**RENT 2019**

**Policy support for born global enterprises: A critical review**

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**Acknowledgement**

The authors would like to acknowledge EUROFOUND for funding this project and we would like to thank our project partners: Inigo Isusi and Antonio Corral (IKEI, Spain), Valentina Patrini and Irene Mandle (Eurofound, Ireland) and the research team from Oxford Research (Sweden, Denmark), VVA (Italy), Panteia (Netherlands), KMU (Austria), Praxis (Estonia) for contributing to this research.

**Abstract**

This paper seeks to investigate how supportive the existing public interventions are to the needs of born global enterprises in their internationalisation process and identify gaps that need to be addressed. Drawing on the analysis of 7 case studies of born globals and 28 policy measures across as well as outside Europe, the research will identify the types of support needed together with the extent to which these needs are addressed by business support providers of born globals, how they utilised the available support, the main types of support, the extent to which the support offers, and what are the differences amongst those policy measures across contexts. In addition, the paper also investigates the relationship between the support offered at both national and EU levels and the support that managers of born globals and internationalising SMEs are seeking. This will make research-informed recommendations designed to improve the policy support to born globals.

1. **Introduction**

With the increasing dominant population of businesses, small and medium sized enterprises (SMEs) has made significant contribution to the global economy (REF). As international growth was identified to be one of the drivers for SMEs to be sustainable (Green and Mole, 2006), support for internationalisation has attracted lots of academic and practitioners’ attention. In this context, internationalisation can be defined as a range of activities that go beyond the border, including exporting, importing, subcontracting, technical collaboration, franchising, FDI (Eurofound, 2018). Although the emphasis may vary, the interventions are either directly or indirectly offering some assistance to internationalizing firms. This is because of the potential importance of the revenues generated contributing to economic development as a source of external income. At the same time, whilst firms of all sizes may be affected by internationalisation forces, it may be argued that SMEs are the most in need of assistance in order to secure foreign market entry and establish sustainable foreign market exploitation.

Although clearly support for internationalisation is an important field for public policy intervention, it may be argued that, within the EU, the time is right for a critical review for a number of reasons. These include a growing emphasis in Europe’s mature market economies, in particular on the need to review SME policies as budgets tighten and doubts about the value for money offered increase. In the UK, there is the added reason in the form of Brexit. Additionally, it is unclear from the literature how young internationalisers utilise the support available, what are their needs, any constraints in accessing to the support and the extent to which policy measures have addressed to enhance internationalisation.

In this context, this paper aims to answer the following questions:

1. What are the business support needs of born global enterprises and to what extent are they distinctive in comparison with other internationalising SMEs?
2. To what extent does the existing support provision meet the support needs of born globals and are there gaps?
3. What constitutes good practice in the provision of business support for born globals?

Our paper aims to contribute to a critical review of policy approaches to supporting SME internationalisation across and beyond Europe. This will include the analysis of 7 case studies of born globals across Europe and 28 policy approaches at both the EU and national levels, whilst taking into account the variation between European countries. This reflects the varying support needs of SMEs, which in turn is associated with differences in the nature and extent of SME development as well as in terms of economic development more generally.

1. **Literature review**

*International Entrepreneurship Theory*

Since internationalisation of SMEs is the driver of sustaining innovation, job generation and economic and social contribution to most economies (Greene and Mole, 2006), there was a growing trend of born globals (Cavusgil and Knight, 2009). Some scholars defined born globals as firms which internationalise at an early stage of their development, normally within the first five years of their foundation (Oviatt and McDougall, 2004: Cavugsil and Knight, 2015; Gulanowski et al., 2016). Hence, born globals derive most of or all their sales from international activities. They are not reliant on the psychic distance in expanding their activities, instead, they focus on other factors, such as the urgency to internationalise; and serve multiple markets simultaneously from inception (Leunidou and Samiee, 2012). Born globals tend to be attracted by the potential opportunity of exploiting export markets, generating growth rate and profits (Moen and Servais, 2002). The market selection of the born global is often reactive in nature, whereby they initially enter the markets where they have identified an existing or potential market demand for their product products or services, by using their existing network connections and previous experiences (Coviello, 2006).

*Characteristics of Born Global Firms*

Extant literature suggest that born globals have a more proactive approach to internationalisation and are likely to perform better than others in terms of export speed, intensity and scope (Crick, 2009; Kuivalainen et al, 2007; Love and Roper, 2015). These firms are known to be highly innovative, young, and dynamic in international markets and serve multiple markets simultaneously from inception (Leunidou and Samiee, 2012). Hence, international growth can raise the needs of innovation and market development (Cavusgil and Knight, 2009). These firms often operate in niche markets and quickly adapt and respond to the market instead of gradually accumulating knowledge (Torkkeli et al, 2012). In addition, born globals are often highly innovative and customer-oriented in developing their product offering and marketing strategy according to the dynamics of their target market (Gabrielsson et al, 2012).

Despite resource constraints, born globals were found not to follow stage models even though they tended to follow less expensive entry modes (Leonidou and Samiee, 2012; Cavusgil and Knight, 2009). Various pathways may include direct exports through international agents (Crick and Jones, 2000), engage in alternative collaborative governance structures (subcontracting, licensing, franchising or volunteering) to limit their costs and the related entry and exit risks (Leonidou and Samiee, 2012), or network and share their knowledge with partners. According to Hagen and Zucchella (2014, p 521), born globals’ long term growth relies ‘…on a delicate balance between openness and stability of key entrepreneurial and managerial resources, and on the integration of different sources of learning at the organisational level and around innovative projects’. Born globals tend to be innovative and to expand quicker in markets abroad compared with other companies. This shows that firms with highly sophisticated knowledge bases are more likely to internationalise rapidly than those with basic capabilities (Bell et al, 2001). It suggests that born globals who are often known to have resource constraints, would have a more urgent needs of accessing to resources to obtain the “highly sophisticated knowledge” due to the nature of their businesses highly internationally engaged in a value chain (OECD, 2014). However, there is a lack of empirical research verifying what kind of needs are of more importance to born globals in enhancing their internationalising capabilities.

How fast a born global internationalises and grows is mainly driven by the founders or owner-managers’ “entrepreneurial prowess” gained from their previous international experience (Hewerdine and Welch, 2013). Owner-managers often view the international market as their target destination to enhance sales, hence embarking on a development path in which the speed of their internationalisation is much greater than that of traditional exporting firms (Cavusgil and Knight, 2015). What distinctive between a SME and a born global is the role of financial and human capital (i.e. the number of founders, their educational background and their prior international experience). They were identified to be the key factors driving the BG’s growth (Moen, 2002). In addition, Neubert (2016) has suggested that the business model, market entry and market development, technological capabilities, foreign market opportunities and the size of their home market, are the keys to the speed of their internationalisation and overall rate of growth. This highlights the needs of born globals in accumulating more financial, information, and human resources in their internationalisation process. This is confirmed by Karra et al. (2008)’s study which revealed the three most significant entrepreneurial capabilities contributing to a BG’s success, as international ‘opportunity identification’, ‘institutional bridging’, ‘and cross-cultural collaboration’.

*Business Environment*

In selecting potential markets, born globals often rely on their intuitive knowledge about the opportunities to exploit, access to networks and managers’ previous international experience, without considering geographic or cultural proximity (Lehmann and Schlange, 2004; Pock and Hinterhuber, 2011). In this sense, SMEs new to a market may have to acquire extra resources to address new cultures, languages, religions and economic systems. This liability of foreignness, described as ‘all additional costs a firm operating in a market overseas incurs that a local firm would not incur’ can give domestic firms an immediate advantage over internationalising ones (Zaheer, 1995; Elo, 2016). For instance, 45% of European businesses operating in the Single Market perceived language barrier as one of their internationalisation challenges (Eurochambres, 2015). Additional target market-related barriers are related to a lack of market transparency along with high political risk and general instability, corruption and bureaucracy, and ineffective justice systems. The limited transactions and expansion across borders may be attributed to inefficiencies in public procurement and uncompetitive practices across EU Member States (European Commission, 2015). Despite various interventions to support internationalisation, seeking and securing public policy support were not priotised amongst internationalising SMEs as they tended to rely more on their informal networks first, before seeking for public support as the final solution (Blackburn, 2016).

The existence of government support has proved to be beneficial to SMEs’ internationalisation (Falk et al, 2014). Lack of governmental export support, unfavourable export regulations, inconsistent policies, high inflation and exchange rate fluctuations can all act as a disincentive towards internationalization. These may impose an additional burden on born globals compared to large exporters because of their relative resource limitations (Cernat et al, 2014 and Falk et al, 2014). Despite several research on the effect of institutional environment to SME internationalisation, there is a lack of research about the extent to which born globals have been supported in their internationalization efforts, how public support varies across contexts, and how the business environment can be improved to enhance internationalisation amongst born globals.

1. **Methodology**

The research on which this paper is based is part of the EU’s Future of Manufacturing in Europe initiative. The methodology includes the analysis of the seven case studies of manufacturing born globals and their global value chains; and the analysis of 28 policy case studies designed to assist internationalising firms. The data collection was conducted by 7 research institutions across Europe (United Kingdom, Spain, Italy, Germany, Netherlands, Estonia, Sweden and Denmark) (see Eurofound, 2018).

The first part involved 23 interviews with born globals and their partners. Among these, seven of them were conducted face-to-face with the 7 born globals, and the rest with their value chain partners who are based in different EU member states and third countries such as Hong Kong, India, Japan, Malaysia, Taiwan, the UAE, and the USA. The selection criteria of born globals are firms which are of small and medium size (i.e. less than 250 employees, independent, individual company, its headquarters are based in the EU, founded within the last seven years and actively engage in any kind of international activities in at least two foreign markets and generate at least 20% of its turnover abroad. For each born global case study, at least two value chain partners based in different countries from the born global enterprises were interviewed either by phone or Skype. Either the born global or the value chain partner must be in the manufacturing industry. Each interview lasted for about 1 to 1.5 hour, and were recorded and transcribed. The questionnaires focus on their drivers and challenges to internationalisation, the value chain management and governance with their foreign partners, their needs, use of support and how they overcome their challenges. The characteristics of the 7 born globals were summarised in Table 1.

**Table 1: Description of the seven born global case studies**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Born Global** | **Country** | **Foundation** **Year** | **Size** | **GVC location** | **Product/service** |
| 1 | Denmark | 2013 | 45 + 110 world-wide  | USA, Sweden | Develop, create and commercialise robotic solutions and services |
| 2 | Estonia | 2014 | 15 | Finland, China | Produce ICT-based monitoring platform solutions, combining hardware and software for light electric vehicles. |
| 3 | Germany | 2010 | 30 | UAE, USA | Manufacture high ropes course for fun and sports purpose and provide complete service package in relation to its high ropes courses. |
| 4 | Netherlands | 2013 | 5 | Belgium, Netherlands, UK | Produce interactive media walls combining specialised software and hardware for use in healthcare sector, and consultancy services on designing interiors of mental health care institutions. |
| 5 | Romania | 2013 | 7 | Malaysia, India | R&D Firm specialised in engineering and biology such as water filter system. |
| 6 | Spain | 2010 | 22 | UK, Germany, USA | Produce graphene in different formats for R&D and industrial applications. |
| 7 | U.K | 2013 | 48 | Taiwan, Japan, Belgium | Design and manufacture lightweight children bikes and accessories. |

The second part involved the analysis of 28 policy measures across Europe and in Australia, Korea, Japan and USA were analysed. Each policy case study involved at least one hour face-to-face structured telephone interview, and followed up feedback from policy implementers. The 28 policy measures were subject to in-depth analysis focusing on assessing the extent to which they addressed the challenges that managers of born globals had identified as the main constraints on their ability to internationalise. In each policy measure, we focus on analysing the context of development, type of support, objectives, targets, budget, operational issues, outcomes and impacts, strengths and weakness, and its replicability in different contexts. The initiative of this research is that we consider not only the perspective of policy measures but also the needs of born globals to analyse how these policy has met the expectations and the needs of born globals, and what else needs to be revised. Table 2 listed the 28 policy case studies by country, level of authority, and type of support for SME internationalisation.

**Table 2: Overview of the 28 policy measure case studies**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No** | **Policy measure** | **Country** | **Initiator/****Administrator** | **Type of support** |
| 1 | **Incubator Support** | Australia | National government | International business incubators, networking, advice |
| 2 | **Go Silicon Valley** | Austria | Austrian Federal Economic Chamber | Networking, mentoring, advice, forums and workshops, provision of training (for example, pitch and business plan), provide working space |
| 3 | **Communication Support** | Belgium | Walloon Agency for Export and Foreign Investment | Financial support for promoting international communication |
| 4 | **ICDK** | Denmark | National government | Partnerships, networks, R&D, innovation,(tailored) advice, provision of education and training |
| 5 | **GVK** | Denmark | Tietgenskolen Odense Business College | Provision of education and training, networking, recruitment |
| 6 | **VITUS** | Denmark | National government | (Tailored) advice |
| 7 | **Development of Clusters** | Estonia | National government | Partnership information provision, training,networking, alliances, and clusters, financial support |
| 8 | **Startup** | Estonia | National government | Integrated support services (awareness raising, provision of education and training, networking. advice) |
| 9 | **Start Alliance** | Germany | Regional development agency | Provision of premises, training, mentoring, advice, networking |
| 10 | **BMWi-Markterschließungsprogramm (BMWi)** | Germany | National government | Information provision, workshops, trade fairs and symposiums, networking, advice |
| 11 | **FINEST SpA** | Italy | Regional government  | Financial support, advice,networking |
| 12 | **100% Made in Italy** | Italy | Regional government | Image campaign |
| 13 | **SME’s CEO Networking Enhancing Project** | Japan | National government | Partnerships, trade fairs and training, networking and alliances, advice, information provision |
| 14 | **Regional Industry Tied-up (RIT)**  | Japan | National government | Networking and partnering, alliances and clusters, trade fairs; tailored-advice, information provision |
| 15 | **Investment****Ombudsman** | Korea | Government agency | Legal or administrative initiatives |
| 16 | **Foreign Investment and One Window Policy** | Nepal[[1]](#footnote-1) | National government | Legal or administrative initiatives,financial support |
| 17 | **Grant scheme for demonstration projects, feasibility studies and investment** **preparatory studies (DHI)** | Netherlands | National government | Market assessment, advice, financial support, and information provision |
| 18 | **Matchmaking** **Facility** | Netherlands | National government | Advice; financial support,communication support |
| 19 | **Chamber of Commerce and Industry** | Romania | National government | Trade missions, awareness raising, training, legal and administrative initiative, networking, consultancy services, information database, seminars |
| 20 | **Global Lehian** | Spain | Regional government | Access to finance, trade missions,partnership, networks, advice and clusters,integrated support services (supporting different stages of internationalisation) |
| 21 | **ICEX Next** | Spain | National government | Access to finance, market information, trade missions, advice, information provision regarding IPR, analysis of competitive intelligence in technology, networking |
| 22 | **Spanish Tech Centre (STC)** | Spain | National government and public corporation | Tailored advice,partnerships, networks, provision of premises, |
| 23 | **International Immobility Law 14/2013** | Spain | National government | Legal or administrative initiatives, business registration. |

Source: The table is based on Eurofound (2018) *Born globals and their value chains*, Publications Office of the European Union, Luxembourg.

1. **Results**

It must be emphasised that the 28 investigated policy measures are not necessarily representative of the support measures across the board because it is more important to capture the range of measures than their representativeness in the section *analysis of born globals’ business support needs.* We first turn to the research questions specified in the introduction to the paper. These questions were: 1) What are the business support needs of born global enterprises and to what extent are they distinctive in comparison with other internationalising SMEs; 2) To what extent does the existing support provision meet the support needs of born globals and are there gaps; 3) What constitutes good practice in the provision of business support for born globals.

Analysis of born globals and their value chains suggests that their needs are mainly associated with access to finance, tailored advice and networking. The lack of resources, in particular, the capability to raise external finance is one of the key challenges that born globals have to deal with. This is particularly in those seeking to develop new products or expand new markets, financing their R&D and product certification costs to meet the technical requirements in different markets. For example, the German born global enterprise revealed that many of their projects failed because of the lack of finance and it is not the problem of the born global but also their international clients. This is in line with findings of the OECD (2009), suggesting that born globals often encounter difficulties in accessing finance, hence are often offered less favourable conditions from the banks due to the risk involved in their exporting activities as a young internationalising firm. The second most important need is associated to access to tailored assistance and advice for born globals. This can be related to different activities such as administrative requirements at national and international levels, procedures of entering new market, legal requirements in selling a product abroad, for example, product certifications, tax and customs issues, business practices, how to find potential clients, etc. It shows that specific information and tailor advice is of high demand rather than general advice and information available.

However, the main support needs identified are not highly specific to born globals. Access to finance for example, typically appears at the top of the list of barriers facing SME development in many surveys, rather than being specific to internationalization with implication for their support needs. At the same time, in most cases, there are additional dimensions to the support needs of born globals associated with their involvement in internationalisation. Referring to access to finance for example, in the early stages of exporting, an SME may face a need for additional working capital because of the likely longer delay in receiving payments but also because there may be greater risks involved. Analysis of the born global enterprises suggests that the innovative nature increased their needs for finance during a similar period.

Similarly, in addition to the usual need for information, a born global company will not only seek specialised data about the foreign market they plan to operate in but also about the countries in which their born global partners operate. Thirdly, establishing the basis of sustainable cooperation with other businesses is often not an easy task. As a consequence, there are examples where training and workshops have been organised for businesses entering new cooperation arrangements particularly, where there are substantial culture differences between partners.

* 1. *Business Support Provision*

In this section we consider the relationship between the support provided and the needs of the born globals we have identified. In the case of access to external finance, for example, which is seen as one of the main challenges for SME internationalisation (whether this be in the European Union or outside it), almost all countries have some kind of export financing and typically some form of related guarantees. Moreover, at the EU level improving access to finance is one of the main priorities of COSME - which is one of the main EU instruments designed to enhance internationalisation access to foreign markets. Although access to finance is a need for all internationalising businesses, born globals do have some particular requirements associated with their often limited track record of financial markets. The more general need is for the question of working capital to be more widely addressed, although most governments are reluctant to do this. Contribution to working capital can very quickly become anti-competitive.

A second area of support need is with respect to regulations in the target markets, which may be similar or quite different to those experienced at home. It should be noted that in a survey of internationalising SMEs undertaken by the European Commission in 2015, the cost of dealing with these regulations was identified as the second most important barrier mentioned by European businesses. At the same time, it needs to be recognised that firstly that there is likely to be variation between different countries in terms of the extent to which this is a problem. China can be a problem in this regard, not least because of the size of the country and evidence of some variation between different regions in the country with respect to the interpretation of government regulation. The extent of this problem is likely to be greater when exporting to a market outside of Europe, and is most likely to be a particular issue perhaps in developing countries where the regulatory frame may still be in the development phase. At the same time, this is an issue which is not confined by any means to born global companies and one might suggest that born globals do not tend to have specific requirements in this respect. In some countries the policy support to address this question is more widely available than in others, often reflecting differences in context. The legal consultancy scheme available to internationalising SMEs in Romania is a good example.

The third barrier identified in the study was that concerned with national certification approach requirements. However, this issue affects all internationalising businesses with a disproportionate effect on SMEs, and especially on born globals because of their more limited internal resource base, their newness and the collateral they have available. The fourth barrier identified relates specifically to intellectual property protection which is frequently reported as an issue by firms that are internationalising. In fact, this is an area where collective action may be needed. The fifth barrier refers to differences in cultural practices, which certainly owners and managers of SMEs tend to see as most important. Once again, this is a barrier that is likely to vary between countries because the size of the cultural gap between the source and the destination country is unlikely to remain constant across all countries. Again, the Romanian scheme could be seen as part of this approach, driven by the fact that Romania is an emerging market economy which 25 years ago was operating under Socialism and still has some way to go to adapting its institutional framework to the needs of a modern market economy. A further barrier identified by the born globals and their GVC partners that were interviewed is concerned with identifying potential customers in foreign markets, which initially the manager of the born global may not have much experience of. Finally, collaboration is one of the distinguishing characteristics of born global companies and a key factor influencing their competitiveness. Whilst not identified as a barrier by born global managers other research evidence suggests policy support can help to build sustainable partnerships through training and enhancing existing informal network activities.

* 1. *Utilisation of external support*

The managers of the born global companies were asked about the external sources of support. The two main areas where born globals and their partners identified the need for external support were: 1) access to finance, that is external capital which needs to be raised and used both at the start-up stage and subsequently with the ongoing development of the business; and 2) specialised assistant and advice on a number of subjects, including internationalisation but not solely confined to this. In fact, the capital was needed for a variety of uses, which included funding research and development, specialised information, IPR protection. Keeping in mind that all seven of the case studies that were studied were judged to be innovative as one of their distinctive characteristics, and their global value chain fed into that.

In terms of the external sources of support for born global companies and their partners, the overall theme was one of considerable diversity; in other words, most of these born globals used a variety of sources and assistance of different types. Keeping in mind the fact that innovative capability was one of the key characteristics identified of born globals, then it is not surprising that areas like R&D and IPR protection emerged as common reason for requiring financial resources. The types of support they reported to be the most useful included: attendance at networking events, conferences, trade fairs.

A number of the case study companies referred to their appreciation for support that was available locally, whilst others were strongly critical of policy delivery which they said was over-centralised. They were critical of national programmes, not just because of access issues but also because of content. Another potentially important area, but one that is not so easy to define, is the barrier effect of substantial cultural differences. This is an area where advice, training and networking can all help to narrow the gap in terms of a mutual understanding of different cultures. European firms selling into China, for example, is as an issue as it is in some other Eastern countries including Japan.

* 1. *Perceived value of public support*

The types of support currently provided are welcomed by the born global managers but, at the same time, several born global companies strongly criticise the emphasis in the existing support provided within national and regional systems. A number of born globals specifically referred to the lack of information about the support available to SMEs. For instance, the UK born global perceived that the support from national authorities haven’t sufficiently met their needs of seeking for tailored advice and information to enter their target markets. In the same vein, the German, Estonia and Romanian cases also perceived the lack of support in internationalisation, for example, limited information provision, lack of promoting the available programmes, high regulatory and administrative burden, lack of export financing instruments suitable for young exporters.

* 1. *Analysis of policy measures*

Our analysis of the 28 policy measures identified different classifications of measures in terms of types of support, relevance to born globals, promotion, delivery mechanism, monitoring and evaluation. Our investigation suggests that the most types of support for internationalisation are classified into four main groups. The first group provides support in the form of information, training, and advice (for example, Incubator Support (Australia), Go Silicon Valley (Austria), Innovation Centre Denmark (Denmark), Start Alliance (Germany)). The second group offers access to finance, for example, Communication Support (Belgium), Finest SPA (Italy), DHI (Netherlands)). The third group offers support to networking(for example, Global Growth Competencies (Denmark), Chambers of Commerce and Industry (Romania), STC (Spain), RIT (Japan). The fourth group involves instruments supporting administrative and legal issues, for example, International Mobility Law (Spain), Foreign Investment Ombudsman (Korea).

*Born Global Sweden*

The fact that there were only two of the 28 policy measures with ‘born global’ in the title makes them of particular interest. The first of these was the policy measure Born Global Sweden, which ran between 2012 and late 2016. It was initially introduced in Sweden to support a political initiative where 10.4 million Euros was allocated to promotes SME development in Sweden. At the outset, the University of Technology was approached by a state development bank and other partners to develop a programme to facilitate the growth and internationalisation of SMEs and micro businesses. Born Global Sweden was a national development programme aimed at assisting young, promising Sweden ICT firms to develop the relevant skills to build scalable growth companies. Specifically, the programme’s main purpose was to assist SMEs that were deemed to be inherently international in their business idea to find a model for scalable growth, both domestically and internationally. The overall purpose of the programme was for the participating companies to find a scalable business model they could work with.

With approximately 150 nominated businesses and 50-60 applications, leading to just 10 participants being finally accepted, Born Global Sweden was both very popular and highly competitive; which raises the question as to why it stopped. An independent evaluation of this measure was undertaken and, by and large, the results of this were generally very positive - reflected both in the positive perceptions that participants had of the programme but also that it allowed the start-ups to build more scalable companies as a result of the skills and knowledge they had obtained through the participation of the this programme. Although the programme was generally well received, according to the project leader the main weakness was its inability to provide formal opportunities for participants to access funding. In his view, it would have been highly beneficial to have been able to include contact with financiers directly in the programme.

*Start up Global (USA)*

The second programme which included born global as its focus was a programme called Start-up Global from the US. This scheme was developed initially by the International Trade Administration at the US Department of Commerce. This was linked to a political initiative which was aiming to make businesses in the US much more aware of the opportunities for overseas markets. This was achieved by improving data, providing information on specific support export opportunities and communities, and working closely with financial institutions and service providers to provide practical business support. The scheme first operated in April 2015. Interestingly, the ultimate objective of the measure was to help start-ups to go worldwide and sell their products/services overseas. The measure offers half or full-day forums, seminars and workshops for start-ups and small businesses, providing focused assistance and information to early stage companies. Input to the events have come from a wide variety of organisations including some private companies like Microsoft and Ebay, as well as the US Chamber of Commerce. These events are free and open, and are held in various US cities. They are reflective of the needs of businesses seeking to internationalise and include subjects such as product certification; protecting IPR; how to design an international business strategy; how to access support programmes. This programme represents a very different approach to that of Born Global Sweden. It is much less intensive. One wonders about the overall impact but unfortunately more detailed information on participation and potential impacts are not available.

While some measures only provide a type of support, other measures may offer integrated service, or mixed type of support such as combination of advice and access to finance, or information, training and network, or access to finance and administrative initiative. For example, RIT (Japan) provides networking, training and some forms of financial support. RIT was designed to promote business collaboration between SMEs of different clusters in Japan and abroad. It aims to boost the local economic growth and cluster development by offering funding for foreign SMEs who would like to establish business relationships with Japanese SMEs but lack resources, to have business visits to Japan. It also organises networking events and training seminars to enhance the business opportunities between Japanese and foreign companies.

One of the key issues running through the project is the extent to which born globals are distinctive in their behavior and support needs. In fact, only two out of 28 policy measures were explicitly focused on born globals. Instead, they targeted internationalising SMEs, which was typically the key part of a growth strategy. However, a priori, one might expect more differentiation between born globals and other rapidly growing businesses. For example, one of the distinctive features is the role of cooperation in their value chain. Cooperation with other businesses is not always easy, and they have been examples of international programmes where businesses seeking cooperation across borders received training and advice to help them engage in successful cooperation such as the case of Global Growth Competencies (Denmark) and Matchmaking Faclity (Netherlands). While born globals perceive positive results from their cooperation experience, it needs to keep in mind that our analysis is mainly based on businesses with successful cooperation experience. In addition, the support that were valued the most from our born globals were not directly related to internationalisation but related to R&D, access to finance, and premises support.

* 1. *Promotion of the measures*

These policy measures were promoted using a variety of methods. The most common approach was from the support provider website. In other cases, the promotion involved advertising through partner organisations. This can be seen in the case of ICEX NEXT (Spain) which promoted their activities via local institutions such as the chambers of commerce, sector organisations and regional authories. The other common approach was through events organised by third parties such as international trade fairs, and social networks such as LinkedIn, Twitter, and Facebook.

Effective promotion is vital to the success of a policy measure. The lack of knowledge about specific policy measures was reported very frequent in the literature as well as found from our born global case studies. With respect to EU policy measures, it is necessary to recognise that the most successful promotional tool may not be the same in every member state. It may be illustrated with reference to the role of Chambers of Commerce in the UK in comparison with those in continent Europe.

* 1. *Delivery mechanisms*

A common criticism of public policy measures is that the effectiveness is strongly influenced by the delivery mechanism (Karlsson and Anderson, 2009; Bennett, 2014; Hoffman and Storey, 2018). Our analysis suggests that in some cases, delivery mechanism are direct (for example, Communication Support (Belgium) deliver its programme via its administrative body called AWEX, OTE (UK) provide its services directly to users. Whereas in other cases, the approaches are indirect based on the principles of contracting out. This type of delivery is particularly found in cases where the purposes of the measures is to provide training and networking. It can be seen in the case of BMWi (Germany), which involves third parties such as the federal trade agency German Trade and Invest to help finalise the selection of proposals for its events. Another typical example is Go Silicon Valley (Austria) utilises its connection with California-based business accelerators, and Californian institutions to assist with training and networking events. Another example is, Matchmaking Facility (Netherlands) that helps to match SMEs in developing countries to explore the import/ export opportunities in the Netherlands. The initiative is conducted via the Dutch embassies in the countries of the applicant SMEs.

* 1. *Monitoring and Evaluation*

A key question to ask when analysing policy measures is how efficient they have been, what the impact on the phenomenon is, and what extent are they achieving, what aims of the policy makers were when the policy measures were designed. Unfortunately, such questions are very difficult to answer because of the typical lack of monitoring and evaluation. Monitoring involves regular details and reporting if undertaking systematically, which can generate data with temporary feedback to assist in on-going improvement to the measures and its delivery. Evaluation, on the other hand, is a higher level activity which needs to be undertaken independently of the agencies or government department, responsible for them. Although the application of OECD guidelines of evaluation shows greater use now than it did 10 years ago, the overall picture is one where robust evaluation of a policy measure is the exception rather than the rule.

Although monitoring is more common than evaluation, this study shows that monitoring is typically undertaken internally and not always available for public scrutiny. For example, GVK (Denmark), SMEs’ CEO network enhancing project (Japan), and the IP Attache (UK) measured the satisfaction of their services, the number of workshops held, the number of participating SMEs, number of new partners/ collaborations. David Storey has previously argued that weakness of monitoring can be linked to the unclear nature of the targets set when the measures were first introduced (Storey, 1998).

Our investigation reveals that only about a third of the policy measures analysed were subject to some forms of evaluation. This can be attributed to the lack of transparency, lack of resources, or the limited scale of the project. The evaluated programmes are mainly government supported such as (BMWi (Germany), IP Attache Network (UK). In other cases, the evaluation may be undertaken internally and informally as part of the evaluation of a bigger campaign or strategy, for example (RIT (Japan) was evaluated as part of the evaluation of SME support by Japan External Trade Organisation.

1. **Conclusions**

Drawing on the analysis of seven born global case studies and their value chains, and the investigation of 28 policy measures across and beyond Europe, our paper has identified the support needs of born globals, how they utilised their support, and the extent to which the existing internationalisation interventions have addressed to born globals.

Analysis of the seven born globals and their value chains suggests that access to finance, tailored advice and networking are the most common needs to born globals. Despite operating in different contexts, our investigation shows that these needs are more demanding and critical to born globals who accelerate their internationalisation activities, compared to a gradual internationalising SME. Despite different pathways to access to external support, these born globals have expressed contradicting perceived value of the support they received. Overall, the born global case studies suggest that there was a gap between what existing interventions offers and the extent to which born globals’ needs were met. In general, administrative burdens such as time-consuming and costs, intransparent and lack of information, insufficient financial resources were commented by the owner-managers.

Analysis of the 28 policy measures shows that access to external resources is critical for internationalising SMEs and even more so for born globals. As far as finance is concerned, there does need to be some attention paid across Europe to make some provision for helping with working capital. Beyond that, one might suggest that support could focus more on helping the business owner/manager to reduce financial risk associated with establishing and growing within a foreign market. The question here is to ensure that any support that is specific or more applicable with the case of born globals is adequately provided. By and large we do not see much evidence of this being a major issue. At the same time, there is a case for the success of the EU advisory centre for IPR in Beijing being used as a basis for developing similar centres in other countries which represent important target markets for European SMEs.

In view of the fact that only 2 of the 28 policy measures explicitly mentioned the term ‘born global’,(and one of these is no longer operative), one must conclude that the concept is not considered by policy makers to be of importance when designing a support system for internationalising enterprises. It means that in the majority of cases no distinction was made between born globals and managers of other internationalising firms. The question is does it matter?

On the one hand, it may be argued that the term has potential marketing value in attracting owners of potential high growth companies. So whether or not it produces similar or different support needs, it can be argued that this type of entrepreneur can be very demanding in terms of business support and it is likely to take some benefit from being part of a so-called born global group. So the issue is less about the specific challenges facing born globals and more about how the identification and use of the born global label would be advantageous. On the other hand, the potential disadvantage of extending the usage of ‘born global’ labelling could contribute to the fragmentation in the supply of business support measures. These days the emphasis tends to be more on simplification, where the argument is that excessive fragmentation of policy measures can lead to confusion in the minds of SME owners-managers and, therefore, can be a problem in terms of increasing access. On balance, at the moment there is not enough evidence to suggest that the labelling of ‘born global’ would be of benefit or the opposite.

Finally, our research provides new insights in terms of firstly adding to the existing literature of international entrepreneurship by focusing on born globals operating within their global value chains across different contexts. We have identified distinctive features of born globals and their needs compared to a gradual internationalising SME. Access to resources and facilitating innovation, and networks are of more significance to born globals operating within a value chain. Secondly, the uniqueness of this paper is that we utilised the evidence from both the born-global and other organisations in their global value chain, and the analysis of policy case studies to have a comprehensive view from both perspectives. In this context, the current project is making a contribution to our conceptualisation of born globals. Finally, since the research was part of the EU’s Future of Manufacturing in Europe, the evidence and analysis is likely to be of use for national and EU policy makers. Specifically, the paper helps identify the gaps in policy support at national and EU levels for born global enterprises.

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