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Sources of Value Creation in Born Global Companies

Abstract

Research about the phenomenon of rapid internationalization of small and medium size companies has evolved over the last two decades. Nevertheless, questions about business models or value creation in born global enterprises are rarely addressed in the literature. The objective of this article is to develop a theoretical framework for analyzing the sources of value creation in the business models of international new ventures (INV) global companies, starting with adapting the model by Amit and Zott [2001, 2010] to early internationalizing venture. Current literature on international entrepreneurship, business models and value creation is also used as a basis for suggesting future empirical research recommendations.

Keywords: born global, business models, sources of value creation
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Introduction

It has been over 20 years since the first journal articles on the phenomenon of rapidly internationalizing entrepreneurial companies, referred to as "born global companies" [Rennie, 1993] or "international new ventures" [Oviatt, McDougall, 1994][2] were published.

Since then, a substantial body of research has intended to learn and analyzed the characteristics of these enterprises and aimed at explaining their behavior and international expansion. An emphasis on the entrepreneurial facet of rapid internationalization has contributed to the emergence of the International Entrepreneurship field of study, which focuses on small and medium companies (SMEs) entering foreign markets. This paper extends international business research by linking the notions of value creation and business model concept to existing knowledge about early internationalized ventures. A business model approach allows to analyze a born global company in the context of its relations with external entities and evaluate the process of value creation on a more systemic level. Consequently, the following research questions are formulated:
RQ1: What constitutes a business model of a born global company?
RQ2: What are the key sources of creating value in a business model of a born global company?

The literature on international entrepreneurship, business models and value creation was used to identify the key components of a born global company's business model and its sources of value.

The article is organized as follows: we briefly present different views on the notion of value in the economy and management, using the work of Amit and Zott [2001, 2010]. Different attempts to integrate business model perspective and value creation in international entrepreneurship research are also discussed. The author concludes by proposing an interpretation of the business model concept in the context of born global companies and suggests further empirical research on the sources of value creation in these firms.

Despite the wealth of research related to early and rapid internationalization of the firms, much work is still needed. In today's economy, characterized by widespread internet use and globalization, these firms are increasingly common [Cavusgil, Knight, 2015]. The new generation of entrepreneurs, raised in this environment in which access to internet and further network formation is common, typically perceives the world as market with their products. This approach has significant implications for national economies: born global companies offer potential growth and employment, enable transfer of knowledge, and co-create high-value-added activity clusters. They are forming new global industries, creating stocks of skills, knowledge, and innovation as well as highlight their country's potential and positive image as a trade and investment partner [Eurofund, 2012].

Typically, born global companies, as newly established units struggle with a lack of resources and experience. Yet managing an international presence is demanding and requires an entrepreneurial orientation characterized by pro-activeness, innovativeness, perseverance and passion [Zahra, 2005; Gerschewski et al., 2014, 2016; Cavusgil, Knight, 2015; Zander et al., 2015]. Overcoming the obstacles and meeting the demands and requirements is often achieved by concentrating on high quality products tailored to specific client needs and enabling access to vital resources through networks [Cavusgil, Knight, 2015]. The dynamic capabilities perspective, common in the literature identifies organizational learning as an effective driver of early internationalization [Knight,

Cavusgil, 2005; Weerawardena et al., 2007]. In the light of limited resources and a highly competitive, international environment, born globals need to carefully evaluate their performance financially, and also in terms of operational and organizational effectiveness [Gerschewski, Xiao, 2015]. Many authors also point to a predominance of differentiation and focus strategies in this group of companies [Zahra, 2005; Zander et al., 2015]. Targeting homogenous groups of customers in global niche markets allows them to exploit economies of scale and lower costs of adaptation.

This article's contribution to the current field literature including international business and international entrepreneurship literature lies in analyzing – in combination – the born global firm, its business model, and then sources of value creation. We therefore reveal key elements of the sources of value bearing in mind the international environment and flexibility of the company. The research has also some practical implications, guiding the managers of small and medium international companies how to improve the mechanism of value creation in their enterprises.

The Concept of Value

Cleverly designed value creation processes and value capture processes allow companies to build sustainable competitive advantage and constitute the basis for achieving financial success [Di Gregorio, 2013]. But value itself is an ambiguous concept. The economic literature addresses value in many different contexts and frameworks, ranging from strategy to entrepreneurship, economics and marketing [Di Gregorio, 2013]. For example, financial value can be interpreted as the financial value of the enterprise or a brand; the value appropriated to the customer or captured by a company in a transaction. Thus, when considering the concept of a value, one should specify the type of value and stakeholder that is addressed.

Baier, as cited in Haksever et al. broadly define value as "the capacity of a good, service or activity to satisfy a need or provide a benefit to a person or legal entity" [2004, p. 292] They also distinguish three dimensions of created value: financial, nonfinancial and time (that is, benefits realization rate, saved time and the time frame during which the benefits are obtained). Another interesting interpretation of value is presented by Di Gregorio, who defines it as "potential or realized utility within a population" [2013, p. 40], which addresses the wide range of users to whom value could be targeted and also embraces potential value that could be captured in the future. Utilized value should be therefore understood as captured value, which is usually smaller than created value.

Concentrating on the value created by an enterprise for the customer requires further clarification. Regarding the strategy and process of creating value inherent to a company, Bowman and Ambrosini [2000] emphasize the distinction between *use value* and *exchange*

value. *Use value* is the value of a good perceived by the customer. It is, therefore subjective and based on customer beliefs, needs, unique experiences, expectations, wishes and wants. *Exchange value* is the price of a good that the customer agrees to pay when a transaction takes place. Although the organization captures value at the moment of exchange, use value is equally important because of its influence on a consumer surplus (translation of use value of a good/service and the price paid for it). Customers will eventually choose products that offer the largest consumer surplus [Bowman, Ambrosini, 2000].

The question of value creation is related to a fundamental economic issue: the creative transformation of inputs into outputs performed by the enterprise. Outputs should be valuable for potential customers, but also, according to the resource-based theory of a firm, a high value of the inputs (resources) is needed to compete successfully in the market [Barney, 1991]. Given the importance of valuable resources, it is essential to note that the value is not created by (non-human) resources itself. Rather, tangible and intangible resources are deployed by individuals and organizations in the process of adding the value [Di Gregorio, 2013; Spender, 2014]. Consequently, entrepreneurial labor capable of managing the transformation of resource inputs is crucial in use value creation [Bowman, Ambrosini, 2000].

Business Models and Sources of Value

Value is a core business model concept that can be noticed to be used in many researches. A business model is often referred as the firm's logic for value creation and commercialization [Osterwalder et al., 2005]. DaSilva and Trkman [2014] note that a business model is about generating value through transactions, taking advantage of specific combinations of resources. As such, it reflects the implementation of a company's strategy within a specific value network and time framework. There are different views on the business model elements, but many of them also directly refer to value creation, delivery and capture (exemplary propositions are presented in table 1; for an extensive review see Osterwalder et al. [2005] and Richardson [2008]).

Other theoretical propositions analyze the subject from an activity system perspective. Amit and Zott define the business model as "a system of interdependent activities that transcends the focal firm and spans its boundaries" [2010, p. 216], which depicts "the content, structure and governance of transactions designed so as to create value through the exploration of business activities" [Zott, Amit, 2001, p. 511]. This view emphasizes the performance of transactions and activities but this requires resources and particular capabilities to be in place. As a result, the authors distinguish between three basic elements of the business model:

- activity system content – which activities will be performed?
- activity system structure – how these activities are linked? (connections and hierarchy)
- activity system governance – who will perform these activities?

TABLE 1. Theoretical perspectives on a company's business model

Source	Elements of a business model
Chesbrough and Rosenbloom 2002	– Value proposition – Market segment – Value chain – Cost structure and profit potential – Value network – Competitive strategy
Osterwalder et al. 2005	– Value proposition – Target customer – Distribution channel – Relationship with customers – Value configuration – Core competency – Partner network – Cost structure – Revenue mode
Richardson 2008	– Value proposition – Value creation and delivery system – Value capture

Source: own elaboration.

Onetti et al. [2012] sought to integrate different theoretical perspectives of business models and incorporate into this concept the notion of location/internationalization. Based on an extensive body of literature, the authors observe that existing definitions of business models and its elements vary greatly. Among most cited components, there are: processes/activities/value chain, customer (relationship/interface) and value networks (partners/actors/suppliers/alliances). We recognize that for new tech-based firms internationalization is a multidimensional, relational and knowledge-based augmenting process, and for these companies entrepreneurship, innovation and internationalization should be seen holistically[3]. Indeed, some authors note, internationalization itself is kind of innovation for SMEs [Veglio, Zucchella, 2015]. As a result, the business model is defined in relation to three areas of managerial decisions/activities:

- *focus* (the selection of activities),
- *modus* (internal organization and value network design), and
- *locus* (location of activities).

This framework allows geography and networks to be included as additional dimensions of business model research. It shares some characteristics with the previously cited activity system perspective, although there are differences around attributing outsource/insource decisions and incorporating the geographical configuration of value chain in the second model. The business model perspective developed by Onetti et al. [2012] seems to be more accurate for analyzing international new ventures (INV), because of its high level of internationalization and the role of foreign markets in their strategy.

Referring to the frameworks of entrepreneurship and strategic management research (namely: strategic network theory, value chain, transaction cost economics, Schumpeterian creative destruction and a resource-based theory of the firm), Amit and Zott [2001, 2010] propose a sources of value creation model in e-business, which is also applicable to other enterprise types. Total value is understood as "the sum of the values appropriated by all the participants in a business model, over all transactions that the business model enables" [Amit, Zott, 2001, p. 515]. The share of appropriated value is divided in a process of bargaining between participants [Brandenburger, Stuart, 1996].

Instead of treating the firm as a unit for analysis, Amit and Zott suggest that a business model would be more appropriate for value creation analyses because it considers the firm together with its environment, taking into account value that emerge from the network of companies and not only the company itself. This proposed business model is consistent with other theoretical frameworks of entrepreneurship and strategic management that permits the role of partner and customer networks to be considered in value co-creation [Storbacka et al., 2012] and to include other stakeholder perspectives (e.g. society) that may help in constructing more sustainable model [Yang et al., 2017].

Based on theoretical research and the analysis of 59 e-business companies, Amit and Zott [2001] identified four main dimensions essential to a firm's value creating potential: efficiency, novelty, lock-in and complementarities. Efficiency refers to reorganizing activities within the business model to reduce transaction costs. That could be achieved, e.g., by internalizing some external processes or reducing information asymmetries through implementation of a common data system in the value chain. Novelty refers to product, process, organization or marketing innovation, and also a new structure of activities embedded in new business methods. Value creating potential stems from attracting customers or other stakeholders using novel solutions, and retaining them – referred to as a lock-in. There are many ways to encourage customers to repeat transactions or partners to deepen relationships, including loyalty programs, dominant design proprietary standards, personalization and customization of offerings, building communities, and positive network externalities. Enhancing value generation by complementarities is based on bundling different activities, assets, outputs or technologies to increase revenue. These four dimensions are interdependent and could further strengthen each other.

Some authors attempt to incorporate value taken from a business model perspective into International Entrepreneurship. The following part briefly presents existing research in this field.

Business Models and Value Creation in International Entrepreneurship Research

With a few exceptions [Mets, Kelli, 2011; Servantie, 2011; Lee et al., 2012; Johansson, Abrahamsson, 2014; Bouncken et al., 2015], rapid internationalization of SMEs has not been studied in the context of the evolution of their business models. The differences between the domestic and international environment suggests, that the company may decide about an adjusted business model or implementation of parallel models when entering foreign markets. Born global companies can choose from their beginning a business model suitable for a global niche market.

Most researchers concentrate on evolution of the business model in the course of internationalization [Servantie, 2011; Lee et al., 2012] or internationalization through business model evolution [Bouncken et al., 2015]. As noted by Servantie [2011], studying the process of learning and adjusting the business model allow to understand why and how businesses internationalize so early, as well as their international competitive advantages. Using the GRS framework, which distinguishes three main aspects of a business model: generation, remuneration and sharing value, the author analyzed six French born global companies. Exploratory case studies were used to construct a process based model of early and rapid internationalization. The conclusions are consistent with the born global literature. First, early internationalization is imposed by the nature of the target market and linked to the choice of partners in value network. Second, the author highlights the important role of networks in international entrepreneurship, as well as earlier experience and project leaders knowledge about the industry, which enable a value network creation. Lastly, born global companies are subcontracting non-core activities and maintaining control over all activities related to their know-how, innovation and business development strategy.

Bouncken, Muench, Kraus [2015] have also studied the role of business model innovation in the internationalization process of born global companies. They define the business model as "a strategic and dynamic value-creation process among a value network that is characterized by the way the type of product or service is linked to a particular group of customers using a specific communication and delivery method and accelerates, by adaptation, the early internationalization process" [Bouncken et al., 2015, p. 250]. They rely on the proposition presented by Rask [2014], who distinguished four types of business models, characterized by different levels of market and production globalization (domestic-based,

export-based, import-based, semi-global) and possible ways of internationalization through business-model innovation. While the adaptability and flexibility of the business model is emphasized, it is also suggested that the competitive advantage of born global firms could result from repeated implementation of the same business model in many countries and continuous learning experienced during this process. Although concentrated on the early stages of MNC's development, research conducted by Dunford et al. [2010] describes in detail how replication worked in case of rapid internationalization of ING Direct. This was a complex venture, as the initial assumptions and vision of a business model were verified over time and evolved with the accumulation of knowledge. The first stage of this process was establishing the core business model elements (called "clarification"). Because of the novelty of the concept it was developed, adjusted and improved *by doing*, along with the concept of entering into foreign markets. Together with changes in the generic business model, it was also adjusted to local conditions ("localization"). New subsidiaries were encouraged to try new processes and products ("experimentation") and then share, copy and adopt ideas and solutions, that emerged from learnings in other countries ("co-option"). This business model vision illustrates an evolutionary approach and stresses the need of organizational learning in an international context.

Besides the researchers' interest in paths of internationalization and business model evolution, some of them tried to find distinct business model types adopted by born global ventures. Mets and Kelli [2011] identified three business models for globalizing SMEs: replication BM (copying a domestic local model on global market), leverage BM (having their own sales channel on the internet and/or mobile environment) and freemium BM (offering some basic functionality for free and charging customers for premium options). In the empirical part, they performed a case study describing three companies linked to those business models, whose ways of becoming global differed greatly. It is worth noting that some companies among new knowledge-intensive industries were using traditional business models and various forms of customer engagement in creating value were also popular among studied enterprises. The importance of knowledge accumulation and learning was stressed, although there were differences between the time companies expended on these processes (depending mainly on the economy and industry).

In a different study, Johansson and Abrahamsson [2014] matched the business model evolution through internationalization process with sources of value in born global companies. They found that firms used business model innovation to grow internationally and navigate value chains. Based on three exploratory case studies, the authors argued that the initial main source of value was novelty. In the second stage of company development partnerships and the capabilities of building a value network, paired with a deep understanding of user needs (partners' and customers' lock-in) became critical. The authors also emphasize the role of dynamic capabilities, like sensing capability, entrepreneurial capability and relational capability in business model innovation and internationalization. Another vital insight is that firms often exploit more than one business model simultaneously, and

that more knowledge is needed about how resource-constrained born global firms balance different parallel business models.

Above mentioned research offers a qualitative overview of the relations between internationalization and a company's business model. Some recurring topics could be detected, such as the role of value networks in internationalization, open innovation, organizational learning and replication versus multiple business models management. However, because of the exploratory character of these studies, there is a need for further research of this field to test empirically emerging theories.

Sources of Value Creation in Born Global Companies

The company's business model determines the design of the value network and its geographical configuration [Onetti et al., 2012], affecting the speed of internationalization [Jensen, Petersen, 2014]. Since born global firms have a strong international presence and often play the role of technology brokers in multiple network relations that they manage, use of a business model to analyze them seems appropriate. It is also important to know where and how new international enterprises create value by developing and protecting their unique intangible assets [Zahra, 2005].

The born global company's business model *focus* [see Onetti et al., 2012], usually pursues global niche markets, sometimes offering one unique product [Weerawardena et al., 2007]. The choice of activities determines the firm's competitive environment, and can be used to avoid positioning itself directly against large MNCs. Born globals are found in different industries, including both low-tech [Rennie, 1993; Bell et al., 2001] and product/services that are knowledge-intensive and innovative[4] [Weerawardena et al., 2007]. There is also evidence suggesting that the structural characteristics of new industries (like global competence, short life cycles and its dynamic nature) are fostering rapid and early internationalization [Andersson et al., 2014]. Additionally, low costs of information, adaptation and transportation foster rapid international growth [Hennart, 2014; Verbeke et al., 2014].

As far as the *modus* dimension of the business model is concerned, born global companies are concentrating on product or service development, outsourcing processes, that are less important, due to the lack of resources. It is vital to balance insourcing and outsourcing relations. Access to information and complementary resources or capabilities are therefore typically assured through partnerships and strategic alliances, which allow an SME to compete globally. The base for building a company's value network is usually management experience in a particular industry and/or international markets. New communication technologies and the internet are important in establishing and coordinating relations and activities across the globe.

Key aspects of the *locus* dimensions are "make or buy decisions", the scope and direction of internationalization and foreign market entry modes. The choice of activities to be internalized depends mainly on controlled resources and competences. Offered products or services determine the direction of international expansion: first, born global companies tend to choose leading markets in terms of local niche size and infrastructure needed for sales. In case of globally focused strategies, physical distance seems to be less relevant due to a high homogeneity of customer demand in these niches [Hennart, 2014]. The scope of foreign operations is determined by the level of global industry integration [Kuivalainen et al., 2012]. There is no agreement because of which entry modes are preferred by born global companies. Knight and Cavusgil [2005, 2015] emphasize that originally the term "born global" concerned new ventures that internationalized rapidly, mainly through exporting. However, Zahra [2005] suggests that new enterprises often enter foreign markets using higher order modes of entry. The choice of entry mode is also strongly influenced by industry characteristics [Andersson et al., 2014]. Clearly, these companies have a strong international orientation and, from inception, do not restrict themselves to local demand and instead enter a considerable number of foreign markets.

TABLE 2. Sources of value in the business model of a born global company

Value driver	Features of a born global company
Novelty	– innovative and proactive management – extensive usage of information and communication technologies – customer involvement in value creation – learning from foreign markets and networks
Lock-in	– partnerships and alliances – addressing particular user needs
Complementarities	– need to efficiently manage cross-border processes – complementarities between intangible assets
Efficiency	– resource constraints – important role of technology, internationalization and networks in minimizing costs – exploiting secondary value-adding opportunities
Flexibility	– adaptation of the business model with time and scope of internationalization

Source: own elaboration based on the work of Amit and Zott [2001, 2010] and others.

Existing literature on born globals helps to describe value drivers in the context of rapidly internationalizing new ventures (Table 1) and propose recommendations for further empirical research. In terms of novelty, it is argued that these companies are characterized by innovative and proactive management [Rennie, 1993; Knight, Cavusgil, 2005; Zander et al., 2015] and that early internationalization is facilitated by innovation [Weerawardena et al., 2007]. Innovative management means implementation of new processes and products

as well as taking advantage of new communication and IT technologies to design and governance activity system. Innovation could also lead to new ways of delivering value to the customer or service infusion, e.g., linking a hardware platform and related services. Frequent customer involvement in value creation [Mets, Kelli, 2011] helps to customize offers and adjust them to user needs. In addition, Zahra [2005] notes that new international ventures learn from other markets about technological trends and competences. An illustration of this process is the phenomenon of learning by exporting [Castellani, 2002; Mińska-Struzik, 2014]. Organizational learning is also a vital issue in born global research, as these companies may benefit from accelerated learning due to its rapid and wide internationalization. It bears mentioning that products offered are the result of both internal (R&D activities, which also define absorptive capacity) and external learning (from served markets and networks) [Weerawardena et al., 2007].

As far as the lock-in is concerned, the importance of relations with suppliers and other business partners should be stressed. Born global companies are located in subnational clusters or networks and are commonly engaged in strategic alliances [Oviatt, McDougall, 1997]. The stronger the business relationships, the greater the switching costs. Moreover, developed international networks allow a new company to access resources or information (which could be too expensive to buy otherwise), facilitate the execution of a strategy and offset limited legitimacy and credibility [Fernhaber, McDougall, 2015]. Early internationalized ventures often pursue differentiation or a niche strategy [Knight, Cavusgil, 2005], relying on their understanding of consumer needs [Rennie, 1993] and unique offerings [Oviatt, McDougall, 1997]. If the clients feel satisfied with customized offerings they may be more resistant to switch product suppliers.

As with every type of company, born global SMEs should look for complementarities in bundling activities, products, processes and assets. Because of resource scarcity, there is a need to tightly coordinate organizational processes. A born global can adopt multiple modes of managing cross-border operations, e.g., to balance the risk [Oviatt, McDougall, 1997]. The complementarities between intangible assets, like entrepreneurial orientation and prior international experience of the founders/managers are also worth consideration.

Although most born global firms do not compete through costs, the role of efficiency in creating value should not be neglected as resource efficiency is vital in the international context. This is the consequence of the liability of foreignness experienced by international new ventures [Fernhaber, McDougall, 2015]. Rapidly internationalizing companies are known for leveraging technology to minimize the costs of communication and market data access [Knight, Cavusgil, 2005]. They also leverage internationalization itself to minimize the cost of engaging highly valuable resources, like patents [Oviatt, McDougall, 1997]. As mentioned earlier, different forms of alliances and partnerships ensure lower cost of resources access [Zahra, 2005]. Enhancing efficiency and taking advantage of complementarities may be also achieved by stakeholder engagement in exploiting secondary (that is: outside the main business) value-capturing opportunities. These include: adding extra

functions, identifying benefits for third parties, exploiting economies of scale, offering cross-sales or taking advantage of user involvement in developing products [Kesting, Günzel-Jensen, 2015]. The possibility of adopting such solutions is industry-dependent.

Apart from the four value drivers specified, there is one more important element – the flexibility of the model and strategic adaptation capability [Fernhaber, McDougall, 2015]. Even if a new venture chooses the replication of a model as its internationalization strategy, it is through trial and error that the logic of that model is finally formed [Dunford et al., 2010]. Experimentation is therefore an essential condition of finding the successful business model. Moreover, born global firms are likely to be forced to innovate in this area (that is: *focus*, *modus* and *locus* of a business model) to remain competitive globally. This may require changing some elements in the current model and adapting new, parallel, models. A successful business model is prone to be copied by competitors, that is why a readiness to adapt and modify it (in line with a firm's strategy) is necessary to ensure sustained value creation [Achtenhagen et al., 2013; DaSilva, Trkman, 2014]. As Amit and Zott [2012] note, systemic change is much harder to be imitated than an isolated process or product. One factor influencing business model change is technology development. Breakthroughs in technology facilitated the emergence of born globals' business models dependent on low costs of communication and transportation. As enterprises develop new technologies, they may need a new business model to unlock its potential to create the value [Yang et al., 2017].

Although born global companies originate from different industries, they exhibit shared traits inherent in rapid and early international expansion. It seems that they also share common characteristics of value sources. To advance this theory, we present the following research questions:

RQ1: How born global companies use customer involvement and a user-centered approach to develop innovative products and services in their market niches?

RQ2: How born global companies learn from foreign markets and networks how to develop process and business model innovations?

RQ3: Which secondary value-capturing opportunities are exploited by born global companies and how does it vary across industries?

RQ4: How born global companies adapt their business model in the course of internationalization? Do they replicate and adapt their business model or manage multiple business models (in a scarce resource environment)?

Conclusions

Born global companies are entrepreneurial, dynamic and innovative, and the business model perspective allows us to meaningfully analyze their behavior and sources of value creation. Early and rapidly internationalizing firms incorporate all four value drivers: novelty that facilitates gaining new customers and business partners globally; lock-in, to retain them; efficiency and complementarities – to sustain a competitive quality/price ratio; and cost control in the face of scarce resources. Furthermore, business model innovation should be crucial to the organizational learning process and search for new value creation opportunities.

Despite two decades of researching the international entrepreneurship, there is still a disagreement between the definition of a born global company, and only a few studies that concern the business models of early internationalized SMEs and value creation drivers. Further empirical research of those questions is needed. Such research should focus on identifying more specific components of the four value drivers and determine which one is most critical for born global companies. Moreover, the concept of business model innovation in the context of international entrepreneurship needs further clarification. Consequently, although the business model field is relatively young and still evolving, it offers a new perspective on companies and their activities. Because of the fact that this area is also very potent and interesting for researchers, more research on these issues is definitely forthcoming.

Notes

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[2] Many terms are used in the literature to address these companies; among the most recognizable are "born global" [Rennie, 1993; Knight, Cavusgil, 2005; Cavusgil, Knight, 2015] and "international new venture" [Oviatt, McDougall, 1994, 1997]. In this study all early and rapidly internationalizing SMEs are called born globals, although there are differences between them (e.g., the scope or primary mode of their foreign market entry) [Cavusgil, Knight, 2015; Zander et al., 2015].

[3] Although they concentrate on new technology-based firms, they believe that the proposed framework generally applies beyond those firms.

[4] Knowledge-intensive outcomes mean here products/services embedded with a high technological or non-technological knowledge content (it could be product design, creativity, deep understanding of consumer needs, etc.). Similarly, innovation is not restricted to technological changes, and also embraces other forms of novelty, like marketing innovation.

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