The Born Global Impact on Traditional Internationalization Theory
A qualitative investigation of new theory challenging existing internationalization theory

Aarhus School of Business
August 2009
Executive summary

The altered global world has changed many factors in the economy. Telemarketing and support-units for big western companies have been outsourced to India and China, causing a redistribution of employment in western countries. Trade and tax barriers have been brought down in large parts of the world, increasing competition on domestic markets. The world has become smaller due to advances in communication devices, such as internet video conferences etc.

What about internationalization theory? Has globalization had any effect on it?

This study is designed to assess the concerns and challenges that the new internationalization theory known as Born Global theory is having on traditional internationalization theory, in the form of the Uppsala school of thought.

The idea behind the thesis is to identify dimensions for each school of thought that can later be used to investigate how the dimensions relate or challenge each other.

The thesis found six dimensions for the Born Global school by thoroughly reviewing the main literature in the field and drawing the main characteristics from these. A similar review was done on the Uppsala school and three dimensions were found on this account. These dimensions were put up against each other to constitute a theoretical investigation of how the Born Global school challenges the existing Uppsala school. It was found that all these dimensions conflicted with each other with the exception of incremental learning, which was found to be useful for both schools of thought. An illustrative case showed how these dimensions could be used in a practical setting.

Additional testing of the results could be verified by subjecting the findings to a large sample of case companies. Furthermore the Born Global definition is in need of a common definition to enhance comparability across future studies.
### Table of Contents

1. Introduction .................................................................................................................. 1  
   1.1 Problem Statement .................................................................................................. 2  
   1.2 Delimitation ........................................................................................................... 3  

2. Philosophy of science ................................................................................................. 5  
   2.1 Paradigm ................................................................................................................ 5  
   2.2 The actor based approach ...................................................................................... 8  

3. Precision of Internationalization ................................................................................. 11  
   3.1 Network Perspective .............................................................................................. 13  
   3.2 Strategic Competition Perspective ........................................................................ 14  
   3.3 Transaction Perspective ......................................................................................... 14  
   3.4 Learning Perspective .............................................................................................. 15  
   3.5 Narrowing the focus of internationalization .......................................................... 16  

4. Born Global ................................................................................................................ 18  
   4.1 The emergence of Born Global .............................................................................. 19  
   4.2 The development of the Born Global concept ....................................................... 24  
   4.3 The Dimensions of a Born Global .......................................................................... 34  
      4.3.1 Speed of internationalization .......................................................................... 36  
      4.3.2 Scale of internationalization .......................................................................... 37  
      4.3.3 Scope of internationalization .......................................................................... 38  
      4.3.4 Global Diversity ............................................................................................. 38  
      4.3.5 Goal ................................................................................................................ 39  
      4.3.6 Company Age ................................................................................................. 39  
   4.4 Chapter recapitalization ......................................................................................... 40  

5. The learning perspective ............................................................................................. 42  
   5.1 The establishment chain ......................................................................................... 42  
   5.2 Psychic distance ..................................................................................................... 44  
   5.3 The dynamic internationalization model ............................................................... 44  
   5.4 S-O-R model .......................................................................................................... 49  
   5.5 The experience-based model ................................................................................ 53  
   5.6 Chapter recapitalization ......................................................................................... 54
6. Theoretical investigation ........................................................................................................56
   6.1 The similarities and differences of the two theories ..................................................57
      6.1.1 Speed of internationalization ...........................................................................58
      6.1.2 Scale of internationalization ............................................................................59
      6.1.3 Scope of internationalization ............................................................................60
      6.1.4 Global diversity ...............................................................................................61
      6.1.5 Goal ..................................................................................................................62
      6.1.6 Company Age ....................................................................................................63
      6.1.7 Incremental Learning .......................................................................................64
      6.1.8 Psychic distance ..............................................................................................66
      6.1.9 Establishment chain ........................................................................................66
   6.2 Implication of Born Global theory ............................................................................68
7. Case company ..................................................................................................................72
   7.1 Data handling ..........................................................................................................72
   7.2 Company history ......................................................................................................73
   7.3 Internationalization process ....................................................................................74
   7.4 Observations ............................................................................................................75
8. Conclusion .......................................................................................................................77
   8.1 Evaluation ...............................................................................................................79
   8.2 Future research ........................................................................................................80
9. Literature ........................................................................................................................82
10. Appendices ...................................................................................................................88
1. Introduction

The technological development and globalization has made the world a smaller place over the past few decades, and therefore challenged the way companies do business. The home market is under increased pressure from outside international competitors and is for that reason not the safe haven it used to be. This has forced overall competition upward and challenged companies to start international endeavours earlier to spread out risk of being dependent on one market. The increased need to internationalize has of course also increased the need to understand the internationalization process better in order to make better decisions on where to expand to and how to expand. Globalization has redistributed places of employment. The altered global division of labour has put transformation pressures on companies, in the form of increased competition, market turbulence, faster technological shifts, and reduced organization and location costs (Andersen & Christensen, 2005).

This thesis aims to sort out on how two theories clash and find answers to how the internationalization process can be understood in today’s society. How does a faster paced World affect the way companies expand internationally? A great deal has changed in the course of the last few decades, causing the traditional internationalization theory to be insufficient in explaining the fast paced internationalization of some companies. The traditional Uppsala model (Johanson & Vahlne, 1977) and other similar stage models are claimed to be no longer adequate (Cavusgil, Oviatt, McDougall, Shane, Bell among others) when it comes to explaining the rapid internationalization of small companies. The question still remains if these authors are right in their accusations. Research has tried to describe these small rapid internationalizing companies since the nineties, to gain a greater understanding of what they consist of and what factors enable them to have an international presence so promptly, along with which indicators and decisions that lie behind. No existing theory can fully explain this new form for almost instant internationalization. Madsen & Servais (1997) believe that the existing models are still followed but that these companies just run through certain phases a lot faster and some phases are completely skipped due to additional market knowledge from
previous employment. They further argue that the stage models are only valid if the founder’s experience and internationalization of the markets is taken into consideration. Cavusgil, Oviatt, McDougall, Shane, Bell among others, all believe from their research that existing internationalization theories are no longer applicable when it comes to these new types of rapid internationalizing companies. This disparity between authors is what makes this subject interesting and also the reason why so many articles concerning this subject have been published during the last 10-15 years. Some of the research on the subject of internationalization is fast in dismissing the use of the traditional internationalization theory, some even claim gradual internationalization for dead (Cavusgil, 1994). This thesis will have a closer look at how the two theories relate in either comparable or dismissive terms.

1.1 Problem Statement

The emergence of Born Global firms has created a new dimension of research that could not be fully explained with existing theory. The new wave of research has addressed the validity of existing theory and it is therefore the focus of this thesis to investigate how the Born Global theory challenges the Uppsala school that has been used and praised for many years by businesses and scientists.

From the observations above the purpose of this thesis is to answer the following question:

- How does Born Global theory challenge our understanding of existing internationalization theory?

In order to limit the research field and to better focus on a specific area of internationalization this thesis will look at how internationalization is challenged from a learning perspective. The argumentation behind this choice will be further clarified in chapter 3. The following research questions will serve as an aid to answer our management question:
• What main dimensions do the two schools of thought have?
• How does these dimensions challenge and/or complement each other?

The Uppsala school argues for a step-by-step way of internationalizing premised by certain state- and change aspects. The model was constructed from studies in four large Swedish manufacturing companies, and is considered the most accepted paradigm of internationalization. The Born Global way of thinking, argues for a rapid internationalizing skipping these steps or walking through them at a much greater pace. Born Global firms were first identified in the beginning of the nineties because of many companies internationalizing at a greater pace than previously seen. The Born Global theory has been expanded since then, but still comprises many differences between authors.

How do these differences challenge the way knowledge is gathered and used for making the right decisions to internationalize? In order to answer the questions above it is of course important to identify what the two schools of internationalization exactly do to gather enough information to make the right decisions. A detailed review will look into how the parameters are different or similar to each other and what effect this has on the internationalization theories.

The conflict between the two ways of viewing internationalization generates a healthy review of how applicable these are for analysing companies in present day. To give the theoretical review a deeper dimension a case company will serve as an illustration of how internationalization decisions function in practice.

1.2 Delimitation

Internationalization is a very broad term and the underlying theory is very extensive consisting of many sub-branches in other areas such as marketing and management. Although the internationalization process has captured the interest of many researchers, there have been only a few attempts at developing the concept. This is understandable considering the main ideas are drawn from several theoretical traditions (economic theory, organisation theory and marketing theory) and most researchers feel at home in only one tradition. The problem statement discusses internationalization in a broad term,
but in order to specify how internationalization is viewed in this Thesis a more elaborate explanation of the term is conducted in chapter 3. This chapter will in greater detail clarify which angle we are focussing on and why we are focussing on this angle.

The Innovation Model by (Bilkey & Tesar, 1977; Cavusgil, 1980; Reid, 1981) is also considered a stage model, but will not be included in this thesis, as the main focus is the Uppsala model. Both models refer to internationalization being the result of incremental steps. The Uppsala model is the most frequently used model when describing internationalization and it will also be the choice of this thesis, so when the thesis mentions the traditional approach to internationalization, it is the Uppsala model that is meant.
2. Philosophy of science

The purpose of this chapter is to clarify and explain the structure of the thesis, which is done by elucidating how philosophy of science, paradigm and methodology are viewed in this thesis. It is important to understand and explain these parameters as it will help the reader understand the choices and decisions made throughout the thesis.

Theory of science is a form of meta-theory or philosophical science, being bigger than science itself. Questions arise on what knowledge and reality are comprised of, and as there are different opinions on this matter, there is within the theory of science different schools or paradigms, as they are most commonly known as. Paradigms (View of the World) must be in tune with our own understanding of the problem, since the choice of paradigm will dictate how we view the solution to the problem statement. Do we want to comprehend or explain the problem statement? The next sub-chapters will elaborate on the constructivist paradigm, the actor based approach, and the hermeneutic learning process (Heldbjerg, 1997).

2.1 Paradigm

The paradigm term is the way we see the world. How experiences around you are perceived which results in fundamental assumptions on how the world is put together, thus influencing the individuals behaviour.

The paradigm term has been defined in many different ways by authors, using different terminology and levels of abstraction on paradigms, e.g. Arbnor & Bjerke (1977), Kuhn (1973), etc.¹ In order not to confuse the reader on the various different ways of viewing paradigms a precision of which definition this thesis will use is needed, which is why the framework from Heldbjerg (1997) will be applied. A paradigm can viewed as a basic set of beliefs that guides actions, whether of the everyday garden variety or action taken in connection with a disciplined inquiry (Guba, 1990), which is why our actions are always governed by a specific paradigm, whether we are conscious of it or not.

A common frame among authors on paradigms is nevertheless how they relate and perceive the ontological, epistemological and methodological question. The answers on how they view these terms determine what paradigm they operate within. Table 2.1

¹Examples are from Heldbjerg (1997)
shows how the different paradigms relate to the ontological, epistemological and methodological questions.

### Table 2.1: Dimensions on four scientific paradigms

<table>
<thead>
<tr>
<th>Paradigm</th>
<th>Ontology</th>
<th>Epistemology</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positivism</td>
<td>Realist – reality exists &quot;out there&quot; and is driven by immutable natural laws and mechanisms. Knowledge of these entities, laws, and mechanisms is conventionally summarized in the form of time- and context-free generalizations. Some of these generalizations take the form of cause-effect laws.</td>
<td>Duelist/objectivist – it is both possible and essential for the inquirer to adopt a distant, noninteractive posture. Values and other biasing and confounding factors are thereby automatically excluded from influencing the outcomes.</td>
<td>Experimental/manipulative – questions and/or hypothesis are stated in propositional form and subjected to empirical tests (falsification) under carefully controlled conditions.</td>
</tr>
<tr>
<td>Post-positivism</td>
<td>Critical realist – reality exists but can never be fully apprehended. It is driven by natural laws that can be only incompletely understood.</td>
<td>Modified objectivist – objectivity remains a regulative ideal, but it can only be approximated, with special emphasis placed on external guardians such as the critical tradition and the critical community.</td>
<td>Modified experimental/manipulative – emphasize critical multiplism. Redress imbalances by doing inquiry in more natural settings, using more qualitative methods, depending more on grounded theory, and reintroducing discovery into the inquiry process.</td>
</tr>
<tr>
<td>Critical Theory</td>
<td>Critical realist, as in the case of postpositivism.</td>
<td>Subjectivist, in the sense that values mediate inquiry.</td>
<td>Dialogic, transformative; eliminate false consciousness and energize and facilitate transformation.</td>
</tr>
<tr>
<td>Constructivism</td>
<td>Realist – realities exist in the form of multiple mental constructions, socially and experientially based, local and specific, dependent for their form and content on the persons who hold them.</td>
<td>Subjectivist – inquirer and inquired are fused into a single (monistic) entity. Findings are literally the creation of the process of interaction between the two.</td>
<td>Hermeneutic, dialectic – individual constructions are elicited and refined hermeneutically, and compared and contrasted dialectically, with the aim of generating one (or a few) constructions on which there is substantial consensus.</td>
</tr>
</tbody>
</table>


This thesis will use the constructivist paradigm (marked with light blue in table 2.1) and the argumentation behind this choice will be further elucidated in the following paragraphs dealing with ontology, epistemology and methodology.

Ontology deals with how we see the world. What is the nature of reality? The author of this thesis has a relativistic belief of reality, which is not limited to only one reality. The realist looks at what the opinion of Born Globals truly are, whereas the relativist seeks to understand the background for the opinion. Several realities exists for a relativist depending on mental constructions which are socially and experientially based. These realities or mental constructions are bound locally and specific, which is why their substance are dependent on the persons carrying them. The goal is hence to achieve a higher apprehension through the individual actors reality (Heldbjerg, 1997).
This thesis seeks to reach a higher apprehension of the challenges that Born Globals present on existing internationalization theory. This has to be found within the reality of individuals as our ontology dictates, and thereby reach a higher level of understanding. Epistemology deals with the perception of knowledge gathered from the investigation, and thereby also the relationship between the researcher and the people being researched. The author of this thesis interacts with the fieldwork by being a subjectivist, and the results of the fieldwork are created by this interaction. The selection of theory used in this thesis is based on available material and subjective opinions on relevance to the problem statement. The case company chosen does not merit a representational selection of all Born Globals and was selected because of an available contact.

Methodology asks how the inquirer should go about finding out knowledge. The constructivist way to find knowledge is by going through a dialectic or hermeneutic process. Discussion of the findings reached in the investigation are individual constructions which are interpreted critically. This will reveal differences and similarities and the purpose of a dialectic process is thus to reach one or several areas where profound consensus can be reached (Heldbjerg, 1997).

Figure 2.1.3: The Hermeneutic Spiral

The hermeneutic school is the art of interpretation and the learning of its principles. A central concept for hermeneutics is the preunderstanding, which emerges given the environment you interact with. Preunderstanding is through dialogue and interpretation.
of dialogue used to reach new understanding, which possibly enables an improved interpretation, see figure 2.1.3. The new interpretation leads to a new understanding, which is used further in the process. The upward spiral shows that a higher level of understanding is reached, by constantly readjusting your preunderstanding from new interpretations. The understanding of how existing theory is challenged by Born Global theory can by the means of the hermeneutic spiral raise understanding to a higher level. The information gathered through the investigation of theory in this thesis are individual constructions, which should be interpreted, compared and contrasted, in order to reach a common frame of understanding, e.g. finding the dimensions of the Born Global and Uppsala school and then interpreting, contrasting and discussing these.

2.2 The actor based approach

In the previous chapter it was decided to use the constructivist paradigm. To extend on the paradigm selection an approach to exploring the world needs to be found, and because this thesis has refrained from mixing up terminology and definitions by only using the framework from Heldbjerg (1997), we will continue to follow the three approaches that Heldbjerg uses from Abnor & Bjerke (1990). These three approaches are: the analytical approach, the systems approach and the actor based approach. The actor based approach is contained within the constructivist paradigm, and therefore this approach will be used throughout this thesis.

The actor based approach implies that the key to understanding the motives and grounds for human act, lies in the interpretation of the actors subjective and qualitative statements. All human action is perceived as social, which in turn results in reality being a social construction (Heldbjerg, 1997). The scientific ambition is to reach an overall beneficial understanding by using a dialectic process ensuring that individual subjective statements are interpreted to a common objective understanding. A logical progressive dialectic process has to be followed with the dialogue as the main contributor for understanding the motives and intentions of the actors. (Heldbjerg, 1997).

The scientific methodology is outlined as a learning process by preunderstanding, understanding, and post-understanding. These three types of understanding are outlined in figure 2.2 showing us the natural development of understanding in this thesis. To control the findings, special attention is put on the credibility of the general
understanding, which is either evaluated by involved actors or by the scientists in the same field.

The actor based approach has two ways of viewing an investigation: a) each dialogue is seen as one sequence of investigation where the problem statement is constantly edited according to new preunderstanding, or b) the whole investigation is seen as one single sequence of investigation, because the dialogues are too close to each other making it impossible to distance from the dialogue before the interpretation phase. This thesis will use the whole investigation seen as a single sequence of investigation. Figure 2.2 displays how the understanding evolves throughout the thesis.

Figure 2.2: The structure of the thesis

![Diagram of thesis structure](Source: Own construction)
The preunderstanding phase for this thesis takes it seat in the theoretical base of internationalization. The author of this thesis has a basic knowledge of the different perspectives of internationalization and wishes to investigate how this basic knowledge is challenged by new theory. The inclusion of theory regarding the area further fuels the preunderstanding of the subject.

The understanding phase occurs when author of the thesis interacts with the fieldwork by questioning and investigating the Born Global and Uppsala concept in a dialectic process to extract the dimensions of the two schools of thought. A higher understanding of these two schools of internationalization are thus acquired. These dimensions are then once again put under question to see how they complement or contrast each other, which provides findings on how the Born Global theory challenges existing internationalization theory.

The post understanding phase deals with reviewing the findings of the thesis and evaluates if an overall consensus is reached. This phase is found in the conclusion of this thesis, and it is also in this section that the confirmability and credibility of the thesis is assessed.
3. Precision of Internationalization

The purpose of this chapter is to give the reader an overview of the vast theory and modelling concerning the internationalization of a company and later explain why one perspective is chosen to be the focal point of this thesis.

“Although the internationalization process has captured the interest of many researchers, there have been only a few attempts at developing the concept... We think, however that future research about this process can be very fruitful. It can enrich our understanding about how basic changes in the international business area take place” (Johanson & Vahlne, 1990, p.22)

Knowledge about the internationalization process of firms can help increase manoeuvrability by enhancing the ability to constantly re-adjust and develop as a firm. The goal of this master thesis is to shed more light over this specific area of theory and draw some conclusions that can enhance our understanding of internationalization and our ability to compete better in a global environment and hopefully provide input for further research.

Internationalization theories have been extended and modified throughout their existence; all of them bound in the same core, of trying to explain how firms expand internationally. The classical theories regarding the internationalization of a company can be divided into groups. Madsen (2002) divides them into three schools; i) Economic ii) Behaviouristic iii) Relationship

Ad i) The economic school is built up on the theories from foreign direct investment (FDI) having roots in the neoclassical and economic theories. Ad ii) The behaviouristic school deals with the phase models and how these theories explain organizational growth, behaviour and learning, and work under the assumption that companies learn by building on their experiences. Ad iii) Finally, the relationship school perceives internationalization, as the process of relations to other companies. The theories in the relationship school are extended from various social science theories among them the resource dependency theory and the social exchange theory. Strandskov (1995) makes use of an additional school, containing internationalization seen from a strategic competition standpoint, covering the specifics of the industry. The other three schools
are also covered in Strandskov, so the common ground for both authors is structuring internationalization theory into more fragmented areas in order to reduce the vast complexity of internationalization. It is however important to remember the big picture and not get caught up in self-fulfilling activities to make the individual school more consistent at the cost of the overall scope.  

This thesis will use the framework by Strandskov (1995) as the backbone of organizing the meta-theory, or put another way, the organization of the theories concerning internationalization. Strandskov (1995) integrated four views of internationalization dividing them into different perspectives on how to view internationalization. The four perspectives sought to give a contribution to the understanding of what mechanisms, processes and explanatory variables that shape the development and internationalization of a company. The goal was to create a meta-theoretical framework for analysis to organize the “theoretical jungle” as Strandskov calls it, and thus be used to understand internationalization from different perspectives. It is however important not to base a specific empiric analysis on just one theory alone when trying to explain the entire internationalization pattern of a company. The most likely scenario would be to use several of the theoretical perspectives in order to fully understand the complexity and variability of internationalization, especially when considering the development over time. Figure 3.1 shows the four perspectives, which will be explained in this chapter.

---

2 Quote found in Madsen (2002) p.45; ...we now have many theories competing with each other to explain a given phenomenon. Proponents for each theory engage in activities to make their theory better by increasing its internal consistency, often at the expense of limiting its scope. As a result… a way of seeing is not seeing …such impeccable logic is creating macro-nonsense. Van de Ven (1989), p.487

3 Jesper Strandskov; Internationaliserings af virksomheder – nyere teoretiske perspektiver, p.184
Figure 3.1: Four theoretical approaches to company internationalization

<table>
<thead>
<tr>
<th>Nature of Decision</th>
<th>Driving Forces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned</td>
<td>Internal</td>
</tr>
<tr>
<td></td>
<td>Transaction Perspective</td>
</tr>
<tr>
<td>Progressive</td>
<td>External</td>
</tr>
<tr>
<td></td>
<td>Strategic Competition Perspective</td>
</tr>
<tr>
<td></td>
<td>Learning Perspective</td>
</tr>
<tr>
<td></td>
<td>Network Perspective</td>
</tr>
</tbody>
</table>

Source: (Strandskov, 1995)

The two axes in the figure above represent two dimensions: a) Internal or external explanatory variables and b) Planned or progressive internationalization processes. The horizontal line describes if it is primarily variables within the company that drive the internationalization process or if it is forces regarding surroundings and the cooperation within the surroundings that is the driving force for the internationalization process. The vertical dimension displays if internationalization is a result of planned actions or if it is a result of a gradual emerging process.

In the figure the four different perspectives are placed according to the two dimensions of the axis. The argument for the placement of each perspective will be explained in more detail in the following paragraphs.

3.1 Network Perspective

Organization sociology and political science have influenced the network perspective view on internationalization. The unit for analysis is the single relation or possibly several relations between companies, creating a network. The relations include social, economic, legal and technological exchange. The relations are not only the present ones, but can be future relations relying on expectations, or historical relations relying on previous experiences. A company is seen as being in a dependency relation to its surroundings and therefore the usefulness of the company is determined in proportion to its rank among the other players in the relation. The external environment is the cause of
problems for a company because it contains limited and valuable resources. It is therefore the focus to gain access to these resources, and that is why the relations of the company are important to establish the power/influence relation in the network. International joint ventures or forming coalitions with important subcontractors are predominate tools to gain access to valuable resources and reduce risk in international endeavours.

The driving forces of the network perspective are external in accordance to what the other players are doing. The nature of decisions are made to either reduce the dependency that the company has in the relation or to extend on the power/influence position it already has. The nature of decisions are hence not planned, but rather affected by its surroundings.

3.2 Strategic Competition Perspective

The industrial economic school and contributions from the strategic management literature have formed the strategic competition perspective. The focus for analysis in this perspective is the industry a company operates within and what competitive position it has. The company goal is governed by economic earnings and survivability.

The strategic competition perspective does not offer set analysis results. The internationalization progress is too situational and depends on the existing competitive position held within the industry and at company level. The framework for the internationalization choices are outlined by the competitive position the company has. So in essence the company chooses to plan its internationalization strategy according to their competitive situation. That is why the strategic competition perspective is placed in the top right corner of figure 3.1. The nature of decisions are planned, and the driving forces are external, because they act according to their position in the industry.

3.3 Transaction Perspective

The transaction perspective focuses on the single microeconomic transaction. The perspective is an extension of microeconomics and an adjustment of the neoclassical presumptions in behaviouristic, rational, and transactional characteristics. The company objectives are clear-cut and explicit because the criteria for success is efficiency. The
companies that best control the transaction costs, both internal and external, are also the ones that are most economical efficient. The internationalization process is explained as a result of the rational choices made by management, on which activities and assignments that should be internalized or externalized. The progress of internationalization is furthermore explained as a geographical growth with a rising degree of vertical integration. Vertical integration can establish basis for facilitating economies of scale and scope thus increasing efficiency by an even bigger margin. This places the transaction perspective in the top left corner in figure 3.1, because the driving force to internationalization lies internally – the company wishes to reach higher efficiency by reducing transaction costs. The other dimension leading to placing the transaction perspective in the top left corner is that the nature of the decisions are meticulously planned by management.

### 3.4 Learning Perspective

The learning perspective has its roots in the classical decision theory and the unit for analysis is the company itself – how it deals with competences, resources, experience and knowledge accumulation. Internationalization occurs because the company strives to reach growth on new geographical markets. The international activities grow gradually and the preferences and bearings of each market are learnt in retrospect. The perspective sees the company as a learning mechanism where the objectives of the company are gradually shaped and realised. The perspective also explains the internationalization process as an internal development process, having to overcome scarce resources, market uncertainty and lack of knowledge by acting and getting experience and increasing commitment, leading the company out on international markets in a gradual pattern not planned beforehand. The perspective is especially good at explaining the early steps of internationalization for a company.

So going back to figure 3.1 the nature of the decisions are progressive and the driving forces of the learning perspective are internal as explained above, placing the perspective in the bottom left corner of figure 3.1.

The theory used in the learning perspective is the Uppsala model, which states how knowledge serves as a dominant factor in deciding how and where to internationalize.
The core of the Uppsala model is incremental learning. Actions are assumed to be made on interpretations in retrospect. Decisions on whether or not to internationalize and where to internationalize are made on the basis of market research and from trial and error knowledge acquired in international markets. So the internationalization can be characterized as unplanned, but still evolve in a way that follows a certain pattern.

### 3.5 Narrowing the focus of internationalization

The question raised in this thesis is whether or not the Born Global theory challenges our understanding of internationalization, and since internationalization can be understood from many different perspectives, it is essential to make sure which perspective(s) we are analysing the research question from.

The previous sub-chapters have outlined the four different perspectives, which this thesis has chosen to consider. These four perspectives have different characteristics and properties that are suitable for different situations. Born Global theory is characterized by companies having rapid international growth, and therefore the theory regarding Born Globals examine the first 3-5 years from company formation. So focus needs to be placed on the company and on the early steps of internationalization. The perspective most suitable for explaining the early steps is the learning perspective, and because the Born Global theory is so highly dependent on early internationalization there is an evident match. A Born Global company is faced with the same constraints as presented in the learning perspective, these being scarce resources, market uncertainty, and lack of knowledge.

The four theoretical approaches to company internationalization in figure 3.1 were differentiated by two dimensions. These two dimensions considered if the nature of decisions were planned or progressive, and if whether the driving forces deciding the form and direction of internationalization was internal or external.

This thesis believes that Born Global firms make progressive internationalization decisions and the direction and form of internationalization are governed by internal factors. The theory regarding Born Globals will be presented in chapter 4 and this should further strengthen the argument of placing Born Globals in the same perspective as the learning perspective.
Additional perspectives on how to view internationalization could show the problem that Born Globals present from other angles. The network perspective is for example a good perspective to view Born Globals, as these companies rely firmly on personal and business networks to achieve rapid growth, but since this thesis wishes to investigate the challenges that the Uppsala model faces with the emergence of Born Globals and because of limitations to the length of this thesis, the author has chosen to only investigate the learning perspective.
4. Born Global

This chapter will first discuss how the Born Global concept emerged and advanced since its theoretical birth, with presentations of the most important research and their data. The idea behind this short introduction is to provide the reader with an overview of the research area and show the different opinions of defining what a Born Global company really is. By the end of this chapter the main dimensions of the Born Global literature will be deduced allowing for an investigation of how the BG theory challenges existing internationalization theory.

The Born Global concept has, since it was first introduced by Rennie (1993) been used as a standard term for rapid small and medium sized internationalizing companies, and has been defined in many other ways than the initial Rennie (1993) way. During the course of time, fast international growing companies have had many names. Granitsky (1989) was one of the first to name a company of this sort, with his study of 18 Israeli exporters. He called these companies for innate exporters. A few years later Jolly, Alahuta & Jeannet (1992) were investigating high-technology companies and classified the international companies from inception for High Technology Start Ups. Rennie (1993), also known as the McKinsey & Co. study, investigated 310 Australian exporting companies and classified two types of companies – Traditional Exporters and Born Globals. This was the first time the term Born Global was used and Rennie (1993) defined them as group of exporters who typically exported 75% of their sales and started export within the first 2 years of the company’s life span. Cavusgil (1994) interpreted the findings of McKinsey & Co. and exclaimed: 1. Small is beautiful and 2. Gradual internationalization is dead. The term “International New Ventures” was introduced by Oviatt & McDougall (1994) with their article featuring the same name. Cavusgil and Knight (1996) carried out a study describing the emergence of Born Global firms (chapter 4.1 looks into the emergence of Bgs), and also suggested that further research should aim at operationalizing a common definition to enhance consistency and comparability among future research.
The Born Global term will however remain the standard expression throughout this thesis, as it is the most commonly used expression in the literature and covers the notion of small rapid internationalizing companies.

### 4.1 The emergence of Born Global

In order to fully comprehend the Born Global concept it is important to understand how Born Globals have emerged. It is also an important factor, in our pursuit of finding an answer to how Born Globals challenge existing internationalization theory.

The extensive development the last 30-40 years has greatly changed the way day-to-day business is conducted. International trade barriers haven been broken down, society has become more international in general and the technological development has brought people together in the form of internet, chat and video. Transportation costs have been lowered. All these factors have had a revolutionizing effect on the business world, affecting how managers think and act in the individual companies. The advances in technology have made it possible to communicate a lot faster across borders with email, fax, phone and now also video streaming. Market information can be obtained easier, stored at lower cost and be shared more efficiently. The increasing number of international trade barriers being lifted, builds up more and more international opportunities for companies to take advantage of. These opportunities are not only restricted to marketing and sales, but also offer easier access to raising international human capital as well as venture capital. The enhanced international society is signified by more employees having valuable international experience, which can be used in daily business. These experiences have normally been gathered through studies, being stationed abroad, business trips or longer international trade. These factors all add up to a more international mindset and ability of employees to think beyond their own country. In effect one might speak of a contraction of space, since the world has become a smaller place.

The effects of globalization, as discussed above, showed how trade barriers were lifted at an increasing rate and how transportation and communication had become faster and more cost efficient. These effects enabled more breathing room for the small companies
to exist compared to the larger companies, which previously always had the advantage of more resources that they could use to either penetrate through trade barriers or deal with transportation issues.

Knight & Cavusgil (1996) outlined six factors giving rise to the emergence of Born Global firms.

- Increased role of niche markets
- Advances in process technology
- Recent advances in communications technology
- Inherent advantages of small companies – quicker response time, flexibility, adaptability and so on
- More accessible means of internationalization
- Global Networks

The increased demand among consumers in developed economies for specialized products enhanced the possibilities of many new firms with a global niche. The improvements in microprocessor-based technology enabled low-scale, batch-type production to be more economical. Data and telecommunication aids, such as the fax machine, voice mail, email and electronic data interchange (EDI) made it easier for managers to conduct business across borders. Information is faster and available everywhere. The advantage of being a small company lies in quicker response time, flexibility and adaptability. Knowledge, technology, tools, facilitating institutions and so on, have become more accessible for small firms, e.g. international funding for projects or international technology transfers are just some examples of this. Global networks can spark partnerships with foreign businesses, such as distributors, trading companies, subcontractors or buyers and sellers.

These six factors are trends that empower smaller companies like BornGlobals, and create competitive advantage(s) over larger more established companies. Knight & Cavusgil (1996) make a case out of the possibilities in the market and the world around it, as one of the possible reasons for emergence of Born Globals.
Madsen & Servais (1997) examined a number of earlier studies and combined these with Danish Born Global case studies, in order to reach their propositions of why Born Global firms emerge and develop. The propositions are listed below.

- The antecedent of a Born Global is one or several strong entrepreneur(s) with strong international experience, and perhaps in addition a strong product
- The extension of the phenomenon Born Globals is positively associated with the degree of internationalization of the market
- In comparison with other exporting firms, Born Globals are more specialized and niche oriented with products that are either more custom-made or more standardized
- The geographical location of activities in Born Globals is determined by the past experience of founders and partners as well as economic and capability or customer-related factors – directly or interaction
- In comparison with other exporting firms, Born Globals more often rely on supplementary competences sourced from other firms; in their distribution channels they ore often rely on hybrid structures (close relationships, network partners, joint ventures, etc.)
- The growth of a Born Global is positively associated with high innovative skills, including an ability to access effective R&D as well as distribution channels, often in partnerships with close collaboration in international relationships that involve frequent, intense, and integrated efforts across nations
- Firms in nations with small domestic markets have a higher propensity to become Born Globals than firms in nations with larger domestic markets. Therefore Born Globals from small nations may rely on many different products whereas Born Globals from large nations may be limited to high tech industries. Also, nations with a high number of immigrants may have a higher proportion of Born Globals

These propositions can be seen as an extension of the propositions presented by Knight & Cavusgil (1996) with a higher focus on the founder of the company. The previous international experience of the founder decides if the company wishes to embark on international activities from inception, and the location of these activities depend highly on the founder. From their findings and arguments Madsen & Servais (1997) proposed a research model (see figure 4.1.1) as a framework for further research of Born Globals.
Andersson & Wictor (2003) developed a conceptual framework much like the Madsen & Servais (1997) framework, in order to arrange the factors which have an effect on emergence of Born Globals. They divided these factors into four main groups – Entrepreneur, Networks, Industry and Globalization.

The framework is displayed in figure 4.1.2 below.
The founder/entrepreneur of a Born Global firm is of great importance for the development of the company. The founders personal background and experience is the most common denominator in Born Global research (Madsen & Servais, 1997 Andersson & Wictor, 2003 etc.). The entrepreneurs are characterized by having a global mindset from inception (Oviatt & McDougall, 1995). Former international work experience of a founder is highly correlated to the emergence of successful new international companies (Andersson & Wictor, 2003). Networks play a significant role for international development of a firm, both on a formal and informal level. A dependency of suppliers, financiers and customers are just a few examples of some crucial variables a new start-up firm needs to develop relationships with (Andersson & Wictor, 2003). The network relations can already be active prior to the birth of the company. Contacts from previous employment can have a big influence on the success of a new start up. Industry characteristics are still important in order to comprehend the firm’s international development (Andersson & Wictor, 2003). Born Global firms tend to be more specialized and niche-oriented than other firms (Madsen & Servais, 1997). Globalization makes up the fourth main category of the conceptual framework by Andersson & Wictor (2003) crediting development in communication technology, transportation and decreasing trade barriers.

The two studies (Madsen & Servais, 1997) and (Andersson & Wictor, 2003) have a higher focus on relations within the company to describe the establishment of a Born Global company. This is in contrast to Knight & Cavusgil (1996) where the possibilities in the market and the world around the company was an important factor for the establishment of the company. The six factors presented by Knight & Cavusgil (1996) as well as the conceptual frameworks by Madsen & Servais (1997) and Andersson & Wictor (2003) all contributed to the understanding of why these new companies emerged. The increased demand on specialized products in the developed economies enhanced the possibilities of companies with a global niche (Knight & Cavusgil, 1996 and Madsen & Servais, 1997). The recent advances in process and communications technology increased the speed of information and the effectiveness of products being
handled. Knight & Cavusgil (1996) also mentioned how smaller companies have advantage of being more flexible and adaptable, along with facilitating institutions or global networks being more accessible for smaller companies than previous. Madsen & Servais (1997) contributed to the research by introducing how the role of the entrepreneur/founder and his previous international experience was important in explaining the emergence of Born Globals. An additional factor that Madsen & Servais (1997) introduced was the propensity to become Born Global increases if the domestic market is small compared to companies in large domestic markets. Denmark was a good example of a small market. The conceptual framework for future research presented by Madsen & Servais (1997) is very similar to the model Anderson & Wictor (2003) uses. Wictor & Andersson (2003) however use two additional parameters (globalization and industry), but these two parameters could be argued to be contained within the environment parameter in the model by Madsen & Servais (1997).

4.2 The development of the Born Global concept

In order to gain considerable insight in the development of the Born Global concept an investigation of the theoretical developments may offer considerable insight on the dimensions of the concept.

The various names that the rapid internationalizing companies have had since first discovered as well as the various theoretical bases that these companies have been analysed from (e.g. Dunning's eclectic approach, Network perspective etc.) has been the object of confusion in the research field. This thesis does not want to add to the confusion, which is why a common consensus on how to view these firms will be found in order to enhance consistency and comparability among research. This chapter reviews the literature to deduce the most widely accepted definition of rapid internationalizing firms. Only the most prominent authors will be used in the literature review since the objective of this thesis is not to help advance a common definition for the Born Global theory, but instead to identify how Born Global theory challenges existing theory, which means that more effort should be put in to finding the main dimensions of Born Global theory. The latest article on how to advance the BG definition is only one year old (Gabrielsson et al., 2008) which suggests that a final
consensus has yet to be reached on how these firms are defined and therefore the literature review will present some of the definitions, but will not be able to cover all of them, simply because the field is too extensive and not all literature is obtainable. Likewise not all the literature is relevant in this context, for example the study of 98 small computer software firms by Bell (1995) will not be included in the literature review, because Bell did not outline in detail how he selected these companies other than choosing a high growth sector in three small markets (Ireland, Finland, and Norway). The study fails to identify if the small software firms can be regarded as Born Globals, which is why the study is disregarded in the literature review, even though it adds to the critical view of the traditional stage models. It is important to be clear that this thesis only wishes to research how Born Globals challenge the existing internationalization theory, and therefore adding additional studies outside of the field of focus will only add to the confusion.

Rennie (1993) was the first to use the wording Born Global about companies with rapid international development with the study of 310 Australian companies. The study focused on already established small and medium sized production companies. Rennie (1993) ended up classifying two different groups by looking at how fast the companies started exporting. The traditional exporters started building up their home market before handling export and started their export on average after 27 years, selling 15-20% on foreign markets. The Born Globals however had significant export two years after founding with an average export of 75% of total sales. The Born Globals generally produced leading-edge technology products for significant international niche markets, such as scientific instruments or machine tools. The mainstream Born Global of the study is close to its customers, flexible, and able to adapt its products to the rapidly changing needs and wants.

The Born Global concept from Rennie (1993) had an evident explanatory value by defining Born Globals as companies who started export within two years of company foundation.

---

4Some are unpublished or subject to copyright agreements that the ASB library does not cover
Oviatt & McDougall (1994) focused on newly started firms that from inception aimed to reach a competitive advantage by the use of resources from other countries and selling to other countries, which is in contrast to Rennie (1993) who focused on already established companies. Oviatt & McDougall (1994) defined International New Ventures (INV) as:

“We define an international new venture as a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the scale of outputs in multiple countries. The distinguishing feature of these start-ups is that their origins are international, as demonstrated by observable and significant commitments of resources (e.g., material, people, financing, time) in more than one nation”

Oviatt & McDougall (1994) p. 49

In opposition to traditional organizations that develop gradually from domestic to international firms governed by psychic distance and market knowledge, the INV started out with a proactive international strategy, even if the company only started with one or two employees. None of the 24 INVs studied followed the incremental stages of internationalization, leading Oviatt & McDougall (1994) to conclude that the stage models failed to provide an explanation to why such firms operated in international markets instead of their home market.

In solidarity with their definition, Oviatt & McDougall developed a framework for INV, which was premised on the following:

1. Organizational formation through internationalization
2. Strong reliance on alternative governance structures to access resources
3. Establishment of foreign location advantages
4. Control over unique resources

In figure 4.2.1 four different types of newly started companies with an international focus are shown. Each quadrant signifies a different degree of international activity, depending on how many countries are involved and how many coordinated value chain activities take place across countries.
The degree of global focus varies with Export/Import Start-up having the lowest degree and the Global Start-up having the highest.

The framework derived from Oviatt & McDougall has since been widely used by authors to describe or characterize the INV or later Born Global concept, as it was the first of its kind of attempting to organize the theory surrounding the Born Global concept.

Knight & Cavusgil (1996) had as chapter 4.1 explained given factors to the emergence of Born Globals, but their study also suggested that future research should aim for a roadmap assisting scholars in a systematic study of the Born Global firm. An empirical definition of Born Globals would further advance the theory.

Madsen & Servais (1997) reviewed the literature published up to their time of writing and identified the agreements that previous authors have had on the fast and immediate pattern of internationalization and growth. The governance structure used for Born Globals is also to some extent agreed to be of mainly hybrid form in the research carried out thus far. Madsen & Servais (1997) argue that the reason for disparate opinions in the literature is mainly due to the fact that the concept, Born Globals, is a relative new concept and the research area is still not well defined, leading to studies being quite
different and not fully comparable. The main reason for the emergence of these new types of companies are in Madsen & Servais (1997) described to be due to three main factors: 1) new market conditions, 2) technological developments and 3) more elaborate capabilities of people, especially the founder. The full list of the propositions presented by Madsen & Servais (1997) was shown in chapter 4.1. Madsen & Servais (1997) also reason that many of the basic assumptions of the original Uppsala model and the state & change aspects still have some relevance to Born Globals. The founder characteristics and market conditions are however different.

**Knight (1997)** operationalizes the Born Global definition into: “firms established after 1976, with foreign sales accounting for 25% or more, after having started export activities within three years of their inception.” Unfortunately this dissertation is unpublished. The definition has however been used in various other articles (Andersson & Wictor, 2003; Madsen, Rasmussen & Servais, 2000)

**Madsen, Rasmussen & Servais (2000)** used the operational definition of Knight (1997) in their study of 272 Danish companies to find how many of them were Born Globals. Their study showed significant evidence about the existence of the phenomenon known as Born Globals. Madsen, Rasmussen & Servais (2000) noticed that the establishment chain, known from Wiedersheim & Johanson (1975), was not followed for these Born Global companies. Born Globals would instead operate at arms length, through different types of collaboration with foreign partners (agents, distributors, suppliers, etc.) and not be concerned with establishing foreign sales subsidiaries and some Born Globals did not even have production subsidiaries.

**Andersson & Wictor (2003)** further developed the operational definition that Knight (1997) suggested and combined several of the aspects that previous literature had covered (Rennie, 1993; Oviatt & McDougall, 1994; Knight & Cavusgil, 1996; Knight, 1997) to a definition that considered the speed of internationalization, the scale of international sales, and the exploitation of resources. Andersson & Wictor (2003) further developed a conceptual framework for studying Born Globals, much inspired by Madsen & Servais (1997), as shown in chapter 4.1.
**Harveston & Wakkee (2003)** searches for a multidimensional identification way for Born Globals. Harveston & Wakee (2000) review the literature in an attempt to create a more detailed operational definition of the Born Global concept, creating more consistency and comparability in future research. Four main elements in operationalizing the BG definition are found from their literature review, which are 1) Global inception 2) Global opportunity 3) Global resource and sales combination and finally 4) Global diversity. Harveston & Wakkee (2003) use these four elements in constructing their own definition, as well as their own operational definition. The reason Harveston & Wakkee (2003) performs their study is because they believe that many existing definitions and operationalization methods fail to capture the empirical reality of Born Global firms.

**Madsen & Rasmussen (2005)** made a study of 900 Danish companies to show how internationalization has developed. Their study consisted of the published sales and purchasing data within the 3 first years of company formation. A matrix was used to identify the different types of companies ranging from Born Local firm to Born Global, see table 4.2.1. The companies were classified according to whether their buying and selling were limited to Denmark only, or whether they had foreign activities but with less than 25% outside Europe, and finally if they had foreign activities with over 25% outside Europe.

**Table 4.2.1: The international purchasing and sales after 3 years of company formation**

<table>
<thead>
<tr>
<th></th>
<th>Only direct purchasing in Denmark after 3 years</th>
<th>Direct foreign purchasing after 3 years, but below 25% coming outside of Europe</th>
<th>Direct foreign purchasing after 3 years with more than 25% coming from outside of Europe</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only sales in Denmark after 3</td>
<td><strong>350</strong></td>
<td><strong>123</strong></td>
<td><strong>117</strong></td>
<td><strong>490</strong></td>
</tr>
<tr>
<td><strong>Born Local</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Born</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Born</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
years | Firm | International Sourcer | International Sourcer
---|---|---|---
Foreign sales, but less than 25% outside of Europe | 100 Born International Seller | 209 Born European Firm | 30 Born Global Firm | 339
Foreign sales with more than 25% outside of Europe | 17 Born International Seller | 34 Born Global Firm | 17 Born Global Firm | 68
Total | 467 | 366 | 64 | 897

Source: Madsen & Rasmussen (2005)

The classification enabled them to see a development of internationalization among these different types of firms according to establishment year, see table 4.2.2.

Table 4.2.2: Type of company segmented by establishment year

<table>
<thead>
<tr>
<th>Type of company</th>
<th>Established prior to 1981</th>
<th>Established 1982-1991</th>
<th>Established 1992-</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Born Local Firm</td>
<td>230 (54,5%)</td>
<td>85 (33,3%)</td>
<td>34 (15,6%)</td>
<td>349 (39%)</td>
</tr>
<tr>
<td>Born International Sourcer</td>
<td>73 (17,3%)</td>
<td>38 (14,9%)</td>
<td>29 (13,3%)</td>
<td>140 (15,6%)</td>
</tr>
<tr>
<td>Born International Seller</td>
<td>37 (8,7%)</td>
<td>42 (16,5%)</td>
<td>38 (17,4%)</td>
<td>117 (13,1%)</td>
</tr>
<tr>
<td>Born European Firm</td>
<td>65 (15,4%)</td>
<td>69 (27,1%)</td>
<td>75 (34,4%)</td>
<td>209 (23,3%)</td>
</tr>
<tr>
<td>Born Global Firm</td>
<td>18 (4,3%)</td>
<td>21 (8,2%)</td>
<td>42 (19,3%)</td>
<td>81 (9,0%)</td>
</tr>
<tr>
<td>Total</td>
<td>423 (100%)</td>
<td>255 (100%)</td>
<td>218 (100%)</td>
<td>896 (100%)</td>
</tr>
</tbody>
</table>

Source: Madsen & Rasmussen (2005)
The development clearly shows a drop in the Born Local Firms. Only 15.6% are still local after three years for companies established after 1992, that is nearly a drop of 40% comparing the Born Local firms established prior to 1981. The Born International Sourcer saw a small decline and the Born International Seller saw an increase of nearly 9%. The Born Global Firm increased from 4.3% to 19.3%, indicating that Born Globals are on the rise, and that the traditional Uppsala theory might be on decline. It should however be noted that these numbers only relate to Danish companies and therefore broad generalizations should not be made when it comes to world development, but the data suggests that the rise of Born Globals is occurring in Denmark. Denmark is characterized by having a very small domestic market, and therefore internationalization propensity may be higher.

**Gabrielsson et al. (2008)** set out to clarify the definition of a Born Global firm and focus on its characteristics. Gabrielsson et al. (2008) believe that the mechanistic approach to definitions in the past, such as 25% export to total sales ratio in 3 years since inception, misses the point of Born Globals vary greatly in context with regard to home market potential, product, and export market receptivity. Which in turn questions the absolute figures and percentages from one setting to another. The study does not suggest a new definition as such, but instead highlights the importance of the founder and its global vision at inception, when talking about a definition of Born Globals. Other factors affecting the progress of Born Globals are innovation, finance, product strategies, channels/network, operation and market strategies, and organisational learning.

Drawing two cases from each country; Greece, Norway, Finland and Italy, Gabrielsson et al. (2008) introduced a three phase description of how Born Globals progress. The three phases were – introductory, growth, and resource accumulation. The study hoped, like many of its predecessors, that the new analysis of definition and phase approach would aid researchers in adopting a common platform for studying Born Globals across country, product and market setting.
<table>
<thead>
<tr>
<th>Authors</th>
<th>Characteristics</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rennie, McKinsey study (1993)</td>
<td>Two types of firms in Australia:</td>
<td>Not offered</td>
</tr>
<tr>
<td></td>
<td>1) Traditional Exporter</td>
<td>A business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the scale of outputs in multiple countries. The distinguishing feature of these start-ups is that their origins are international, as demonstrated by observable and significant commitments of resources (e.g., material, people, financing, time) in more than one nation</td>
</tr>
<tr>
<td></td>
<td>2) Born Global - began export on avg. 2 years from foundation and achieved 76% of total sales through exports</td>
<td></td>
</tr>
<tr>
<td>Oviatt &amp; McDougall (1994)</td>
<td>Four types of International New Ventures:</td>
<td>Not offered, instead six factors giving rise to the emergence of Born Global firms are presented</td>
</tr>
<tr>
<td></td>
<td>1) Export/Import start-up</td>
<td>Firms established after 1976, with foreign sales accounting for 25% or more, after having started export activities within three years of their inception</td>
</tr>
<tr>
<td></td>
<td>2) Multinational Trader</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3) Geographically focused start-up</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4) Global start-up</td>
<td></td>
</tr>
<tr>
<td>Knight &amp; Cavusgil (1996)</td>
<td>Small, usually technology-oriented companies that export one or several products within 2 years of their establishment and tend to export at least 25% of their production. Management views the world as its marketplace. Suggests an operational way of identifying Bgs.</td>
<td>Not offered, instead six factors giving rise to the emergence of Born Global firms are presented</td>
</tr>
<tr>
<td>Knight (1997) <em>Dissertation unobtainable but Andersson &amp; Wictor (2003) mention his definition</em></td>
<td>7 Propositions to the emergence of Born Globals and a research model for future research: a) Founder b) Organisation c) Environment the above all have an effect on Born Globals propensity and further development</td>
<td>Firms established after 1976, with foreign sales accounting for 25% or more, after having started export activities within three years of their inception</td>
</tr>
<tr>
<td>Madsen &amp; Servais (1997)</td>
<td>Descriptive study of 272 Danish exporting manufacturing companies, using Knight's (1997) definition to identify Born Globals. - Bgs do certainly not follow the establishment chain. - Different types of collaboration at arms length (agents, distributors, suppliers, etc.)</td>
<td>Not offered</td>
</tr>
<tr>
<td>Madsen, Rasmussen &amp; Servais (2000)</td>
<td>Descriptive study of 272 Danish exporting manufacturing companies, using Knight's (1997) definition to identify Born Globals. - Bgs do certainly not follow the establishment chain. - Different types of collaboration at arms length (agents, distributors, suppliers, etc.)</td>
<td>Firms established after 1976, with foreign sales accounting for 25% or more, after having started export activities within three years of their inception (Knight, 1997)</td>
</tr>
<tr>
<td>Authors</td>
<td>Description</td>
<td>Definition</td>
</tr>
<tr>
<td>--------------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Andersson &amp; Wictor (2003)</td>
<td>Four factors important for an understanding of the firm's behaviour: a) Globalisation b) Entrepreneurs c) Networks d) Industry</td>
<td>A Born Global is a company that has achieved a foreign sales volume of at least 25% within 3 years of its inception and that seeks to derive significant competitive advantage from the use of resources and the sales of outputs in multiple countries</td>
</tr>
<tr>
<td>Harveston &amp; Wakkee (2003)</td>
<td>Mentions a 3 country minimum extension to the 3 years from inception cut-off definition used by earlier authors. And introduced 4 main elements on how to operationalize Born Global definitions</td>
<td>We define born global firms as those that from inception seek to recognise and exploit opportunities by combining resources from and selling outputs in multiple regions around the world</td>
</tr>
<tr>
<td>Madsen &amp; Servais (2005)</td>
<td>Descriptive study of 900 Danish companies showing an increased development in early internationalizing companies</td>
<td>Firms established after 1976, with foreign sales accounting for 25% or more, after having started export activities within three years of their inception (Knight, 1997)</td>
</tr>
<tr>
<td>Gabrielsson et al. (2008)</td>
<td>Three phase model to the progress of a Born Global 1) Introductory 2) Growth 3) Resource accumulation</td>
<td>A Born Global should not be defined in a mechanistic way, as this can vary from one setting to another depending on home market potential, product and export receptivity.</td>
</tr>
</tbody>
</table>
4.3 The Dimensions of a Born Global

This sub-chapter aims at connecting the evolution of the research of Born Globals, both the definitions and characteristics, into finding the dimensions of Born Globals. The literature review carried out in chapter 4.2 should provide the platform from which the dimensions can be deduced. At the bottom of the last sub-chapter the main characteristics and definitions are summarized in table 4.2.3.

Much effort was in the beginning placed in arguing for the existence of a new type of company different to the traditional exporting company. The first early definitions were broad definitions with no empirical data to distinguish a Born Global. But as the concept of Born Globals evolved, further development of the definition and understanding, took place. Authors tried operationalizing the concept and additional studies were being performed to examine the characteristics of Born Globals and to underline the existence of them.

The definition by Oviatt & McDougall (1994) covers five common traits (speed, scale, scope, diversity, and goal), but does not operationalize these in empirical terms:

"We define an international new venture as a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the scale of outputs in multiple countries. The distinguishing feature of these start-ups is that their origins are international, as demonstrated by observable and significant commitments of resources (e.g., material, people, financing, time) in more than one nation"

Oviatt & McDougall (1994) p. 49

Since the Oviatt & McDougall definition is not operational it was hard for researchers to distinguish traditional companies from Born Global companies, as many companies might have a desire to derive significant competitive advantages from inception. The measurability is however more difficult.

The definition by Knight (1997) covers most of the same traits as Oviatt & McDougall (1994) but adds company age into the equation (speed, scale, scope, age) and in addition he operationalizes speed and scale:
Firms established after 1976, with foreign sales accounting for 25% or more, after having started export activities within three years of their inception
Gary A. Knight (1997)

The definition by Andersson & Wictor combines some of the earlier definitions, though not fully operationalizing the global diversity aspect. The term “multiple countries” suggests more than two countries. The Andersson & Wictor (2003) definition is influenced by the works of Oviatt & McDougall (1994) and McKinsey & Co. (1993) and Knight (1997):

“*A Born Global is a company that has achieved a foreign sales volume of at least 25% within 3 years of its inception and that seeks to derive significant competitive advantage from the use of resources and the sales of outputs in multiple countries.*”
Andersson & Wictor (2003); page 254

The Andersson & Wictor definitions covers the same five common traits as Oviatt & McDougall (1994) (speed, scale, scope, diversity, and goal), but operationalizes speed and scale.

Comparability across studies became difficult because of the various ways that researchers defined Born Globals. A common ground for defining these firms has still not been reached. However deriving the main essentials from the discussion, as well as from the literature review, some common traits repeat themselves. These common traits can be categorized as the dimensions of Born Globals:

1) Speed of internationalization: Most of the definitions cover a time limit for a company to become global, in order to be called a BG. (3 years by Knight, 1997; inception by Oviatt & McDougall, 1994 etc.) Gabrielsson et al. (2008) suggested flexibility on the time limit depending on senior management level.

2) Scale of internationalization: The operational definitions argue for a certain level of total sales being international – e.g. 25% international
sales (Knight, 1997; Harveston, 2000; Andersson & Wictor, 2003) and 76% of total sales (Rennie, 1993)

3) Scope: Combination of resources and sales of outputs (McDougall & Oviatt, 1994). International sales (Knight, 1997)

4) Global Diversity: Multiple countries (Andersson & Wictor, 2003), Minimum 3 countries (Harveston, 2000), Minimum 2 regions (Harveston & Wakkee, 2003)

5) Goal: Several of the authors speak of gaining a competitive advantage by being in multiple markets (Oviatt & McDougall, 1994; Knight & Cavusgil, 1996; Andersson & Wictor, 2003)

6) Company Age: Newer companies have a higher propensity to become global early (Madsen & Servais, 2005). Operational definition of a cut-off value for companies founded after 1976 (Knight, 1997). Cut-off; companies founded after 1990 (Oviatt & McDougall, 1994)

The main characteristics and definitions, summarized in table 4.3.2, show that several of the definitions do not include the same dimensions, but during the development of the Born Global concept all of the above dimensions have been used in one form or another. The most widely used is based on time to entry and export sales levels at the time of investigation (Rennie, 1993; Knight, 1997; Madsen, Rasmussen & Servais, 2000; Andersson & Wictor, 2003; Madsen & Servais, 2005). Harveston & Wakkee (2003) extended on the previous definitions used by adding a measure for globalisation, e.g. having a three-country minimum for international activities. And finally Gabrielsson et al. called for a more flexible time frame on when a company could be considered a Born Global or not, given the fact that senior management may vary from company to company.

### 4.3.1 Speed of internationalization

The first thing that researchers around the world looked at was the time it took companies to internationalize and a common time frame started being developed among authors. Knight & Cavusgil (1996) characterized Born globals as small, usually...
technology-oriented companies that export one or several products within 2 years of their establishment. Knight (1997) one year later defined Born Globals as companies that had started international activities within 3 years and which derived at least 25% of their total sales from abroad. Oviatt & McDougall (1997) claimed that the first six years were crucial for a company to reach a reasonable international level. Whereas Rasmussen (2002) suggested that for smaller home markets, such as Denmark, the six years were too extensive. Gabrielsson et. al. (2008) suggested flexibility about the time period, given Born Globals are largely dependant on senior management who may have international experience from previous jobs, but putting that international experience into use for another Born Global may be more challenging than the time period allows, especially considering exporting or marketing a new product/concept against well-established consumption or usage patterns.

4.3.2 Scale of internationalization

Finding an acceptable international level was another question that came into play in the researchers journey of finding a common definition of Born Globals. The literature presents many different ways of establishing the acceptable level for being international. A common consensus on the acceptable international level a company must reach, in order to be classified a Born Global, has yet to be reached, but the most widely used scale is 25% of total sales, even though Rasmussen (2002) suggests that for smaller markets, for example Denmark, the 25% of total sales may be too low. Another observation is that many definitions and operationalization methods include companies that can no longer be considered a start-up. For instance the definition and operationalization method used by Knight (1997) is a very good example in this respect. According to this definition, a firm can be considered born global, if it is founded after 1976, begins international activities within three years and has an export sales level of more than 25% at the time of investigation. This definition would include companies that began to internationalize very early, but only expanded these activities globally much later. These firms might have been international start-ups, but they only became global once firmly established. Such firms did not necessarily face the same circumstances as firms that are already global during the actual start-up period.
(Harveston & Wakkee, 2003). The definition by Andersson & Wictor (2003) includes a cut-off value of 25% foreign sales but sets a time limit within 3 years. Gabrielsson et. al. (2008) on the other hand mentions that the 25% is a very easy value to reach for most European companies compared to American companies, who do not have as high an export ratio. Most definitions and operationalization methods have a strong focus on international sales; very few include other forms of cross-border activities. Especially, inward oriented activities such as attracting resources from foreign suppliers are under-represented and often, neglected. Rasmussen & Madsen (2002) believed that too much focus was put into the share of foreign sales a company had, and instead wanted researchers to also include other aspects, such as international expansion (number of countries and regions), penetration (entry modes, organizational structure), and integration (sourcing, coordination).

### 4.3.3 Scope of internationalization

The scope of internationalization concerns what activities the company chooses to internationalize. For instance Knight (1997) only speaks of international sales as being the unit to identifying if the company is a Born Global. In contrast Oviatt & McDougall (1994) include both the use of resources and the output of sales in their definition, meaning that the scope of internationalization is not only limited to international sales, but could also be outsourcing of certain activities to international partners. Thereby included the whole value chain, instead of only focussing on one part of it, as Knight (1997) does.

### 4.3.4 Global Diversity

In the literature discussion it was found that the global diversity dimension was in many cases either not used, or not operationalized. Harveston & Wakkee (2003) extended on the previous findings from Harveston (2000) of having a three country minimum to adding a two region minimum, where the regions were divided up in very large groups\(^5\).

\(^5\)EU, other European countries, NAFTA countries, Latin America, Asia, Australia & New Zealand, Middle East, and Africa
Oviatt & McDougall (1994) and Andersson & Wictor (2003) use broad term of “multiple countries” when it comes to global diversity.

### 4.3.5 Goal

The goal or purpose for these companies is cited by (Rennie, 1993; Oviatt & McDougall, 1994; Knight & Cavusgil, 1996; Andersson & Wictor, 2003) to be that of gaining a significant competitive advantage by being in multiple markets. The Entrepreneur / Founder of a Born Global firm views the world as his marketplace (Rennie, 1993; Oviatt and McDougall, 1994, 1995; Knight and Cavusgil, 1996; Madsen & Servais, 1997, Harveston & Wakkee, 2003; Andersson and Wictor, 2003, Chetty & Campbell-Hunt, 2004), and typically uses niche markets to gain a competitive advantage, as most of the these firms are high-technology start-ups. The goal of these companies is to enter as many countries as possible.

### 4.3.6 Company Age

The study by Madsen & Servais (2005) showed an increased development in early internationalization and that Born Global companies were becoming more mainstream. The study divided companies up according to their foundation year in three groups – a) companies founded prior to 1981 b) companies founded between 1982-1991 and finally c) companies founded after 1992. The tendency derived from the Madsen & Servais (2005) study was that newer companies were forced to become international at an earlier stage than before. Madsen & Servais (2005) used a three year cut-off of international sales and purchasing. Knight (1997) limited his research field to companies founded after 1976 and the case studies by Oviatt & McDougall (1994) were all companies founded after 1990. So deriving the findings from this chapter it seems that the younger a company is, the higher propensity it has to become international at an increased pace.
4.4 Chapter recapitalization

The emergence of Born Globals was in the literature explained by Knight & Cavusgil (1996) and Madsen & Servais (1997) as recent changes in the World, such as new market conditions, technological developments and more elaborate capabilities of people, especially the founder. The need for specialized products in the World market also increased the role of niche markets, which small companies could have an inherent advantage in, since they often possess quicker response time, flexibility and adaptability. These new type of companies left researchers puzzled, as they did not follow a traditional internationalization path (Johanson & Vahlne, 1977). Cavusgil (1994) even expressed that gradual internationalization was dead. The theoretical development of the Born Global concept evolved from at the start being studies that identified a new common trend in small-medium-sized companies (Rennie, 1993; Oviatt & McDougall, 1994; Knight & Cavusgil, 1996), to reaching a level were these new types of companies were recognized and therefore an operational definition was needed to make studies more comparable. Knight & Cavusgil (1996) were the first to suggest operationalizing the definition by suggesting a time limit for companies to engage in international activities and also suggesting a export percentage of total sales. Knight (1997) and Wictor & Andersson (2003) and Harveston & Wakkee (2003) further developed the thoughts of the previous authors and developed an operational definition which included many of the dimensions that form a Born Global. Madsen & Servais (2005) showed the development of newer firms international activity and finally Gabrielsson et. al. (2008) called out for a more open mind to setting a time line on the speed of internationalization, which was in direct contrast to the aim of the Harveston & Wakkee (2003) study, which called out for a more uniform way of investigating Born Globals.

Since the assignment of this thesis is not to develop a compromise or suggest an appropriate way for authors to further their studies of Born Globals, but instead investigate how the Born Global theory in general challenges existing internationalization theory, the discussion of which method for defining Born Globals will not be further examined. The literature review and discussion showed some recurring traits, which were translated into dimensions. These dimensions were the speed, scale, scope of internationalization, global diversity, goal or purpose and company age. These dimensions will be used for analysing how Born Global theory is
challenging existing internationalization theory. The next chapter will further examine the existing internationalization theory which in this thesis has been narrowed down to the learning perspective, as chapter 3 explains.
5. The learning perspective

The aim of this chapter is to scrutinize the existing internationalization theory, which in this case is limited to the learning perspective as described in chapter 3. The reason for digging deeper in the understanding of the learning perspective is to better explain how Born Global theory challenges this perspective, which is the main question of the thesis. The learning perspective was developed as a result of a group of researchers, from the University of Uppsala, in the 1970's (Johanson & Wiedersheim, 1975; Johanson & Vahlne, 1977) started investigating the internationalization process of Swedish manufacturing firms. Their research led to the formation of the Uppsala model. The articles (Johanson & Wiedersheim, 1975; Johanson & Vahlne, 1977) assumed that companies first developed the domestic market, and that the internationalization is the consequence of a series of incremental decisions. They also assumed that the most important obstacles to internationalization are lack of knowledge and resources. The reduction of these obstacles were sought through incremental decision-making and learning about the foreign markets. The four cases demonstrated a sequential pattern of entry into successive foreign markets, coupled with a progressive increase of commitment to each market. Johanson & Wiedersheim (1975) therefore introduced the establishment chain, to explain the increase of commitment to a market, and psychic distance, to explain the development of the geographic market selections done by companies. The establishment chain and the role of psychic distance will be covered in the following sub-chapters. The dynamic internationalization model was developed two years later by Johanson & Vahlne (1977) introducing the state and change aspects, and how internationalization was a product of the dynamic nature of these aspects. The dynamic internationalization model will be covered in sub-chapter 5.3.

5.1 The establishment chain

According to (Johanson & Wiedersheim, 1975) firms are risk-avert, and therefore they will start exporting to neighbouring countries and other countries that are similar in psychic distance, which will be explained in the next sub-chapter. The case studies undertaken by (Johanson & Wiedersheim, 1975) also showed that companies tend to
gradually increase involvement to a market. Normally firms start selling abroad via independent representatives, because its a smaller resource commitment compared to for example establishing a sales subsidiary. Johanson & Wiedersheim (1975) distinguish between four different ways of entering an international market, where the consecutive stages represent a higher level of involvement or commitment in the market.

- **Stage 1**: No regular export activities (sporadic export)
- **Stage 2**: Export via independent representatives (export modes)
- **Stage 3**: Establishment of a foreign sales subsidiary
- **Stage 4**: Foreign production/manufacturing units

The four stages have later become more complex as other methods of internationalization have been included, e.g. joint venture, licensing, and FDI.

The entry in a market and the development of resources allocated to a market depends on the level of knowledge and resources available, which are factors that reduce uncertainty. The term market commitment is conditioned on two factors: the amount of resources allocated and the degree of commitment. The degree of resources allocated can be operationalised as the size of the investment in the market whereas the the degree of commitment refers to the possibility of finding an alternative use of the resources and transferring these to an alternative commitment (Hollensen, 2004).

A firm will gain more or less experience depending on where in the establishment chain it is positioned, but in the first stage it will virtually not gain any market experience according to (Johanson & Vahlne, 1990). In the second stage the firm is more bound to gain superficial information about the market conditions as it now has an information channel to the market. The subsequent stages offer a much more differentiated market experience (Johanson & Vahlne, 1990) by having hands-on experience operating in the market.

Not all companies are bound to follow the establishment chain as some markets are simply not large enough for the resource demanding stages, and some firm have prior extensive experience from other markets enabling them to jump or leapfrog certain stages (Johanson & Wiedersheim, 1975).
5.2 Psychic distance

Psychic distance is a concept which is composed by different factors that either disturb or prevent the information flow between the market and the firm. These factors include differences in; culture, political system, level of industrial development, and level of education (Johanson & Wiedersheim, 1975; Johanson & Vahlne, 1977). Psychic distance is correlated with geographic distance, with a few exceptions, such as some of the British Commonwealth countries are far apart geographically, but close to each other in psychic distance. The opposite can be said between the U.S. and Cuba who are near each other in geographical terms, but far apart with regard to psychic distance, mainly because of political convictions (Johanson & Wiedersheim, 1975). It is also noteworthy that psychic distance is not constant, but changes over time (Johanson & Wiedersheim, 1975). The assumption behind Psychic distance is that companies will initially seek access to those markets the can most easily understand, or put in another term the markets with the lowest psychic distance.

The attempts on operationalising the term, Psychic distance, have been sporadic and on a general level. Several authors have contributed to the understanding of psychic distance, but more research is needed and therefore this thesis will not dwell on the value of psychic distance but use the framework of Klein and Roth (1990) consisting of five factual indicators on a 7-point rating scale ranging from “very similar” to “very different”. These five aspects can be seen below:

1. Language of the country
2. Accepted business practices
3. Economic environment
4. Legal system
5. Communication infrastructure

5.3 The dynamic internationalization model

The article by Johanson & Vahlne (1977) first introduced the model of the internationalization process of the firm, and the difference compared to other models describing internationalization back then was its focus; how knowledge about a market
induces internationalization. This focus corresponds with the learning perspective which is also the focus of this Thesis's. The internationalization process by Johanson & Vahlne (1977) is a result of incremental adjustments to a constantly changing environment and to changes within the firm. The internationalization model (see figure 5.3.1) has a dynamic (recursive) nature, which means that the input for the next cycle in the model is its current state of internationalization. The main structure of the model is given by the state and change aspects of internationalization.

**Figure 5.3.1: The Dynamic internationalization model**

There is a mutual dependence between market knowledge and market commitment on the one hand, and commitment decisions and current activities on the other hand. The first iteration becomes the input for the next cycle, that thereby effects knowledge and commitment. The underlying assumptions for the model are that the goal for a firm is long-term profit and that firms are risk-avert, keeping risk taking at a low level.

**State aspects**

The two state aspects are *market knowledge* and *market commitment*.

*Market commitment* is a state aspect composed of two factors; the amount of resources committed and the degree of commitment. A committed resource cannot easily be used in a different setting, and therefore resources located in a particular market can be considered a commitment to that market (Johanson & Vahlne, 1977). The commitment is higher if there is an integration of the resource with the rest of the firm's activities.
The degree of commitment to a specific market is greater the more specialized the resources are.
The amount of resources committed is close to the size of the investment in the market.
The investment should be considered in its broadest sense, hereby including all areas related to that market, e.g. marketing, organization, personnel, etc.

The second state aspects consists of market knowledge and according to Johanson & Vahlne (1977) commitment decisions are based on several kinds of knowledge. The knowledge of opportunities or problems initiates decisions and decision-making implies an evaluation of the alternatives at hand e.g. knowledge about relevant parts of the market environment and about performance of various activities, as shown in figure 5.3.2 on how knowledge affects learning and decision-making.

**Figure 5.3.2: Incremental learning**

Market knowledge can be divided into objective knowledge and experiential knowledge. Objective knowledge can be taught through the use of information sources within or outside of the company (export visits, foreign business partners, consultants etc.) Experiential knowledge can only be learned through personal experience. The experiential knowledge is argued to be especially important since it creates business opportunities at the same time as it reduces uncertainty (Johanson & Vahlne, 1990).
Furthermore as the firm gains experiential knowledge about a market the likelihood for committing resources to that market increases. Experiential knowledge becomes more important the less structured the activities of the firm are. Nordström and Vahlne (1993) argue that only firms that are successful in their internationalization process will be able to benefit from their accumulated experience. They further reason for a strong relationship between a firm's increased experience of doing business on the international field and its internationalization with examples of a successful firm being better at accumulating larger human, financial, and technological resources. The pace of internationalization for a company is determined by how these factors interact with experience (Nordström & Vahlne, 1993).

It is also possible to make a distinction between general knowledge and market specific knowledge. General knowledge is easily transferable across markets as its name suggest. General knowledge concerns marketing methods, common characteristic of certain types of customers etc. Market specific knowledge is on the other hand restricted and very specific. The market specific knowledge could include knowledge about cultural patterns, business climate, and market structure. Establishment and performance in a market requires both types of knowledge. General knowledge can as mentioned earlier be transferred from market to market easily, but the market specific knowledge can mainly be gained through experience in the market (Johanson & Vahlne, 1977).

The state aspects suggests that there is a direct relation between market knowledge and market commitment, and according to Johanson & Vahlne (1977) increased knowledge about a market enhances the value of the resources, and consequently strengthens the commitment to the market. And if the knowledge of the market is mainly experiential the the previous statement holds even more weight since the knowledge cannot easily be transferred to another market.

**Change aspects**
The change aspects are commitment decisions and current activities.

There is a lag between most current activities and their consequences. Johanson & Vahlne (1977) exemplifies this by marketing activities usually do not result in sales unless repeated for some time. When there is a long delay between activity and consequence, e.g. a marketing activity generating sales, then the total commitment
becomes larger. Current activities are the prime source of experience. Experience could be gathered alternatively by hiring of personnel with experience, or by acquiring advice from people with experience, and to clarify these alternative ways of integrating experience into the firm Johanson & Vahlne (1977) distinguish between firm experience and market experience. They further claim that both types of experience are necessary to be able to interpret the data correctly. The hiring of personnel with market experience can to some extent be useful after some time, but is conditioned with delay in the form of the newly hired person needing to gain the necessary experience in the firm. Johanson & Vahlne (1977) believe that the best way to quickly obtain market experience is to hire a sales manager or a salesman of a representative or to buy a part or the whole firm. But that kind of experience is many times not for sale, so it has to be acquired through a long learning process in connection with current activities.

The second change aspect is commitment decisions of resources to foreign operations, which is assumed to depend on what decision alternatives are present and how these are chosen. Decisions are made in response to perceived problems and/or opportunities on the market (Johanson & Vahlne, 1977). Problems are furthermore translated to “awareness of need” and opportunities to “possibilities for business action” and these two factors depends largely on experience according to Johanson & Vahlne (1977). Problems and opportunities will be discovered mainly by those working in the market which leads to extension of the operations on the market. Hence, whether the decision alternatives are in response to problems or opportunities they will be related to the current operations in the market.

Market commitment will be made in small steps, with three exceptions (Johanson & Vahlne, 1990). First exception being when the firm is big and has abundant resources, it can more easily take bigger steps. The second exception corresponds to a market a stable and homogeneous market, which permits the firm to gain the necessary experience through other methods than experiential learning. And the last exception is if the firm has considerable market experience from other similar markets and is able to generalize this experience.

Johanson & Vahlne (1977) distinguish between an economic effect and an uncertainty effect of each additional commitment. The economic effect is assumed to be associated
with increases in the scale of operations on the market, and the uncertainty effect refers to market uncertainty. The uncertainty effect can be seen as a result of lacking knowledge about market related factors making it difficult to estimate current and the future market. The uncertainty can be reduced by interaction and integration with the market environment e.g. increased communication with customers, establishment of new service activities, or by stealing key customers. According to Johanson and Vahlne (1977) a firm will extend its scale of existing operations on the market until it has met a tolerable risk frontier. And once a firm has reached its frontier it will only expand if uncertainty declines, or if attitude towards risk changes. As noted earlier one way to reduce uncertainty is by gaining experience. Therefore it should be expected that in markets that are fairly stable and heterogeneous, the firm will expect a decline in uncertainty as time goes by. Market uncertainty can also decline as a consequence of a political and competitive stabilization of market conditions.

### 5.4 S-O-R model

Strandskov (1995) describes internationalization as following a S-O-R model (Stimuli, Organism, Response), which displays the underlying mechanics of the learning process in the Uppsala model. (see figure 5.4.1)

The model assumes that the learning experience materializes over a certain amount of phases with both external and internal stimuli affecting the decision complexity. Experience gathered in one phase changes the motives, attitudes, perceptions etc. and new stimuli leads the process to new phases.
The direction of internationalization is determined by the way the company makes international decisions, especially when it comes to risk and uncertainty perception. To reduce uncertainty and risk, and thus make better decisions, the company can gather more information and perform additional analysis. The more a company knows about a market the less risk will be associated with the internationalization decision. There is however an upper limit of how much increased knowledge will aid the decision process according to Strandskov (1995).

Stimuli is the independent variable of the model and functions as a trigger to actual or potential international decisions. Stimuli can be either proactive or reactive, and be of internal origin or external origin. Figure 5.4.2 depicts these 4 dimensions of stimuli with examples of what they entail.
The trigger or stimuli on why a company wants to internationalize in a certain direction can be hard to determine. On the one hand the responsible export manager might decide to go through with a number of export activities before any visible results emerge and before proper allocation of resources to manage market research and data gathering have been acquired. On the other hand the export activities can start as a result of direct enquiries from foreign customers and gradually evolve because of the growth and earnings potential that lies here in. Figure 5.4.2 displays the many various ways a stimuli can occur.

Like all new experiences the uncertainty and risk is always greatest at the early stages of learning. The first time you want to skate on a ramp you are very uncertain if you will be able to make the other side without falling, and even though you have read and seen how other people do, you are still uncertain if you can do it yourself. The same goes for companies looking to expand abroad for the first time. They might have seen another fellow national company do it successfully, but they are still uncertain if they are able to do the same.

The feedback function in the S-O-R model will invoke diminished uncertainty and risk, as more experience and information is gathered. In the skateboard example you will become less uncertain on how to get to the other side of the ramp the more times you have tried it yourself and seen it done by others. A company can in the same way reduce the risk and uncertainty by objective knowledge acquisition and experiential knowledge gathering. The experiential knowledge is gathered through personal experiences,

**Figure 5.4.2: Stimuli characteristics**

<table>
<thead>
<tr>
<th>Internal motives</th>
<th>External motives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proactive</strong></td>
<td><strong>External motives</strong></td>
</tr>
<tr>
<td>1. Ambition of leader(s)</td>
<td>1. Market opportunity</td>
</tr>
<tr>
<td>2. Growth and profit goal</td>
<td>2. Change agents</td>
</tr>
<tr>
<td>3. Market advantage</td>
<td><strong>Reactive</strong></td>
</tr>
<tr>
<td>4. Economies of scale</td>
<td>1. Customer approaches</td>
</tr>
<tr>
<td>5. Unique product/technologi</td>
<td>2. Small home market</td>
</tr>
<tr>
<td></td>
<td>3. Pressure on home market</td>
</tr>
<tr>
<td><strong>Reactive</strong></td>
<td></td>
</tr>
<tr>
<td>1. Spread of risk</td>
<td></td>
</tr>
<tr>
<td>2. Harmonization of seasonal fluctuations</td>
<td></td>
</tr>
<tr>
<td>3. Excess Capacity</td>
<td></td>
</tr>
</tbody>
</table>

whereas the objective knowledge is acquired through the use of information sources within or outside of the company (export visits, foreign business partners, consultants etc.) The objective knowledge can furthermore be split into general information about foreign markets and into specific market information about company related conditions. Lack of experience for a new activity makes the decision process harder. Increased market research will not likely help make the decision easier, but if the company has had another activity that can be reasonable credited resemblance to the current activity, that other activity can serve as a compensation for the lack of experiential knowledge on the new activity if the connection is interpreted and reflected upon. Returning to the skateboard example one might have an easier time deciding to skate to the other side of the ramp if the person in question had previous experience with a snowboard in a half pipe. The movement is the same in both instances. The only differences are the lack of wheels on a snowboard and the surface on which the boards are gliding. The experiential market knowledge functions as a driving force for internationalization thrust in the Uppsala model.

The mechanisms behind the learning process are according to Strandskov (1995) the selections and interpretations of stimuli functions on the one hand, and the ability to gather and store knowledge on the other side. Organizational learning occurs when organizational acts leads to new knowledge and information that either strengthens or weakens the relationship between stimuli and response. The organization understanding is increased when it can see the results from its actions.

The learning perspective is characterized by not having company goals set beforehand, but instead gradually modifying goals as management learns from their foreign activities. Competence building and decision criteria also change in accordance to experiential knowledge.

Market commitment has a central position in explaining the internationalization process of a company. The Uppsala model describes market commitment as a state aspect, composed of two factors; the amount of resources committed and the degree of commitment, as mentioned in 5.3. The amount of resources committed can be understood as the size of the investment in that particular market, though the investment should be considered in its broadest sense, including investments in all areas to that market such as personnel, organization etc. Market commitment will in the early stages
of internationalization be limited, but even small investments in the export marketing leads to an ongoing intensifying of export activities.

5.5 The experience-based model

Many of the suggestions to improve the process model include adding a number of explanatory factors, such as industry, home and host country characteristic, and product characteristics. Nordström & Vahlne (1993) however believe that including these variables will add to the explanatory value, but at the cost of making the theory more eclectic and thus harder to falsify. Therefore Nordström & Vahlne (1993) suggest only using the above variables to specify under what conditions or assumptions the theory is valid, as it should be possible to falsify a theory. Nordström & Vahlne (1993) argue that experience and competition are important parameters when viewing which state the company and industry are in. The earlier studies (Johanson & Wiedersheim, 1975) focused on growth. Competition was not an issue and therefore not mentioned in Johanson & Wiedersheim (1975), most likely because the four case companies only met limited, if any, competition, and in many of the cases their product could be perceived as new or unique. The critics (Oviatt & McDougall, 1997, Knight, 1996 etc.) of the process model notice that experienced companies tend to take quicker and more radical internationalization steps.

Nordström & Vahlne (1993) use the experience-based model as a description of how valid the Uppsala model is in a given situation depending on the company and firm characteristics. To distinguish the validity of the process model Nordström & Vahlne (1993) construct a 3x3 matrix that combines firm and industry characteristics under different settings ranging from local to global, see figure 5.5.1. The validity of the process model is highest at the darkest colours, and less valid at the light colours.
This model clearly identifies the differences between Born Global theory and the traditional Uppsala stage model theory. Placing the four cases, on which the Uppsala model was built upon, in the bottom left corner. These four cases were characterized by national company and industry characteristics. The Born Global companies are characterized by global company characteristics, because of high experience within the management. The industry characteristic for Born Globals are global, because of high-technology niche products, suitable for the global market. This places Born Globals in the top right corner making he validity of the Uppsala model when it comes to explaining the company and industry characteristics of Born Globals is limited. This fits well with the purpose of this thesis of investigating of how the Born Global theory is challenging our understanding of the existing internationalization theory. This chapter shows that the traditional process model falls short on validity when it comes to explaining Global industry and company characteristics.

5.6 Chapter recapitalization
The Uppsala model is characterized by incremental learning and the establishment chain. The obstacles to internationalization are lack of resources and lack of knowledge, hence the Uppsala model argues for a gradual expansion of international activities conditioned by incremental learning and development of resources. The companies that
the Uppsala model covers with highest validity are the companies with national firm and industry characteristics (Nordström & Vahlne, 1993). The Uppsala model assumes that companies start from no prior international knowledge and very limited resources and thus companies need to overcome these constraints by increasing sales to gain more resources. The company is a learning mechanism where the objectives of the company are gradually shaped and realised. The internationalization process is an internal development process by having to overcome scarce resources, market uncertainty and lack of knowledge.

The main dimensions of the Uppsala school of thought are

- Incremental learning
- Psychic distance
- Establishment chain

These dimensions will be examined and contrasted towards the Born Global theory in the theoretical investigation in chapter 6, as these dimensions constitute the existing internationalization theory that was presented in the problem statement.
6. Theoretical investigation

In order to describe the differences and similarities between the schools of thought, BG and Uppsala, it is important to investigate how both schools view key parameters. Chapter 3 outlined the meta-theory connected with internationalization, by presenting different perspectives of how to interpret internationalization. This thesis chose the learning perspective to investigate how Born Globals are affecting existing internationalization theory. Chapter 4 explained how authors noticed a development in the speed of which companies were expanding internationally, which sparked the birth of the Born Global theory. The development of the theory was investigated and the dimensions of Born Global theory extracted. Chapter 5 dealt with the existing internationalization theory known as the learning perspective or Uppsala theory. The learning perspective argues how learning mechanisms affect the internationalization choices. The dimensions of the learning perspective was extracted.

The purpose of this chapter is thus to analyse on these dimensions and how they relate to each school. The dimensions will be placed in a matrix in order to get a better overview of how each dimensions affects each school (see table 6.1), and each dimension will be scrutinized in this chapter.

“The evolutionary, staged internationalization of organizations is good history, but the organizational history books of the future will describe the beginning of the next millennium as the first time when large numbers of new corporations were forced to be global from inception.” (Oviatt & McDougall, 1995, p.40)

The above statement might very well be the case, and the study by Madsen & Rasmussen (2005) also suggests an increase in the number of companies that start international activities within 3 years. The development in internationalization calls for a better understanding why companies are forced to be international at an earlier stage. Is gradual internationalization dead as Cavusgil (1994) proclaimed, or can the patterns of internationalization still be explained within this new context of faster internationalization. In the past many authors have criticised the Uppsala model for being too deterministic by for example not permitting mode of entry a firm should choose (Hollensen, 2004). Leapfrogging companies have also proven that companies do
not always follow the establishment chain or psychic distance rule (Hedlund & Kverneland, 1985), and Nordström (1990) argues that psychic distance has been reduced because the world has become much more homogeneous. The experience-based model that Nordström & Vahlne (1993) use to describe the validity of the Uppsala model describes how the validity of the Uppsala model is at its highest when dealing with local firm and industry characteristics. Born Global companies are, as explained in chapter 4, characterized by global firm and industry characteristics, and therefore the validity is limited for explaining the internationalization of Born Global companies according to Nordström & Vahlne (1993). The question then arises, how would the validity of the Born Global theory then be, in an experienced-based model. Would it be opposite that of the traditional internationalization theory, with it loosing validity the more regional to local the firm and industry characteristics were? One might believe so, but hopefully this theoretical explanation will provide the answers.

6.1 The similarities and differences of the two theories
The dimensions from chapter 4 and 5 are below gathered and put into a matrix, that will serve as the unit of analysis on how Born Globals challenge existing internationalization theory. The various dimensions will be examined from the viewpoint of both schools to thereby identify the differences or similarities.

Table 6.1: The Dimensions of internationalization

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>BG</th>
<th>Uppsala</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed of internationalization</td>
<td>Fast, typically within 3 years of inception</td>
<td>A growing experience in accordance with resources and knowledge, suit the risk perception of expanding internationally</td>
</tr>
<tr>
<td>Scale of internationalization</td>
<td>Minimum 25% of total sales should be export</td>
<td>Not important</td>
</tr>
<tr>
<td>Scope of internationalization</td>
<td>Several activities along the value chain should be internationalized</td>
<td>Value chain not considered</td>
</tr>
<tr>
<td>Global Diversity</td>
<td>3 country minimum or 2 region minimum</td>
<td>One market at a time, before expanding to new markets</td>
</tr>
<tr>
<td>Goal</td>
<td>To gain significant competitive advantage by being in multiple markets</td>
<td>To enhance earnings</td>
</tr>
<tr>
<td>Company Age</td>
<td>New companies</td>
<td>Well established companies</td>
</tr>
<tr>
<td>Incremental learning</td>
<td>Still accruing but previous knowledge adds to the learning of the company</td>
<td>Knowledge about markets are learned through objective and experiential learning mechanisms</td>
</tr>
<tr>
<td>Psychic distance</td>
<td>Psychic distance irrelevant</td>
<td>Market selection based on psychic distance</td>
</tr>
<tr>
<td>Establishment chain</td>
<td>The sequential chain is not followed</td>
<td>Internationalization follows an establishment chain by increasing commitment to the market in question</td>
</tr>
</tbody>
</table>
6.1.1 Speed of internationalization

In the Uppsala school of thought, speed is not an important factor, since increasing the speed of internationalization would only mean that risk would rise as well, and one of the basic assumptions in the Uppsala model (Wiedersheim & Johanson, 1975) is that companies are risk-averse. The lack of knowledge about international markets leads to high risk of engaging in activities in that specific market, which is why building up resources and knowledge is the cornerstone of traditional internationalization theory.

Born Global companies are characterized by having experienced managers or founders, as seen in chapter 4. It is therefore fair to assume that the increased knowledge level of senior management in Born Globals reduces their risk perception of internationalization, which therefore also affects the speed of internationalization, as they do not have a need to build up knowledge about foreign markets to the same degree as traditional companies. Entrepreneurial firms led by founders or management teams with a great wealth of personal international knowledge are more likely to seize entrepreneurial opportunities earlier, and their greater absorptive capacity makes these firms able to readily accumulate additional foreign knowledge (Oviatt & McDougall, 2005).

Born Global companies also have a strategic drive behind their fast internationalization by gaining a competitive advantage of being a first mover of a new product, usually high-technology products. The traditional Uppsala companies strategic drive is to build up enough resources to take advantage of economies of scale that it can use against competitors in international markets. This process is a time consuming one which is why the speed of traditional companies is slow. A Born Global company uses a wide array of channels to increase its presence and speed in international markets (Gabrielsson & Kirpalani, 2004).

So the underlying reasons for the speed of internationalization being faster for Born Globals can partly be explained by the difference in knowledge/learning level, difference in vision, and difference in establishments or governance structures, between the two schools of thought. There also seems to be a difference in risk perception between the two schools, but the increased level of knowledge in Born Globals eliminate some of the uncertainty. Additional research in this field could answer if
uncertainty is completely eliminated by the increased knowledge level, or if there is indeed a difference in risk perception between the two schools.

### 6.1.2 Scale of internationalization

The scale of internationalization is very different between the two schools of thought. The Uppsala school believes in developing a home market first, to gather experience and build up resources to go abroad, whereas Born Globals do not need to develop a home market first, as the common mindset of managers in Born Globals is that the World is their marketplace (Rennie, 1993; Oviatt & McDougall, 1994; Knight & Cavusgil, 1996; Madsen & Servais, 1997). The strong domestic markets functions as a support unit for international endeavours that the traditional companies might undertake (Wiedersheim & Johanson, 1975). The traditional internationalization path calls for building up resources and knowledge first before aspiring to international endeavours, which is why the home market is of great importance to the traditional companies. The scale of internationalization for traditional companies will thus be conditioned by how well the the company performs in the domestic market. This relates to traditional companies being risk averse, as they lack knowledge of international affairs. Born Global companies do not necessarily need to build up a home market first, as many of the Born Global companies establish themselves on foreign markets from inception, which corresponds to the Born Global mindset of the world being one big marketplace. Resources and knowledge are also constraints to the growth for Born Globals, but not to the same extent as the traditional companies. Born Globals use networks and alliances to overcome the constraint of resources for rapid international development (Freeman et al., 2006) and employ or contact people with international experience or knowledge to overcome knowledge constraint. Traditional companies like to replace alternative use of resources with their own, whereas Born Globals do not have an interest in doing this, as the goal of a Born Global is not to become a large multinational, but rather be present on multiple markets as fast as possible.⁶

---

⁶The goal of Born Globals and traditional companies will be further examined in the Goal dimension
The scale of internationalization is thus higher for Born Global companies as it is their focus is the international market and their goal is to reach a significant competitive advantage by having activities in multiple countries.

6.1.3 Scope of internationalization

The scope of internationalization concerns the value chain. Most of the literature only regards the internationalization of sales (Knight, 1997), but the rest of the value chain can also be internationalized – e.g. purchasing, production, R&D, marketing activities, etc. as Oviatt & McDougall (1994) and Andersson & Wictor (2003) suggest by mentioning the use of resources internationally. These activities can be performed either in a foreign country or together with partners from foreign countries. The scope of internationalization in traditional companies follows the establishment chain, where the use of agents are stage 1 and internationalizing a production unit is the last stage. Generally the scope of traditional companies are not considered before the company is well engaged in foreign activities. The risk associated with internationalizing other parts of the value chain for traditional companies is too severe compared to Born Globals, which has to be a result of lack of knowledge and psychic distance interfering the information flow with the benefits of establishing or outsourcing certain parts of the value chain. Traditional companies have to build up enough experiential knowledge and resources before they see an opportunity in internationalizing other parts of the value chain. The outsourcing of certain value chain activities to India or China is a good example of this. The Transaction perspective Strandskov (1995) mentioned in chapter 3 focusses on either internalizing or externalizing activities to enhance effectiveness, which is why the transaction perspective might be better suited for analysing the scope of internationalization of companies. Future research could look into the effects that the value chain of Born Global companies have on internationalization compared to traditional companies, as limited literature was found on the subject.

Having several value chain activities spread around the world would however increase the need of coordination. The higher need of coordinating activities across countries would in turn increase experiential knowledge flow and therefore also the overall organizational learning.
6.1.4 Global diversity

The global diversity dimension is for traditional companies not an important factor when considering early internationalization, as the traditional companies only internationalize according to their risk perception, which only gets lowered through learning and additional resources. Traditional Uppsala companies gains experiential knowledge by committing resources to a market. The degree of commitment follows an establishment chain with having the use of agents as stage 1, and the establishment of a foreign production unit as stage 4 (Wiedersheim & Johanson, 1975; Johanson & Vahlne, 1977). Therefore the global diversity of a traditional company typical happens one market at a time, and at a slow pace, compared to the Born Global companies, who seek a competitive advantage by being in multiple countries from close to inception. The Born Global firms examined in the Chetty & Hunt (2003) study showed that in order to gain international credibility it was important for some firms to sell their products locally. International buyers have more confidence in the products if it is also sold in the company's domestic market. This of course contradicts the previous statement that Born Globals do not need to develop the home market, because they seek competitive advantages by being in multiple countries. The Chetty & Hunt (2003) study however only investigated 9 Born Global companies and their sample of companies were all from New Zealand, so drawing a conclusion from a sample size this small and limited is not credible, but it fuels a discussion of the relevance of a home market for Born Globals. The statement from Chetty & Hunt (2003) only mentions “some firms” and therefore it is not a general assumption that all Born Globals need to show performance in the home market for them to sell internationally, moreover the discussion of global diversity is not limited to whether the home market is key or not, and therefore nothing is wrong with some Born Global firms developing their domestic market, as long as their main focus is global.

Global diversity relates to the strategic choice of being in multiple markets and what benefits this provides. The main difference between the two schools is that traditional companies focus more on one market at a time, where Born Globals see an advantage of being in multiple markets at a time.
6.1.5 Goal

The Born Global companies emphasize the role of seizing a leading position in an emerging market or niche for internationalization, which dictates both the direction and pace of internationalization (Oviatt & McDougall, 1994; Knight & Cavusgil, 1996; Madsen & Servais, 1997; Chetty & Campbell-Hunt, 2004). The Traditional companies do not employ a focus strategy to gain competitive advantages in the same way. The overall goal for a traditional company is to grow large enough as a company to reach a level where advantages are gained from economies of scale, economies of scope, cost efficiency, location advantages, and protection against seasonal fluctuations etc.. The Traditional company state that strategic decisions have a great impact on the path of pace of firm internationalization, but the processes are a result of emerging developments which leads the company to opportunities or problems, as figure 5.3.2 displayed the incremental learning within traditional companies.

The traditional companies goals do not operate with an overall idealistic internationalization goal, they might have a vision of becoming a large multinational at some stage in the far future, but it is not a part of their internationalization strategy. Traditional companies instead grow incrementally in local markets and gradual develop their goals, viewing markets as separate entities, whereas the goals of Born Globals are global from inception and seek to harvest the benefits of this vision to the maximum. Certain parts of their goals are progressive, as to where they next want to internationalize can be put down to possibilities presenting themselves in a given situation etc., but their overall goal is to gain significant competitive advantage by being in multiple markets. By being in multiple markets early the Born Global firms also diminish the power of substitute and complement products that might otherwise present a significant competitive challenge with the limited resources and distribution network available to Born Globals compared to a large multinational company.
6.1.6 Company Age

Company Age can be seen in two ways as either the company age before internationalization or as the age of which the company was founded. The company age before internationalization of course relates to the speed of internationalization.

The literature review in chapter 4 showed how newer companies seemed to be faster at internationalizing than previously. Companies founded after 1992 had a higher propensity to begin international endeavours within 3 years (Madsen & Servais, 2005). So the company age must have an effect on how companies deal with the internationalization question. Globalization must play a great part of the reason behind the results from the Madsen & Servais (2005) study, and perhaps also the changes mentioned by Knight & Cavusgil (1996) and Madsen & Servais (1997) play a part.

In the McKinsey study (Rennie, 1993) two types of companies were identified, and Rennie classified them according to different parameters with one being average company age before international activities. The Traditional companies had an average age of 27 years before they started international activities, whereas the Born Globals only used 2 years on average before engaging in international activities. The largest contributor behind these changes in development has to be placed on globalization and changing market conditions.

The reason the Born Global literature discusses company age lies in the fact that the dimension is a good value to operationalize, and by adding a dimension on when to study companies, the likelihood of it being a Born Global rises if the study only investigates companies founded after a certain year – e.g. Knight uses 1976 as a cut-off value, whereas Oviatt & McDougall use 1990 for one of their studies. The company age for traditional companies is not really relevant, except for the fact that the older the company is, the more likely it follows a traditional internationalization pattern. So the conclusion to this dimension is that well established or older companies have a higher likelihood of following a traditional internationalization pattern, whereas newer companies may follow a faster path to internationalization and maybe even a Born Global path.
6.1.7 Incremental Learning

Incremental learning is backbone of traditional internationalization theory (Johanson & Vahlne, 1977). Risk of internationalizing to new markets or committing additional resources to a specific market is reduced by constantly learning about markets. Does incremental learning occur in Born Global companies?

In the original Uppsala model (Wiedersheim & Johanson, 1975; Johanson & Vahlne, 1977) the level of international experience of senior management was assumed to be zero. The Born Global companies challenges this assumption by having experienced managers with internationalization knowledge from prior work engagements, thus the assumption of starting at zero or no experience is different for the Born Global companies. The increased experience level for Born Global founders/management was found to be an important factor in the emergence of these fast growing companies (Madsen & Servais, 1997). This of course raises the question of how transferable the prior knowledge on internationalization is? The studies by Oviatt & McDougall (2005) and Autio et al. (2000) found that there was a relationship between higher knowledge of internationalization in the founder leading to faster internationalization. Autio et al. (2000) even argues for a calcification of knowledge if firms take to long before engaging in international activities, as the companies then will have built up competencies constraining what they see and how they see it. This corresponds well to the slow speed traditional companies exhibit on international expansion and the increased speed of Born Globals. There seems to be evidence of transferability when it comes to the knowledge level of the founder or senior management. Johanson & Vahlne (1977) distinguish between market specific knowledge and general knowledge. General knowledge is easily transferable across markets and usually concerns marketing methods and common characteristics of certain type of customers, whereas market specific knowledge is very specific and usually concerns knowledge about cultural patterns, business climate and market structure, which may be useful for a founder/manager of a Born Global company, should they choose to engage in that specific market. The market specific knowledge is gathered through experiential learning. The learning that a founder/manager has acquired from previous employment may only be useful to a certain extent in his new company, as some of the old market specific experience he has gathered may be outdated and may also be hard to transfer.
because if the product or industry setting is totally different from his previous experience. The higher knowledge level does however reduce the uncertainty associated with engaging in international activities, just like the Uppsala model showed (Wiedersheim & Johanson, 1975; Johanson & Vahlne, 1977). The increased knowledge level is not only limited to the founder. The employment of people with international experience in an organization is also a factor increasing the overall level of knowledge within the company. Globalization has, as chapter 4 stated, made it easier to hire more experienced people for various positions within a company, and therefore the whole organization can have a vision of the world being their marketplace. The risk associated with entering into new markets is for a globalized organization reduced compared to a local or regional organization.

An extra dimension to the learning for an experience manager presents itself in Autio et al. (2000) in the form of absorptive capacity. Autio et a. (2000) believe that the more similar prior knowledge is to new knowledge, the easier the absorption of new knowledge. By adding this additional information into the incremental learning model, it would be fair to assume that Born Global firms are likely to have a higher absorptive capacity of learning and that Born Global firms start at a higher knowledge level before going through the first cycle of problem/opportunity identification (see figure 5.3.2). Communication and information technology has made the gathering of objective knowledge much easier, when it comes to accumulating and storing objective knowledge.

Drawing the findings in this chapter we can conclude that the incremental learning model is still followed by Born Globals, but an extra dimension to the model is added in the form of previous knowledge of the founder or senior management. The previous knowledge generates a higher absorptive capacity of learning in the organization making the process faster and more effective. The increased level of knowledge that the Born Global company possesses from inception, both in the form of the founder but also the people employed within the organization, reduces the risk of engaging in international activities, as both general and market specific knowledge is transferable to a certain degree.
6.1.8 Psychic distance

The term psychic distance is by many of the Born Global researchers regarded as irrelevant (Bell, 1995) or not as important for company internationalization (Oviatt & McDougall, 1994), as Born Global companies often rely on one or very few products that have to sustain several markets, and therefore the it is the most attractive markets that are important regardless of psychic distance (Moen & Servais, 2002). The founders of Born Globals are influenced by their education, living abroad and international work experience, which reduces the psychic distance to specific markets (Rennie, 1993; Madsen & Servais, 1997). Born Globals cannot be expected to choose geographically markets according to the “rings in the water” model. The markets they choose to enter first will not always be neighbouring countries, but will rather be countries in which they already have relationships with potential customers, or perhaps those that are particularly important for their specific market positions (Madsen, Rasmussen & Servais, 2002). In the New Zealand study of Born Globals by Chetty & Hunt (2003) the Born Global companies expanded to the countries with a close psychic distance to them: Australia, Canada, UK and US as their first markets. But this was only limited to the companies first market and once the companies in question started internationalizing beyond the first market, psychic distance did not seem to matter.

Thus the term of psychic distance is an extremely important dimension for traditional companies, it is not an important one for Born Global companies as their need to be in attractive markets with a unique product overrules the risks of uncertainty connected with psychic distance. Furthermore many of the Born Global companies have managers/employees with previous international knowledge, and therefore many of the international markets that Born Global companies operate on have to some extent already been touched in previous work experience by parts of the organization.

6.1.9 Establishment chain

The establishment chain was in the original Uppsala cases found to be a valuable source of how companies gained information. The early stages of the establishment chain, e.g. the use of agents, only gave very limited market knowledge, but as the company reached a later stage, more and more information would become available in the form of
experiential learning. This follows the dynamic internationalization model of Johanson & Vahlne (1977) by gaining incremental learning that reduces the risk of committing additional resources, and thereby commitment follows a sequential pattern from stage 1 to stage 4 (see chapter 5.).

The sequential pattern that the establishment chain follows is under pressure from the Born Global companies, because these companies do not follow the establishment chain (Madsen & Servais, 2000), which can be attributed to the fact that Born Globals seek to reach new business space rapidly (Gabrielsson & Kirpalani, 2004) and make greater use of personal and business networks to achieve rapid global outreach.

..these firms do not begin to export incrementally from a strong domestic market base, as regarded by the stage model, but simultaneously enter several foreign markets soon after their birth. In addition, their internationalisation development process does not seem to be driven by the psychic distance logic as much as by the founders' and partners' previous international experience, networks, and/or other customer-related factors. (Knight & Cavusgil, 1996)

The quote from Knight & Cavusgil (1996) sums up that the establishment chain is not followed for Born Globals, and thus the information channels that the establishment provided for traditional companies are found in other places for Born Globals, such as through alliances and networks. Often the alliances benefit both parties. Born Globals are characterized by being small and flexible with a unique technology and having a competitive advantage of being quick to size up opportunities, use first mover advantages and move rapidly into several international markets. The managing of risk and moving rapidly is fundamental to their sustainable rapid market expansion. The larger firms needs the technology, flexibility, and adaptability that these Born Globals offer as part of their supply chain across the global market (Freeman et al., 2006). Benefits fall out to both parties, as both parties see the importance of networks.

The establishment chain is thus not followed by the Born Global companies, as they seek to maximize their global reach through various forms of establishment in foreign markets. There is no order to how they establish only maximization of reach.
6.2 Implication of Born Global theory

If we compare BG theory to Uppsala theory we find many similarities but also big differences. Table 6.1 gives a quick introduction to the differences between the two schools, but also shows that the incremental learning might not be that different. The main difference between the two are the speed of which they internationalize, the way they handle resource constraints and their overall vision or goal. The above dimensions affect each other to a high degree – e.g. speed of internationalization for Born Globals is a product of a goal seeking behaviour and an increased knowledge level of the organization. The next few paragraphs should make it very visible that there is indeed a high correlation between the dimensions, which is understandable given how these dimensions were extracted.

The reason behind speed being such an important factor for Born Global companies can be explained because of the vision of the founder/entrepreneur and the opportunities that present themselves for the founder – e.g. general and market specific knowledge in several markets. Born Globals are characterized by founders having high prior internationalization experience, and they regard the world as their marketplace. They are a product of globalization, and because of their higher general knowledge of internationalization processes from previous jobs, they do not regard it as a high risk to start abroad, or at least not in the same way most normal companies regard the risk of internationalizing. The previous experience that the founders have is also an advantage when it comes to valuable business relations or networks. They have an easier time gaining the necessary knowledge to markets because of contacts from previous employment. The founders also realize that they can achieve a first mover advantage that can harness them from risk of complement or supplementary products, e.g. Porter's five forces. Autio et al. (2000) argues that slow companies risk being calcified in how they learn, which enforces additional slowness to their process of internationalization as companies are dependent on learning about new markets to reduce the perceived risk of entering.

The Uppsala school dictates gradual internationalization in conjunction with the development of own resources and knowledge. This is in sharp contrast to the Born Global school, because they do not have time to develop their own resources, so instead
they acquire resources by other means (Business angels, Joint ventures, Strategic collaboration, small alliances etc.) to overcome constraints to rapid internationalization (Gabrielsson & Kirpalani, 2004; Freeman et al., 2006).

In chapter 4 the line that repeats itself, when it comes to the definitions of Born Globals, was how companies from inception seek to derive significant competitive advantage from the use of resources sales of outputs in multiple countries. (Oviatt & McDougall, 1994, Andersson & Wictor, 2003 etc.) The definitions carried out by these authors have been through either empirical or conceptual approaches, but they all show that it is deliberate that these companies seek fast growth. Therefore the mindset of the two schools are different. The Uppsala school sees the world one market at a time, whereas the Born Global school sees the world as one big marketplace with no country restrictions. Globalization has offered a contraction of space as mentioned at the start of chapter 4, making the world a smaller place. The study carried out by Madsen & Rasmussen (2005) on 900 Danish companies suggested that new established companies in Denmark are more international within 3 years than what they used to be. There is a clear development from the companies founded prior to 1981 to now, most likely because of globalization and the other factors giving rise to Born Globals (Knight & Cavusgil, 1996; Madsen & Servais, 1997).

Madsen & Servais (1997) suggest that the Uppsala model is still followed, but that the phases just occur a lot faster. This study finds that the incremental learning aspect still holds to some extent, but that the establishment chain and the psychic distance may not be as valid as Madsen & Servais (1997) suggested.

The psychic distance factor is by Moen & Servais (2002) argued to be not important for Born Global companies, as these companies typically rely on one or few highly specialized products that have to sustain several markets, and therefore the most attractive markets are important, regardless of psychic distance. The contraction of space, mentioned in chapter 4, that globalization had produced also has an effect on the decreased effect of psychic distance, as well as founders and managers having better education, living abroad, international work experiences, and foreign partnerships all play a part of the effects of psychic distance has been decreased.
For traditional companies the establishment chain was the source of an increased information flow to the company. For Born Globals, no sequential pattern seems to exists, and the old days of first engaging agents to scout foreign markets and then slowly moving more commitment into the favourable markets seem to be of the past, when it comes to Born Globals. The Born Global companies sets up different forms of establishment that does not follow a sequential pattern, but instead their establishments serve the companies best advantage given the opportunities presented to them, as they seek global reach.

For Born Global firms it was argued in the incremental learning dimension that incremental learning still occurs, because the founder/entrepreneur/senior management in Born Global firms carry vast prior international experience, they start at a higher level of knowledge, when it comes to internationalization. The dynamic internationalization model (Johanson & Vahlne, 1977), showed how a company travelled through several iterations to reach a higher level of internationalization by constantly readjusting the state and change aspects. For a Born Global company the level of internationalization is at a higher state before engaging in the first international endeavour, because the founder/entrepreneur/senior management have travelled through the first iterations with other companies, and therefore they have a different view on internationalization and previous experience that they can draw upon. Product and industry conditions can in a Born Global company perhaps not be the same as the industry or product the founder has had previous international experience, but the practices and methods for engaging activities in a new country have been tried before, and therefore uncertainty of entering new markets is lower. The state aspect by Johanson & Vahlne (1977) included market knowledge and market commitment, but if we focus on market knowledge it was divided into two groups – a) general knowledge and b) market specific knowledge. Both groups are transferable to a certain extent. The general knowledge is transferable to all markets, as it often involves common marketing practices etc., and market specific knowledge only relates to that specific market, and it is therefore not transferable to other markets, but a Born Global might choose to internationalize to that specific market, which is why they can also access market specific knowledge to a certain degree, as it often involves cultural patterns, business climate, and market structure, though the product or industry on which the Born Global
enters the market may be very different to the previous experiential learning that the founder/entrepreneur/senior management may have acquired.

There is an area worth of additional investigation when it comes to the learning of Born Globals and how they use prior knowledge to access new markets. The settings on which their prior knowledge was gained may be very different to the setting their new company currently faces, but certain transferability may occur ranging from a small to large extent.
7. Case company

The implication that Born Global companies have had on internationalization theory inspired to investigate a company with the characteristics of a Born Global. Which is why Medianet Innovations will serve as an illustrative case company to identify the findings of the theoretical investigation. The reason for including a case company is to add a practical dimensions to the examination of how Born Globals affect traditional internationalization theory, and to inspire future research to investigate a large sample of companies to test the findings of this thesis, as only investigating one case company does not call for practical generalizations.

7.1 Data handling

The Medianet case is selected to further explore the findings of the theoretical investigation and is of a confirm/deny nature (Neergaard, 2001).

Several sources were used to gather information about the firm – brochures, investment prospects, company visits, informal talks with employees, and an interview with the CEO. The interview was the main source for data gathering and the transcript can be found in appendix 2.

The director of sales was the main contact person, providing background information and redirecting queries to the relevant persons in the organization. An informal background interview with the director of sales was conducted to obtain background information about the company and too prepare for the main interview with the CEO. The historical coverage gathered from background information was inadequate and therefore it was imperative to interview the founder/CEO. A semi-structured question guide was made and can be viewed in appendix 1. The purpose of the semi-structure question guide is to ask relatively few, but broad questions, which does not limit the answers from the respondent. This opens the possibility of sudden impulses and makes the interview more of a conversation, which fits well with the constructivist paradigm. It should however be noted that interview was conducted with a different agenda, and therefore some of the questions in the interview might not be relevant for this thesis.
The dimensions found in the theoretical investigation, in chapter 6, will be the focus in the investigation of this case study, to see how these dimensions unfold in a practical setting.

### 7.2 Company history

Medianet Innovations offers secure video-collaboration over the internet. The company started in a garage in Slagelse, where Karsten Madsen made special bank systems when he was off work, as a hobby project. Mr. Madsen had worked for Siemens and Zentropa before choosing to invest all his time in his own company he had started from scratch. His previous employment had provided him with international experiences, especially on the sales side.

The product was not complete when Karsten Madsen choose to visit a trade fair in the US, but he wanted to see if there was a demand. At this trade a big American customer showed interest. The American company however demanded a higher quality for the product, especially on the security side, and that way the company finished their product to meet the high security level required for the bank industry. The first customer also required Medianet to get Deloitte to approve the product as a secure way of communicating sensitive information over the internet, because otherwise the customer would not use Medianet’s product. During the development of the product Medianet needed to rewrite a lot of code, and from a contact in Las Vegas they got the code rewritten in Romania, a company which Medianet bought 1½ years later. So in a sense their first customer helped develop Medianet into the company that it is today. The first 2 years went by with Karsten Madsen having his focus on the US market, before turning his focus to Denmark. He immediately landed a new high-profile customer in Denmark which gave them credibility in Denmark to start a further development of the market.

The company currently employs 50 people in Denmark and is building up sales in both the US Scandinavia and Denmark. Medianet owns a R&D company in Romania to constantly update their product.
7.3 Internationalization process

Medianet first started doing business in the US. This was partly due to the final product being developed in cooperation with Medianet's first customer, who set high quality standards as they had to use the product in the bank sector.

The goal of Medianet is to become the best in the world within their field. Their vision is global, but the company has been forced into developing the domestic market, which is Denmark, in order to satisfy a possible investor who is willing to post capital into the company and fund future international endeavours.

The speed of which Medianet is internationalizing seems to be fast, but the company is still very early in its establishment so no valid estimation can be made yet. Medianet was however international from inception, as it operated in the US as its first market.

The company has since moved focus back to Denmark, and is at the time of investigation developing the Danish and Scandinavian market.

In the interview Karsten Madsen explained how they would open a new market every time they hit break even in their current market. So they would work out from one market at a time strategy, before engaging in new activities. Once they had done this enough times to feel comfortable in their procedures, they would consider opening several markets at the same time.

Medianet bought a company in Romania to take care of their R&D, but also to modify the code of which Medianet's product was based on – from a 7-bit to an 8-bit code. The scope of internationalization of Medianet is hence both production and sales. Sales units are established in the US and Denmark.

The activity in Romania suggests that psychic distance may not be that significant for Medianet, and this assumption is backed up by Karsten Madsen stating that culture and language is irrelevant for foreign expansion. He continues arguing that English is the world business language and if people want to do business they will do it regardless of language. Culture can on the other hand sometimes present a problem which he experienced in the US because of difference in mentality, even though the culture and skin colour, as he calls it are the same. The presence that Medianet currently is active in (USA, Denmark, Romania) and the plans on their future internationalization markets (England, Germany, China/India) suggests that psychic distance may still plays a part in
their internationalization choices on which markets they select to enter first, but future actions will reveal this notion.

Medianet plans to enter India and China through joint ventures, and has focus on OEM agreements with big companies such as Telia, who they are currently in talks with to implement Medianet's product into Telia's Easybox, which is a total solution of communications to small and medium sized companies.

An establishment chain is not followed for Medianet's foreign activities. The company started its activities in the US, and then moved back to the domestic market. The use and development of networks is important for Medianet. They have used Karsten Madsen's personal network to establish contacts in future markets that they wish to expand too. The founder is aware that networks are important for the future markets of Medianet. Furthermore production is placed in Romania and was a result of Medianet vertical integration.

It was not possible to evaluate the scale of international activities, because the company would not allow insight in to their financial statements. So extracting the international sales percentage out of total sales was impossible. A few months after the interview was conducted it turned out that the reason behind not allowing access to their financial statements was because they were facing buyout from a larger company.

Karsten Madsen has had extensive previous international experience from companies such as Siemens-Nexdorf, Fujitsu and Zentropa. He has operated in Sweden, Finland, Norway, USA, Malaysia, Hong Kong and Thailand under different employers in different positions. So it is fair to assume that he has extensive international knowledge. The company still undergoes incremental learning, in the form of gathering experiential knowledge in each market that decreases overall risk perception of entering new markets. The strategy for Medianet was here in the start-up phase to break even in a market before entering a new market.

7.4 Observations

This illustrative case shows how the establishment chain is not followed, and how psychic distance plays a lesser part in the company considerations on foreign expansion.
Instead dimensions such as goal of the company and global diversity seem to play a big part of this company. The founder of the company possessed a global and innovative mindset, which resulted in the company being flexible and adaptable, e.g. the acquisition of an R&D unit in Romania. The speed of internationalization was slowed down by the fact that an investor demanded domestic earnings before committing additional financial capital to the company. In the long run this may elevate the speed of internationalization, as the company can possibly overcome the constraint of resources.

Learning was an important part of the company, and incremental learning still took place in the form of experiential and objective knowledge accumulation. Several other forms of establishment were being planned, for example joint ventures into China/India. The company had no interest in pursuing a agent network, and thus the establishment chain known from the original Uppsala model was not followed.
8. Conclusion

The last two decades have been characterized by a considerable new interest in Born Global firms – what they consist of and what factors and decisions enable them to have an international presence so promptly. Research is still ongoing on how best to determine the nature of Born Globals, and the relevance these new type of companies present for today's society. The recent interest in Born Globals has caused the traditional Uppsala model to be under fierce attack by authors around the globe, who claim that the model is either outdated or dead.

This study investigated the impact of the new Born Global concept on traditional internationalization theory, and how it challenges our understanding of this subject.

The thesis limited its view of internationalization theory to one of four main perspectives, namely the learning perspective. This was a deliberate choice, made in order to enhance the understanding of one particular area of relevance. The learning perspective was, quite simply, deemed the most suitable for investigating the challenges on early internationalization. Other perspectives could shed further light on other issues related to Born Globals, but because of space limitations, the learning perspective has been the choice of focus for this particular study.

During the course of the investigation, a variety of authors' view were presented on the theory of Born Globals, which were used to extract a number of key dimensions in the analysis of the internationalization of Born Globals. The six dimensions were:

1. Speed of internationalization
2. Scale of internationalization
3. Scope of internationalization
4. Global diversity
5. Goal
6. Company age

These dimensions would serve as a comparison to the traditional internationalization theory.

Within the learning perspective the Uppsala model describes how learning mechanisms affects internationalization. The model was examined and the main dimensions of the Uppsala model were:

• Incremental learning
These dimensions would later be used to investigate how Born Global theory challenges the Uppsala model.

The findings found in the theoretical investigation suggest that traditional internationalization theory is under a lot of pressure from Born Global theory when it comes to explaining internationalization of small global companies. This study used dimensions from each school of thought to contrast the findings against each other. Table 6.1 displays the differences and similarities of the two schools of thought, and the analysis revealed that the two theories are very different. All the dimensions, except one, are different between the two schools. The learning mechanism is the only dimension that seems to be followed in the same nature for both theories. Born Globals typically starts at a higher level of organizational knowledge, because of previous international experience within the organization, but future learning functions in the same way with problems or opportunities presenting themselves, see figure 5.3.2.

The illustrative case displayed that incremental learning mechanisms still exists for fast growing international companies. Experiential knowledge is a key factor in learning about foreign markets for the case company. Psychic distance is not an obstacle to the internationalization path of the case company, but cultural differences can possess challenges in day-to-day business. The establishment of activities was sporadic and did not follow a sequential path.

The understanding of traditional internationalization theory has been challenged by Born Globals on several dimensions - speed, scale, scope of internationalization and global diversity is faster for Born Global companies to gain competitive advantage in multiple countries. Psychic distance is either not an obstacle for Born Globals or ignored because of reliance on a single product needing to be in lead markets. Establishments do not follow a sequential pattern for Born Globals, as these companies often do not rely on a strong domestic market to operate out of. The main concern for a Born Global is global reach, and therefore the use of alternative governance structures are common in reaching this goal. There is no order in how these companies establish, as they will make decisions based on how to maximize their global outreach.
The stage model of internationalizing is only valid for certain companies, and the tendencies in society, or at least in Danish society (Madsen & Servais, 2005), is that new companies are more global from inception, making the Uppsala model less and less valid. The two theories have to be viewed in connection with the type of company under question. The experience-based model by Nordström & Vahlne (1993) distinguishes between experience and competition, but can still provide a good notion of when the Uppsala theory should be used over the Born Global theory, see figure 5.5.1. The validity of traditional Uppsala internationalization is at its highest for local industry and firm characteristics, whereas the Born Global theory might be most beneficial to use if the firm and industry characteristics are global. The difference in strategic goals and capability to internationalize places companies in a dilemma on how to expand, and depending on their abilities and goals, they can choose to follow the incremental internationalization path of the Uppsala school of thought, or they can choose the expansive and fast internationalization of the Born Global school of thought.

8.1 Evaluation

The four qualitative evaluation criteria – credibility, transferability, confirmability, and dependability - will be used to judge if the findings and experiences are valid or if they could have been done in another way (Heldbjerg, 1997).

The credibility criteria involves establishing whether the results of this thesis are believable from the perspective of the participants in the research. The participants are the only ones who can legitimately judge the credibility of the results. The only participants that provided data to this thesis were the ones interviewed for the case study, and therefore the findings of this thesis should be presented to the participants from the case study, in order for them to judge if the findings are credible or believable. The findings have however not been presented to the case company, as they were bought by a bigger company shortly after the interview process took place, and therefore the contact persons disappeared. The credibility of the interview is considered believable from the authors standpoint, but adding a judgement from the case company would have heightened the credibility even further.
Transferability refers to the degree of which the results of the qualitative findings can be generalized or transferred to other contexts or settings. The author believes that results of this thesis should be possible to transfer to other settings, as the results were primarily obtained through reviewing literature and setting contradictions up against each other.

Dependability relates to how replicable and repeatable the results of this thesis are. Given the current phase of development for Born Global theory, the dependability of the results will undoubtedly change in accordance with additional research and findings in the field. The findings and interpretations in this thesis are completely dependent on the subjective perception of how the theories unfold, and could be very different to how other researchers view Born Global and Uppsala theory. The author nevertheless believes that partially consensus can be reached on the investigation and the findings.

Confirmability refers to the degree to which the results can be corroborated by others. To avoid bias, it is important to specify the values of the author beforehand, as these values will affect the assumptions and interpretations throughout the thesis. The author of this thesis has specified that he follows a constructivist paradigm, with a hermeneutic methodology, and an actor based approach to this thesis. The philosophy of science in chapter 2 should aid other researchers in corroborating the findings of this thesis.

### 8.2 Future research

In the hermeneutic spiral we have through this thesis reached a new preunderstanding, which is ready to be put under additional research. Further research on how Born Globals learn and absorb learning could serve to heighten our understanding of how Born Globals challenge existing internationalization theory.

The process of writing a thesis also opens avenues for other research, and one such avenue worth pursuing could be the scope of internationalization of Born Globals. Within the thesis, it is mentioned that a transaction perspective may serve as a promising perspective to pursue future research in the scope of internationalization.

The dimensions found in the thesis could also be put under additional testing by investigating additional case companies and identifying how these dimensions unfold in
each of them. Generalizations would be more valid by subjecting the dimensions on a lot of case companies, instead of only one company that this thesis has done.

A final consensus on how Born Globals should be defined has still not been reached, and thus future research should also focus on this subject, as it can aid in the comparability and transferability across future studies.

A better understanding of the Born Globals could also lead to better circumstances for start-up and development, and since the development of future companies tend to be more international from inception, this would lead to better national economies.
9. Literature


Madsen, Tage K., Erik S. Rasmussen & Per Servais (2000). Differences and similarities between Born Globals and other types of exporters. Advances in International Marketing, 10, 247-265


Rasmussen, Erik S. (2002) Internationaliseringsprocesser i hurtigt internationaliserede danske små og mellemstore produktionsvirksomheder, Syddansk Universitetsforlag


10. Appendices

Appendix 1

Spørgeramme

Hvordan opstod selskabet?

Hvad er visionen for virksomheden med dine egne ord?

Har du erfaring med internationalisering af en virksomhed?

Kan du fortælle mig om din karriere?

Hvad var din motivation for at starte Medianet Innovations?

Hvordan går det generelt for virksomheden?

Hvordan ser jeres bestyrelse ud og hvor aktiv er denne?

Havde i salg i USA fra begyndelsen?

Kan du fortælle mig hvor meget salg der er i USA kontra DK?

Beskriv en ordres vej igennem organisationen

Hvad slags markedsføring bruger i typisk?
- Hvad ligger i vægt på?
- Hvordan får i fat i dem?

Har i nogen samarbejdspartnere/joint ventures?

Har du fra tidligere stillinger et netværk du kan trække på med hensyn til distribution, kunder eller leverance?

Hvorfør fokuserer på på finansielle service selskaber?

Oplever i meget konkurrence?

Hvad er jeres styrke(r) i forhold til jeres konkurrenter?

Hvordan er jeres prisniveau i forhold til konkurrenter?

Hvad præger markedet, er det en masse store eller en masse små konkurrenter?

Hvor meget markedsandel har i på hvert marked i operere i?

Hvordan ser de fremtidige indtjeningsmuligheder ud?

Går jeres konkurrenter efter den finansielle sektor?
Spiller sprog og kultur en rolle i de lande i overvejer at udvide til?

Hvad er motivationen for at udvide internationalt?

Hvilke tanker ligger der bag med jeres internationale udvidelse
Hvordan vil i internationalisere, via en internationaliseringsstrategi eller?

Hvilke erfaringer har du med at internationalisere?

Har i ressourcer til at udvide internationalt?

Har i haft nemt ved at samle kapital?

Kan du fortælle mig om jeres Forskning og Udviklingscenter i Rumænien? Hvordan startede det?
Hvem fik idéen til at etablere sig i Rumænien? Hvad effekt har det haft på jeres værdi-kæde?
Foregik opfindelsen af produktet der?

Hvad skyldes det at i valgte at internationalisere jer før i fik afdækket flere eller alle segmenter i hjemmemarkedet først?

Hvilke tanker har du om at udvide til det engelske marked?

Hvilke informationer er vigtige for jer at få for at udvide internationalt?

Hvilke udfordringer forventer du dig af udvide internationalt?

Vil du anbefale nogen mennesker jeg skal tage kontakt til angående international udvidelse?
Appendix 2

Transskribering af Karsten Madsen Interview – 11/3-2008

Tilstede:

Karsten Madsen (KM)
Anne Helverskov (AH)
Christian Meyn (CM)

CM: Fra starten af troede jeg at i havde global fokus og så fandt jeg ud af i onsdags at i koncentrer
jer om Danmark først

KM: Lige nu

CM: ja

KM: Det er også en ændring vi har lavet, så det er ikke Toke der har vildledt dig, det er mig der har
ændret fokus

CM: ja, derfor har jeg også ændret fokus

KM: Men vi har sådan set ikke ændret fokus, vi har udskudt det i et halvt års tid. For at forankre os
dybere i Danmark og Skandinavien, og USA hvor vi allerede er. Så de steder vi er har vi besluttet
os at være stærkere, men – det er som om ting sker dynamisk lige nu, så hvis vi stadigvæk bliver i
Danmark, så ups, så ligepludselig er vi i Sverige, og vi er ligepludselig i Kina nærmest by accident.
Så derfor er det også fint jo at vide hvad gør vi så når vi er i Kina. Hvornår tager vi springer?
Hvornår er vi bare som en del af en dynamisk vækst, og hvornår er vi en del af en strategi?

CM: Ja, det er bla. en del af de ting jeg skal spørge ind til. Hvordan vi vækster, og hvilke skridt vi
gør for at komme ind på markeder og den slags

KM: Det er det du skal fortælle os?

CM: ja, eller nej, jeg skal lige undersøge først hvad det er i har af tanker, og så kan jeg forhåbentlig
fortælle jer hvad der er bedste for jer. Efter at have kigget jer i sømmene. Jeg kan forstå at i allerede
har

2.14

CM: Jeg kan forstå at i allerede har import fra Kina

KM: Vi har 2 kinesere, det har vi haft det sidste halvandet år. Det er en meget meget lang
forberedelse vi har brugt på Kina, fordi Kina er kolosal svært at gøre rigtigt. Og derfor, så for
halvandet års tid siden var jeg i Kina og møde nogen, altså Stevens far, han er en stor mand i Kina
og har et fantastisk netværk, og det netværk har vi brugt og så har vi mødt 3-4 af de ledende spillere
ind i Kina, og har holdt kontakten med dem i halvandet år. Og gjort os klar, fordi vi fandt ud af for
halvandet år siden, at vi slet ikke var klar. Der var mange ting vi skulle have på plads. Og der vi er
kommet til nu er at vi installere en server nu her i den her uge, så vi får vores infrastruktur op at
køre i Kina. Vores kode har vi måtte ændre fra en form for kode til det der hedder unicode. Det vil
sige så vi har alle skriftegn med fra hele verden, og det er en kæmpe omskrivning. Jeg ved ikke om det siger dig noget at vi skifter fra 7 bit til 8 bit?


KM: Altså, for at kunne håndtere ethvert tegn i Verden, så er vi nødt til at bruge 8bit.

CM: Okay

KM: Og vi kørte med en 7bit kode før. Og det er rigtig rigtig mange steder man skal skrive om. Men det er gjort nu. Det vil sige at hele din kryptering ændre sig. Hvis noget er krypteret i 7bit og så skal over i 8bit sååeh

CM: Ja, så bliver det mangedoblet

KM: Ja, men det er gjort, og det er vi klar med her til April. Vi har vores server op at køre. Vi kører en masse tests. Vi har talt med jeg ved ikke hvor mange mennesker i Kina. Og lidt sjovt, Steven’s far er direktør for det største privatejede selskab i Kina. Og det vidste jeg ikke.

CM: Hvad er det største privatejede selskab i Kina? Et lokalt et? Eller

KM: Det er et kinesisk selskab som, da han forklarede mig det første gang sagde: ”It’s like UBS, just bigger.” Altså det er et transportselskab, logistikselskab.

CM: Ja, det er rimelig relevant i Kina.


AH: Nej, det vidste jeg ikke. Men jeg vidste godt at han havde gode relationer

4.46

KM: Stevens onkel har bragt os ind til noget der hedder Ufida. Ufida svarer til Navision. Bare i kinesisk niveau, mest brugte økonomisystem i Kina og markedsledende på alle punkter.

CM: ja

KM: Han bragte os ind til noget der hed see you see eller sådan noget, som er et mobilselskab. 22 millioner brugere. Forholdsvis lille, altså i asiatisk målestok, men underleverandører til Chinese Telecom. Og så bragte han os ind i et netselskab tror det var cirka 400,000 kunder, altså et holdingselskab.

CM: Ja

5.25

KM: Jeg arbejder også i et datterselskab, så vi fik hele runden rundt. Det var via Onkel.

CM: Det var en rimelig god kontakt
KM: Ja, det var det. Og så vil jeg sige Ling hun er, meget kreativ i at få marketingsmateriale til at blive kinesisk, og hun har også en god markedsforståelse, rigtig god. Det har de begge to.

CM: Hvordan har i fundet dem?

KM: Vi har selv antaget dem

CM: Ok

CM: Jamen hvis vi starter sådan lidt om hvordan i startede selskabet og hvordan og hvordan det opstod?

KM: By accident.

CM: By accident?

KM: Ja, altså jeg har været mange år i Siemens og Siemens relatede selskaber og de sidste par år, 1999 var jeg direktør i Danmark for Fujitsu-Siemens. Og i år 2000 gik jeg i den nordiske ledelse, og havde bla. ansvar for broadband devices.

CM: Ja

6.26
KM: Der blev jeg involveret i et projekt på Island, hvor man skulle ligge et fiber-tydede kabel. Vi lagde 100mbit ind i Rejkavik, hvor vi kørte 56k dial-up. Og så blev jeg fuldstændig tændt og tænkte, her er altså en forretningsidé. Så efterhånden som alt det her bredbånd kommer til Danmark, på det tidspunkt havde du et billede, altså almindelig flade fotografier på skærmen i Danmark. Du havde kun tekst. Og lidt grafik. Og derfor sagde jeg min stilling op og blev ansat i zentropa. I et selskab der hed Tvropa hvor vi lavede TV på internettet for virksomheder. Og fik så en række af mine gamle kunder ind. Nykredit f.eks. Så vi lavede Nykredit’s TV på internettet, og det var næsten en umulig opgave, altså der var ikke båndbredde til det. Men vi fik det, ehh, de kom ned til mig og sagde nu kørte det altså, og vi havde nogle sjove projekter. Vi lavede det der hed, vi var nede på Christiansborg, så var der sådan et projekt der hed politiker for en dag, hvor en skoleklasse – kender du det?

AH: Ja, det kan jeg godt huske

CM: ja, det tror jeg at jeg har set


CM: Ja, det har jeg set.

koncern. Vi bød på det og blev præ-kvalificeret og så var der valg og så kom Brian Mikkelsen ind og stoppede projektet. Og så havde jeg ikke en skid.

CM: nej

KM: Så derfor blev Medianet det samlet det op som jeg havde lavet i Tvropa fordi Tvropa lå ude, efter jeg forladt det. Jeg forlod det da jeg startede op med Medianet.

CM: ja

KM: Og der havde jeg lavet nogle bankprojekter på sådan nogle standere som en interaktiv bank. Dvs. man gik ind i en bank og der var ikke nogen medarbejdere, men der var video på de forskellige ting så de fik alt forklaret og havde de behov for personlig betjening så trykkede de på en knap på en stander, så poppede der en person op som kunne alt det de kan idag.

CM: Der er sådan en dansk bank, internetbank, hvad er det nu den hedder.

KM: Morsø sparekasse?

CM: Nej, kan det passe der er en der hedder Scan-et-eller-andet?

KM: Nej, men vi lavede i hvert fald sådan nogle filialer, dem lavede vi for 900,000, hvor det normalt koster 7 millioner at starte en bank.

CM: Ja

KM: Så startede vi banken op, og hvis det viste sig den kørte godt, så satte de personale ind, ellers så blev folk betjent uden at have personale. Så det var en købmandsbutik, hvor du satte nogle pengeautomater og nogle standere og nogle forskellige ting ind, og så startede du en bank. Og det virkede, det blev til 16 banker. Den løsning vi havde lavet der sagde de: ”Kan i ikke også læse den på internettet, det er selvfølgelig lidt smart.” Så sagde jeg: ”jojo, det kan vi sagtens.” Og det har så kostet omkring 3 millioner og taget 3 år. Fordi det at lave sikkerhed i et lukket bank miljø er nemt, men at lave sikkerhed ude på det offentlige internet, det er svært.

10.05

CM: ja

KM: Fordi det vi jo gør er at du laver et cap fra en offentligt website på et åbent net. Forbinder dig gennem bankens firewalls indtil en bankmedarbejder, og deler alt. Deler alt hvad der ligger på bankens computer med alt hvad der ligger på kundens PC. Så det er jo en direkte adgang ind til bankens system, og det er jo også en direkte adgang fra banken til kundens PC. Og så skal man overbevise både banken og kunden om at der ikke er nogen sikkerhedsrisiko. Det fik vi så Deloitte i Canada til at bruge nogle år på. Og gennemgå os og så til sidst blåtemple os.

CM: Og det er det der SSL-kryptering?

KM: ej, det er bare 1 ting. SSL-kryptering det er faktisk, det er, det er ikke noget særligt.

CM: Nej ok.

CM: Det er så ikke blevet implementeret endnu vel?

KM: Nej, men det første vi ser af det er her i april. Det ser ret godt ud.

CM: Ja, det lyder spændende

11.55


CM: Nej det gør man ikke


CM: Men man hører heller ikke så meget i Danmark om at der er sikkerhedsproblemer, det er mere i udlandet at man hører om kort kan blive kopieret, og den slags. Det kan godt være at det er pga. Danmark er lille men der har aldrig rigtig været noget.

KM: Så længe du bruger dankortet, så er der nogle rigtig dygtige rumænere, vi udvikler i Rumænien, så det er dem, som er lykkedes at inkorporere noget i dankort terminalen der kan aflæse den, og det er ærligt. Fordi dankort terminalen er det meste sikre der nogensinde er lavet. Fantastisk godt resultat. Ikke fordi jeg selv har været med til det. Det er virkelig godt.

CM: Jeg ved i England der har de, nogen af de der svindlere propper sådan en tingest på selve en ATM, og så når man stikker kortet ind, så kopiere den kortet, og så popper den ud igen, og så kan man bare gå ind og hæve på kortet og så har man alle informationerne.

KM: De har to ting. De har også et lille kamera som du ikke kan se, som aflæser pinkoden. Så det læser kortet, aflæser din pinkode, sender det via en lille mobilenhed hen til en der laver et nyt kort, bam. Det er fantastisk. Men jeg er ligeså imponeret af at de kan gøre det, fordi skjule sådan et kamera der kan have fat i den rigtige vinkel så de kan se hvad du taster, det er sgu svært.

CM: Ja, det er det.
KM: Og nu ved jeg at en dankort terminal nede i Kvickley for eksempel, hvis du river den og enheden fra hinanden, så går terminalen ned. Så hvordan fanden de får bygget noget i den, det fatter jeg ikke.

CM: næ

KM: Men de er dygtige

CM: Det er de.

CM: Hvad er visionen for virksomheden?

KM: Visionen for virksomheden det er at vi skal være de bedste indenfor sikker kommunikation på internettet. Og med de bedste der mener vi at det der fører derhen, det er at det er nemt at bruge, fordi nu har vi ligesom lagt en barriere ned, hvor bankerne sagde at det kan vi ikke pga sikkerhedsrisiko. Det næste der så har været en barriere det var at folk syntes det var nemt. Og der har hele min filosofi altid været at det skal være en knap du skal trykke på. Kan du trykke på den her knap, så sidder der nogen på den anden ende og hjælper dig. Du skal helst ikke trykke ret meget, for så falder kunderne af. Og det har vi også lykkedes med nu at et tryk på knappen og du har hjælp.

CM: Hvor vil i være bedst henne? Er det kun Danmark?

KM: Nej nej det er Verden, altså fordi det måleområde vi har nu, hvor mærkeligt det end lyder, så har vi faktisk ikke nogen der kan det samme som os. Vi er markedsledende indenfor det her område, altså teknologisk er vi de bedste, og teknologisk i brugervenlighed er vi de bedste, og vi arbejder som sindsyge for at blive bedre og bedre hele tiden, og vi arbejder også meget kraftigt på at lave mange interfaces til det. Vi det kommer med nu, det er total integreret i microsoft. Dvs at du begynder efterhånden ikke at kunne se vores produkter, du får bare funktionaliteten. Så vi prøver faktisk at blive bedre end microsoft på microsofts platform. Eh, vi har lagt en flashbrugerflade på, ved du hvad flash er?

CM: Ja

KM: Sådan så det kører på alle andre platforme, altså Mac og linux osv. Det har været et problemer vi har haft. Vi er ved at ligge en sms-platform ind, så hvis du er offline, hvis du er væk fra din computer, så får du din besked alligevel. Vi er ved at lægge in zip interface. Zip dvs at du kan taste dem i telefonnummer og så bruge som telefon. Med de her ting så kan du alt på vores system, alt hvad du har lyst til af kommunikation, og du har det med ”under your fingertip”. Vi arbejder på at lave et endnu mere lækkert brugergrænseflade, mere intuitivt, sådan så vi får en større og større flade der siger: ”jeg har lyst til at røre ved det, det ser bare lækkert ud”. Vi går med nogle tanker om at løfte det op i sådan noget Skandinavisk B&O design. Fordi tendensen i Verden lige nu er at alle skal have lov til at customizere. Mit mål er at folk vil slet ikke customizere det her, fordi det er så lækkert at se på. Så det nærmest er et lille ikon. Jeg har det der på min computer, det er jeg sgu stolt af. Det kan du lave, jeg har set nogle fede ting, altså hvor det ser ud som om knappen er oliedækket. Sådan nogle små detaljer. B&O har også lavet feks hvis de drejer deres remotekontrol så den måde den drejer på ser oliefyldt ud. Det kan godt betale sig at gøre sådan noget, fordi folk vil gerne have noget der er lækkert. Tag en Ipod, bedste eksempel på

CM: Iphone osv.

KM: Iphone, design, det er en meget væsentlig ting. Så nu hvor teknologien er 100% i orden, så bliver design meget meget afgørende og brugervenligt.
CM: Har i så planer om at ansætte designere eller?

17.51

KM: Nej, ikke ansætte fordi så løber man fast.

CM: Ja, men hvad så med freelance?


CM: Kan man forestille at i ville kunne gøre ligesom Winamp gør med at køre forskellige skins ind?

KM: Jamen, det er den anden mulighed. Skins, det længste vi vil gå det er at vi vil have skins så en virksomhed kan genkende sin egen virksomhed på den knap. Med det design her. Det kan godt være at jeg ændre min mening om et halvt år, men lige nu så skal vores design være så lækkert at folk vil have det. Det skal være deres naturlige valg, at det her design er det de vil have.

CM: Tror du ikke at det måske bliver et muligt problem hvis det er at i har globalt fokus at i andre dele af Verden der har de måske anderledes syn på design end man har i Skandinavien. Nu ved jeg godt at Skandinaviske møbler er populære bredt, men der er nok nogle enkelte segmenter rundt omkring i Verden der vil gå efter noget andet.

19.38

KM: Det kan godt være

AH: Vi tilpasser os jo også til kunderne af samme grund så har vi nogen der hele tiden kan sidde og se mønstre.

CM: ja

KM: Men dem der laver ”detvedjegik” de rammer faktisk design, der dur i hele Verden. Jeg tror det var Ipod, tror du de laver et specielt design til Kina? Nej. Det er Ipod brandet der går igennem. Der er 3 farver og det er det, eller også er der 4, men der er ikke flere. Og de har ramt plet worldwide. Og det kan lade sig gøre, og derfor skal man gøre det. Jeg syntes de er det bedste bevis på at det kan lade sig gøre.

CM: Så kunne jeg godt tænke mig at høre hvordan det generelt går for virksomheden, økonomisk set.

KM: Ja, det går sådan at hvis du læser Børsen idag vil du kunne se at i 2006 lavede vi et bragende underskud, fordi vi havde ansat en masse mennesker vi troede vi var færdige med produktet. I 2007 lavede vi et mindre underskud og der står at i 2008 laver vi et pænt overskud. 2007 var sådan et

CM: Når i får en kunde. Mister i kunder nogen side, eller når i i først har fået en kunde, bliver de så ved med at være loyale overfor jer eller der nogen der måske kunne finde på at skifte produkt?

KM: det er svært at skifte produkt

CM: Jamen har Microsoft ikke også et eller andet man kan bruge?


CM: Visionlink eller?

KM: Ja, Visionlink

CM: Det var det kontor jeg var oppe i i sidste uge og snakke med Toke. Ehm, hvordan

KM: Så, jeg forventer at vores omsætning i år bliver omkring 50 millioner. Og hvad skal jeg sige, vi har jo ikke noget særlig stort vareforbrug. Vores vareforbrug er at sælge det og udvikle det, så vi får også et væsentligt også overskud her

CM: Målet på sigt er det så at vækste i et vist procentantal per år eller er det sådan lidt mere at i vil tage det sådan hvordan vi vil udvide. Vil i tage det mere som en investering eller vi tage det efter at i vil tjene penge her i starten?

KM: Nej, vi har et mål om at i det øjeblik at firmaet, i den måned det kører break-even, så kører vi et land til. Og det vil sige at vi har en investor bag os, som er klar til at finansiere udviklingen ud over landets grænser. Vi får nok en af de stærkeste investorer ind man kan få overhovedet i løbet af de næste 14 dage. Det er Jesper Baltzer.

CM: Fra Navision?

vi ved hvad det var de købte på. Og det er så det, et af Annes vigtigste opgaver at få beskrevet hvorfor købte tømmeren, eller hvorfor købte kommunerne eller hvorfor købte bankerne. Og så gå ind og kigge på det her land, hvor skal vi starte. Hvad er mest oplagt.

CM: Vil i så tage et land af gangen eller vil i gå ud i flere lande på et tidspunkt så i åbner op samtidig, eller tager i et land af gangen, får styr på det. Får det ligesom i Danmark


AH: Men vi rykker meget i brancher

KM: Men vi rykker i Brancher, og det kunne sagtens være at vi valgte at sige i den her brance tager vi distributører i 10 lande på en gang. Vi skal bare have styr på det. Og det er der nogle andre selskaber der har gjort og har succes med det, men vi har arbejdet med Kina og Indien i så mange år. Sådan at når de er klar, så får de attention de to lande. Europa det bliver mere, som du siger, vi tager et land, når vi føler vi har fast grund under fødderne så tager vi næste land, og så skulle vi gerne kunne bruge den model vi har brugt i England i Tyksland osv osv.

CM: Jo mere markedsviden i får jo bedre bliver i til at udvide, kunne man forestille sig.

KM: Det var en af årsagerne Anne kom ind i virksomheden, det var at jeg har altid bare har sagt: "det prøver vi sgu." Og det koster jo.

CM: Så kan man godt brænde nallerne

KM: Men jeg har lært en masse af det


CM: Så man kan faktisk godt sige at selskabet er startet i USA?

KM: Ja på en måde. For da vi så var færdige derovre og de var blevet tilfredse. Så kommer jeg tilbage og så fik vi Nykredit i Danmark, der gav os et blåstempe i Danmark, og så har vi kørt derudaf i Danmark. Og så har jeg brugt min energi her i Danmark indtil vi virkelig siger;"så nu har
vi et solidt fodfæste.” Og det begynder vi at gave. Vi har lige underskrevet en stor partneraftale med Telia, som vil sælge det til alle deres kunder, og i slutningen af måneden gør vi det med kommunedata. Så begynder vi ligesom at dække os af, så det bare kan køre. Og så om et halvt års tid, så begynder jeg at kunne se ud over grænsen igen.

CM: Hvordan så med Rumænien?

KM: Rumænien det var. Det var fordi vi skulle have skrevet koden om, og så mødte jeg en da vi var i Las Vegas. Og han havde en virksomhed i Rumænien, en amerikaner. Og så sagde han:”det kan jeg sgu lave for dig.” Og så startede vi med i et stykke tid at have ham som underleverandør, og så købte vi selskabet.

CM: Hvor langt inde i forløbet gik der før du købte?

KM: Halvandet år

CM: Okay. Kan det passe at selskabet i Rumænien ligger tæt op af et universitet der uddanner en masse..

KM: Ja. Det ligger..

CM: Ludz eller sådan noget

KM: hvad?

CM: Kan det passe byen hedder Ludz eller sådan noget?

KM: Nej det ligger i Bukarest.

CM: Okay.


CM: Ja det, jeg kunne forstå på det hele at det var dem der udviklede det med sms’en. Kan det passe, eller var det noget i købte

KM: Det har vi købt

CM: Men de har udviklet en masse forskellige andre ting?

KM: De har udviklet den kode, fra bunden af.

CM: ja, perfekt. Ehm. Hvor vigtigt er netværk for jer når i skal udvide. Nu snakkede du om at i har fat i Stevens far, og det har givet dig en kæmpe mulighed med Kina, og gjort at i kan være klar til Kina når det bliver muligt. Og i har også fat i USA, der havde du så også et netværk, hvad så med andre lande, er det vigtigt for dig at du har fat i et ordentligt netværk før du begynder at

KM: Ja, det er det. Og, ehh hvad skal jeg sige, jeg har netværk i rigtig mange lande, jeg har som regel en eller to eller ti stærke, rigtig stærke personer. Altså hvis du tager Tyskland, så har jeg jo et kæmpe netværk fra min Siemens tid, idet jeg har siddet som direktør der. Boet meget i Tyskland.
England, der har jeg, nu sidder Jesper Baltzer derovre, og jeg kender nogen fra den, hvad hedder den, den danske

CM: Handelskammer?

KM: ja handelskammeret. Kender du nogen derovre?

CM: Ja, jeg har arbejdet der.

KM: Okay. Du kender Per Troen så?

CM: Ja. Det er ham der skaffet mig kontakten til jer


CM: Ja, hvad er det hun laver.

KM: Hun er ved at lave hans Danes Abroad.

CM: Ja, hun er i. Den er så blevet omstruktureret nu. Hun var i kommite før, men jeg tror ikke de har kommite mere. Nu har de lavet noget advisory board, kan det ikke passe?

KM: Okay, det kan godt passe.

CM: Og så er hun vidst også kommet op i bestyrelsen nu.

KM: Hvor eh hvad laver du nu? Sidder i England eller sidder i Danmark?

CM: Jeg sidder i Danmark nu og laver, det eneste jeg laver nu det er speciale nu. Jeg havde nogle eksaminer jeg lige skulle afslutte, men nu er det bare speciale, og så burde jeg være færdig og så skal jeg ude og have et arbejde. Jeg er så småt begyndt at søge.

KM: Hvad skal du være

CM: Jamen, jeg har søgt en stilling i IC Company’s. Det er sådan at jeg har nogle brancher jeg syntes er interessante. Jeg syntes IT-branchen er meget interessant og jeg syntes at tekstilindustrien også er meget interessant. Så lige i første omgang er det de slags stillinger jeg søger nu. Og primært er jeg interesseret i stillinger med, hvor de tænker international strategi. Det afspelser sig så også i mit speciale, og det afspelser sig også i de jobs jeg søger. Det kan være alt fra projektledelse med hvordan man starter op i nye lande og den slags.

KM: Så det vil sige at du vil være sådan en type der ville kunne lave sådan en Roll-out. Så tager vi England så et halvt år, bam bam bam, få indført alle de ting der er fra Medianet, så kører vi videre, næste år i Tjekkiet eller what so ever. Det er, første gang jeg så det i mit liv, det var i Nixdorf. Heinz Nixdorf han kørte det ud til mindste detalje. ”gå-til” var ens, møblerne var ens. Alt. Vi har simpelthen sådan et firma som kommer og stiller Nixdorf-Danmark op. Og hvis du træder ind i en Nixdorf virksomhed dengang, hvor som helst i Verden, i Korea, så var de ens. Og han gennemførte
det 100% den der roll-out. Og det virkede faktisk. Han ejede et møbelselskab til sidst. Det er de samme møbler han sælger uddøver gulvtæpper, lamper. Du kunne ikke se forskel.

AH: Det er også meget brugt i tekstilbranchen. Zara f.eks.

CM: Ja, præcist

KM: Men det har jeg altid haft i tankerne, men jeg har bare aldrig haft råd til det. Men i det øjeblik at vi kommer derfrem hvor vi er nu, så skal vi ind i en Roll-out strategi. Og vi skal ind ifølge Batlzer i at kunne køre parallelt med flere lande, men det kræver også at du har total beskrevet hvordan gør vi det. Hvad er forberedelsen. En der er rigtig god til det, det er Lars Larsen. Han er kanon god til at lave forberedelsen, til at lave for-analysen, og til at vide præcist til punkt og prike, hvordan åbner vi dørerne, hvordan får vi kunderne til at vælte ind første dag og sådan noget. Han er dygtig til det.

CM: Ja, han er en dygtig forretningsmand.

KM: Næ, men han er dygtig til rollout også. Det er kun et sted det gået galt for ham, og det er USA. Ellers er det lykkedes for ham overalt. Stor respekt for ham.

CM: Er han også i Kina?

KM: Hvis ikke han er derude, så køber han nok.

CM: Ja


CM: Hvad med Joint Ventures og den slags

35.37


CM: Der er også en anden metode hvor man kan være sådan en slags piggyback med de multinationale selskaber, hvis man får fat i en af de kæmpe multinationale selskaber så kan man blive rollet out igennem dem. Men det er også en form for joint venture kan man sige.

KM: Jamen, jeg har også tænkt mig at købe Microsoft.

CM: Ja, det bliver dyrt
KM: Ej, nu lavede jeg lige en spøg, men der er en række muligheder. Og det der sker i den her branche det er, det at have unified communication, det er der en række virksomheder i Verden der skal have – Microsoft, Cisco, IBM, Nortel og en række andre. Tandberg er ved at komme derop fordi de har beveget sig ind i den her webkonference Verden. Og derfor så på et eller andet tidspunkt så er der en af de her store der mangler Medianet. Der er allerede nogen der mangler Medianet, og derfor har du fuldstændig ret, det er en interessant vej at gå, men du begrænser dig til det firmas kunder. Og så skal det fandme gerne være det rigtige. Og der er ingen tvivl om at den bedste er Microsoft, for Microsoft er overalt ik. Kommer du ind der, jamen så har du det godt. Bare spørg Jesper Baltzer.

AH: Men vi har fokus på det på sidelinjen som projekter, som OEM aftaler eller white label, det er Karsten der sørger for det.

KM: Ja den første vi lavet det er Telia, og vi har lige fået brochurematerialet. Det hedder Easybox communicator. Det kører noget der hedder Easybox hvor der ligger en masse ting indeni. Og der er vi gået igang med det der hedder Easybox Communicator.

CM: Vill i så komme ud i Sverige, Norge og Finland nu. Igennem Telia?

37.57

KM: Vi starter i Danmark, og Danmark får produktejerskabet. Og når de har fået de første 20-25 kunder her i Danmark så smider de den op til Telia Sverige. Og Telia Sverige har 500,000 easybox kunder, og så kører de den ud der. Men det de simpeltthen gør er at de preinstallerer det på alle deres servere og så åbner de for licenserne efterhånden som folk køber.

CM: Easybox er det med i deres bredbåndsforbindelse?

KM: Nej, easybox det er en...

AH: Det er en pakkeløsning

KM: Det er en pakkeløsning de sælger til små og mellemstore virksomheder hvor de siger vi overtager alle jeres ting. I får nye PC’ere i får nye mobiltelefoner i får nyt bredbånd, alt hvad der kan kommunikere, det taget vi os af og i får noget nyt. Vi tager os af op til exchange og distributerer det. Vi distributterer selvfølgelig alt indenfor linjerne osv. ik. Sikkerhed. Og så betaler i 800 kr om måneden eller et eller andet. Så dvs. at de får en fast udgift på alt hvad der hedder IT og telefoni og bredbånd, og de får med garanti en rabat. De får det billigere end hvis de købte det hver for sig. Og så har de lavet en aftale med servicegruppen, så alt bliver installeret på stedet. De kører lidt efter det der Leasy - Peter kommer og sætter det op og bliver til det virker. Og det er fedt for små virksomheder. De skal ikke tænke på det, de skal heller ikke tænke på det bagefter. For så ligger der en Mediaknap hvor hvis ikke det virker så kommer de ind og løser det med det samme og hvis ikke de kan løse det med det samme så kører de Peter ud fra Leasy og løser det.

CM: Men hvad så med Medianet hvis den ikke fungere eller den, er det så Telia de tager fat i, eller er det jer de kører ned til, den kunde, som Telia har.

KM: Hvis Medianet ikke virker, altså nu virker Medianet jo, det gør det jo.

CM: Eller hvis de vil have det customizeret på en eller anden måde.
KM: Det første halve år, der bliver det her, og så langsomt begynder de selv at blive uddannet i det. Og så på et tidspunkt kan Telia kører det her 100% selv, og så er vi nået der hvor vi gerne vil hen. Nøjagtig samme måde vi startede op med Kommunedata på. Starter med at bruge os, så uddanner vi dem, og tvinger trainere og de begynder at uddanne kommunerne og så kan de overtage det helt. Og så er vi nået lige præcis der hvor vi gerne vil hen, det er hvor Telia begynder at sælge sig selv. Jeg er også ved at lave en aftale med Bankdata, sælge det til deres banker. Igen, uddan dem så de kan uddanne bankerne osv. Og når vi ligesom har de der 6-7 store partnere op at kører i Danmark, så er jeg ikke nervøs længere. Så kigger jeg et andet sted hen. Og der har jeg haft en tendens til at kigge 8 steder hen af gangen. Det er derfor jeg har ændret holdning. Det skal gøres solidt inden jeg slipper.

CM: Jeg kan forstå at i har været med i en gazelleordning med UM, hvor meget har de været behjælpelig med jer her i opstartsfasen og det?

KM: Meget, de sidder faktisk stadig og hjælper os med at lave strategi. Jeg tror også de har haft stor betydning for at lige som at fokusere mig ind. Fordi når du står med et produkt som kan bruges til alt, det er en telefon vi har lavet her. Du kan sælge den overalt. Så kan man blive så forvirret af at alle gerne vil, der ligger marked her og alle fortæller kom til Korea, fordi vi kan sælge dem i Korea, og så får vi ikke solgt en skid, og der syntes jeg at Gazzelle Growth har været gode til at spore os ind, og det har vi en kæmpe fordøjel af idag. Og i USA, de har faktisk lagt USA en lille smule stille nu, men om en uge til 14 dage begynder vi rigtig at tage fat i USA igen.

CM: Hvordan er salget i USA i forhold til Danmark rent procentmæssigt?

KM: Lige nu er det stadig Danmark fordi vi har fuld fokus på nu her, men om 4-5 måneder så er det større i USA, fordi vi har Verdens største partner derovre. First Data, som har alverdens største indenfor bank datacenter. De har 6000 banker, altså ikke filialer men banker. Har vi som partner derovre.

CM: Er Søren Jonus Bruun er han ikke også indenfor First data, han er ovre i London nemlig

KM: Han sidder i 1st CT

CM: Nå ok.

KM: men jeg kender også Søren Bruun. Jeg kender ham rigtig godt. Jeg har kendt ham i 14 år. Han kommer her imorgen og i overmorgen så står jeg sammen med ham og holder foredrag. Nej, det hedder 1st CT.

CM: ok

KM: First Data er cirka en milliard gang større en Søren Jonas Bruuns selskab.

CM: Ja ok (griner)

KM: Det er en af de, hvad fanden blev de solgt for? Jeg tror det var 142 milliarder dollars, der lige sådan en af de der opkøbsvirksomheder der købte dem. Men ud over de servicerer 6000 banker så servicere de mange mange flere a la dankortterminaler, altså payment system. Det er simpelthen den største i Verden overhovedet rundt omkring. Og dem har vi lavet en OEM-aftale med.

CM: Er i egentlig ikke bange for at blive opkøbt af nogle af de store fisk, der gerne vil have fat i jeres teknologi.

CM: Ja

KM: Men man har den der, at folk ser det som en trussel, men jeg synes det er en sejr, at du har lavet noget der er godt nok til at de store vil have det og sprede det ud i hele Verden. Det er da fedt. Så laver vi bare noget nyt.

CM: Nu er jeg noget lidt over i noget andet. Det er mere med sprog og kultur. I hvor høj grad tror du det spiller en rolle når du udvider, at i skal tænke på det.

KM: Altså sprog?

CM: Sprog og kultur i de forskellige lande

KM: Altså jeg har jo fået nogle fantastiske lærestrege, både i Rumænien og i USA. Hvor jeg som udgangspunkt som vi danskere troede at de var ligesom os. Og fandt ud af de var fuldstændig topstyret, og i Rumænien lærte vi, at du skal have total styr på dine ansatte. Altså vi måtte smide direktøren og en direktør ud, fordi de svindlede.

CM: Nå ok


AH: Men det er en faktor vi har med i vores udrundingsplaner

45:51

KM: Vi vil gerne have danskere med. Men det er fordi du er også sikret at der kommer noget dansk med, men jeg har også lært til fulde at en dansker kan ikke gøre det alene, du er nødt til at have lokalbefolkningen med, ellers går det galt. Da jeg prøvede i USA, jeg opdagede først en 3-4 måneder efter at hvis jeg viste mig i USA gik med ind og lyttede til medarbejderne, og tog nogle beslutninger. Så boykottede de deres ledelse med det samme. De var væk. De sked på en hattugl, fordi – ”jeg kan ringe til Karsten”. Du opdager det slet ikke, og så ligepludselig begyndte deres rundsav ”drum drum” de skar den chef ud, fordi de kunne få fat direkte i topledelsen. Rumænien der var det faktisk modsat. Medarbejderne ville overhovedet ikke tale, de var total loyale overfor deres ledelse. Lige stik modsat af USA, så du kunne ikke få noget ud af dem. Så hvis der var noget galt med ledelsen, så fik du det ikke at vide fordi de var bare så loyale. Så det var sådan til sidst nogle af medarbejderne i Rumænien fortalte nogle af medarbejderne, der var blevet venner med fordi de arbejdede tæt sammen, at der var noget galt. Og så fik vi det at vide. Ellers så kunne der
have været sket en katastrofe uden at vi havde opdaget det. Og det tror jeg at der får vi en speciel oplevelse med internettet. Tyskland kender jeg godt, jeg har jo været der selv i mange år. Jeg troede jeg kendte USA efter de fire år, altså jeg arbejdede sammen med Motorola i 4 år, men det gjorde jeg ikke.

CM: Hvad med England. Kender du det?


CM: Ja der kan man bare se på befolkningen hvad for en type mennesker der i London og hvad type mennesker der er i Liverpool.

KM: Hvis man fløj til Liverpool og sagde, ”nu har man været i England” så ville man få et helt chok, ik?

CM: Jo, det er noget helt andet.

KM: Men, jeg syntes de er. Min fornemmelse er at de er meget ordholdene. Men det skal der være nogle til at hjælpe mig med. Der skal nogle englændere med.

CM: Min erfaring det er at man kan stå og snakke med en englænder, og så kan han, de vil aldrig sige noget direkte til dig, det er meget indirekte det hele, og de kan stå og sige at det er en fantastisk virksomhed bla bla bla, men det de egentlig mener det er at det hele kører af lort eller noget andet, og det vil de ikke sige direkte. De er meget mere, det der med at tabe ansigt, det betyder noget i England.

KM: Det er japanere

Støj

KM: Det lyder bare som om at Japanere er meget værre.

CM: Ja, underligt nok. De kan..

KM: er de stolte mennesker er det derfor?

CM: Ja det tror jeg, de har det ikke godt med at vise svaghed tror jeg. Så tit kan man godt blive løjet direkte op i ansigtet. Man tror man er bedste venner med en person, men et eller andet sted kan han slet ikke lide en.


CM: Ja Irland, det er lidt anderledes end England også.

KM: Meget
CM: men det er også, altså da de havde de der 10 år hvor det hele var skattefrit i Irland for FDI'ær. Der fik de godt nok mange virksomheder. Det var helt så mange virksomheder der kom fra USA specielt til Irland og etablerede sig.


CM: 500 gram og sådan noget

KM: hvad

CM: Ja det er 500 gram kød, jeg har været i Argentina nemlig.


CM: Nej, jeg har været over at besøge en del forskellige virksomheder, danske virksomheder i Argentina, for hvad er det, 2 år siden nu.

KM: Hvordan er Argentina?


KM: Altså hvis jeg havde tid, så vil jeg sige at Sydamerika er interessant.

CM: ja.

52.23

KM: Og det er også fordi at der ligger en del, der ligger noget mellemhandel. Så f eks. biler produceret i Østeuropa bliver via Brasilien solgt til Kina og omvendt, vice versa. Der er sådan et mærkeligt handelstrick. Eller også kommer det fra Kina går til Brasilien og så går til Afrika. De ligger sådan så at hvis der er nogle lande der ikke kan finde ud af at handle med hinanden, så meget ryger igenem de Sydamerikanske lande. Og det gør at det er et spændende sted hvis du laver noget med kommunikation.
CM: Ja præcis. Det er også meget spændende at tænke på at der er sådan kæmpe distancer mellem to mulige forhandlere. Og et eller andet sted så kan det også give nogle konkurrencemæssige fordele ved at man sige at du kan forene to partnere fra Kina til Brasilien, at de kan snakke sammen. Men så kræver det selvfølgelig det samme sprog.

KM: Jeg vil påstå at sprog ikke er noget problem idag

CM: Nej, men altså at de kan snakke samme sprog.


CM: Jeg kan forstå at du har en del erfaring, sådan internationalitetserfaring. Har du nogen erfaringer fra dine tidligere jobs hvor du har været med til at udvide til et nyt land, måske Fujitsu-Siemens eller Zentropa?


CM: Men der...


KM: Ja altså, en af mine svagheder det har været strukturen. Vi har manglet struktur. Dvs. jeg har meget gået efter min intuition at nu skal vi sgu til Indonesien, og så tog jeg til Indonesien og gik igang med at lave noget der. Hvor marianne og med Gazelle Growth skulle vi gerne starte med at lave en plan, i stedet for bare at gøre det. Og det er jo også derfor vi syntes det er spændende at samarbejde med dig. Med at kunne få lavet et roll out projekt. Jeg har beskrevet en gang hvor vi
hjælp nogen med at lave et firma som kunne internationaliseres, og de gik ind og lavede en plan for hvad der skulle til i hverdagen. Og det er det vi gerne skulle ende op med her.

CM: ja. Altså lige udefra, der kan jeg se at der er to ting som falder meget ind i selskabet. Det er at man kan kigge meget på jeres organisation, den skal måske lige kigges efter i sømmene, hvor i får struktur ind. Som du siger i er ved at få med Anne også. Det er den ene ting og den anden ting det er så også det der med at få struktureret hvordan i vil udvide.

58.00
KM: Jeg ser at organisationen, der vil vi prøve at dele den op med, at du har marketingsselskab og så bygge Danmark op, som havde nogle funktioner. Sådan nogle delfunktioner der ville kunne fungere i USA, dvs. der var kvalitetskontrol, salg, marketing, service i Danmark. USA, salg, marketing og service. Og det vi gerne ville ende med at USA var måden at gøre det på i England og alle de andre lande. Også fordi at når der er lavet marketingsmateriale på det amerikanske marked, så er det også meget lettere at lave til det engelske marked bagefter. Derfor er det også naturligt at tage England bagefter, sprogmæssigt.

CM: Ja, hvis man kigger på jeres værdikæde så har i produktion, det kan man sådan set sige er den konstante produktudvikling, den ligger i Rumænien, og så har i salg og alt det andet i de enkelte lande, hvor i ryger ud.

59.16
KM: Men vi vil gerne styre marketing centralt
CM: På sigt?
KM: ja
CM: Men nu der er den spredt sådan set?
KM: Nej, den er lige ved og nu at lande i Danmark.
CM: Okay, men det er en der hedder Julie i USA ikke?
CM: ja

KM: Og så vil jeg også sige at Skandinavisk design. Hvis du får brændt igennem med det i USA, så er det igen en produktforbedring. Og hvis du brænder igennem med noget lækert marketing i USA, så alene det, løfter dig. Så hvis du bruger amerikanske marketingsbureauer, så får du deres gul, orange og brune farver. Hvis du bruger de danske får du nogle klare cobolttblå og sådan noget. Så brænder du igennem med det og differentiere du dig fra resten af markedet. Og derfor tror jeg at vi skal holde fast i det danske og det skandinaviske design. Det er flot, det er enkelt. Og hvis det danner grønbund for det marketing som det fortjener i forhold til Microsoft og de andre. Så jeg tror faktisk at markedsføring ender her, men kampagnerne ender i de enkelte lande. De skal jo være målrettet til landets kultur. Men selve basismaterialet skal komme herfra.

60.40
AH: Ja, man skal tænke ”larm” stort set, det arbejder vi meget i. Og få lagt lidt struktur.
CM: Og så på sigt vil i have salg i de enkelte lande og ligge centrale.

KM: Ja, styret centrale bare. Men

CM: Altså styret centrale på bestyrelsesniveau eller?

KM: Nej der er en salgs, VP sales of marketing global. Som er med til at sige, altså så langt vi er kommet indtil jeg stoppede det igen, er at sige, hvad skal der til for at starte i et land. Der skal være sådan en og sådan en og sådan en, som minimum, for at starte et land op. Og det er 5 mennesker, det skal der som minimum være. Det ved vi nu. Det er bare ikke skrevet ned. Men de ting skal vi til at have skrevet ned, hvad er det der som minimum skal være i et land for at du kan... selvom du bruger en distributør, så er du faktisk nødt til at have de her 5 mennesker.

CM: En landchef?

KM: jaeh, en chef igen. Det kan sgu være en af de fem, som har lederrollen, men det er en der har ansvaret for salg. Det er en, og så siger jeg altid, du kan ikke have en, hvis der er en sælger og salgsfolk, så skal du have 2, der skal være plads til en af dem er syge. Og så skal du have en som er presales, support, teknisk stærk, altså en tekniker. De to skal kunne overlappe hinanden. Og så skal der være en ”ala innovations” omkring økonomien. Det er det som minimum skal være før du kan starte. Og så meget hurtigt efterhånden som der kommer kunder så skal der flere på. Vi har lige haft diskussionen i Australien, fordi der var en australier der gerne ville starte op. Hvad skal der til, hvad koster det. Så hvis vi går ind og beskriver den her funktion, og siger det er det der skal til. Så starter vi. Der skal være råd til at have de her 5 eller 6 mennesker så vi kan køre det.

CM: Hvad med det i Australien var det i Medianet regi at de havde et eller andet der eller?

KM: Det var via nogen af de bekendtskaber vi har indenfor telebranchen. Der var en der havde været direktør for et af de største teleselskaber i Dubai, som var taget hjem til Australien, så gad han ikke være i Dubai mere. Så sagde han at han gerne ville starte et Medianet datterselskab. Og dem får vi flere og flere henvendelser af, også folk som kommer og siger at vi kan selv komme med 30% af den kapital som skal til. Og så har vi også en mega opstart i at få en virksomhed op at stå, og den idé kan jeg godt lide.

CM: Men er det så noget i der valgt at gå videre med, med ham i Australien

KM: Vi har valgt, vi har lagt ham på is. Men det bliver højest sandsynlig sådan nogle modeller vi får op at stå.

CM: Hvad for nogle udfordringer forventer du dig af at skulle udvide internationalt

KM: Jamen altså nu har vi ansat 10 mennesker her på det sidste

CM: Indenfor hvor lang tid? Et halvt år?

KM: Indenfor de sidset 2 uger

AH: Ja

KM: Og det er en kæmpe udfordring at tage nye mennesker ind i selskabet, så det. Udfordringen bliver at finde en eller to mennesker der selv kan tage tilbage og ordne resten, fordi hvis vores
organisation skal kunne håndtere at der kommer 5 mennesker ind, flere forskellige steder, så lægger det vores organisation ned. Vores udfordringer bliver at finde de personer der er selvgående, har så meget iværksætterånd i sig, så de selv kan køre videre. Selv kan finde de rigtige mennesker. Så vores udfordring bliver at finde nogen, sådan et roll-out team, som går ud og finder de rigtige mennesker uden at forstyrre de andre selskaber alt for meget. Så de... jeg tror det er det man dør på. Hvordan starter man i et kæmpe land. Lille Danmark skal supplementere USA. På et tidspunkt brugte vi alle vores ressourcer i Danmark til at styre USA. Så var jeg faktisk nødt til at på et tidspunkt at sige, nu glemmer vi dem sgu. Nu må i klarer jer selv. Mens vi får Danmark rodfæstet. Og derfor hvis man har sådan en, jeg vil kalde det indsatstyrke eller sådan noget, der tager ud og gør det, så tror jeg man kan få succes med det. Ellers så går det galt.

CM: Hvordan klarede USA sig så når i lagde dem på is?

KM: jamen de er ved at finde deres egne ben og tage ansvaret alvorligt

65.00

AH: De arbejder på at opbygge et pipeline nu, for vi var simpelthen nødt til at sende en dansker over. Og det er det som vi så knokler på nu og salgscyklus har en vis længde og det er det vi venter på i gæseøjne, det er det du mener med ’på is’ ikke også?

KM: Jo det jeg mente med det, det var at jeg sagde de kunder vi har, 1st data, som er en mega forhandler, de skal blive ved med at være glade, og så må vi selv bygge en ny salgspipeline op derovre. Og så tog vi vores salgsdirektør i Danmark og sendte ham derover.

CM: Så han er så, kan man sige at han bliver lederen for. 

KM: Nej fordi egentlig derover der er en amerikansk direktør

CM: nå ok

KM: Men han er sat derover for at sælge selv. Køre som det skal. Og ellers så har vi jo en horizontal struktur, så teknik er styret fra teknik i Danmark.

CM: Ja ok

AH: Så vi har meget kommunikation med dem

KM: Det vi skal have helt færdig inden vi rigtig kører ud, det er vores processer. Vi kører asec processer. Og når først du har lagt en plan for hvordan du kører en process ind i et land, sådan så i det øjeblik de åbner, så har du fejlmeldingssystemer i orden, du har udrulning, releaseplaner og det skal du faktisk have på plads – processerne. Så i det øjeblik kunderne begynder at købe det. Første gang kunden kommer igennem og har en fejl, så kører endtrain processen, fra det land, ind til vores fejlmeldingscenter i Danmark til Rumænien, de får et svar tilbage. Hvis du får dine processer til at køre, så vil du også få succes.

CM: det er dine interne processer

KM: Det er mine interne processer. Og de er næsten vigtigere end personerne, for hvis dine processer virker og du styrer dine folk hårdt, så får du altså også en succes. Og det er det jeg tror der
er mange virksomheder der vælter på, det er at de kommer med et skidegodt produkt, men de har ikke processen klar til at subitere deres produkt. Tre eller fire dårlige start, så begynder folk at sige, det der danske lort det er glemt, ik. Og det rygtes.

CM: Ja, det gør det.

KM: Så vi har også været for tidligt ude mange gange i de der fem år. Så derfor har vi også sagt på et tidspunkt: ”Full stop”. Og det har vi så brugt 8 måneder på.

CM: Hvordan, nu har i så ansat en del her de sidste 2 måneder. Er det noget i bliver ved med eller har i en pause nu her, hvor i lige for styr på alle processerne?


CM: Toke fortalte mig at i ansætter en account manager af gangen.

KM: Ja

CM: Og jeg kan forstå at der bliver kun ansat en i samtale med dig og Jes og så Toke, i finder ud af hvornår der er brug for en mere hele tiden. Hvad for nogle indikatorer bruger i for at kunne finde ud af hvornår der er brug for en account manager mere.

KM: Altså nu er det ikke helt rigtigt, fordi vi ansatte 3 sidste gang.

CM: Nå ok

KM: 4. Det var også det der lige lagde os ned, men efter de 4 så har han ret. Der tager vi en af gangen, og det er når efterspørgslen er større end de kan klarer. Og det er den allerede nu, vi burde ansætte en mere, og det gør vi også

AH: Altså vi kortlagde brancherne, hvad omkring juletid?

KM: Ja

AH: Ja, der kortlagde vi. Der arbejdede vi meget med brancherne og gjorde fuldstændig klar på hvad er det vi skal bruge af folk, for at holde til alle de her brancher de relevante præmien. Så det er rigtigt hvad Karsten siger at vi aflæste markedet og sagde: ”det her er hvad der er behov for lige nu”.

69.20

KM: Altså vi sagde for eksempel: ”Tele”. Og nu har vi alle teleselskaber. Og så gik vi ind i kommuner, og det fantid vi ud af, at det klarede vi sgu nok ikke alene. Så fik vi 5 kommuner og så har vi så lavet en aftale med kommunedata, for at kunne få alle kommuner, og sådan er det med brancher. Nu er der en eller anden der er igang med byggeindustrien, det ser ud til, der er arkitekter,
der er håndværker, der er så videre. Dels går vi ud til virksomhederne ”Byg-det-selv” f.eks., men vi får også ind til byggeindustrien som har fat i alle 60,000 medlemmer. Vi går ind til byggemap, som levere projektværktøjer til dem allesammen.

70.00: KM’s Telefon ringer

Pause med lidt uformel snak med AH som udvikler sig til noget interessant (derfor inkluderet)

AH: Men Toke og jeg arbejder jo sammen hver dag som jeg sagde til dig om brancherne. Vi har identificeret nogle overordnede brancher vi går efter, lige præcis dem her, det er mig der har fundet dem. Altså den finansielle sektor var der da jeg startede, men så sagde jeg, at der er så meget spildtid i gåseøjne fordi der sidder så mange mennesker, vi skulle være klar, som Karsten siger, og det er meget vigtigt når vi vil være internationale. Og så gik vi ind og lavede nogle analyser der, og dem har jeg så lavet klar og sagt vi forventer så og så mange virksomheder i Danmark har brug for det her produkt, og hvilke kanaler kan vi trenge det ud igennem og så har vi simpelthen valgt de her brancher ud. Nu arbejder vi så meget i underbrancher, dvs. for eksempel E-business er jo mange ting, så har vi noget der hedder top100 indenfor det. De største virksomheder. Så har vi arkitekter, entreprenører, selv sexbutikker, det havde vi lidt grin med idag, fordi der er faktisk nogen forholdsspis store hjemmesider. Men så vores teleaccountmanager, så deler vi dem mellem en almindelig key account manager og vores tele account manager. Så de små tager hun og sælger nogle mindre kommunikations...og der hvor man kan sige at folk gerne vil være anonyme når man chatter, der hvor der er brug for folk f.eks. sexlinjen, det er jo noget andet, det er sådan problemer mellem unge mennesker og sådan noget ik, dem får vi forhåbentlig som kunde, og der har vi så en account manager inde og tale med dem om hvad de kan have behov for af kommunikationsudstyr. Sådan arbejder vi meget koncenteret og det er vi begyndt på efter jeg er startet.

CM: I tager en sektor af gangen og så kører i videre?


CM: Ja præcis. Men hvordan vil i bruge de erfaringer i har fra Danmark når i skal ind i et nyt land, vil i så også arbejde på samme struktureret måde som i nu har gjort her på det seneste her sammen med Toke?

AH: Ja, men det er vi egentlig laver templates, og det er noget af det vi har lavet, lagt strategi for, det er simpelthen at vi bruger tiden nu på at optimere det danske marked og vi begynder meget, jeg tror vi har skrevet at vi i 2.kvartal, laver vi de her færdige templates hvor vi siger: ”Hvad er det vi har brug for at vide? Hvad er det vi kan fører med os?” Simpelthen lave sådan et udfyldningsskema, så bliver der nogle andre indikatorer som indtrængningsbarriere som vi er nødt til at vurdere, nogle bløde variable som vi også er nødt til at vurdere, de nævnte kultur og sådan nogle forskellige ting.
CM: Så det vil sige at jeres templates kan sådan set bruges at man ansatte en helt dugfrisk person fra og i et andet land som der så ligger de her templates og siger det er vores arbejdsopgaver. Det er det der forventes af os.

73:51

AH: Ja, altså jeg sagde jo med Anders inden han tog afsted til USA. Der tog vi – vi havde lavet en salgsplan, den var fuldstændig nede på kundeniveau. Og på, altså opbygning af pipeline. Det her er hvad vi gør i Danmark, og så den tog han så med over og bruger direkte derover. Selvfølgelig nogle andre kunder, men i og for sig samme brancher. Så jeg har møder med ham jævnligt over vores system her.

CM: Du har vel også møder med Toke over systemet hver dag?

AH: Ja, vi snakker sammen. Ja, det er igennem systemet, men han er her jo også et par dage om ugen. Vi taler sammen mange gange i løbet af dagen.

CM: Hvordan, det med afstanden med at han primært er oppe i Århus, har det haft nogen effekt eller spillet nogen rolle overhovedet?


CM: Meget energisk

AH: Ja, det er han. Enormt meget, og så er han meget dygtig til at identificerer hvad det er der skal til når vi går ind i en branche. Han er meget dygtig til at gå ind og vurderer, feks. Telesektoren, hvem er den mest innovative her, hvem er det godt at hive fat i, og så simpelthen trække noget viden fra Børsen osv. Hvad er det der sker i de her virksomheder, og så bruge det, det data. Og det er meget af det vi prøver at smitte af på de andre sælgere også. Alle kilder til at fange den rigtige kunde, finde ud af hvor de er, i forhold til teknologier og hvordan vi kan hjælpe dem osv.

CM: Var i i Børsen idag eller hvad? Det har jeg ikke set.

AH: Nej, det har jeg heller ikke set, men den ligger herude. Helt sikkert

CM: Det var nok det med Visionlink, kunne jeg næsten høre.


AH: Men det er en spændende virksomhed

CM: Ja, det må man sige. Det ser ud som om man lige er på tærsklen til at sige boom, og så vokser man bare.

AH: Det tror jeg virkelig også på

CM: Men det er rigtig nok at man skal live have styr på processor og strategi, før man kan vækste rigtig hurtigt. Og det er sikkert også noget UM har snakket med jer om, kunne jeg forestille mig.

AH: Ja
KM kommer tilbage fra telefonsamtale med Lars Linå fra GazelleGrowth.

KM: Han går ind og bliver CEO et kort stykke tid
CM: nå
KM: I kort tid. CEO
CM: Okay

KM: Og så har vi opfundet en ny stilling så jeg bliver President. President and founder. Og det er fordi at, det er sådan at når man bygger en virksomhed op, så skal man gå ind og sige, hvad synes man er sjovt når der er gået en 4-5 år. Og det at holde møder og sådan noget, strukturerer ting. Det er jeg ved at brække mig over. Men det er sådan at starter du en virksomhed, så er du automatisk direktør indtil du sætter dig ned og siger at det er ikke det jeg vil bruge resten af mit liv på. Der hvor jeg synes at det er rigtig sjovt det er at komme ud at sælge. Jeg er stolt af når kunderne siger: ”Kæft det er et fedt program”. Det giver mig et kick. Og så synes jeg det er sjovt at være med tilbage, og give den viden tilbage fra kunderne i det der mangler for at lave det perfekte produkt. De 2 ting vil jeg lave, og så får jeg sådan en veto-ret, så dvs. at Lars ikke kan gøre ting som vi ikke er enige om. Men det er i høj grad ham der skal drive virksomheden

CM: Ok, hvornår vil det ske fra?
KM: Det vil blive sådan en glidende overgang. Han har noget andet han skal lave færdig
CM: Jamen skal han så sige sin – han er stadig ansat ved UM?
KM: Jo, og det vil han blive i lang tid.
CM: ja ok
KM: Nu har vi ikke fået underskrevet en tavshedserklæring, men jeg regner med at du godt kan håndterer alle informationer.
AH: Ja, for den har jeg heller ikke respekteret
CM: Jeg fortalte Anne tidligere at jeg faktisk var PET-godkendt, så det kan jeg sagtens. Men vi kan også godt skrive noget hvis det er.
KM: Men det er ikke nogen som helst overraskelse i Gazzelgrowth. Det er ikke nogen hemlighed det her.
CM: nej
KM: Vi har diskuteret det åbent, og derfor så kører Lars meget længe en dobbeltposition, hvor han bare sørger for at holde gang i nogle processer. Dvs. sørge for at der er managementmøder, sørge for der er nogle møder, sørge for at der bliver fulgt op på nogle ting. Sådan så jeg helt inde i
knolden kan støbe det og sige, der er nogen der tager sig af det. Altså vi har en række direktører som der skal tage sig af deres arbejde, men der skal være en chef for dem, der sørger for at de gør det de skal. Og det kan Lars godt klare i et stykke tid som et kvartidsarbejde. Hvor man om mandagen gennemgår hvad blev der lavet i sidste uge og hvor der om fredagen gennemgår nåede vi det vi skulle i denne uge. Og det er sådan set det det handler om, og så er han med til at lave strategi. Dygtig strategimand. Ham skulle du næsten

CM: ja, ham skulle jeg næsten snakke med. (Henvender mig til AH) Du kommer vel også til at arbejde sammen med ham?

AH: Jamen det gør jeg nu

KM: De arbejder allerede fuldtids sammen.

KM: Så, jeg føler vi har fået en dygtig mand ind der.

CM: ja.

KM: Og jeg har det rigtigt godt med det. At vi ikke kører træt i det.

CM: Ja, hvor gammel er han og har han tidligere erfaring fra andre steder?

KM: Lars han er 48 år.

AH: Jeg tror han er 48, ja.

KM: Sidste 12 år har han været i USA og været med til at lave 4 turnarounds i forskellige selskaber. Og det her er også en slags turnaround, fra at være et "larm" til et "larm" selskab

90.09

CM: ja


CM: Ja, det kan jeg godt forestille mig


CM: det er sådan rigtig købmandsskab
KM: Ja. Og der er sådan en Peter Aalbæk, han er jo købmand.

CM: Hvordan, har i haft nemt nok ved at samle kapital? I Medianet?

KM: Altså ja og nej

CM: Har det været et problem og nu er det måske ikke et problem mere?

KM: Vi er i et tidspunkt nu, hvor selskabet er så spændende, så det ikke er et problem mere. Men det har været et kæmpe problem. Vi har udviklet i 4 år, og brugt penge og penge og penge.

AH: Men du har været rigtig god til at samle investorer


(latter)


CM: Min far gjorde lidt det samme. Byggede et hotel på et tidspunkt, hvor der havde han lidt ondt i maven i lang tid. Fordi han havde i forvejen en restaurant, så han havde sikkerheden i banken med at kunne låne det beløb, men det var et rimelig stort beløb for at bygge et helt spritnyt hotel. Men han satsede også der, og det lykkedes også.

KM: Og det lykkedes også ja. Men du får ondt i maven, og du ligger vågen om natten. Og en af de ting du ligger vågen om det er også det ansvar du tager. For når du ansætter 60 medarbejdere, så har du sgu også et ansvar for at deres liv fungerer og at de får løn hver måned, og jeg syntes det er et kæmpe ansvar, som jeg godt kan blive træt af. Det er ikke bare dig selv. Derfor er jeg også glad for at dele det ud på flere mennesker

CM: Vil du så primært sælge nu? For at få fat efter nogle store fisk måske?

KM: Altså TeliaSonera som har 180 millioner kunder er jo en megafisk, Kommunedata er en megafisk, Nordea er en jeg selv arbejder på. Det er de største vi får. Fordi det er nogen der giver reference ude i Verden, for det nytter ikke du tager SparNord eller Sydbank. Store store banker, men skal du til USA så kender de DanskeBank og Nordea, de kender ikke engang Jyske Bank. Danske Bank er nogen steder bedre, nogen gange er Nordea bedre. Og skal de virkelig have en reference værdi, så skal du have hele linjen. Så skal alle deres medarbejdere helst kører med vores
produkt, så har du den fedeste reference du overhovedet kan få, og det har jeg ikke kigget ordentligt på endnu.

CM: den bank i har i USA, giver den jer ikke en reference over i USA i forvejen?

KM: Jo det gør den

CM: Og er det noget i har udnyttet?


CM: Ja, men jeg tror jeg har været igennem det hele nu

KM: Hvad er outputtet. Jeg skal lige forstå, hvad kommer der ud af det her.

CM: Jamen der kommer at i får afklaret hvad for nogen faktorer der er vigtige for jer, før i udvider. Hvad skal i have styr på, hvad skal i kigge på i de nye lande. Sådan set en måde at gøre op med sig selv på, hvor står vi henne i forhold til når vi skal afsted. Det er det der kommer ud af det. Jeg har nogle kontakter i England, som jeg godt kunne tage over og besøge, men det ville så ikke blive en del af opgaven, det ville så blive noget andet.

KM: Jaja, men du kunne jo også ende med at arbejde for virksomheden når du er færdig med opgaven. For hvis du vil lave noget der rykker, så er vi stadig en rigtig sjov virksomhed.

CM: Det er en spændende virksomhed, det er det.

KM: Specielt når Jesper kommer ind. Han går igang med strategi. Og læne dig op af Jesper, det er sjovt.

CM: Det må være lidt noget spændende noget

KM: Det jeg gør nu det er at jeg danner basis for at han kan komme ind og lave en strategi sammen med os. Og der vil jeg sige, det skal du sgu læne dig op af, og sørge for at blive introduceret og komme med, og Lars har også en fantastisk tilgang til det. Så der hvor vi står lige nu, der ser det ud som om vi står lidt i stampe men i virkeligheden så kører vi afsindigt hurtigt

CM: Ja og specielt de sidste par måneder kan jeg forstå

KM: Ja, i at gøre os klar, til at tage et land mere. Min horisont rækker sig til Skandinavien, så orker jeg ikke mere. Men den erfaring vi får derfra, det er jo England osv osv. Jeg vil simpelthen ikke rejse langt det næste års tid.

AH: Da jeg kom ind i virksomheden der var du også altid ud at rejse

KM: Hele tiden

AH: Hele tiden
KM: Ja, og jeg fik ikke noget ud af det, fordi jeg var altid træt. Jeg har fået meget mere energi, og det kan sådan en som Anne garanteret også mærke, at det er en helt anden energi jeg har nu. Og den energi smitter af i virksomheden. For hvis du render rundt og ser sådan ud hele tiden så trækker du også stemningen ned i virksomheden. Og det er jeg ved at komme over nu. Er det ikke rigtigt? Det var fandme ikke sjovt i December måned.

AH: Nej det var lidt hårdt

CM: Og jeg kan forstå at i mødte hinanden ved en tilfældighed til en fest

AH: Ja, vi stod i kø ved et bord sammen ved buffeten

KM: Ja det er rigtigt, det er meget sjovt

AH: Men sådan er det for mange, er det ikke? Nogen som kender nogen som kender nogen i det netværk der

CM: Ja, jeg har set meget i London at det er sådan det foregår


CM: hmmmm nej. Eller er det ham som er i jeres artikel?

KM: Ja, en af dem der

CM: Ja

KM: Det var også helt tilfældigt at jeg løb ind i ham. Og den mand og netværk. Han er verdensekspert i netværk, og han er så sjov.

CM: Men har du kontakt til ham stadigvæk?

KM: ja ja. Han venter. Han sidder og venter på mig. Karsten hvornår skal du med ind og "larm". Første gang jeg mødte ham, det var jo foregangen for GazzelleGrowth, der havde man lavet et projekt der hed 20 gange 250. Hvor man scoutede 20 virksomheder som kunne eksportere for halv milliard, mej 5 milliarder. Der blev vi udvalgt som den ene af dem af ham. Og jeg kom ind som nummer 27 ud af 20, altså de havde taget nogle ekstra ind, og han sad og var pissetræt. Han rendte rundt med sin mobil ude på gangen og hans assistent sad derinde, og så startede jeg med et CV og lavede en præsentation efter den måde han gerne ville have det på, det troede jeg alle havde gjort. Og så kiggede han på mig og sagde: "hey you are prepared" siger han så. Så råbte han "Kent he is the first one who is prepared".

(latter)

KM: Og jeg havde lavet seks linjer. Jeg tror der var en to-tre linjer på hver slide. Men det var præcis efter bogen og præcis det han ville have, og så viste jeg ham det produkt jeg havde lavet. Det havde han selv drømt om i 20 år at lave. Det var lige hans produkt. Så han sagde: "Hey Karsten, we can do this, we can do this, come to Boston and I will introduce you to everybody" og det gjorde han også. Vi var bare ikke klar med vores produkt. Så han går bare og venter. Så vil han ind i virksomheden og vil ind i vores Board og sådan noget.
CM: Hvor mange er i egentlig i Board?


CM: Mødes i halvårligt? Har i en halvårlig board meeting eller hver 3 måned

KM: Hver 3 måned

KM: Spændende at møde dig. Jeg håber der kommer noget sjovt ud af det

CM: Ja, det håber jeg da også