its findings (Acedo & Jones, 2007, p. 237; Coviello & Munro, 1995, p. 49), as most research stems from one sector, high-

tech, only (Schwens & Kabst, 2008, p. 12; Fernhaber, McDougall, & Oviatt, 2007, p. 519; Rialp-Criado et al., 2005, p. 152; Coviello & Jones, 2004, p. 486; Johnson, 2004, p. 140; Autio, Sapienza, & Almeida, 2000, p. 910; Crick & Jones, 2000, p. 65; Karagozoglu & Lindell, 1998, p. 44; Roberts & Senturia, 1996, p. 491; Bell, 1995, p. 73; Oviatt & McDougall, 1994, p. 48). Furthermore, there are only few studies that investigate the relationship between early internationalization and *Export Performance* (EP) of INVs (Gleason, Madura, & Wiggernhorn, 2006, p. 112; Aspelund & Moen, 2005, p. 49; Knight & Cavusgil, 2005, p. 31; Autio et al., 2000, p. 918; Bloodgood, Sapienza, & Almeida, 1996, p. 72; McDougall & Oviatt, 1996, p. 26) and only few studies that examine the relationship between EO and EP (Kuivalainen, Sundqvist, & Servais, 2007, p. 253; Dimitratos, Lioukas, & Carter, 2004, p. 36).

This present paper therefore is intended as an inquiry into some of the determinants of export success. Our research aims to provide new insights into the motivation of foreign market entry of new ventures and the relationships that exist between age at foreign market entry, entrepreneurial orientation, the entrepreneur's international work experience and export performance.

Theoretical Background

International Entrepreneurship (IE) and Entrepreneurial Orientation (EO). According to Lumpkin and Dess (1996, p. 136) IE and EO are two inter-related terms with two different meanings. IE stands for the creation of a new organization, whereas EO is a construct of three or five dimensions that describe how the new entry of the organization is undertaken. Therefore, EO consists of the processes, practices, and decision-making activities that lead to the new entry of a firm. However, there are also similarities in the concepts of IE and EO. They both include activities such as innovation, opportunity research, and effective utilization of resources. (Fang, Yuli, & Hongzhi, 2009, p. 41)

Entrepreneurship and IB have always been topics of great research interest, but the paths of research on international business and entrepreneurship have intersected infrequently in the past (McDougall & Oviatt, 2000, p. 902). The research in IB has primarily focused on well-established, large MNCs, and entrepreneurship research on venture creation (McDougall & Oviatt, 2000, p. 902). However, the way for academic study in IE was already paved more

than twenty years ago in 1989 by McDougall's empirical breakthrough study that compared domestic new ventures and INVs (Oviatt & McDougall, 2005a, p. 537).

Over the past decade, the interest in IE has increased because of the globalization of the world economy. Especially the role of young entrepreneurial new ventures has become important. Starting in the 1990s, many researchers have aimed to explore the motivations for internationalization, its patterns, and its rapidity. (Zahra & George, 2002, p. 255)

McDougall and Oviatt (1997, p. 293) first define IE in a general way as "...new and innovative activities that have the goal of value creation and growth in business organizations across national borders". In a later work, Oviatt and McDougall (2005a, p. 540) further develop their IE definition, which comes to focus more on opportunities, including the possibility of establishing a new organization, takes corporate entrepreneurship into account, and highlights international entrepreneurial activity: "International entrepreneurship is the discovery, enactment, evaluation, and exploitation of opportunities – across national borders – to create future goods and services". This approach to IE provides a strong link to the concept of Entrepreneurial Orientation (EO). Based on Miller's (1983, p. 771) conceptualization, three dimensions of EO have been identified: innovativeness, risk taking, and pro-activeness. In addition, Lumpkin and Dess (1996, p. 140) introduced two more dimensions: autonomy and competitive aggressiveness. Matsuno, Mentzer, and Ozsomer (2002, p. 19) include the dimensions in their definition of EO as "...the organization's predisposition to accept entrepreneurial processes, practices, and decision making, characterized by its preference for innovativeness, risk taking, and pro-activeness". This definition shows that EO is reflected in three types of organizational behavior: risk taking, investment decisions, and strategic actions by the top management; extensive and frequent product innovation and technological leadership; and aggressive and proactive competition with industry rivals (Covin & Slevin, 1991, p. 10).

Innovativeness is the tendency to engage in creativity and experimentation through the introduction of new products or services, as well as technological leadership through R&D (Rauch et al., 2009, p. 763). Innovativeness also represents the willingness to step away from existing technologies or practices and to go beyond them (Lumpkin & Dess, 1996, p. 142). Risk taking involves operating under unknown circumstances, borrowing heavily, and committing large resources to undertakings in uncertain environments (Rauch et al., 2009, p. 763). Risk involves personal risk, social risk, or psychological risk and always brings a sense of uncertainty with it. Risk is also seen in the meaning of financial risk, which includes the probability of a loss. Accordingly, firms with an EO often display risk-taking behavior in

order to obtain high returns from new opportunities in the market. (Lumpkin & Dess, 1996, p. 144) Pro-activeness means to employ an opportunity-seeking, forward-looking perspective that is characterized by the introduction of new products and services, and to act in anticipation of future demand (Rauch et al., 2009, p. 763). It also gives the firm the ability to anticipate change or needs in the marketplace (Lumpkin & Dess, 2001, p. 445). In addition, pro-activeness refers to anticipating and pursuing new opportunities and to participating in emerging markets (Lumpkin & Dess, 1996, p. 146f). Autonomy refers to the independent actions carried out by entrepreneurs that are directed at stimulating a new venture (Rauch et al., 2009, p. 763). It is also the will and ability to be self-directed and to take actions without adhering to organizational limitations (Lumpkin & Dess, 1996, p. 140). Competitive aggressiveness refers to the amount of effort a company employs to outperform competitors and is portrayed by a strong offensive attitude or an aggressive approach to competitive threats (Rauch et al., 2009, p. 764). It also reflects the willingness to use unconventional methods of competing instead of traditional ones (Lumpkin & Dess, 1996, p. 148f).

As already indicated, there are few studies that concentrate on the relationship of EO to EP. Dimitratos et al. (2004, p. 35f), for example, observed that EO affects EP measures in different ways. In their study, the authors find only a weak relationship between EO and EP. Their results show that EO positively influences only perceived satisfaction with performance in the foreign country. On the contrary, Balabanis and Katsikea (2003, p. 233) find that EO is positively linked to EP, and that this relationship is not influenced by environmental or organizational contingencies (Balabanis & Katsikea, 2003, p. 246). In a similar study, Zahra and Garvis (2000, p. 470) show that EO is positively related to foreign profitability and growth. The authors point out that there is an influence of EO on foreign profits, foreign revenue growth, and foreign growth (Zahra & Garvis, 2000, p. 481).

International New Ventures (INVs). In the late 1980s, the phenomenon of INVs – companies that are international from inception – emerged. Although INVs are often associated with high-tech firms, several studies demonstrate that this phenomenon also occurs in other industry sectors, such as manufacturing or the arts and crafts sector (McDougall et al., 2003, p. 59; Moen, 2002, p. 156; Moen & Servais, 2002, p. 49; Shrader, Oviatt, & McDougall, 2000, p. 1227; McAuley, 1999, p. 68; Bloodgood et al., 1996, p. 61; Rennie, 1993, p. 45).

Although authors have used different names to describe the phenomenon of rapidly internationalizing firms, the expressions have become quite synonymous (Crick, 2009, p.

453). Therefore, the terms “INV” and “born global” are used interchangeable in the following parts of the paper.

Oviatt and McDougall (1994, p. 49) define an INV as “...a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries”. The main feature of these start-ups is that their origins are international, and that they make use of their resources in more than one country. In other attempts to operationalize the INV a specific level of export ratio, ranging from 20 % to around 80 %, has also been suggested (Acedo & Jones, 2007, p. 237). Many researchers define a born global as obtaining a minimum of 25 % of its total sales from exporting abroad. This definition has been used by Kuivalainen et al. (2007, p. 254), Knight and Cavusgil (2005, p. 16), Knight, Madsen and Servais (2004, p. 649), and Moen (2002, p. 158).

McDougall et al. (1994, p. 471f) investigated 24 case studies of INVs, none of which followed the incremental stages of internationalization. From their research, three points become evident. First, they are not a local phenomenon. Second, many of the firms were formed in recent years of the authors’ investigations. Third, many of the ventures are high-tech businesses, but a variety of other industries are involved, too. In a later study, Oviatt and McDougall (1995, p. 31) find that the number of global start-ups seems to be growing, and that these firms have aggressive growth objectives as they quickly exploit technological advantages, acquire foreign technologies, and follow clients abroad. Moreover, start-ups overcome their disadvantages of inexperience and small size by being the first on the market (first-mover advantage) with a valuable product or service that also needs to be marketed accordingly. Furthermore, INVs follow their product or service with extensions that are closely linked to the intangible assets, such as tacit know-how, from which they derive their competitive advantage. Finally, geographic extensions are closely coordinated (Oviatt & McDougall, 1995, p. 34ff).

The early internationalization behavior of young and small firms is in opposition to the established internationalization theories, especially if the Uppsala model (Johanson & Vahlne, 1977, p. 23) is considered. McDougall et al. (1994, p. 469f) argue that the formation process of INVs cannot either be explained by other existing theories such as monopolistic advantage theory, product cycle theory, oligopolistic reaction theory, or internalization theory, as these theories focus on large, mature firms and assume that a firm becomes international long after its formation. On the contrary, INVs operate in international markets or even the global market right from their inception (Rialp-Criado et al., 2002, p. 8; Madsen & Servais, 1997, p. 562) and do not concentrate on the home market first (McAuley, 1999, p. 80). They also do

not enter psychologically close countries first and do not follow a steady, logical, and controlled sequential process (McAuley, 1999, p. 80).

A large controversy exists concerning the specific time span between the foundation of a company and the moment of its internationalization. Some researchers do not only consider companies that start international operations in the year of their founding as early internationalizers (McAuley, 1999, p. 68; Oviatt & McDougall, 1994, p. 49), but they also define companies as early internationalizers that internationalize within two years (Chetty & Campbell-Hunt, 2004 p. 65; Rennie, 1993, p. 46), three years (Crick, 2009, p. 456; Knight & Cavusgil, 2005, p. 16), six years (Coviello & Jones, 2004, p. 492; McDougall et al., 2003, p. 69; Shrader et al., 2000, p. 1235; Oviatt & McDougall, 1997, p. 92), or even eight years after foundation (Zahra & George, 2002, p. 255; Oviatt & McDougall, 1997, p. 92).

Early Internationalization. Rialp-Criado et al. (2005, p. 147) identified, examined, and critically assessed 38 studies that were conducted between 1993 and 2003, which deal with INVs or born globals. This review provides a basis for obtaining an overview of the state-of-the-art research field of early internationalization. The authors compare the studies along the following criteria: objective and type of research, theoretical framework, methodological issues, and main findings and conclusions. (Rialp-Criado et al., 2005, p. 153)

In a similar vein, Schwens and Kabst (2008, p. 4) reviewed and systemized the literature on early internationalizing firms and their determinants respectively. They selected 17 qualitative and quantitative empirical studies and compared their research objective, methodology, and key research findings (Schwens & Kabst, 2008, p. 7).

Figure 1 below is connected to the table in the appendix, which is adapted from Rialp-Criado et al. (2002, p. 33ff) and Schwens and Kabst (2008, p. 8ff). It describes empirical studies in terms of their research objective, methodological approach (including data collection method, sample size, analytical approach, and further characteristics when indicated), and key research findings. The matrix is organized along two axes: theoretical versus empirical research (high-tech focus versus overall sectoral focus) on the horizontal axis, and explanatory, theory-building or hypothesis testing versus exploratory, comparative, descriptive research on the vertical axis. (Rialp-Criado et al., 2005, p. 152)

Insert Figure 1 about here

As the matrix above shows, numerous scholars have identified driving forces that lead to the emergence of INVs, and almost every author in this field of research has aimed to elaborate his own list of influencing factors for early internationalization.

Oviatt and McDougall (2005a, p. 541) present a model of how the speed of entrepreneurial internationalization is influenced by various forces. Their model includes the enabling forces of technology, the motivating forces of competition, the mediating forces of entrepreneurial perceptions, and the moderating forces of knowledge and network relationships, which collectively determine the speed of internationalization. Oviatt and McDougall (2005a, p. 544) place special emphasis on the moderating influences of knowledge and networks. They state that networks help entrepreneurs to identify international opportunities, to establish credibility, and to lead strategic alliances. Entrepreneurs often use established networks that cross national borders to discover where and how quickly it is possible to exploit an opportunity. Other authors also find that networks are a powerful influencing force for early internationalization. Bell (1995, p. 69), for example, concludes that existing relationships and contacts with foreign suppliers provide ideal opportunities for the firms to enter dealer networks and to adopt existing distribution channels. Coviello and Munro (1995, p. 53) explain that the participation in international networks and the influence of network partners are strong reasons for fast internationalization. Roberts and Senturia (1996, p. 496) point out that domestic and overseas distribution partners are the main reason for internationalization. In a similar sense, Freeman, Edwards, and Schroder (2006, p. 49) conclude that personal networks that provide the basis for foreign partnerships and alliances are crucial for international new ventures to realize early and fast international expansion. Also Schwens and Kabst (2008, p. 13), Rialp-Criado et al. (2005, p. 153f), Johnson (2004, p. 149), and Zahra and George (2002, p. 265) state that having international contacts and networks is an important factor for early internationalization.

As previously stated, Oviatt and McDougall (2005a, p. 546) focus on knowledge as it moderates the speed at which a perceived opportunity is exploited internationally. The importance of the knowledge and the experience of the entrepreneur is a recurring theme in literature. Yli-Renko, Autio, and Tontti (2002, p. 282) state that knowledge is the source of entrepreneurial services leading to the pursuit of an opportunity, and second, it makes the fast international expansion physically possible. Moreover, McDougall et al. (2003, p. 62) state that international experience leads not only to opportunity identification, but also to market knowledge and network building. Also Reuber and Fischer (1997) believe that firms that are managed by internationally experienced executives are likely to consider mechanisms to sell

outside the domestic market early on. Shrader et al. (2000, p. 1233) suggest that international experience, technical experience, marketing experience, and new venture experience are relevant for the accelerated internationalization of new ventures. The international experience and market knowledge of the founder or top management team is also considered an important factor for early internationalization and the success of a firm by further authors (Crick, 2009, p. 462; Schwens & Kabst, 2008, p. 13; Gleason et al., 2006, p. 115; Rialp-Criado et al., 2005, p. 160; Chetty & Campbell-Hunt, 2004, p. 62; Zahra & George, 2002, p. 256; Crick & Jones, 2000, p. 71f; Madsen & Servais, 1997, p. 576; Oviatt & McDougall, 1997, p. 96; Bloodgood et al., 1996, p. 62; Oviatt & McDougall, 1995, p. 35; Westhead, 1995, p. 29; Bell, Crick, & Young, 2004, p. 39).

Moreover, the founder's international or global vision plays an important influential role in the creation of INVs (Oviatt & McDougall, 1994, p. 47). Rialp-Criado et al. (2005, p. 160), Bell et al. (2004, p. 38), as well as Johnson (2004, p. 149) identified the international or global vision of the founder as a leading factor for early internationalization. Also Schwens and Kabst (2008, p. 13) stated that growth orientation and global vision are essential influencing factors. Moreover, Moen (2002, p. 168) found that managers view the entire world as their marketplace as they have an international vision and global orientation.

In his research, Johnson (2004, p. 139) identifies four factors that are particularly influential. The two most frequently named factors are the international nature of the firm's product and/or industry and that the firm's technology is applicable world-wide (Johnson, 2004, p. 147). Also Coviello and Munro (1995, p. 51ff) describe in their research, that the fast internationalization of firms is influenced by the highly competitive nature of the international software industry in combination with relatively short product lifecycles. Similarly, Madsen and Servais (1997, p. 576) suggest that the extension of born globals is positively associated with the degree of internationalization of the market. Similarly, Andersson, Gabrielsson, and Wictor (2004, p. 30) propose that dynamic and fast-changing industry environments push small firms to internationalize. In the same vein, Keeble, Lawson, Smith, Moore, and Wilkinson (1998, p. 338) argue that technology intensive international new ventures often internationalize at a early stage of their development because of the limited and global nature of the market niche in which they operate. Also the study of Bloodgood et al. (1996, p. 62) observes that new ventures aim for an initial international presence because industry conditions require it for staying competitive. In the same way, Oakley (1996, p. 76) claims that high technology firms are often driven to be international at inception because the characteristics of the industry (e.g. short product lifecycles) force them into early

internationalization in order to survive, grow, and succeed. Furthermore, Fernhaber et al. (2007, p. 530) argue that INVs are more likely to internationalize when they are competing in a global industry, because this is a necessity to survive.

Another significant factor for early internationalization that is provided by Johnson (2004, p. 147) is that prospective customers are foreign. Oviatt and McDougall (1995, p. 33; 1997, p. 96) also indicate that the increasingly global nature of demand and the desire to effectively address the target market are a major force of early internationalization. In addition, the studies of Rialp-Criado et al. (2005, p. 160), Bell et al. (2004, p. 40), Burpitt and Rondinelli (2000, p. 2), Crick and Jones (2000, p. 75), and Karagozoglu and Lindell (1998, p. 47) show evidence that inquiries from potential foreign buyers and proximity to customers are main reasons for early internationalization. Similarly, Roberts and Senturia (1996, p. 496f) state that the main reasons for internationalization come from four external sources: domestic customers with overseas facilities, overseas customers, and domestic and overseas distribution partners. Bell (1995, p. 65) concludes in his study that there is strong evidence that client followership encourages small software firms to begin exporting and moreover determines the choice of export markets and the market entry mode. In the same way, Madsen and Servais (1997, p. 576ff) identify that the geographical location of born globals is determined by customer-related factors as well as the experience of the founder.

The last factor that is considered influential for early internationalization within Johnson's (2004, p. 147) research is having a small domestic market. Also Freeman et al. (2006, p. 59), Aspelund and Moen (2005, p. 53), Burpitt and Rondinelli (2000, p. 2), Karagozoglu and Lindell (1998, p. 48), Madsen and Servais (1997, p. 578), Oakley (1996, p. 79), and Coviello and Munro (1995, p. 53) point out that if the size of the domestic market is limited, fast internationalization is needed to survive and achieve growth. This is often true for companies operating in narrow and highly specialized niches (Bell, 1995, p. 70).

Another significant factor is the desire of the founder to pursue market opportunities. McDougall and Oviatt (1991, cited in Johnson, 2004, p. 141) conclude that the necessity to internationalize in order to achieve economies of scale and to create additional market opportunities plays an influential role in the creation of INVs. Aspelund and Moen (2005, p. 53), Fletcher (2004, p. 301), and Karagozoglu and Lindell (1998, p. 47f) identify the presence of more promising market opportunities in foreign markets as a motive for internationalization as well. Burpitt and Rondinelli (2000, p. 2) and Crick and Chaudhry (1997, p. 158ff) also conclude that factors leading to the decision to internationalize include the presence of opportunities abroad and the managerial attitudes towards internationalization.

According to Rialp-Criado et al. (2005, p. 153f), new market conditions in different sectors of economic activity (including niche markets) and technological developments in production, transportation, and communication are important and interrelated influencing factors of early internationalization. Madsen and Servais (1997, p. 565) also attribute the rise of born globals to three important factors: new market conditions, such as increasing specialization and niche orientation, technological developments, and more elaborate capabilities of people. Moen (2002, p. 173) considers market conditions as an important factor for the rise of born globals as well.

A further factor influencing early internationalization is the need to quickly respond to competitor initiatives. This finds support in Burpitt and Rondinelli (2000, p. 2), who conclude that a factor leading to the decision to internationalize is the internationalization of competitors.

Many new ventures start internationally because of resource needs (people, financing) and international sourcing of funds is one important force driving new ventures to internationalize (McDougall & Oviatt, 1991, cited in Johnson, 2004, p. 141). Worldwide sales are often needed to justify R&D expenses (Oviatt & McDougall, 1997, p. 96; Oviatt & McDougall, 1995, p. 31ff). Karagozoglu and Lindell (1998, p. 48), as well as Oakley (1996, p. 79) claim that high technology firms are often driven to be international at inception because of high costs of R&D and the desire to achieve competitive levels of R&D.

Finally, Fraser and Oppenheim (1997, p. 174) as well as Ohmae (1990, cited in Rennie, 1993, p. 51) stress the fact that the increasing irrelevance of national borders leads to a “borderless world”, where trade regulations and entry barriers are obsolete. Furthermore, there is not even consensus concerning the length of time span between the foundation of an international new venture and the beginning of its internationalization for it to qualify as an INV (Maksimov, 2008, p. 15; Schwens & Kabst, 2008, p. 4; Rialp-Criado et al., 2002, p. 11; Oviatt & McDougall, 1994, p. 47).

Exporting and Export Performance. Exporting is a commonly adopted market entry mode for companies that want to grow and develop their international market operations, as it requires only low fixed costs and operating costs and few resources and it only exposes the firm to a low business risk (Katsikeas, Leonidou, & Samiee, 2009, p. 165). Therefore, strategies such as direct sales or the use of agents are the preferred market entry mode for INVs (Aspelund & Moen, 2005, p.48; Crick & Jones, 2000, p. 76). Acedo and Casillas (2007,

p. 130), Knight and Cavusgil (2005, p. 18), Bell et al. (2004, p. 39), and Crick and Jones (2000, p. 64) also identified exporting as the major foreign market entry mode for INVs in general. Furthermore, high-tech firms, such as small software firms, often demonstrate an increasing commitment to exporting (Bell, 1995, p. 72).

Measuring the export performance of new ventures is important because improvements in performance is critical to the survival and growth of the company. However, only a few empirical studies have investigated the relationship between early internationalization and the business performance of INVs (McDougall & Oviatt, 1996, p. 26). McDougall and Oviatt (1996, p. 30) use both ROI and relative market share as performance variables in their study. They illustrate that although early internationalization by new ventures in certain technology-based industries is associated with higher relative market share, there is no significant relationship between early internationalization and ROI (McDougall & Oviatt, 1996, p. 33). Aspelund and Moen (2005, p. 49) conducted a study to measure three dimensions of firm performance (perceived success, firm growth, and financial returns) and demonstrated that INVs perceive firm growth as more likely than *Late Internationalizers* (LIs) do. INVs also have a higher perceived international performance. Although they do not excel by objective measures in general (Aspelund & Moen, 2005, p. 52), revenue growth is above average (Aspelund & Moen, 2005, p. 54). Bloodgood et al. (1996, p. 72) state that internationalization is significantly related to the income of INVs, but it is not related to sales growth. The study of Autio et al. (2000, p. 918) indicates that the age at entry into foreign markets is related to growth in international sales, international sales as a percentage of total sales, and total sales. Knight and Cavusgil (2005, p. 31) also state that the earlier a firm internationalizes, the better its performance in foreign markets is. Similarly, concerning the higher long-term returns for shareholders, Gleason et al. (2006, p. 112) discover that the performance of INVs exceeds the performance of domestic firms. Kuivalainen et al. (2007, p. 263) also explain that INVs have a better performance in sales, profit, and sales efficiency. On the contrary to the mentioned studies, Brush (1992, cited in McDougall & Oviatt, 1996, p. 26) clarifies that age at the time of internationalization is not significantly related to either sales growth or employee growth.

Methodology

To determine the relationships between internationalization timing, EO, the entrepreneur's international work experience and EP, a causal research design has been chosen. Figure 2,

below, shows the research model, which is used for the empirical study concerning Austrian international new ventures and for the discovery of the variables' dependencies.

Insert Figure 2 about here

The relationships of the three independent variables with the dependent variable are expressed through three hypotheses:

- H1: Early internationalization is positively related to export performance.*
- H2: Entrepreneurial orientation is positively related to export performance.*
- H3: The entrepreneur's international work experience is positively related to export performance.*

For the purpose of this paper, INVs are defined as companies that have started their internationalization within three years of foundation, as this is a time period that is applied in numerous empirical studies (Crick, 2009, p. 456; Knight & Cavusgil, 2005, p. 16; Madsen, Rasmussen, & Servais, 2000; Servais & Rasmussen, 2000). To determine the age of the companies when they started to internationalize, the time span is measured as the time, in years after foundation.

To determine the factors influencing early internationalization, 15 influencing factors are tested according to their importance. All these factors have been identified as being important for early internationalization in previous studies. The factors are “market saturation in home market”, “no or few customers in home market”, “activity in niche markets without sufficient home market”, “participating in growth markets (e.g. BRIC – Brazil, Russia, India, China)”, “following clients”, “accidental contact or inquiry from abroad”, “following competitors”, “global vision of the founder”, “part of growth strategy”, “personal preference of decision makers”, “existing networks in foreign countries”, “spreading market risk over several markets”, “feeling the need to take a risk, in order to achieve more than you could ‘back home’”, and “motivated by government or semi-government institution”.

The EP of the companies is evaluated with satisfactions measures concerning performance, as proposed by Dimitratos et al. (2004, p. 23). The first set of statements concerning export activities includes satisfaction with overall export performance, export revenue, export profit, market share, export growth, and export profitability. Moreover,

entrepreneurs are asked to compare their companies' total export performance, export revenue, export profit, market share, and export growth to their biggest competitor.

To measure EO, 14 statements are used to assess each of the three classic dimensions of EO (innovativeness, risk taking, and pro-activeness) as proposed by Miller (1983, p. 771). The pro-activeness dimension includes identifying an opportunity, putting together a team of the "right people", identifying market trends, and managing a self-owned business. The risk taking dimension includes obtaining financing for a new business, starting a business without adequate resources, living with uncertainty, evaluating downside risk, making a large profit when selling the business, and walking away from a potential business failure. The innovativeness dimension includes being an innovative problem solver, being creative in using and controlling resources, developing creative solutions to difficult problems, and developing new products and services.

The entrepreneur's international work experience is measured by questioning the amount (in years) of international work experience of the entrepreneurs.

In addition, factors other than the independent variables affect the EP of INVs. Therefore, company size is used as a control variable in this study to assure that the size of the firm does not affect the dependent variable. Company size is measured by the number of the firm's full-time employees as well as by the approximate annual revenues. According to Article 2 of the Annex of Recommendation 2003/361/EC (European Commission, 2005, p. 5), the category of small and medium-sized enterprises includes enterprises with fewer than 250 employees and an annual revenues of maximum €50 million.

To answer the three research questions and to test the hypotheses, a quantitative field study using an online questionnaire was conducted. The questionnaire was completed by small and medium-sized enterprises from three regions in Austria (Styria, Lower Austria, and Vienna). It was intended that the founder or highest-ranking manager of the exporting firms complete the entire questionnaire, or at least the personal information section, because these persons play the key role in the strategy formulation for the firm, and they are primarily involved in the decision-making processes regarding internationalization. The firms were selected by regional business promotion agencies (Internationalisierungszentrum Steiermark, Ecoplus, Wiener Wirtschaftsförderungsfonds). The invitation to participate in the online survey was sent out to about 8,230 companies, thereof 6,000 in the province of Styria, 1,800 in the province of Lower Austria, and 430 in Vienna. The online questionnaire has been completed by a total of 242 exporting companies, which represents a response rate of 2.94 %. However, from these responses, 21 had to be filtered out because these companies did not

meet the criteria of being a small and medium-sized enterprise. 86 responses needed to be filtered out because the questionnaires were incomplete. This resulted in 135 valid responses.

More than half of the sample companies fall into the group of micro enterprises, meaning that they do not have more than ten employees and less than €2 million annual revenues. About one third of the sample companies fall into the group of small enterprises, meaning that they do not have more than 50 employees and less than €10 million annual revenues. Finally, only a little more than 10 % of the companies belong to the group of medium-sized enterprises, meaning that they do not have more than 250 employees and less than €50 million annual revenues. (European Commission, 2005, p. 14) The sample companies are furthermore assigned to 21 industries corresponding with the OeNACE classification (Statistik Austria, 2008). The analysis shows that one third of the sample companies are primarily operating in the manufacturing industry. About 10 % of the companies each come from information and communication and professional, scientific and technical activities. Shortly behind that are administrative and support service activities with about 8 %. Nearly one third of the firms (28.1 %) are exporting into three to five countries, 19.3 % are exporting into six to ten countries, and exactly 20 % of the firms are even exporting into more than 20 countries. The export ratio of the companies varies significantly, but 74.8 % of the companies have an export ratio of more than 25 %, and 14.8 % have an export ratio of even more than 95 %. For roughly half of the companies (45.9 %) one product, service, or technology is accountable for more than 50 % of their total exports. Concerning the sales regions into which the firms are exporting, EU countries are by far the the most important source of revenue from foreign sales for the companies (77 %). They are followed by European countries that are not EU member states (31.1 %).

Regarding the export activities, it is interesting that only 8.1 % hold the opinion that selling products in foreign markets involves high risks. On the contrary, 70.4 % agree that exporting is positive for their company, 68.1 % consent that foreign markets offer a high probability of success, 67.4 % approve that exports represent an important sales opportunity, 40.7 % believe that exporting generates a high sales volume, and 32.6 % agree that exporting is very profitable for their company.

The sample characteristics are also interesting in terms of the entrepreneurs or managers who completed the online questionnaire. Overall, they are 82.2 % male and 17.8 % female. The age distribution is 21-30 years (5.2 %), 31-40 years (23 %), 41-50 years (42.2 %), 51-60 years (17.8 %), and over 60 years (10.4 %). Education levels achieved by respondents are completed apprenticeship (12.6 %), Matura/high school degree (27.4 %), Bachelor's degree

(3.7 %), Magister/Masters degree (26.7 %), Diplomingenieur / Master of Science degree (21.5 %), and Doctorate/PhD degree (8.1 %). Nearly 70 % of the entrepreneurs have already worked, lived, or studied abroad and 95.6 % of them like to travel. The mother tongue of most entrepreneurs (90.4 %) is German, but 89.6 % of them also speak English well or very well. Other languages, such as French, Italian, and Spanish are each only very well spoken by less than 5 % of entrepreneurs.

Results and Discussion

Age at Entry. The findings concerning the age at entry show that almost half (43.7 %) of the sample firms went international within their first year of operation. Another 22.2 % of the new ventures started to engage in export activities within the second or third year of operation. This means that 65.9 % of the sample companies are classified as INVs. The remaining 34.1 % of new ventures are categorized as LIs. This group of LIs, which started to internationalize later than three years after foundation, is again split into several sub-groups according to the age at entry. Few of the sample companies started to export four to five years (8.9 %), six to seven years (5.2 %), or eight to nine years (2.2 %) after foundation. However, a larger amount (17.8 %) of the sample firms did not start to engage in export activities before ten or even more years after foundation.

The findings to this research question show that in Austria, many new ventures are early internationalizers. This also clarifies why INVs are often defined as companies that internationalize within the first three years after foundation (Crick, 2009, p. 456; Knight & Cavusgil, 2005, p. 16; Madsen et al., 2000; Servais & Rasmussen, 2000). In the present study, it was found that more than 65 % of the sample companies comply with this criterion, and even more than 40 % comply with the definition of INVs as companies that internationalize within the first year of operation (McAuley, 1999, p. 68; Oviatt & McDougall, 1994, p. 49). On the contrary, there are relatively few companies that internationalize between four and ten years after foundation compared to the large amount of INVs. This indicates that it does not make sense to enlarge the time span for INVs to six or eight years, as was done in several empirical studies (Coviello & Jones, 2004, p. 492; McDougall et al., 2003, p. 69; Zahra & George, 2002, p. 255; Shrader et al., 2000, p. 1235; Oviatt & McDougall, 1997, p. 92). However, the present study shows that there is a rather large amount of companies that internationalize ten or more years after foundation. These companies, however, had been

established a relatively long time ago, some of them even in the 19th century, and there is only one company that has been founded since 1990 which started to internationalize ten or more years after its foundation. Therefore, it is assumed that recently established small and medium-sized enterprises are more likely to internationalize early compared to companies founded before 1990.

Influencing Factors of Early Internationalization. The first motive, “market saturation in home market”, is considered to be important by only 16.3 % of respondents. The finding that domestic market saturation does not seem to be a strong force for early internationalization is not surprising, as this motive is not found in literature often. Karagozoglu and Lindell (1998, p. 48), for example, state that saturation in the home market was only mentioned as a motive for internationalization by 26 % of the respondents in their study.

Also having “no or few customers in home market” is considered important by only 13.3 % of our respondents. This finding is surprising as other empirical studies found that insufficient demand in the home market constitutes an important influencing factor for internationalization, even in countries larger than Austria (Burpitt & Rondinelli, 2000, p. 2; Madsen & Servais, 1997, p. 565).

When considering the next motive, “activity in niche markets without sufficient home market”, it is observed that this factor is not regarded as being important by a large majority of respondents either. Only 25.2 % consider this factor important. These results come somewhat unexpectedly, as several empirical studies point out that a limited size of the domestic market leads to fast internationalization, especially when companies are operating in narrow and highly specialized niches (Freeman et al., 2006, p. 59; Johnson, 2004, p. 147; Oakley, 1996, p. 79; Bell, 1995, p. 70; Coviello & Munro, 1995, p. 53).

As the next motive, “participating in growth markets (e.g. BRIC – Brazil, Russia, India, China)”, is assumed to be related to the aforementioned factors, it is not surprising, that this factor was also not seen as a major influence of early internationalization. Only 20.7 % of respondents consider it important.

The next motive, “following clients”, on the contrary is an important factor for early internationalization. More than half of the responding firms (65.2 %) declare that following clients is an important motivation to internationalize. Client followership has also been identified as an important factor for early internationalization in several INV studies (Bell et al., 2004, p. 40; Crick & Jones, 2000, p. 75; Madsen & Servais, 1997, p. 577; Roberts &

Senturia, 1996, p. 496; Oviatt & McDougall, 1995, p. 33). For example, Bell (1995, p. 65) indicates that more than 60 % of respondents in his study determine client followership as a key driver to export.

The motive “accidental contact or inquiry from abroad” is similar to client followership and it returns comparable results. 41.5 % of respondents consider accidental inquiries from abroad to be important for early internationalization. Many authors show evidence that inquiries from potential foreign buyers are main reasons for early internationalization (Bell et al., 2004, p. 40; Burpitt & Rondinelli, 2000, p. 2; Bell, 1995, p. 65). Karagozoglu and Lindell (1998, p. 47), for example, state that the most frequently mentioned motive in their study was inquiries from foreign buyers at almost 60 %. The results concerning the two previous motives indicate that many Austrian new ventures begin to export as a response to external forces and therefore show a reactive internationalization pattern.

In comparison to client followership, “following competitors” does not seem to be as important for the firms. No more than 21.5 % regard following competitors as an important motive for internationalization. The need to follow competitors as a motive for internationalization is also supported in only one study (Burpitt & Rondinelli, 2000, p. 2).

The motive “global vision of the founder” reveals that 32.6 % of the companies think that the global vision of the founder constitutes an important factor for early internationalization. Several studies also support that an international or global vision, existing from the inception of the company, plays a major role in early internationalization (Schwens & Kabst, 2008, p. 13; Rialp-Criado et al., 2005, p. 160; Bell et al., 2004, p. 38; Johnson, 2004, p. 149; Moen, 2002, p. 168; Oviatt & McDougall, 1995, p. 34; Oviatt & McDougall, 1994, p. 47).

The motive “part of growth strategy” is a major influencing factor for early internationalization as well. Almost half of the respondents (47.4 %) indicate that this factor is important for internationalization. As the founder’s global vision plays an important influential role in the creation of INVs, internationalization is often part of the growth strategy. For example, Schwens and Kabst (2008, p. 13) indicate that a growth orientation is a motive for early internationalization. In comparison to what was stated before, the results concerning the global vision and internationalization as part of the growth strategy indicate that many Austrian new ventures demonstrate a proactive internationalization strategy. This means that the sample companies are not mainly responding to external factors, but they also follow their internal desire to go abroad (Roberts & Senturia, 1996, p. 496).

The next motive, “personal preference of decision makers”, shows that this is not considered a major influencing factor of early internationalization. Only 11.1 % regard it as

important. The desire of the decision makers to go international and a strong commitment to the ideas of internationalization are considered to be important in several studies (Freeman et al., 2006, p. 59; Rialp-Criado et al., 2005, p. 160; Burpitt & Rondinelli, 2000, p. 2; Crick & Chaudhry, 1997, p. 158; Roberts & Senturia, 1996, p. 496).

The motive “international experience of founders and/or management team” discloses that this is seen as an important force of early internationalization by 24.4 % of respondents. The fact that not even one quarter of the sample companies regard the international experience of the founder or management team as being important is in opposition to many other empirical studies. Numerous researchers found that the majority of INVs have founders or management teams with extensive previous international experience (Crick, 2009, p. 462; Schwens & Kabst, 2008, p. 13; Gleason et al., 2006, p. 115; Rialp-Criado et al., 2005, p. 160; Bell et al., 2004, p. 39; Chetty & Campbell-Hunt, 2004, p. 62; Zahra & George, 2002, p. 256; Crick & Jones, 2000, p. 71; Shrader et al., 2000, p. 1233; Madsen & Servais, 1997, p. 576; Oviatt & McDougall, 1997, p. 96; Reuber & Fischer, 1997; Bloodgood et al., 1996, p. 62; Oviatt & McDougall, 1995, p. 35; Westhead, 1995, p. 29; Oviatt & McDougall, 1994, p. 57). However, although it is a fact that many INVs are started by internationally experienced persons, the sample companies of the present study do not seem to think that the previous international experience of the founder or management team is an important influencing factor for early internationalization, as the findings concerning this motive demonstrate.

The next motive, “existing networks in foreign countries”, is also not considered to be a major motive for early internationalization. Roughly one quarter of firms (24.4 %) believe that existing foreign networks are important. However, various authors state that existing personal and business networks in foreign countries are a powerful influencing force for early internationalization (Schwens & Kabst, 2008, p. 13; Freeman et al., 2006, p. 49; Oviatt & McDougall, 2005a, p. 544; Rialp-Criado et al., 2005, p. 154; Johnson, 2004, p. 149; Zahra & George, 2002, p. 265; Roberts & Senturia, 1996, p. 496; Bell, 1995, p. 69; Coviello & Munro, 1995, p. 53; Oviatt & McDougall, 1995, p. 35).

The motive “spreading market risk over several markets” is again considered to be an important factor for early internationalization by only slightly more than a quarter of respondents (26.7 %). In literature, this motive is not mentioned often, but Edmunds and Khoury (1986, p. 56), for example, give risk diversification as a specific reason for early internationalization.

The motive “feeling the need to take a risk, in order to achieve more than you could ‘back home’” appears to be closely linked with the previous motive. It is also regarded important by only a few respondents (14.1 %).

Finally, the last motive, “motivated by government or semi-government institution”, is considered to be important by only 8.1 % of respondents. This result indicates that export promotions do not seem to represent a big incentive for new ventures in Austria to internationalize. It is assumed that this is the case either because only few export promotion programs exist or because they are not effective. However, this factor is also not specifically mentioned by any author investigating INVs and their internationalization patterns.

In addition to the influencing factors of early internationalization, the entrepreneurs’ satisfaction with their companies’ performance was tested. 27.4 % agreed that they are satisfied with the overall export performance achieved by their company, 25.9 % are satisfied with the export revenue, 19.3 % with the export profit, 24.4 % with the export growth, and only 13.3 % with the market share achieved through export activities. Moreover, only 19.3 % agreed that exporting is generally more profitable than selling products in the home country.

Furthermore, it is interesting how the entrepreneurs rate their companies’ performance in comparison to their biggest competitor. This comparison shows that respondents rate their company rather worse than their biggest competitor. 34.1 % think that their company’s total export performance is worse, 41.5 % believe that their company’s export revenue is worse, and 46.6 % think that their company’s market share is worse. On the other hand, 28.8 % believe that their company’s export profit is better than their biggest competitor, and 30.4 % think that their company’s export growth is better.

The figures above indicate that the entrepreneurs of the sample firms are not highly satisfied with the EP of their companies and that they rate their companies’ EP rather worse than that of competition.

Relationship between Age at Time of Foreign Entry and Export Performance. To examine the relationship of internationalization timing to EP, the sample firms are divided into two categories. These two groups are INVs, which started to engage in export activities within the first three years of operation, and LIs, which started to export later than that time period. The independent samples t-tests that were executed to compare the satisfaction levels of INVs and LIs demonstrate that two factors are statistically significant ($<.050$). These are export revenue (.040) and export profit (.023). Also overall export performance is close (.052) but not statistically significant. The t-tests regarding market share, export growth and

exporting as more profitable than selling in the home country are not significant. These results reveal that INVs are more satisfied with their export revenue and export profit than LIs. However, there is no significant difference in satisfaction for the two groups relating to overall export performance, market share, export growth, and exporting as more profitable than selling in the home country.

Furthermore, none of the t-tests concerning the EP comparison measures are statistically significant. However, two measures are close: export profit (.066) and export growth (.065). The t-tests regarding total export performance, export revenue, and market share are not statistically significant. This reveals that INVs are not evaluating their EP better than LIs. Table 1 below shows the findings.

Insert Table 1 about here

The results of the present study contradict the findings of earlier studies that show a stronger positive relationship of early internationalization to EP. For example, Knight and Cavusgil (2005, p. 31) discover that the earlier a firm internationalizes, the better its performance in foreign markets is. Similarly, studies by Kuivalainen et al. (2007, p. 263), Aspelund and Moen (2005, p. 49ff), Autio et al. (2000, p. 918), and McDougall & Oviatt (1996, p. 33) reveal that INVs have a better performance in international sales, profit, sales efficiency, sales growth, revenue growth, and relative market share.

It is assumed that there are several possible reasons why the findings of these studies differ from the results of the present study. First, these studies were conducted in specific industries, whereas the present study has an overall sectoral focus. Moreover, the previous studies were conducted in larger countries such as the US and Scandinavian countries, whereas this study is conducted in the rather small country of Austria. One other possible reason is that different measures were applied to assess EP. Another possible reason is that the difference in quantity between INVs and LIs is too big, and that this inequality affects the results of the study. The findings are probably different with a more equal number of companies in each group.

Based on the research findings of the present study given above, the hypothesis linked to internationalization timing that was proposed earlier has to be discussed again. The t-tests support the hypothesis that early internationalization is positively related to EP only partially. This study supports that early internationalization is positively related to satisfaction with

export revenue and export profit, but it is not related to the nine other satisfaction measures at all. Therefore, hypothesis 1 (early internationalization is positively related to EP) has to be modified: Early internationalization is positively related to export revenue and export profit.

Relationship between Entrepreneurial Orientation and Export Performance. In the beginning, an overview of the EO level of the entrepreneurs is given. Concerning the level of pro-activeness it is stated that 82.3 % of respondents are more or less confident that they could identify an opportunity, 72.6 % that they could put together a team of the “right people”, 80 % that they could identify market trends, and 84.4 % that they could manage their own business. The level of risk taking is considerably lower, as only 58.5 % of respondents are more or less confident that they could obtain financing for a new business, 45.9 % that they could start a business without adequate resources, 34.2 % that they could live with uncertainty, 29.7% that they could evaluate downside risk, 38.5 % that they could make a large profit when they sell their business, and 59.2 % that they could walk away from a potential business failure. Finally, the level of innovativeness is higher than for both the other two dimensions, as 85.9 % of respondents are more or less confident that they could be an innovative problem solver, 85.2 % that they could be creative in using and controlling resources, 87.5 % that they could develop creative solutions to difficult problems, and 83.7 % that they could develop new products and services. These figures indicate that the entrepreneurs of the sample make relatively intensive use of each EO dimension. However, the large effort in all EO dimensions does not generate high satisfaction with EP, as stated above.

To determine if there is a relationship between the level of EO of Austrian new ventures’ entrepreneurs and the EP of their companies, correlations and paired samples t-tests were executed. The correlations are all small or almost zero, which means that none of them is significant ($<.050$), even though the correlation between pro-activeness and EP is close (.074). These results indicate that there is no significant relationship between the dimensions of EO and EP. Table 2 below shows the correlations.

Insert Table 2 about here

The paired samples t-tests illustrate that the mean differences are particularly large, and therefore all t-tests are significant at .000. This, however, means that there are no similarities between the rankings on EO and EP. Although respondents ranked rather high on all three EO dimensions, they ranked rather low on EP. Table 3 below shows the results of the t-tests.

Insert Table 3 about here

The results of the present study contradict the findings of earlier studies that show a positive relationship of EO to EP (Balabanis & Katsikea, 2003, p. 233). For example, Contractor, Hsu, & Kundu (2005, p. 106) found that education, innovativeness, and strategic orientation of the entrepreneur are important for successful EP. Dimitratos et al. (2004, p. 35f) observed that EO positively affects perceived satisfaction with EP, and also Zahra and Garvis (2000, p. 481) show that EO is positively related to foreign profits, foreign revenue growth, and foreign growth.

It is assumed that there are several possible reasons why the findings of these studies differ from the results of the present study. First, these studies were conducted in other industries, whereas the present study has an overall sectoral focus, with many firms operating in the manufacturing industry. Moreover, some of the previous studies were conducted in developing countries or larger countries, such as the UK and the US, whereas this study is conducted in a smaller country. Another possible reason is that different measures were applied to assess EP. Also, EO was measured differently, as some studies concentrated not only on EO on the entrepreneur level, but also on the company level (Dimitratos et al., 2004, p. 27). Finally, the sample size possibly affects the results of the study as well. As there are relatively few respondents, the findings are supposed to be different with a larger number of companies.

Based on the research findings of the study presented above, the hypothesis linked to EO must be discussed again. The correlations as well as the paired samples t-tests do not support the hypothesis that EO is positively related to EP at all. Therefore, hypothesis 2 (EO is positively related to EP) has to be refused.

Relationship between International Work Experience and Export Performance. Similar to the procedure for the first relationship, the sample is divided into two categories including

entrepreneurs with less than five years of international work experience and entrepreneurs with more than five years of experience. To determine if there is a relationship between the Austrian entrepreneurs' international work experience and the EP of their companies, independent samples t-tests were executed to compare the satisfaction levels of the two groups of entrepreneurs. However, none of the t-tests are statistically significant ($<.050$) or close. These results reveal that entrepreneurs with more than five years of international work experience are not more satisfied with the EP of their companies and do not evaluate the EP of their companies in comparison to the biggest competitor better than entrepreneurs with less than five years of international work experience. Table 4 below illustrates the t-tests.

The results of the present study contradict the findings of some earlier studies. The prior international experience of the entrepreneur is considered to be an important factor for early internationalization by a large number of authors (Crick, 2009, p. 462; Schwens & Kabst, 2008, p. 13; Rialp-Criado et al., 2005, p. 160; Bell et al., 2004, p. 39; Chetty & Campbell-Hunt, 2004, p. 62; Zahra & George, 2002, p. 256; Crick & Jones, 2000, p. 71f; Shrader et al., 2000, p. 1233; Madsen & Servais, 1997, p. 576; Oviatt & McDougall, 1997, p. 96; Reuber & Fischer, 1997; Oviatt & McDougall, 1995, p. 35). However, there are only few studies that also show a positive relationship between the amount of the entrepreneur's international work experience and his company's EP. For example, Gleason et al. (2006, p. 115) find that EP is affected by managerial and board experience, and Westhead (1995, p. 24) states that founders of exporting firms are significantly more likely to have international work experience, for example in a managerial position or self-employed, and that they are more likely to be multiple business starters and to have established more businesses in the past. On the contrary, Bloodgood et al. (1996, p. 72) are not able to support their hypothesis that performance is higher in INVs in which board members have international work experience. They do not find a significant relationship of experience to either sales growth or income.

It is assumed that there are several possible reasons why the findings of the present study are different from the results of other studies. First, the previous studies were conducted in larger countries, whereas this study is conducted in Austria, a smaller country. Another possible reason is that different measures were applied to assess EP. However, no remarkable differences in the industry focus or sample size are observed. A different possible reason is that the difference between the two groups of entrepreneurs is too big, as there are more than twice as many entrepreneurs with less than five years of international work experience as entrepreneurs with more international work experience. This inequality in group size is

assumed to affect the results of the study. The findings are probably different with an equal number of entrepreneurs/companies in each group.

Based on the research findings of the present study presented above, the hypothesis linked to the entrepreneur's international work experience has to be discussed again. The t-tests do not support the hypothesis that the entrepreneur's international work experience is positively related to EP at all. Therefore, hypothesis 3 (the entrepreneur's international work experience is positively related to EP) has to be refused.

Conclusions

Building on extant theory and research, the goal of this paper has been to identify motives for early stage internationalization and to determine the effects of independent variables such as age at time of foreign market entry, entrepreneurial orientation, and international work experience on export performance. Based on our sample we have provided and discussed a number of meaningful findings.

Although the results of our study provide new and additional insights into the determinants of success of international new ventures, they are far from giving comprehensive answers. There are several limitations associated with our research that open up avenues for further research. The first limitation is rooted in the characteristics of our sample population. The fact that we used data from only one country, poses serious limits to the validity of our results in countries. Companies from small, open economies such as Austria generally show a higher propensity to export than companies from countries with a large internal, domestic market. Second, while the overall size of the sample has been satisfactory, a larger sample may have resulted in slightly different findings. For instance, because of the small sample size we have not been able to control for industry and therefore don't know whether or not our results apply to international new ventures from different industries. Third, our export performance construct only includes, albeit commonly used in the extant literature, subjective and not objective measures. All restrictions commonly associated with the use of attitudinal measures therefore apply. Finally, our research only measures entrepreneurial orientation for the entrepreneur (i. e. on the individual level) and not for the whole company (i. e. on the organizational level). All of these restrictions warrant caution concerning the validity of our results in other contexts.

At the same time, we feel that our findings present some very valuable practical implications. First, our findings concerning the age at the time of entry suggest that entering international markets early does not necessarily pose a threat to international new ventures. Or, viewed from a different perspective, the commonly held belief that companies should first establish themselves in domestic markets before entering international markets is being seriously challenged by our results. This insight is of importance for both entrepreneurs and for export promotion agencies. Second, our findings that small and medium-sized companies primarily pursue reactive internationalization patterns such as following clients and pursuing unsolicited opportunities trigger two recommendations. For entrepreneurs, this means that foreign market entry does not necessarily require significant investments of human or financial resources. Export promotion agencies, on the other hand, should be advised to create opportunities upon which international new ventures can react. Furthermore, according to our findings, neither entrepreneurs nor export promotion agencies need to worry about a lack of international expertise of the entrepreneur. Again, this may result in a more relaxed approach toward foreign market entry by international new ventures.

Ultimately, we hope that our research will contribute to the heightened interest in the increasing occurrence and importance of INVs in international markets (McDougall et al., 1994, p. 471) and also make the case for further empirical research (Oviatt & McDougall, 1994, p. 48).

References

- Acedo, F. J. & Casillas, J. C. (2007). Age at entry in international markets of Spanish SMEs: Entrepreneurial and institutional determinants. *International Journal of Entrepreneurial Behaviour & Research*, 13(3), 130-150.
- Acedo, F. J. & Jones, M. V. (2007). Speed of internationalization and entrepreneurial cognition: Insights and a comparison between international new ventures, exporters and domestic firms. *Journal of World Business*, 42(3), 236-252.
- Andersson, S. & Wictor, I. (2003). Innovative internationalisation in new firms: Born-globals – the Swedish case. *Journal of International Entrepreneurship*, 1(3), 249-276.
- Andersson, S., Gabrielsson, J. & Wictor, I. (2004). International Activities in Small Firms: Examining Factors Influencing the Internationalization and Export Growth of Small Firms. *Canadian Journal of Administrative Sciences*, 21(1), 22-34.
- Aspelund, A. & Moen, O. (2001). A generation perspective on small firms' internationalization – from traditional exporters and flexible specialists to born globals. In C. N. Axinn & P. Matthyssens (Eds.), *Reassessing the internationalization of the firm: Advances in international marketing: Vol. 11.* (pp. 197-225). Amsterdam: JAI Press/Elsevier.
- Aspelund, A. & Moen, O. (2005). Small International Firms: Typology, Performance and Implications. *Management International Review*, 45(3), 37-57.
- Autio, E. & Sapienza, H. J. (2000). Comparing process and born global perspectives in the international growth of technology-based new firms. *Frontiers of entrepreneurship research*, Center for Entrepreneurial Studies, Babson College, 413-424.
- Autio, E., Sapienza, H. J. & Almeida, J. G. (2000). Effects of age at entry, knowledge intensity, and imitability on international growth. *Academy of Management Journal*, 43(5), 909-924.
- Balabanis, G. I. & Katsikea, E. S. (2003). Being an entrepreneurial exporter: Does it pay? *International Business Review*, 12(2), 233-252.
- Bell, J. & McNaughton, R. (2000). Born global firms: A challenge to public policy in support of internationalization. In J. Pels & D. W. Stewart (Eds.), *Marketing in a global economy* (conference proceedings in CD-ROM). (pp. 176-185). Buenos Aires: American Marketing Association (AMA).
- Bell, J. (1995). The internationalization of small computer software firms: A further challenge to “stage” theories. *European Journal of Marketing*, 29(8), 60-75.

- Bell, J., Crick, D. & Young, S. (2004). Small Firm Internationalization and Business Strategy: An Exploratory Study of 'Knowledge-intensive' and 'Traditional' Manufacturing Firms in the UK. *International Small Business Journal*, 22(1), 23-56.
- Bell, J., McNaughton, R. & Young, S. (2001). 'Born-again global' firms: An extension to the 'born-global' phenomenon. *Journal of International Management*, 7(3), 173-189.
- Bell, J., McNaughton, R., Young, S. & Crick, D. (2003). Towards an integrative model of small firm internationalisation. *Journal of International Entrepreneurship*, 1(4), 339-362.
- Bloodgood, J. M., Sapienza, H. J. & Almeida, J. G. (1996). The Internationalization of New High-Potential U.S. Ventures: Antecedents and Outcomes. *Entrepreneurship Theory and Practice*, 20(4), 61-76.
- Burgel, O. & Murray, G. C. (2000). The International Market Entry Choices of Start-Up Companies in High-Technology Industries. *Journal of International Marketing*, 8(2), 33-62.
- Burpitt, W. J. & Rondinelli, D. A. (2000). Small Firms' Motivations for Exporting: To Earn and Learn? *Journal of Small Business Management*, 38(4), 1-14.
- Cavusgil, S. T. & Nevin, J. R. (1981). Internal Determinants of Export Marketing Behavior: An Empirical Investigation. *Journal of Marketing Research*, 18(1), 114-119.
- Chetty S. & Campbell-Hunt C. (2004). A Strategic Approach to Internationalization: A Traditional Versus a "Born-Global" Approach. *Journal of International Marketing*, 12(1), 57-81.
- Contractor, F. J., Hsu, C.-C., & Kundu, S. K. (2005). Explaining Export Performance: A Comparative Study of International New Ventures in Indian and Taiwanese Software Industry. *Management International Review*, 45(3), 83-110.
- Coviello N. E. & Jones, M. V. (2004). Methodological issues in international entrepreneurship research. *Journal of Business Venturing*, 19 (4), 485-508.
- Coviello, N. E. & Munro, H. J. (1995). Growing the entrepreneurial firm: Networking for international market development. *European Journal of Marketing*, 29(7), 49-61.
- Covin, J. G. & Slevin, D. P. (1991). A Conceptual Model of Entrepreneurship as Firm Behavior. *Entrepreneurship Theory and Practice*, 16(1), 7-25.
- Crick, D. & Chaudhry, S. (1997). Small businesses' motives for exporting: The effect of internationalization. *Journal of Marketing Practice: Applied Marketing Science*, 3(3), 156-170.
- Crick, D. & Jones, M. V. (2000). Small High-Technology Firms and International High-Technology Markets. *Journal of International Marketing*, 8(2), 63-85.

- Crick, D. (2009). The internationalisation of born global and international new venture SMEs. *International Marketing Review*, 26(4-5), 453-476.
- Dimitratos, P., Lioukas, S. & Carter, S. (2004). The relationship between entrepreneurship and international performance: The importance of domestic environment. *International Business Review*, 13(1), 19-41.
- Edmunds, S. E. & Khoury, S. J. (1986). Exports: A Necessary Ingredient in the Growth of Small Business Firms. *Journal of Small Business Management*, 24(4), 54-65.
- European Commission. (2005). *The new SME definition: User guide and model declaration*. Brussels: Author.
- Fang, N., Yuli, Z. & Hongzhi, X. (2009). Acquisition of resources, formal organization and entrepreneurial orientation of new ventures. *Journal of Chinese Entrepreneurship*, 1(1), 40-52.
- Fernhaber, S. A., McDougall, P. P. & Oviatt, B. M. (2007). Exploring the Role of Industry Structure in New Venture Internationalization. *Entrepreneurship Theory and Practice*, 31(4), 517-542.
- Fletcher, D. (2004). International entrepreneurship and the small business. *Entrepreneurship & Regional Development*, 16(4), 289-305.
- Fraser, J. & Oppenheim, J. (1997). What's new about globalization? *The McKinsey Quarterly*, 2, 168-179.
- Freeman, S., Edwards, R. & Schroder, B. (2006). How Smaller Born-Global Firms Use Networks and Alliances to Overcome Constraints to Rapid Internationalization. *Journal of International Marketing*, 14(3), 33-63.
- Gleason, K. C., Madura, J. & Wiggenhorn, J. (2006). Operating characteristics, risks, and performance of born-global firms. *International Journal of Managerial Finance*, 2(2), 96-120.
- Johanson, J. & Vahlne, L. (1977). The Internationalization Process of the Firm – A Model of Knowledge Development and Increasing Foreign Market Commitment. *Journal of International Business Studies*, 8(1), 23-32.
- Johnson, J. E. (2004). Factors Influencing the Early Internationalization of High Technology Start-ups: US and UK Evidence. *Journal of International Entrepreneurship*, 2(1-2), 139-154.
- Jones, M. V. (1999). The Internationalization of Small High-Technology Firms. *Journal of International Marketing*, 7(4), 15-41.

- Karagozoglu, N. & Lindell, M. (1998). Internationalization of Small and Medium-Sized Technology-Based Firms: An Exploratory Study. *Journal of Small Business Management*, 36(1), 44-59.
- Katsikeas, C. S., Leonidou, L. C. & Samiee, S. (2009). Research into Exporting: Theoretical, Methodological, and Empirical Insights. In M. Kotabe & K. Helsen (Eds.), *The SAGE Handbook of International Marketing*. (pp. 165-182). London: SAGE.
- Keeble, D., Lawson, C., Smith, H. L, Moore, B. & Wilkinson, F. (1998). Internationalisation Processes, Networking and Local Embeddedness in Technology-Intensive Small Firms. *Small Business Economics*, 11(4), 327-342.
- Knight, G. A. & Cavusgil, S. T. (1996). The born global firm: A challenge to traditional internationalization theory. In S. T. Cavusgil & T. K. Madsen (Eds.), *Export internationalizing research – enrichment and challenges: Advances in International Marketing: Vol. 8*. (pp. 11-26). New York: JAI Press.
- Knight, G. A. & Cavusgil, S. T. (2005). A Taxonomy of Born-global Firms. *Management International Review*, 45(3), 15-35.
- Knight, G. A. (2000). Entrepreneurship and marketing strategy: The SME under globalization. *Journal of International Marketing*, 8(2), 12-32.
- Knight, G. A., Madsen, T. K. & Servais, P. (2004). An inquiry into born-global firms in Europe and the USA. *International Marketing Review*, 21(6), 645-665.
- Kuivalainen, O., Sundqvist, S. & Servais, P. (2007). Firms' degree of born-globalness, international entrepreneurial orientation and export performance. *Journal of World Business*, 42(3), 253-267.
- Kundu, S. K. & Katz, J. A. (2003). Born-International SMEs: Bi-Level Impacts of Resources and Intentions. *Small Business Economics*, 20(1), 25-47.
- Larimo, J. (2001, November 20). *Internationalization of SMEs – two case studies of Finnish born global firms*. Paper presented at the CIMaR annual conference, Sydney, 1-21.
- Lumpkin, G. T. & Dess, G. G. (1996). Clarifying the Entrepreneurial Orientation Construct and Linking it to Performance. *Academy of Management Review*, 21(1), 135-172.
- Lumpkin, G. T. & Dess, G. G. (2001). Linking two Dimensions of Entrepreneurial Orientation to Firm Performance: The Moderating Role of Environment and Industry Life Cycle. *Journal of Business Venturing*, 16(5), 429-451.
- Madsen, T. K. & Servais, P. (1997). The Internationalization of Born Globals: An Evolutionary Process? *International Business Review*, 6(6), 561-583.

- Madsen, T. K., Rasmussen, E. S. & Servais, P. (2000). Differences and similarities between born globals and other types of exporters. In A. Yaprak & J. Tutek (Eds.), *Globalization, the multinational firm, and emerging economies: Advances in International Marketing: Vol. 10*. (pp. 247-265). Amsterdam: JAI Press/Elsevier.
- Maksimov, V. (2008, June 13). *Refining the Link between Age at International Entry and Growth*. Paper presented at the Atlanta Competitive Advantage Conference, Atlanta.
- Matsuno, K., Mentzer, J. T. & Ozsomer, A. (2002). The Effects of Entrepreneurial Proclivity and Market Orientation on Business Performance. *Journal of Marketing*, 66(3), 18-32.
- McAuley, A. (1999). Entrepreneurial Instant Exporters in the Scottish Arts and Crafts Sector. *Journal of International Marketing*, 7(4), 67-82.
- McDougall, P. P. & Oviatt, B. M. (1996). New Venture Internationalization, Strategic Change, and Performance: A Follow-Up Study. *Journal of Business Venturing*, 11(1), 23-40.
- McDougall, P. P. & Oviatt, B. M. (1997). International entrepreneurship literature in the 1990s and directions for future research. In D. L. Sexton & R. W. Smilor (Eds.), *Entrepreneurship 2000*. (pp. 291-320). Chicago: Upstart Publishing.
- McDougall, P. P. & Oviatt, B. M. (2000). International Entrepreneurship: The Intersection of two Research Paths. *Academy of Management Journal*, 43(5), 902-906.
- McDougall, P. P., Oviatt, B. M. & Shrader, R. C. (2003). A Comparison of International and Domestic New Ventures. *Journal of International Entrepreneurship*, 1(1) 59-82.
- McDougall, P. P., Shane, S. & Oviatt, B. M. (1994). Explaining the Formation of International New Ventures: The Limits of Theories from International Business Research. *Journal of Business Venturing*, 9(6), 469-487.
- McNaughton, R. (2003). The number of export markets that a firm serves: Process models versus the born-global phenomenon. *Journal of International Entrepreneurship*, 1(3), 297-311.
- Miller, D. (1983). The Correlates of Entrepreneurship in Three Types of Firms. *Management Science*, 29(7), 770-791.
- Moen, O. & Servais, P. (2002). Born Global or Gradual Global? Examining the Export Behavior of Small and Medium-Sized Enterprises. *Journal of International Marketing*, 10(3), 49-72.
- Moen, O. (2002). The Born Globals: A new generation of small European exporters. *International Marketing Review*, 19(2), 156-175.

- Oakley, P. (1996). High-tech NPD success through faster overseas launch. *European Journal of Marketing*, 30(8), 75-91.
- Oviatt, B. M. & McDougall, P. P. (1994). Toward a Theory of International New Ventures. *Journal of International Business Studies*, 25(1), 45-64.
- Oviatt, B. M. & McDougall, P. P. (1995). Global start-ups: Entrepreneurs on a worldwide stage. *Academy of Management Executives*, 9(2), 30-43.
- Oviatt, B. M. & McDougall, P. P. (1997). Challenges for Internationalization Process Theory: The Case of International New Ventures. *Management International Review*, 37(2), 85-99.
- Oviatt, B. M. & McDougall, P. P. (1999). A framework for understanding accelerated international entrepreneurship. In A. M. Rugman & R. W. Wright (Eds.), *Research in global strategic management: International entrepreneurship*. (pp. 23-40). Stamford: JAI Press.
- Oviatt, B. M. & McDougall, P. P. (2005a). Defining International Entrepreneurship and Modeling the Speed of Internationalization. *Entrepreneurship Theory and Practice*, 29(5), 537-553.
- Preece, S. B., Miles, G. & Baetz, M. C. (1998). Explaining the International Intensity and Global Diversity of Early-Stage Technology-Based Firms. *Journal of Business Venturing*, 14(3), 259-281.
- Rasmussen, E. S., Madsen, T. K. & Evangelista, F. (2001). The founding of the born global company in Denmark and Australia: Sensemaking and networking. *Asia Pacific Journal of Marketing and Logistics*, 13(3), 75-107.
- Rauch, A., Wiklund, J., Lumpkin, G. T. & Frese, M. (2009). Entrepreneurial Orientation and Business Performance: An Assessment of Past Research and Suggestions for the Future. *Entrepreneurship Theory and Practice*, 33(3), 761-787.
- Rennie, M. W. (1993). Global competitiveness: Born global. *The McKinsey Quarterly*, 4, 45-52.
- Reuber, A. R. & Fischer, E. (1997). The Influence of the Management Team's International Experience on the Internationalization Behaviors of SMEs. *Journal of International Business Studies*, 28(4), 807-825. Retrieved January 16, 2010, from EBSCO Web site: <http://search.ebscohost.com/login.aspx?direct=true&db=buh&AN=209668&site=ehost-live>
- Rialp-Criado, A., Rialp-Criado, J. & Knight, G. A. (2002). *The Phenomenon of International New Ventures, Global Start-Ups, and Born-Globals: What do we know After a Decade*

- (1993-2002) of Exhaustive Scientific Inquiry? Working Paper. Retrieved November 30, 2009, from IDEAS Web site: <http://ideas.repec.org/p/bbe/wpaper/200211.html>
- Rialp-Criado, A., Rialp-Criado, J. & Knight, G. A. (2005). The phenomenon of early internationalizing firms: What do we know after a decade (1993-2003) of scientific inquiry? *International Business Review*, 14(2), 147-166.
- Ripollés, M., Menguzzato, M. & Iborra, M. (2002). The internationalization of new ventures: The Spanish case. *Entrepreneurship and Innovation*, 3(3), 191-200.
- Roberts, E. B. & Senturia, T. A. (1996). Globalizing the Emerging High-Technology Company. *Industrial Marketing Management*, 25(6), 491-506.
- Schwens, C. & Kabst, R. (2008). How Early Internationalizers Venture Abroad: A Review. In R. Moser (Ed.), *Ausländische Direktinvestitionen: Neuere Entwicklungen, Entscheidungsinstrumente und führungsrelevante Folgen*. (pp. 1-20). Wiesbaden: Gabler.
- Servais, P. & Rasmussen, E. S. (November 2000). *Different Types of International New Ventures*. Paper presented at the Academy of International Business (AIB) Annual Meeting, Phoenix, 1-27.
- Sharma, D. D. & Blomstermo, A. (2003). The internationalization process of Born Globals: A network view. *International Business Review*, 12(6), 739-753.
- Shrader, R. C., Oviatt, B. M. & McDougall, P. P. (2000). How New Ventures Exploit Trade-Offs Among International Risk Factors: Lessons for the Accelerated Internationalization of the 21st Century. *Academy of Management Journal*, 43(6), 1227-1247.
- Statistik Austria. (2008). *Klassifikationsdatenbank*. Retrieved 9 March, 2010, from Statistik Austria Web site: <http://www.statistik.at/KDBWeb/kdb.do?FAM=OESTERR&&KDBtoken=null>
- Westhead, P. (1995). Exporting and non-exporting small firms in Great Britain: A matched pairs comparison. *International Journal of Entrepreneurial Behaviour & Research*, 1(2), 6-36.
- Wickramasekera, R. & Bambergy, G. (2001). *Born globals within the Australian wine industry: An exploratory study*. Working Paper No. 1/01. Charles Sturt University, Wagga Wagga.
- Yli-Renko, H., Autio, E. & Tontti, V. (2002). Social capital, knowledge, and the international growth of technology-based new firms. *International Business Review*, 11(3), 279-304.
- Zahra, S. A. & Garvis, D. M. (2000). International Corporate Entrepreneurship and Firm Performance: The Moderating Effect of International Environmental Hostility. *Journal of Business Venturing*, 15(5-6), 469-492.

- Zahra, S. A. & George, G. (2002). International Entrepreneurship: The Current Status of the Field and Future Research Agenda. In M. A. Hitt, R. D. Ireland, S. M. Camp & D. L. Sexton (Eds.), *Strategic Entrepreneurship: Creating a New Mindset*. (pp. 255-288). London: Blackwell.
- Zahra, S. A. (2005). A Theory of International New Ventures: A Decade of Research. *Journal of International Business Studies*, 36(1), 20-28.
- Zahra, S. A., Ireland, R. D. & Hitt, M. A. (2000). International Expansion by New Venture Firms: International Diversity, Mode of Market Entry, Technological Learning, and Performance. *Academy of Management Journal*, 43(5), 925-950.
- Zahra, S. A., Matherne, B. P. & Carleton, J. M. (2003). Technological resource leveraging and the internationalisation of new ventures. *Journal of International Entrepreneurship*, 1(2), 163-186.
- Zucchella, A. & Scabini, P. (2007). *International Entrepreneurship: Theoretical Foundations and Practices*. Basingstoke: Palgrave Macmillan.

Figure 1: Matrix of early internationalization studies (adapted from Rialp-Criado et al., 2005, p. 151)

Research Focus			
	Non-Empirical	High-Tech Focus	Various Sectors
<i>Explanatory, theory-building or hypothesis-testing</i>	Oviatt & McDougall (1994) Madsen & Servais (1997) Oviatt & McDougall (1999) Bell & McNaughton (2000) Zahra & George (2002) Bell, McNaughton, Young, & Crick (2003)	McDougall, Shane, & Oviatt (1994) McDougall & Oviatt (1996) Reuber & Fischer (1997) Preece, Miles, & Baetz (1998) Autio & Sapienza (2000) Autio, Sapienza, & Almeida (2000) Burgel & Murray (2000) Zahra, Ireland, & Hitt (2000) Yli-Renko, Autio, & Tontti (2002) Zahra, Matherne, & Carleton (2003)	Bloodgood, Sapienza, & Almeida (1996) Knight (2000) Shrader, Oviatt, & McDougall (2000) Moen & Servais (2002) McNaughton (2003) McDougall, Oviatt, & Shrader (2003) Oviatt & McDougall (2005a)
<i>Exploratory, comparative, descriptive</i>	Knight & Cavusgil (1996) Oviatt & McDougall (1997)	Bell (1995) Coviello & Munro (1995) Oviatt & McDougall (1995) Roberts & Senturia (1996) Karagozoglu & Lindell (1998) Keeble, Lawson, Smith, Moore, & Wilkinson (1998) Jones (1999) Crick & Jones (2000) Larimo (2001) Andersson & Wictor (2003) Sharma & Blomstermo (2003) Bell, Crick, & Young (2004) Johnson (2004)	Rennie (1993) Madsen, Rasmussen, & Servais (2000) Servais & Rasmussen (2000) Wickramasekera & Bamberly (2001) Aspelund & Moen (2001) Rasmussen, Madsen, & Evangelista (2001) Bell, McNaughton, & Young (2001) Moen (2002) Ripollés, Menguzzato, & Iborra (2002) Rialp-Criado, Rialp-Criado, & Knight (2005) Schwens & Kabst (2008)
	<i>Theoretical</i>	<i>Empirical</i>	
		Research Type	

Figure 2: Research model indicating three relationships

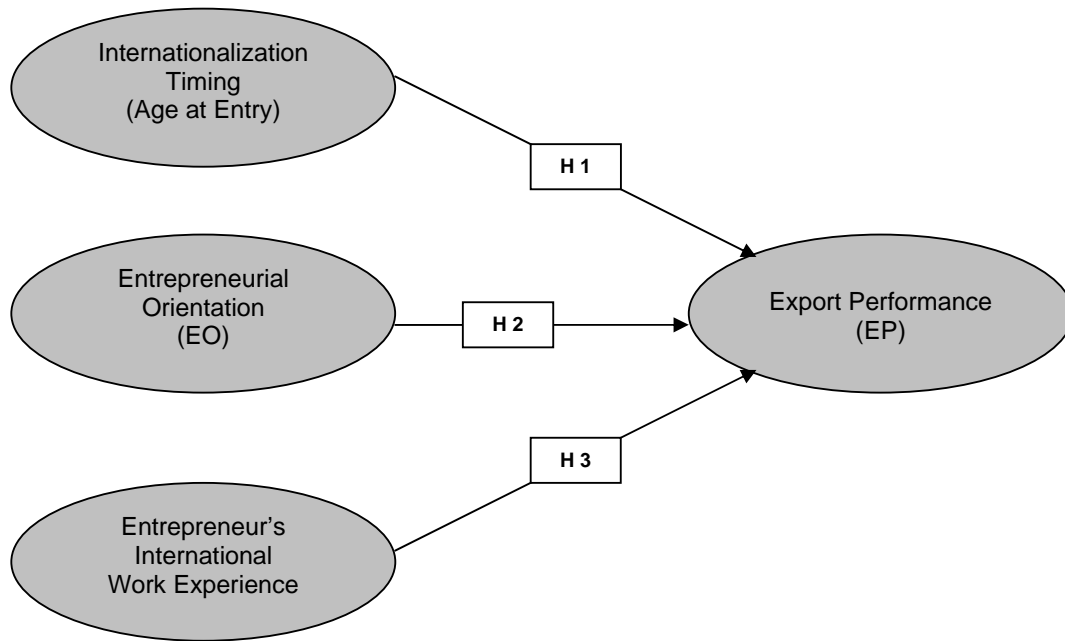


Table 1: T-test for internationalization timing – EP measures

Export Performance Measure	T-Test for Equality of Means		
	Significance	Mean Difference	Standard Error Difference
Overall Export Performance	.052	.449	.229
Export Revenue	.040	.484	.234
Export Profit	.023	.485	.210
Market Share	.737	.082	.243
Export Growth	.096	.408	.243
Exporting more profitable than selling in home country	.479	.170	.239
Export Performance Comparison Measure	T-Test for Equality of Means		
	Significance	Mean Difference	Standard Error Difference
Total Export Performance	.884	-.038	.259
Export Revenue	.715	.089	.244
Export Profit	.066	.466	.250
Market Share	.696	.104	.265
Export Growth	.065	.477	.256

Table 2: Correlation for average EO dimensions – average EP measures

Average Export Performance	Average Pro-activeness	Average Risk Taking	Average Innovativeness
Pearson Correlation	.162	.129	-.004
Significance	.074	.170	.963
Number	123	114	122
Average Export Performance Comparison	Average Pro-activeness	Average Risk Taking	Average Innovativeness
Pearson Correlation	.151	.081	.050
Significance	.147	.445	.638
Number	94	90	92

Table 3: Paired differences for average EO dimensions – average EP measures

EP Pairs	Paired Differences				
	Mean	Standard Deviation	Standard Error Mean	T	Significance
Average Pro-activeness Average EP	2.05759	1.13987	.10278	20.020	.000
Average Risk Taking Average EP	1.08480	1.18853	.11132	9.745	.000
Average Innovativeness Average EP	2.37705	1.27688	.11560	20.562	.000
EP Comparison Pairs	Paired Differences				
	Mean	Standard Deviation	Standard Error Mean	T	Significance
Average Pro-activeness Average EP Comparison	2.61330	1.21832	.12566	20.797	.000
Average Risk Taking Average EP Comparison	1.66926	1.27754	.13466	12.396	.000
Average Innovativeness Average EP Comparison	2.86576	1.33721	.13941	20.556	.000

Table 4: T-test for international work experience – EP measures

Export Performance Measure	T-Test for Equality of Means		
	Significance	Mean Difference	Standard Error Difference
Overall Export Performance	.885	.039	.273
Export Revenue	.568	-.157	.273
Export Profit	.378	.258	.289
Market Share	.344	.272	.268
Export Growth	.942	.021	.290
Exporting more profitable than selling in home country	.631	-.138	.286
Export Performance Comparison Measure	T-Test for Equality of Means		
	Significance	Mean Difference	Standard Error Difference
Total Export Performance	.197	.415	.319
Export Revenue	.249	.350	.301
Export Profit	.122	.461	.295
Market Share	.346	.302	.319
Export Growth	.997	.001	-.306

Appendix

Empirical studies in the research field of INVs (Rialp-Criado et al., 2002, p. 33ff; Schwens & Kabst, 2008, p. 8ff)

Author, Year	Research Objective	Methodology	Key Research Findings
Rennie (1993)	Understand the reasons for the explosive growth of Born Globals and to develop insights to inform future policy and business planning. Empirical, descriptive study.	Australia's high-value-added manufacturing sector. Survey (over 300 exporting firms), focus groups and in-depth interviews (60 firms). Descriptive statistics.	Rise of numerous SMEs that successfully compete globally (virtually from inception) without an established domestic base. A distinctive fast-growing, born global firm's profile can be found in all industries even in sectors considered to be declining. Born globals are flexible and compete in niche markets based on quality and value created through innovative technology and product design.
McDougall, Shane & Oviatt (1994)	Provoke a discussion of the limitations of existing theories from the field of IB in explaining the behavior of INVs. Theoretical and case-study research.	Compilation of 24 exploratory case studies of INVs in at least ten countries, and comparison among themselves. 12 case studies directly developed by the authors and analyzed by the use of three sources of evidence: (1) documents, (2) physical artifacts, and (3) semi-structured personal interviews conducted with the founder/founding team and/or chief financial officers of each firm.	The formation process of INVs is not well explained by existing theories from the field of IB which assume that firms become international long after they have been formed. Founders of INVs are individuals who see opportunities from establishing ventures that operate across national borders because of the competencies (networks, knowledge, and background) they have developed earlier and are unique to them. They engage in international business from the time of venture formation so as to create international business competencies and to avoid path-dependence on domestic competencies that the firm may not be able to shift out of due to inertial forces. They also prefer to use hybrid governance structures for their international activities to preserve resources during the cash-draining formation process.
Oviatt &	Define and describe the increasing	N/A	Four necessary and sufficient elements for the existence of INVs: (1)

McDougall (1994)	<p>phenomenon of firms that are international from inception (INVs), and to present an explanatory framework.</p> <p>Theoretical study.</p>		<p>organizational formation through internalization of some transactions, (2) strong reliance on alternative governance structures to access resources, (3) establishment of foreign location advantages, and (4) control over unique resources (knowledge).</p> <p>Four types of INVs are outlined also according to the number of countries involved and the coordination of value chain activities: (i) Export/Import Start-up, (ii) Multinational Trader, (iii) Geographically Focused Start-up, and (iv) Global Start-up.</p>
Bell (1995)	<p>Analyze the relevance of the stages theory in the initial export decision and internationalization process of small firms belonging to high technology and service intensive sectors (the computer software sector).</p> <p>Empirical study.</p>	<p>Small computer software firms (less than 200 employees) in Finland, Ireland and Norway.</p> <p>Mail survey (98 firms) followed by in-depth personal interviews (24 firms).</p> <p>Qualitative, cross-sectional description supported by frequencies.</p>	<p>Market selection influenced by client followership, sectoral targeting, and the industry's trend to collaborate (the concepts of psychic and geographic distance were not supported).</p> <p>Although firms exhibited increased commitment to export, this was done by entering new markets rather than increasing investments in existing overseas markets (findings did not support incremental internationalization).</p> <p>The Network Approach is suggested for better explaining the frequently non-linear behavior of computer software firms.</p>
Coviello & Munro (1995)	<p>Examine the entrepreneurial high-technology ventures' approach to international market development focusing on their use of network relationships to pursue foreign market opportunities and conduct international marketing activities.</p>	<p>Four in-depth case studies of the internationalization processes of small, entrepreneurial firms in the New Zealand software industry at a relatively mature stage of international development.</p> <p>Multiple in-depth interviews with the key decision-makers combined with secondary data.</p> <p>Structured mail survey of 25 younger firms in the same industry and at an earlier stage of</p>	<p>Network theory offers a rich perspective on how and why the international development patterns of entrepreneurial firms occur.</p> <p>More concretely, in terms of the impact of network relationships on international market development and on marketing-related activities, both case and survey results revealed that:</p> <p>The relatively rapid and disperse involvement in foreign markets by entrepreneurial hi-tech firms can be linked to opportunities and constraints emerging from a network of relationships (both formal</p>

	Empirical, exploratory research. Case-study approach.	internationalization. Pattern-matching with theory, descriptive statistics, and content analysis.	and informal). A heavy reliance on network relationships for marketing related activities is also detected, though a tendency existed for more established high-tech firms to develop internal marketing capabilities.
Oviatt & McDougall (1995)	Identify a pattern underlying the creation dynamics and success characteristics of global start-ups versus domestic new ventures. Empirical, case study-based approach.	Same as above.	Characteristics of successful global start-ups are: (1) a global vision exists from inception, (2) managers are internationally experienced, (3) global entrepreneurs have strong international business networks, (4) preemptive technology or marketing is exploited, (5) unique intangible assets are present, (6) product or service extensions are closely linked, and (7) the organization is closely coordinated worldwide. A progress report based on a comparative score card of 12 firms reveals that the first three characteristics are critical at founding.
Bloodgood, Sapienza, & Almeida (1996)	Examine the antecedents (strategic and structural characteristics) and outcomes (subsequent performance in terms of sales growth and profitability) of the extent of internationalization of new-highly potential ventures based in the US and still relatively young at the time of the initial public offering (IPO). Empirical, hypothesis-testing, and quantitative research.	A sample of 61 venture capital-backed, high-potential firms drawn from several industries that were less than five years old at the time of IPO in 1991 and whose performance results were measured in 1993. Descriptive statistics and zero-order correlations are provided. To test the hypotheses, initial conditions were regressed against the firm's extend of internationalization, and then both were regressed against firm performance two years later. Firms and industry controls were applied in these analyses.	A resource-based model on new venture internationalization is significantly, though partly, supported. Early internationalization is directly related to the use of product differentiation as a source of competitive advantage, the international work experience of the board of directors, and firm size at the time of IPO. The use of low cost, product differentiation, or innovation as a source of competitive advantage, and size at the time of IPO were related to sales growth in the two-year period following the IPO. The level of internationalization at the time of the IPO is positively related to earnings two years later. The rapid globalization of markets requires that certain firms compete internationally virtually from the outset. However, early

			internationalization is finally contingent upon the industry and resource conditions faced by the firm at founding and soon thereafter.
Knight & Cavusgil (1996)	<p>Review traditional internationalization theory and criticisms thereof; describe the recent emergence and characteristics of born global firms; propose factors that may have given rise to their emergence; suggest implications that born globals may hold for management at smaller companies; and offer possible approaches for conducting research on these firms.</p> <p>Theoretical, descriptive study.</p>	N/A	<p>Growing evidence of the widespread emergence of born globals in numerous countries of the developed world.</p> <p>The born global phenomenon suggests an important new challenge to traditional internationalization theory.</p> <p>Common characteristics of the born global firm are identified according to previous export-related research among SMEs.</p> <p>Six major trends promoting born globals' emergence and international endeavors: (1) the increasing role of niche markets; (2) recent advances in process technologies; (3) recent advances in communications technology; (4) inherent advantages of SMEs (flexibility, adaptability, etc.); (5) the means of internationalization much more accessible to all firms; and (6) global networks.</p>
McDougall & Oviatt (1996)	<p>Examine the link existing between new venture performance and the internationalization of new ventures.</p> <p>Empirical, 2-year period (follow-up) study.</p>	<p>A sample of 62 US new venture manufacturers (36 of which were originally domestic and 26 originally international) in the computer and communications equipment industries during the late 1980s.</p> <p>Descriptive quantitative data and subgroup analysis.</p>	<p>Higher levels of internationalization (measured as %age of foreign-to-total venture sales) were associated with higher relative market share two years later, whereas no significant direct relationship existed between %age of international sales and subsequent ROI.</p> <p>During the 2-year study period, many of the ventures clearly modified their level of internationalization.</p> <p>Increased international sales in technology-based new ventures seems to require simultaneous supporting strategic actions in order to positively impact venture performance. Thus, successful internationalization appears to imply changes in the venture's strategy.</p>

Roberts & Senturia (1996)	<p>Exploratory effort to explain the globalization patterns, trends, and success of emerging high technology companies.</p> <p>Empirical study.</p>	<p>A convenience, non-random sample of 19 Massachusetts-based, independent companies that supply software or peripheral products for desktop computing.</p> <p>In-depth field interviews with senior employees with direct responsibility for international activities.</p> <p>Descriptive and rather indicative chi-squared statistical analyses.</p>	<p>Unique aspects of one emerging high-tech industry result in a vastly accelerated globalization pattern – not leading toward overseas production activities – that is inconsistent with traditional expansion models.</p> <p>The integrated model, building upon Vernon, insights from the generic internationalization model, external environmental variables and the internal “managerial internalization” process shows far better explanatory power than the traditional approaches.</p> <p>Globalization success is most strongly linked to how aggressively senior management allocates internal resources to developing an overseas business model.</p> <p>External environmental forces also affect globalization of high-tech products and firms.</p>
Madsen & Servais (1997)	<p>Summarize the empirical evidence reported about born globals, to interpret this phenomenon at a deeper theoretical level by offering a new conceptualization of the research issue, and to generate propositions about the antecedents as well as the necessary and sufficient conditions for the rise of these firms.</p> <p>Literature review and theoretical study.</p>	N/A	<p>The born-global phenomenon is not limited to high-tech industries and/or specific countries.</p> <p>Seven theoretically and empirically derived propositions about the antecedents of born-global firms, the extension of this phenomenon, the international location of their activities, their sources of supplementary competences, their growth requirements, and their propensity inside the national economies.</p> <p>Born-globals grow in a way which may be more in accordance with networking and evolutionary thinking.</p> <p>The propensity and further development of the born global firm is likely affected by the characteristics of the environment, and those of the organization and the founder/entrepreneur, simultaneously.</p>
Oviatt & McDougall (1997)	Explore and highlight recent challenges to traditional internationalization theories	N/A	The risk-averse and incremental nature of internationalization described by traditional process theory may inadequately explain the

	<p>due to the apparently increased significance of INVs and the accelerated speed of their internationalization process.</p> <p>Theoretical study in the form of a descriptive research agenda.</p>		<p>case of INVs.</p> <p>Seven research issues configure a successful program of research on the internationalization process of small, new ventures: (1) the prevalence of INVs, (2) the role of INVs, (3) international business experience, (4) industry influences in internationalization, (5) managing international risks, (6) accelerated internationalization, and (7) inward and outward internationalization of value chain activities.</p>
Reuber & Fischer (1997)	<p>Examine the role of the management team's international experience as a mechanism for the internationalization of Canadian software product firms</p>	<p>Country: Canada; Industry: software products</p> <p>Method: structured interview</p> <p>Sample size: 132; Response: 58</p> <p>Analytical approach: regression analysis</p>	<p>Strategic foreign partners and the delay of the first sale outside Canada mediate the effect of international experience on degree of international experience.</p>
Burgel & Murray (1998)	<p>Use a large set of data to analyze the determinants of the international market entry choices (selling abroad either by direct exporting or through the use of distributors) made by start-up companies in high technology industries.</p> <p>Empirical, hypothesis-testing research.</p>	<p>The entry decision itself, and not the firm, was chosen as the main unit of analysis.</p> <p>Random sampling process stratified by size class and service/manufacturing (33 high-tech industries in total).</p> <p>398 export decisions were taken from a UK survey of 246 usable technology-based start-ups with international activities.</p> <p>Mail survey addressed to the managing directors.</p> <p>Descriptive statistics and multivariate, regression analysis (three probit models).</p>	<p>The entry mode decision is necessarily a trade-off between the resources available and the support requirements of the customer.</p> <p>Issues of the innovativeness of the technology and the historic channel experience of the firm in its domestic market are particularly strong determinants of mode choice. Due to "liability of aliennes" firms selling products that incorporate innovative technology, as well as those approaching large target markets, and start-ups already using intermediaries in their home market tend to rely more on foreign distributors. Direct exporting, in contrast, is chosen when managers show previous international working experience or when a product requires a significant client-specific adaptation.</p> <p>An organizational capability perspective on the behavior of start-up companies in high-tech sectors offers a better explanation of the entry decisions than either transaction-cost or stage theory.</p>

Preece, Miles & Baetz (1998)	Explain the intensity of small technology-based firms' intensity of their foreign sales and the global diversity of the markets in which they operate.	Country: US; Industry: high technology Definition: average age 7 years Method: survey Sample size: 242; Response: 75 Analytical approach: multiple regression analysis	Attitude towards foreign markets. Government assistance helped to explain international intensity. Resources influence international intensity.
Oviatt & McDougall (1999)	Design a framework in order to stimulate discussion plus theoretical and empirical efforts that may eventually lead to a contemporary dynamic theory of firm internationalization and its acceleration. Theoretical study (identification of key research questions and propositions).	N/A	Increasing numbers of new and small firms which emerge to conduct business across national borders are bypassing the step-wise pattern of internationalizing. The speed with which they internationalize is accelerating. Ten issues regarding technological innovation, international regulation, opportunities for foreign growth, the prevalence of emerging business, the size and degree of regulatory protection of a country's economy, industry conditions, firm effects, and the role played by the management team are hypothesized to be increasing in importance to managerial knowledge of foreign markets as determinants of the speed, breath, and mode of internationalization. However, the difficulty of devising a theory that explains accelerated firm internationalization is still significant.
Autio & Sapienza (2000)	Examine the domain and the explanatory validity of two currently seen as competing views of the internationalization processes of SMEs. Empirical, hypothesis-testing research.	230 technology-intensive new British firms operating in 17 different industry sectors met sample selection criteria. Mail survey. Different sub-sections of the empirical sample according to the internationalization stage of each firm. Hierarchical regression analyses.	The two models should be seen as complementary rather than competing, because both emphasize learning and path-dependencies on the international growth of SMEs. One model may be better suited to explain the early internationalization patterns of technology-intensive new firms, whereas the other model might be better suited to explain internationalization patterns in more advanced stages. Salience of knowledge-based view in understanding international

			growth and development of technology-intensive firms.
Autio, Sapienza & Almeida (2000)	<p>Shed light on the effect of when in its development a firm first goes international on the rate of its subsequent international growth by focusing on the strategic implications of age at entry, knowledge intensity, and imitability on international sales growth in entrepreneurial firms.</p> <p>Quantitative, hypothesis-testing empirical research with panel data.</p>	<p>Panel data on international sales over five years for 59 responding entrepreneurial, privately-held small firms in a rapidly growing, high-tech Finnish market (electronics industry).</p> <p>Data were collected via mailed surveys (1993) and follow-up telephone interviews were carried out in 1997.</p> <p>Summary statistics (means, standard deviations, ranges), and zero-order correlations among the independent variables were obtained.</p> <p>Three regression models were used for hypothesis-testing.</p>	<p>The median age at first international entry was four years, with 20% of the sample firms initiating international sales during their first year of operation. On the average, these firms grew at a compound annual rate of 31% in international sales (1992-1997).</p> <p>Earlier initiation of internationalization and greater knowledge intensity are associated with faster international growth. Thus early pursuit of international opportunity induces greater entrepreneurial behavior and confers a growth advantage.</p> <p>Firms with more imitable technologies grew faster, questioning current views of the role of imitability in international growth.</p> <p>Both conceptual and empirical bases regarding the process of internationalization of younger firms are provided in terms of how and why knowledge accumulation/learning are critical to international growth.</p>
Bell & McNaughton (2000)	<p>Clarify the challenge that the growing emergence of born global (knowledge/service-intensive or knowledge-based) firms represent to public policy in support of SME internationalization. New policy directions and recommendations in support of these firms are provided and widely justified.</p> <p>Theoretical-content study.</p>	N/A	<p>Major differences in internationalization (process) behavior, in terms of motivation to internationalize, international objectives, international expansion patterns, pace, method of distribution/entry modes, and international strategies, exist between traditional firms and born global (knowledge-/service-intensive or knowledge-based) firms.</p> <p>However, the current activities of most of the national export promotion organizations (EPOs) rather focus on the needs of traditional firms as they are configured to support an incremental internationalization process.</p> <p>The more rapid pace of internationalization among born globals presents a major challenge to EPOs, not only in terms of providing</p>

			<p>assistance in a timely manner, but also in respect to the nature of the support provided.</p> <p>As a consequence of the above, public policy for small firm internationalization requires fundamental reconsideration in order to better address the specific support needs of born global firms.</p>
Burgel & Murray (2000)	Analyzing the determinants of the entry mode decision of 398 export decisions in technology-based start-ups with internationalization activities.	<p>Country: UK</p> <p>Industry: high technology</p> <p>Definition: <10 years</p> <p>Method: survey</p> <p>Sample size: 2000; Response: 466</p> <p>Analytical approach: regression analysis</p>	<p>Resources available.</p> <p>Innovativeness of the technology.</p> <p>Historic channel experience.</p>
Madsen, Rasmussen, & Servais (2000)	<p>Provide new empirical evidence, coming from Denmark, about the structure and behavior of born globals (products/markets/competition, geographical markets served, and their choice of entry modes as well as control of marketing activities) in comparison with other types of exporters.</p> <p>Descriptive and comparative empirical research study.</p>	<p>A sample of 272 manufacturing Danish SMEs (between 10-499 employees) with foreign sales.</p> <p>Mail survey addressed to the CEO.</p> <p>47 out of 272 firms were categorized as born globals according to several standard operational criteria and then compared against other three types of exporters (experimental exporters, traditional exporters, and international firms).</p> <p>Frequencies analysis and descriptive statistics looking for statistically significant differences.</p>	<p>Typical Danish born globals tend to be quite small and most operate in non-high tech industries.</p> <p>The group of born globals is much younger than the other exporters, they have started exporting right away and show very extensive foreign activity quicker, thus they do not follow a traditional slow and gradual pattern in their internationalization process.</p> <p>Born globals show a unique profile compared with all other groups of exporters with regard to different factors. They seem to target a narrow customer group which may be located in many different geographical places and they build up sales and marketing networks with external partners.</p> <p>Except for the characteristics mentioned above, the group of born globals resemble international firms much more than they resemble experimental and traditional exporters in terms of their production methods, geographical scope, the use of intermediaries abroad, and their proactive and global behavior.</p>

Servais & Rasmussen (2000)	<p>Explore the main characteristics previously reported about born globals and to relate these findings to a taxonomy of born globals and factors facilitating different types of these firms using data from a survey in Denmark.</p> <p>Theoretical and empirical (longitudinal) study.</p>	<p>144 rather small and highly export-involved Danish born globals located in several industries of which 22 participated in a case-approach interview and 77 answered a questionnaire.</p> <p>Selection of firms was based upon an earlier survey study and upon on-going collection of data in Denmark.</p> <p>The sample is split into four groups of born globals (young and big, young and small, old and small, and old and big) in terms of its year of foundation and the number of employees, and then systematically compared on different factors by means of frequencies analysis and corroborating descriptive data.</p>	<p>Born globalness indeed constitutes a manifest category of the internationalization process of SMEs.</p> <p>Networks, both on the local and on the global markets, are important for the majority of these firms.</p> <p>Regarding the export channels used by the analyzed Danish born globals, some of the results are in accordance with the gradual approach, but still all types of these very export-oriented firms to a high degree rely on the use of agents and direct sales to end users.</p> <p>Almost all firms, and specially the young ones, did start in the group they are placed in 1996, meaning that they seemed to find their right size from the foundation. With a few exceptions, these Danish born globals were not growing measured in the number of employees and had absolutely no intention of doing it.</p> <p>In terms of their international or global condition, young born globals are more oriented towards the international (European) markets than older ones, but no difference is found between the large and small young firms in their orientation towards European or global markets.</p>
Zahra, Ireland & Hitt (2000)	<p>Examine the effects of international expansion, as measured by international diversity and mode of market entry, on a new venture's technological learning and the effects of such learning on its financial performance.</p> <p>Empirical, hypothesis-testing study.</p>	<p>321 independent and corporate INVs from 12 high-tech, US sectors – Data obtained from a combination of two-wave mail survey (1993), secondary sources, archival data, and phone/e-mails contacts with firms and trade associations.</p> <p>In 103 firms, respondents included more than one key manager/executive.</p>	<p>This study adds to knowledge not only of international diversity and entry modes and their effects on performance and learning, but also to knowledge about new ventures. More specifically, data are provided on the (technological) learning that occurred inside them.</p> <p>International diversity and high-control entry modes indeed increase technological learning. In turn, this new technological knowledge internally created has a positive effect on firm performance (ROE and sales growth).</p> <p>International diversity and mode of entry have a positive, direct</p>

		<p>Response bias, reliability and validity of the data were tested.</p> <p>Descriptive statistics and several multivariate regression analyses.</p>	<p>effect on new venture's performance, in addition to their more indirect effect of increasing technological learning.</p>
Aspelund & Moen (2001)	<p>A comparison of three different generations of Norwegian exporters to investigate whether differences (in terms of export behavior and export performance antecedents) exist between exporting SMEs based upon the time period within which they were established.</p> <p>Comparative, cross-sectional study.</p>	<p>Mail survey of 213 Norwegian small but devoted exporting firms.</p> <p>Sampling firms were clustered into three groups (traditional exporters, flexible specialists, and born globals) according to their age.</p> <p>Comparison analysis along the selected categories (one-way analysis of variance).</p> <p>13 regression analyses to test whether firms of different age had different export performance antecedents.</p>	<p>Results revealed statistically significant distinguishing features between various generations of exporters. A firm's export behavior and performance are partly contingent on the year of establishment, resulting in differences between these generations of exporting firms.</p> <p>The speed of the internationalization has increased for the recently established firms. Key factors for the born globals were found to have technological competitive advantage, niche focused export strategy, and widespread use of IT combined with strong consumer orientation.</p>
Larimo (2001)	<p>Add new information for understanding SME internationalization, especially that of born global companies. This goal is achieved by reviewing the main features of the Nordic models of internationalization, and then by checking their fit to the internationalization of born-globals in terms of their development of product, markets, operation strategies and success factors in</p>	<p>Two selected cases of Finnish born globals are comparatively analyzed with respect to the background and development of the company, sales object, market and operation strategies, networks, market and competition, and finally recent and future prospects of each case company.</p> <p>The data for the two cases is based on those received during earlier projects lead by the author, annual reports and other interim material, and interviews</p>	<p>The two born globals cases behaved in their sales object, market, and operation mode strategies according to an evolutionary framework.</p> <p>However, the initiation of exporting from the establishment, and the expansion related to market and operation strategies were extremely rapid processes. Fast decision-making helped these two firms react fast and be more willing to take greater risks. Also common to both companies were being focused on a niche market and on their core competence areas, strong market commitment, and international outlook by the management rather from inception. SMEs can internationalize their operations very rapidly and simultaneously be</p>

	foreign markets. Case-study approach of two Finnish born-globals.	with an informant manager (in the first case firm) and with the marketing manager (in the second one).	profitable when competing against MNCs. Value creation and flexibility in the form of high quality, technological innovativeness, networking and close customer relationships seem to be critical.
Rasmussen, Madsen, & Evangelista (2001)	See how the founder of a born global has reduced the equivocality in relation to others, especially international actors, through two major activities in the founding process: sensemaking through enactment and networking. Empirical, case-oriented qualitative study with data from Danish and Australian born global firms.	Interviews conducted in Denmark and Australia result in five case studies (three of the cases refer to Danish born-globals and the two other to Australian ones). Each case is individually analyzed first, and then compared with the others looking for some common patterns, in terms of company information, the founders' background, the founding process (sensemaking, networking, and internationalization), and notes/analysis.	From five case studies it can be drawn that internationalization was not a strategic objective for the founders in the founding process, but something that was necessary if they would found this or that type of firm. Thus, other reasons than to found a highly international company capitalized the founding decision, though the high degree of internationalization followed in all cases. The process of sensemaking can hold disparate elements together and create action. However, the existence of a network at the founding of the born global was not as important as expected, thus implying that it is possible to found a new, highly international firm from the ground with just a good idea, some experience, and without any previous network of the founder being involved. The born global issue must be studied in the context of the degree of internationalization in the actual industry.
Westhead, Wright, & Ucbasaran (2001)	Examine the influences of the characteristics of the principal founders, business and the external environment on the export activities, performance and survival of new and small exporters and non-exporters.	Country: UK Industry: Manufacturing, constructing and services business sectors Definition: no indication Method: survey and interview Sample size: survey: 4914; interview: 213 Response: survey: 621; interview: 116 (86 non-exporters, 30 exporters) Analytical approach: logistic regression analysis	Business with older principal founders with considerable management know-how are more likely to be exporters. Considerable industry-specific knowledge of the principal founder. Business with experience of exporting abroad.

Wickramasekera & Bamberry (2001)	<p>Ascertain if the phenomenon of born global firms exists within the Australian SMEs wine industry, the factors associated with being a born global, and the challenges this poses to traditional stage theories and the incremental, sequential approach to internationalization.</p> <p>Empirical, exploratory research.</p>	<p>Mail survey of a successful regional industry composed of a sample of 292 SMEs Australian winemakers.</p> <p>Questionnaires were targeted at the marketing manager of each winery or the person regarded as being responsible for the firm's decision whether or not to export.</p> <p>Eight semi-structured interviews with winery managers.</p> <p>Frequencies analysis, mean-test and qualitative description.</p>	<p>The phenomenon of born globalness is not confined to the high technology firms as it also extends to regional firms such as Australian wineries.</p> <p>The acceleration in internationalization is brought about by management experience in the industry, international market knowledge, overseas contacts (networks), coupled with management commitment.</p> <p>This phenomenon provides in fact an additional support for stage models only when examined in conjunction with networks as an explanatory variable of internationalization, and when other management factors are also taken into consideration.</p>
Moen (2002)	<p>Develop further understanding of the born global phenomenon by studying the differences existing between born globals and those exporting firms not classified as born globals in terms of competitive advantages, export strategy, global orientation, and environmental situation.</p> <p>Empirical, comparative study of small firms in two European countries.</p>	<p>A sample of 335 Norwegian and 70 French randomly selected firms with fewer than 250 employees, and an export share of 25%, classified as exporters and manufacturers.</p> <p>Mail survey addressed to top level managers.</p> <p>Companies in both countries were assigned into four groups according to their export-to-sales ratio and year of foundation (old and local, old and global, new and local, and born global).</p> <p>Comparative descriptives, one-way analysis of variance, and Bonferroni tests.</p>	<p>A substantial number of newly established exporting firms are born globals.</p> <p>In terms of international orientation, export strategy, competitive advantage and market situation, born globals have similar characteristics to old, global firms, while new and local firms are similar to old and local firms.</p> <p>The destiny of the firm seems to be determined at the foundation juncture (the firm is likely to remain either a high-involvement exporter or a low-scale exporter).</p> <p>The decision maker's global orientation and the market conditions are important factors, explaining why some firms are born globals, while others are new locals.</p> <p>The gradual development process described in traditional internationalization models was not found to be evident in analyzing the export behavior of newly-established, highly-involved exporting firms.</p>

Saarenketo (2002)	Examine the internationalization process of high technology small firms, with an emphasis on the antecedents of rapid and intensive process of internationalization.	Country: Finland Industry: Information and Communication Technology Definition: <3 years, 25% foreign sales Method: e-mail survey Sample size: 493 Response: 124 (18 early internationalizers) Analytical approach: regression analysis	Global vision. Risk behavior of the management team. Partners. Financing.
Yli-Renko, Autio & Tontti (2002)	Explaining the role of intra- and inter-organizational relationships in building the firm's distinctive knowledge base and in achieving international growth.	Country: Finland Industry: technology-based Definition: founded after 1970, international sales by 1992 Method: survey and follow-up interviews Sample size: 134 Response: survey: 77; interview: 56 Analytical approach: path model	Knowledge intensity and foreign market knowledge are positively related with international sales growth.
Zahra & George (2002)	Analyze the concept of International Entrepreneurship and its theoretical domain, to review past empirical work on IE and analyze its theoretical foundations (synthesis of key factors believed to influence IE), to design a new integrative framework of IE, and to address future research in this field. Literature review, theoretical study including a future research agenda.	N/A	IE is a young, interesting, and important research stream comprising IE activities of new ventures and established companies. It offers great opportunities to employ and integrate theories from multiple disciplines thus enriching the development of theory and implications for managers. The definition and domain of the field of IE is clearly expanded from this study. Past research is exhaustively reviewed to identify and consolidate factors that may affect IE. An integrative framework that links factors affecting IE and their outcomes is advanced and outlined. The proposed model makes an integrative use of theories from IB, global strategy, strategic management, and also entrepreneurship.

			Specific directions and suggestions for the future scholarly pursuit of IE is provided, mainly in terms of the IE process, the context of IE, and post-internationalization processes and outcomes.
Kundu & Katz (2003)	Evaluation of the impacts of resources (education, international experience, technological innovation) and intention (global vision) on exchange (export growth and intensity).	Country: India; Industry: Software Method: survey Sample size: 450; Response: 47 Analytical approach: multiple regression	Technical and/or professional education. International experience of the entrepreneur. Entrepreneurial intention.
McDougall, Oviatt & Shrader (2003)	Examine the differences between INVs and Domestic New Ventures (DNVs).	Country: US Industry: cross industry Definition: <6 months Method: secondary data from Initial Public Offering prospects and other public data Sample size: 214 (127 DNVs and 87 INVs) Response: 214 Analytical approach: logistic regression	International and industry experience of the team in INVs higher than in DNVs. More aggressive strategies in INVs than in DNVs. More emphasis on innovation in INVs. Quality, service and marketing as strategic weapons in INVs.
McNaughton (2003)	Identify possible influences on the number of export markets served by a firm.	Country: Canada Industry: Manufacturing Definition: On average 6 years operating experience; average 25% sales growth Method: survey Sample size: 442; Response: 75 Analytical approach: linear regression model	Number of export markets is positively associated with firm age, proprietary and knowledge-intensive products, industries that are internationalized and small domestic markets.
Zahra, Matherne & Carleton (2003)	Explore the impact of leveraging selected tangible and intangible technological	Country: US Industry: Software	Technological networks. Technological reputations.

	resources on the speed and degree of internationalization.	<p>Definition: <8 years</p> <p>Method: survey</p> <p>Sample size: 786; Response: 159</p> <p>Analytical approach: logistical regression analysis and multiple regression analysis</p>	The interactions of networks and reputation with R&D spending.
Johnson (2004)	Examine the factors influencing an early internationalization behavior.	<p>Country: US and UK</p> <p>Industry: high-technology</p> <p>Definition: <5 years and 20% of revenues from international markets</p> <p>Method: interview and survey</p> <p>Sample size: survey: 600 US, 600 UK; interview 6 US, 6 UK</p> <p>Response: survey: 89 US, 102 UK; interview: 6 US, 6 UK</p> <p>Analytical approach: t-test</p>	<p>International vision of the founders.</p> <p>Desire to be international market leaders.</p> <p>Identification of specific international opportunities.</p> <p>Possession of international contacts.</p>
Oviatt & McDougall (2005a)	Present a model of how the speed of entrepreneurial internationalization is influenced by various forces.	N/A	The model begins with an entrepreneurial opportunity and depicts the enabling forces of technology, the motivating forces of competition, the mediating perceptions of entrepreneurs, and the moderating forces of knowledge and networks that collectively determine the speed of internationalization.
Rialp-Criado, Rialp-Criado, & Knight (2005)	<p>Examine studies that deal with international new ventures, global startups and born-global firms.</p> <p>Describing, understanding and interpreting the reasons underlying the</p>	<p>38 studies from 1993 to 2003, from at least 19 different academic journals and other sources that met the following criteria:</p> <p>(1) appearance in the period 1993–2003</p> <p>(2) in English language</p> <p>(3) theoretical and/or empirical academic papers</p>	Factors influencing early internationalization are: (1) managerial global vision from inception; (2) high degree of previous international experience of managers; (3) management commitment; (4) strong use of networks; (5) market knowledge and market commitment; (6) unique intangible assets based on knowledge management; (7) high value creation through product differentiation,

	emergence of early internationalizing firms.	(4) closely related to early internationalizing firms and international entrepreneurship (5) key references in other studies	leading-edge technology, and quality leadership; (8) a niche-focused, proactive international strategy in lead markets around the world; (9) narrowly defined customer groups, strong customer orientation, close customer relationships; and (10) flexibility to adapt to rapidly changing external conditions and circumstances.
Schwens & Kabst (2008)	Review and systemize the literature on early internationalizing firms and their determinants respectively.	Major qualitative and quantitative studies from the research field of early internationalization are reviewed in terms of their theoretical foundations and in terms of methodological issues setting an emphasis on the determinants of early internationalization.	The following determinants are found to be influential for early internationalization: (1) international experience of the top management team; (2) knowledge intensity of the product; (3) network contacts; and (4) growth orientation and global vision.