

Drivers and strategies of early internationalization: case studies from Poland

Abstract:

This study aims to answer questions: why and how some Polish firms expand on international markets right from their inception. The analysis is based on four case studies. Analyzed born globals show highly innovative behavior which varies in character according to their industry. Polish entrepreneurs pursuing early and rapid internationalization have relatively limited international business experience and, perhaps as a result of this, have very limited international networks at the time of start-up. These limitations, however, do not constrain rapid entry to international markets. Lack of international networks is compensated by intensive pre-establishment preparatory phase which sometimes involves experimental sales and heavy reliance on internet-related tools for customer contact.

Introduction

The dynamically developing field of international entrepreneurship has focused predominantly on firms from highly developed countries, such as US, Scandinavia, UK, Spain, Australia or New Zealand (Andersson et al. 2004, Jones 1999, McAuley 1999, Rialp et al. 2005, Rennie 1993, Coviello 2006). Firms from emerging markets such as People's Republic of China and South Korea have only recently come under researchers scrutiny in this respect (Zhou 2007, Zhang and Dodgson 2007). No studies from Central East European post-communist economies have been reported. Lack of knowledge on early internationalization processes of young entrepreneurial firms from emerging markets is thus visible. Therefore this paper is intended to contribute to filling this gap by focusing on young, small Polish firms that rapidly expand on international markets. The objective of this study is to analyze antecedents of early internationalization and strategies of entering foreign markets applied by born globals from Poland. The paper is organized in a following way: first a short review of existing literature is presented followed by some methodological remarks, then four case studies are shortly outlined and finally case study findings are discussed.

Literature review

Previous literature on born globals analyzes such issues as: criteria distinguishing firms as born globals and their typologies (Oviatt and McDougall 1994, Aspelund and Moen 2005, Knight and Cavusgill 2005), driving forces behind early internationalization (Madsen and Servais 1997, Weerawardena et al 2007, Zucchella et al. 2007), strategies pursued by born globals (Knight and Cavusgill 2005) and performance born global firms (Aspelund and Moen 2005, Knight and Cavusgill 2005) to name just some of the fields.

As the paper focuses on drivers and strategies of early internationalization the literature review will focus on these two issues. The reasons for early internationalization are sought in external, environmental factors and internal, related to the firm. As far as external factors are

concerned, they refer to the decrease in trade barriers, homogenization of markets as well as improved international transport and telecommunication and lower costs of international trade (Oviatt and McDougall 1994, Madsen and Servais 1997). These changes have had a particularly high impact on resource-constrained firms such as new ventures. These environmental changes have exerted impact on internal situation of start-up firms as due to increased mobility, rising numbers of people exposed to international business experience and improving language skills firms more frequently possessed resources and capabilities helpful in international expansion (Oviatt and McDougall 1994). Traditional models of internationalization, such as Uppsala model (Johanson and Vahlne 1977) regarded experiential knowledge of foreign markets possessed by the firm as the key driver but also constraint of international growth.. Therefore research has analyzed conditions which allow young firms overcome shortage of experiential knowledge concerning foreign markets. Researchers have proposed that entrepreneur's international experience (Andersson and Wictor 2003, Crick and Jones 1999, Oviatt and McDougall 1997, Zucchella et al. 2007) and knowledge of foreign languages (Zucchella et al. 2007) could serve as a driver of early internationalization. Another factor which research has regarded as contributing to early internationalization was entrepreneur's global vision (McAuley 1999) or global orientation (Rennie 1993, Rasmussen and Madsen 2002). Analysis of entrepreneur's profile have found also that entrepreneurs' proactive, innovative and risk-tolerant orientation enabled them to acquire knowledge of markets in a faster way (Knight and Cavusgil 2004, Zhang 2007). A whole stream of research has focused on the social capital of the entrepreneur in the form of networks which was found to substitute scarce tangible resources and to serve as a spring board for fast international growth (Blomstermo et al. 2004, Coviello and Cox 2006, Sharma and Blomstermo 2003). The empirical evidence concerning social capital endowment among born globals indicates that while practically all firm use networks in their internationalization

efforts, some have to build them anew as existing ones are not adequate to the needs posed by internationalization (Loane and Bell 2006).

As far as the relationship between strategy and born globals' success is concerned research indicates that entrepreneurial and global orientation of management team as well as technological leadership characterize most successful born globals (Knight and Cavusgil 2005). The same authors find that differentiation and focus are more effective as strategic approach than cost leadership.

A recently developed model explains early internationalization by linking entrepreneurs' characteristics to dynamic capabilities necessary for accelerated internationalization (Weerawardena et al. 2007) This model is based on the assumption that entrepreneur's qualities impact on the new venture capabilities of external, market-oriented learning, internally-oriented learning (focused among others on product development) and networking capability. The three capabilities translate in turn into marketing capability and capability to develop knowledge intensive products which both are precursors of early and fast internationalization. Further analysis will broadly follow logic of this model focusing on entrepreneurs' characteristics, born globals' learning behavior at different stages and in different dimensions and strategies applied by studied firms.

Methodology

As the research objective of this study is to answer the questions of 'why' and 'how' small Polish firms embark on the fast-track internationalization, case study methodology has been regarded to be adequate method (Yin, 2003, p.5)

Firms for this study were identified through press search and personal contacts as these were the only available sources of information. No large scale study on early internationalization has been carried out in Poland to date. Three firms were identified in press articles which dealt either early internationalization cases among Polish firms (two cases) or financing of hi-

tech companies (one case). Contact to the fourth firm was 'recommended' by one of these three entrepreneurs. Two of the analyzed firms are typical hi-tech, even R&D firms offering specialized products for commercial customers while the other two companies are oriented at retail customers and are active in entertainment industry. Thus the choice of case study units followed partly the literal replication logic as there were quite close similarities between firms from within the same industry. Firms from entertainment industry offered similar, though not competing products to the same type of customers. Differences were limited to company age and turnover although they were not substantial. R&D companies displayed some differences as one company (denoted as A) offered more standardized products/services while the other (denoted as B) offered rather tailor-made solutions. However both dealt with institutional customers and their scale of operations was similar. Comparative analysis of firms from two different industries was expected to produce industry-specific characteristics. Although these expectations were not too strongly rooted in theory, key differences were expected to consist in different knowledge content of products and different type of customers. Case study analysis showed that differences in respect to knowledge content were actually smaller than expected.

Data has been collected from various sources, such as press articles, web pages, semi-structured interviews with founders of analyzed firms and in one case, additional written information provided by the company owner. Company reports were not available due to small firm size. Most of interviews were conducted in year 2008. All of them lasted between 60 and 120 minutes. In case of the firm that will be further on denoted as firm X, interviews were conducted twice, first time in 2007 and second in 2008. All interviews were recorded on a digital voice recorder and subsequently written down.

All interviews included questions regarding such issues such as: reasons for internationalization, including business drivers and personal motivations and inspirations,

entrepreneurs' qualities, with a special stress on prior business experience and international exposure, source of competitive advantage of the firm and last but not least ways and mechanisms of entering foreign markets. Following section presents most important facts concerning these dimensions of analyzed firms.

Short description of firms:

Real names of the firms are not revealed and are substituted by letters A, B, X, Y. Firms A and B are R&D firms while firms X and Y are firms from entertainment industry.

Firm A

Firm A was established in 2004 and right from inception was international, as the first order was from a foreign client. The firm has managed so far to sell its services to 10 European countries, US and Taiwan. The first sales transaction was international and exports have made up roughly 80-90% of its turnover in the last 4 years. Due to the highly innovative character of products/services, the company is the only independent firm to offer specific repair services to mobile telecommunication providers. Its main competitors are producers of the telecommunication equipment and to some extent resellers of second-hand equipment. Thus, one could say that it pursues a niche strategy even though it would be more appropriate to say that it creates rather than looks for niche markets. Sales development and client acquisition has gone via several channels, prior contacts of the CEO from his consulting business, participation in international trade and business fairs, web page (several inquiries) which is run exclusively in English and direct marketing activity.

The idea of setting up firm A came from the current CEO of the firm who ran since 2001 a small consulting firm serving international telecommunications industry. The company was set up by four people with complementary expertise from such fields as telecommunications, electronics and software development. While serious discussions about setting up the firm started at the beginning of 2003 the company came into existence in 2004 only after the

founders developed software tools needed for their core activity and after first order, first client had been won. Firm A is in a R&D business although, so far most of its revenues come from providing specialist repair services to the mobile telecommunications industry. The innovative activity of the firm consists in designing diagnostic tools and procedures for repair services as well as designing tools for automating certain procedures in telecommunication industry. Currently the firm employs 12 people, including founders, but outsources several functions, such as finance and marketing.

The four founders of firm A knew each other very well prior establishment of the company as they attended together the same university. This acquaintance was instrumental in building trust in the first phase of company existence. Trust and complementary skills are regarded as key success factors. External network of Firm A includes a partner firm from Taiwan who cooperates in the process of delivering services to that market as well as local university and some academic association. Contacts with university enable the company to get student and graduate trainees which is helpful also for the recruitment process. Cooperation which takes place with the university and various academic organizations is also helpful in the development and commercialization of a new product. However, repair services which are so far core activity and source of company revenues are conducted without involvement of external parties.

Firm B

Company B was established in 2002 by a university professor, a specialist in optoelectronics with no earlier business experience. The company specializes in production of measurement equipment for optoelectronics industry and in particular for laboratories that work for this industry. Firm B so far has sold its products to some 20 countries worldwide and while its key clients are located in Asia, it sells also to Europe and North America. The founder, prior to establishment of the company was involved in various projects pertaining to the field of

measurements. These were both purely academic projects as well as projects consisting in building measurement equipment for foreign scientific institutes. Before starting the company the founder tried to commercialize his knowledge and experience via cooperation with existing domestic and international firms but these attempts were unsuccessful. Foreign firms were skeptical in respect to potential benefits of such cooperation while domestic firms turned down the project as soon as they realized that it involves exports. Polish market for this type of products is very small and currently provides a marginal amount of the whole Firm B turnover. Firm B was financed exclusively by the founder having no credits, no external capital and participating in state-financed projects on a marginal level. However, the founder of firm B has kept his position a university professor having thus another source of revenues. Firm B employs apart from the founder 7 people. The founder fulfills roles of the manager, key engineer and sales person. The other personnel is engaged mainly in construction and only one person supports the owner in certain sales activities.

The company is in a natural way linked to local universities through the owner, although cooperation is not smooth as commercial activity of a university professor is not fully approved by the academic circles. First important sales transaction took place in 2002 thanks to earlier contacts of the owner with a foreign academic institution. It was a one-time deal, although quite important in the take-off phase because the first two years of activity were characterized by overall low sales. First sales transactions were conducted by some Polish trading firms but these relationships were short-lived due to negative assessment of benefits and risks involved in such intermediation. Current sales are generated either by direct customer contacts via web page or via foreign distributors or traders. These contacts have not been actively pursued by Firm B but rather by distributors themselves. Firm B takes place in trade fairs rather only occasionally. Such relatively passive approach to sales is possible as the market for products is relatively small. Only some 6 firms worldwide offer comparable

products which makes this 'the market of the supplier'. Thus sales transactions are frequently initiated by customer or distributor inquiries.

Firm X

Firm X was officially established in 2004 although the idea originated around 2001 and first experimental sales started in 2002 as a sort of founders' hobby. The company produces original, high quality accessories for RPG games (role playing games). The company is innovative in several ways. In terms of design it is both original and has a much broader portfolio of product designs than competition. In terms of production it possesses production line that enables it to produce designs which have been so far impossible to imitate by competition. Last but not least it is innovative in adapting to customer needs as it runs an internet forum to involve clients in the design process. The founder is a student, currently doing weekend studies in the field of management. At the time when the first idea of the firm appeared he was a fresh graduate of high school working at a bank. At that time he regarded production and sales of accessories as a source of extra revenue that supplemented his salary. Due to young age of the firm X founder he had no prior international work or business experience. His knowledge of English was also very limited at the moment of company inception. However, despite young age he already had experimented with producing and selling other products on the internet by 2001. His young age and entrepreneurial approach contributed to a posture that world is the limit, despite lack of international experience.

First sales which were conducted on a small scale, still prior to official establishment of the firm, were targeted mainly at Polish and German markets. Initially the company sold mainly via internet sales platforms like Allegro in Poland and E-bay in Germany. Around 2005 firm X opened its web page and web shop in English which initiated expansion to other markets. Currently the company sells via official distributors in France and US and still uses its e-shop to serve both retail and wholesale customers (with adequate price reduction) from other

countries. Exports rose from 60% in 2005 to over 80% in 2008. Roughly 50% of exports go to American market and the other 50% to European markets, of which Germany, France, UK and Italy are the most important ones.

Firm X employs on a regular payroll only 3 persons but cooperates on close basis with over 10 other persons. The founder is actively involved in the firm management but there are two other people responsible for production and sales. Several persons were helpful in the process of company development, father of the founder whose experience and knowledge was indispensable in design and production, a few years older colleague-entrepreneur who served as a consultant or even a mentor, and last but not least the person responsible for sales and international contacts who acted also as an interpreter. Firm X started with no international contacts but developed these by means of participation in international trade fairs of the RPG industry. The most important international relationship is at the moment its US distributor. Currently the firm strives to establish new contacts that would enable it to obtain license rights allowing the firm to design and produce accessories complementary to popular RPG games.

Firm Y

Firm Y is active in the same industry as firm X as it also produces accessories for RPG games, although of different character than ones produced by X. It started officially in 2006 but the first idea that it is possible to make money on RPG accessories came in 2001. Firm Y was set up by two persons who have known each other for over ten years. Both had some prior exposure to modeling and RPG games although each specialized in a different hobby than the other. One of them had a high-school while the other university education but neither had any business education. Their international exposure was limited to family contacts in Germany of one founder and a short but instructive foreign trip of the other. This trip involved visit to a British MNE active in modeling business and some discussions with its

owner. Founders' knowledge of English at the time of company inception was at most moderate. Company beginnings were preceded, similarly as in case of firm Y, by the stage of experimenting with production and sales of accessories on a hobby-like basis. The two founders first started doing it in a group with four other persons. This relationship ended as the other people were not committed to the idea of setting up a regular firm. Then the founders were joined by two other people who were interested in common business and who had some business knowledge and a good command of English. In this constellation they worked over one year in the same fashion of combining their regular jobs with preparations for the official start of the company. Finally, due to misunderstandings concerning shares in the company, the founders left the other two would-be partners and set up a company on their own. First sales were carried out through internet platforms such as E-bay. Although there were some tries to sell products in Poland, conditions offered by shops were not sufficiently attractive and it was decided to go for international markets. The first market chosen was Germany, due to lower language barriers and easier access to telephone numbers of shops and RPG distributors. E-bay served all the time as a means of entering markets and also as a way of collecting information from customers. In time this was substituted by company e-shop. Sales via E-bay and via e-shop led to spreading the news of the product and resulted in unsolicited inquiries and orders from some shops or distributors. Firm Y attends also trade fairs though on a smaller scale than company X.

Currently firm Y employs, apart from owners, 10 people of whom 3 are employed full-time. Company owners shared their responsibilities between production and business related duties, such as sales and finance. Apart from Germany the firm sells to France, Spain, and on a smaller scale to UK, Sweden, Denmark, Holland, Italy and Austria. Recently it entered New Zealand and has some plans for Singapore. Apart from selling via E-bay it sells via shops and

TABLE 1 Summary of key data on analyzed firms

	Firm A	Firm B	Firm X	Firm Y
Company data				
industry,	R&D	R&D	Entertainment	Entertainment
year of setup	2004	2002	2004	2006
pre start-up preparatory phase	At least 1 year	At least 1 year	3 years	Several years (less than 5)
turnover	between 1 and 5 million USD	between 1 and 5 milion USD	less than 1 million USD	less than 1 million USD
% of foreign sales	80-90%	Over 90%	Over 80%	Almost 100%
number of foreign markets served	12 (Europe, US, Asia)	20 (Asia, Europe, US)	Over 10 (US, Western Europe)	11 (mainly Western Europe, also New Zealand and Singapore)
number of employees (including company founders)	12 outsourcing is used in certain functions	8	3 outsourcing is substantial	5 + 7 part-time
The Entrepreneur profile				
International experience and sources of global vision inspiration	Prior international business assignments	post-doc job in South Korea; International scientific conferences (linking point between academia and industry)	No international contacts	Hobby-related contact with a British MNE owner
Entrepreneur's background	6 years work experience of which 3 as independent international telecommunication consultant	University professor with no prior business experience; some unsuccessful attempts to cooperate with the industry	Student, prior experience with product development and internet sales	Hobbyists with no business experience
Social capital of the entrepreneur	Close links between 4 founders, a moderate number of weak ties with potential clients	Links with South Korean University (first substantial order) and domestic Polish University	no international contacts at the beginning, a few valuable domestic ones (family business of founder's father was in a similar industry)	International contacts limited to the 'inspiring' encounter with British entrepreneur; contacts with potential domestic customers
Learning				
The experimentation phase prior official establishment of the company	Development of the key product prior official start of the company First business contacts via	Development of the key product, unsuccessful attempts to commercialize the product with external firms	Development of products, and some experimental sales via E-Bay	Development of products and experimental sales via E-Bay

	another firm of one of the founders			
Externally-oriented learning	Participation in trade and business fairs Cooperation with a partner firm in Taiwan	Visiting international clients helps in developing knowledge related to market, product	Learning via internet and via traditional means like trade fairs	Learning via internet and via traditional means like trade fairs
Internally oriented learning	Constant development of existing and new products	Constant development and improvement of the product	Upgraded production technology; new designs, new strategic concepts	Increasing range of designs and product quality
Network-oriented learning	Networks serve in product development process (cooperation with local university) and Asian market development (partner firm form Taiwan)	Limited to distributors and moderate cooperation with home university of the founder	International business contacts in the RPG industry actively pursued in order to obtain access to license rights	Moderate or low role of networks
Product				
Product/customer	Software and services for mobile telecommunication industry	Measurement equipment and accompanying software and services for optoelectronics industry	Entertainment industry – role playing games	Entertainment industry – role playing games
Knowledge content	Very advanced, unique	Very advanced, high tech knowledge	Advanced proprietary technology, advanced design	Proprietary technology, diverse design
Strategy				
Strategy – key dimensions	Niche strategy Leadership in development of a new industry sub-segment	Niche strategy Technological leadership and cost leadership	Niche strategy Technological leadership, leadership in product design, attempts to access external resources (licenses)	Niche strategy Technological leadership, product innovation, leadership in product design, attempts at obtaining licensing rights – similar to X
The role of internet	Web page (exclusively in English) – generated some of business contacts	Web page (exclusively in English) – generated majority of business/ distributor enquiries; also important as a source of product information	First sales were carried out through internet platforms; Sales via e-shop are still very important	First sales were carried out through internet platforms; Sales via E-bay and e-shop play a key role
Source: case studies				

wholesalers. Apart from relationships with distributors very important are relationships in the RPG community. One of the owners regularly plays RPG and uses this as an inspiration for new product design ideas which either come 'by themselves' or are suggested by fellow players.

Discussion

Impact of market environment on early internationalization

We observe in the analyzed cases a mixture of pull and push business factors that decide about their early internationalization. While all the firms offer niche products or services, only in case of B lack of market in Poland forced the firm to internationalize right from inception. Founders of the other three firms note, however, that foreign markets can be easier to enter and are more lucrative due to their market potential and customer purchasing power. Firms X and Y were pulled to internationalize not only by the size of the market as such but also by the fact that they targeted high-end segments. Foreign clients were much more willing to spend money on this type of products than domestic ones. However, apart from pull factors there were also push factors related to difficulties in entering the domestic market. In case of firm Y, it was dissatisfied with conditions offered by domestic shops requiring excessively long, in its opinion, trade credit and being non-cooperative in the management of receivables. In case of firm A, relatively higher entry boundaries in the domestic market, as compared to foreign ones, were related to unclear decision making processes in Polish firms and distrust displayed by Polish managers towards domestic technologies. Both firms eventually started selling at home but their first substantial transactions were conducted with foreign clients. Thus, apart from previously mentioned motives for early internationalization such as for example insufficient size of the domestic market we find two new factors driving Polish born global firms, which might be important also for born global firms from other emerging

markets. These two motives are: higher purchasing power of foreign customers that pulls firms abroad, and relatively higher domestic transaction costs which push firms abroad.

Entrepreneur's profile

At the time of setting up companies, founders had already substantial achievements in terms of product design but their international business experience was rather low. Only one entrepreneur, the founder of Firm A, had regular international business experience. The founder of Firm B had some international experience but in academic not business environment. Founder of firm X had no international experience while in case of firm Y one of its co-founders had international experience from private life due to his parents' migration to Germany. However, a common trait for co-founders of firms A, B and Y was that their international experience either inspired them or at least convinced them that global markets are accessible. Founder of B was inspired by Korean SMEs and was a distant observer of at least one successful Korean born global. He also encountered the founder and CEO of his current competitor who proved very inspiring. Co-founder of firm Y observed a successful international company in the United Kingdom being invited by its CEO for some private, hobby-related reasons. Concluding, international experience had a relatively small direct impact on firms internationalization capability but a relatively greater on entrepreneurs perceptions of their internationalization potential.

As far as entrepreneurial orientation of firm founders is concerned it could be assessed as relatively substantial. For A's co-founder this was his second international venture. Founder of B was a successful scientist with a record of 10 research grants (within 15 years) and several attempts at commercializing scientific findings. Founder of X experimented with product design and sales still in his teens. Founders of Y had relatively least impressive record though some experimentation with product design and sales preceded official start of the company. Entrepreneurial and proactive orientation was thus visible among founders, which

could explain rapid pace of their firms and explain also market-focused learning which preceded official establishment of firms. This finding is in line with both theoretical propositions (Weerawardena et al 2007) and earlier empirical findings (Zhang 2007).

From the above explanations concerning market environment and sources of founders' inspiration it follows that the studied entrepreneurs had a global orientation. Each started exporting practically from the moment of company establishment..

Each of the analyzed firms was established only after prior experimentation with either product design (Firm B), both product design and international sales on a small scale (Firms X and Y) or product design and first contract (Firm A). The preparatory phase was thus used both for product development and market search. Such a learning orientation might at least partly substitute limited international experience and lack of international network ties. Apparently this preparatory phase took longer in firms X and Y, whose founders had relatively lower international experience and fewer international ties at inception. Further study is needed however, to check if this is not an accidental relationship and if industry characteristics did not influence this relationship.

Personal contacts established before firm start-up generated business contract only in one case. Firm B obtained one of its first substantial orders via person known personally by the founder. This was a one-time case however, and no other firm experienced a comparable situation. This could be explained by relatively limited exposure of studied entrepreneurs to international business particularly salient in cases of firms X and Y. Lack of prior international experience most likely limited the size of their international networks. Thus our findings are in line with Loane and Bell (2006) who find that majority of Born Globals start without an international network and build it only as they develop their international presence. Most of the ties developed by studied firms over time were weak ties with their customers or distributors. In few cases they generated referrals as in case of firm Y which benefited from

retail client referrals to commercial customers (mainly shops). In case of firm B contact with customers generated new knowledge useful in product development as well as concerning the market. Stronger ties were developed only by firms A and X. In the case of A cooperation with a local university contributed to product development while cooperation with a partner firm in Taiwan was regarded as key for entering Taiwanese and potentially other Asian markets. Firm X developed stronger ties with their US distributor. X focused also on developing closer ties in the RPG industry, which was part of its strategy to extend product range into accessories accompanying best-selling products of other firms. In both of these cases strong ties served these firms to access resources such as distribution capability or strong brands, which were otherwise inaccessible.

Knowledge intensive, competitive products

Each of the studied firms offers an innovative product or service. Firm A developed unique software and has become the only independent SME worldwide to offer specific repair services for mobile telecommunications networks. Firm B developed proprietary technology of producing measurement equipment and accompanying software becoming one of only few firms worldwide that offer similar products to optoelectronics industry. Firms X and Y offer products which are unique due to their original design and their proprietary technology of production (especially in case of firm X). Thus, all of them could be regarded as innovative firms even though innovation is more of technological nature in case of firms A and B and more related to design in case of firms X and Y. Furthermore all firms stress the innovation process as core to their competitive position. Firms A and B in fact regard themselves as R&D firms. Our findings are thus in line with this stream of research on Born Globals (Knight and Cavusgill 2004, Weerawardena et al 2007) that stresses the importance of innovation and learning as the source of their competitive advantage and the reason for early internationalization. Additionally, all of studied firms paid particular attention to product

quality, aiming to achieve higher product quality or service reliability than competitors. Their strategic approach could therefore be described as both differentiation and technological leadership which might also explain their relative success (Knight and Cavusgill 2005).

Exploring and entering markets via Internet

All of the interviewed entrepreneurs acknowledged instrumental role of the Internet for learning about the market, promoting their firms, lowering transaction costs and acquiring new clients. Such findings are roughly in line with other research on the impact of internet on internationalization (Mathews and Healy 2008). Firm A got several inquiries through their web page. Firm B was approached by several distributors thanks to its web page. Particular importance of internet and internet sales is visible in case of firms X and Y. E-Bay or similar platforms constituted their first sales channel and the place where pre-start up experimentation occurred. Internet was not only the market-space that allowed them to push through their products at low transaction costs but also one of the means of searching the market and creating their brand. Clients won by these means, at least in case of firm Y, served as the first contact to shops and other larger clients. Summing up, it is noticeable that Internet space had a profound impact on all studied firms while in case of firms X and Y internationalization would probably not occur without it. An interesting avenue for further research that appears in context of Internet is whether lack of international experience and associated with this deficiency of international ties could be substituted by heavier usage of internet.

Conclusions

The study offers some new insights concerning the born global phenomenon. First, studied firms showed relatively low levels of prior international business experience, which did not constitute an insurmountable barrier to internationalization. Earlier international exposure had a greater impact on the perceptions of internationalization chances than on specific operational knowledge related to international presence. Analyzed cases indicate also that

entrepreneurs may experience not only financial but also social capital constraints. Lack of international networks seemed to be compensated by preparatory phase of product development and market experimentation as well as by heavy reliance on internet-related tools. Finally, all analyzed firms were established once product development was sufficiently advanced and initial sales were ensured. In this way financial resources needed for the initial period were minimized.

The observations of this study largely confirm theoretical model of early and rapid internationalization presented in Weerawardena et al (2007). Founders of studied firms displayed global entrepreneurial and learning orientation which contributed to overcoming not only tangible resource limitations but also limitations concerning inadequate international experience and few international ties. As a result, studied firms were characterized by knowledge intensive products and displayed high degree and high pace of internationalization right from the beginning.

All analyzed firms were located in one emerging market – Poland, and so generalizations for other locations would be premature. However, on the basis of our observations it seems worthwhile to undertake comparative studies that would involve born globals from both developed and emerging countries. In particular it would be interesting in such a context to analyze whether firms from emerging and developed markets might experience different resource pools and as a result use different strategies compensating these resource shortages.

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