Born global firms in Northern Sweden: A perspective of founder/top manager’s characteristics and entrepreneurial orientation

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Abstract

In previous research, it is stated that founders/top managers have an impact on the born global firms, meaning firms that become international directly from start or short time after establishment. The purpose of our thesis is to understand how the characteristics of founders/top managers and entrepreneurial orientation have an impact on the born global firm’s innovation and outcome. Based on foundations in earlier studies we identified a research gap that this thesis aims to fill. This thesis will contribute to the importance of a better understanding of how entrepreneurial orientation affects a born global firm’s innovation and outcome. Therefore, we outline the following research question; “How have the characteristics of the founder/top manager and entrepreneurial orientation an impact on the born global firm's innovation and outcome?” In order to answer this question we review previous literature and construct a conceptual framework suitable for our study.

When it comes to methodology, we apply an abductive approach, meaning that we start with a deductive approach and create a conceptual framework. Then along the way we move more towards an inductive approach since we want to develop existing theories and address theory implications for further studies. We use a qualitative research design and in-depth multiple case studies in order to get a deeper understanding of our research topic.

Our empirical findings consist of three interviews with founders/top managers from three different born global firms in Umeå and Skellefteå. From these interviews, we conclude that all the three founders/top managers have an impact on the born global firm’s innovation and outcome. Consequently, we managed to perceive a link between the age of the firm and the level of entrepreneurial orientation. The implication was that the characteristics of the founder/top manager had a bigger impact on the youngest firm. The two other firms had more of a firm level behavior in terms of entrepreneurial orientation as they have been in operations for many years and have been established by two founders, unlike the younger firm. We could also find that number of founders, relations, brand image/position, and networking should be taken into consideration when it comes to characteristics of the founder/top manager and entrepreneurial orientation.

The research gap we discovered within entrepreneurial orientation is complex and cannot be fully met by this thesis. As such, we recommend further research into this area. We suggest including employees from different departments within the born global firms when investigating the level of entrepreneurial orientation and how it affects innovation and outcome.

Key words: Born globals, managerial characteristics, entrepreneurial orientation, innovation and outcome.
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Chapter 1: Introduction

The first chapter of our thesis explains the main areas that we will cover in this study. We highlight the research gap and end up the first chapter by stating our research question and explaining the purpose of the study.

1.1 Background

The area and interest of born global firms have increased over the years, due to an increase in internationalization. The increase of internationalization is particularly typical for born global firms and has become a common way to research foreign markets and customers. The main areas discussed about the internationalization process of born globals are its drivers, networks, and the environment. These areas have brought a lot of attention to the academic world.

1.1.1 Introduction of born globals

Oviatt and McDougall (1994, p. 49) define born globals as companies that “from inception, seeks to derive significant competitive advantage from the use of resources and the sales of outputs in multiple countries”. Born global firms are well known for being entrepreneurial from the start and they see the world as one market instead of different countries, which gives business opportunities (Chetty & Campbell-Hunt, 2004, p. 61). Gabrielsson et al. (2008) define born globals as firms that provide products that have global market potential.

One example of a born global firm is eBay since the internationalization process was rapid (Holtbrügge & Wessely, 2009). In 1995, eBay was founded in California and is today ranked as the largest website for Internet auctions. In 1998, the first international auctions were made in Canada and United Kingdom where eBay “adjusted Internet presence especially designed for local customers” (Holtbrügge & Wessely, 2009, p. 233). From 1999, eBay started to take part in strategic partnerships with firms in Australia, Germany, France, Japan, Korea, and Taiwan. By the year 2007, eBay was present in 38 countries and the sales were approximately 50 percent international (Holtbrügge & Wessely, 2009).

According to how businesses are run today, the speed of technology and the aggressiveness of global expansion and competition, internationalizing from the birth has become a normal way to develop businesses. This has become a way to discover opportunities, create competitive advantages and to become more innovative within the industry. The term internationalization can either mean a rapid or incremental process, depending on which internationalization strategy the firms choose.

1.1.2 Introduction to Stage Model for Internationalization

For many years, the Uppsala Internationalization Process Model has been the most common model used for internationalization, which suggests the incremental way to
internationalize (Johanson & Vahlne, 1977, p. 540). This means that firms take incremental steps in order to get some knowledge about the foreign market before expanding (Johanson & Vahlne, 2006). The authors Johanson and Vahlne revisited the Uppsala Internationalization Process Model in 2009 where they explained the model in terms of “networks of relationship in which firms are linked to each other various, complex and, to a considerable extent, invisible patterns” (Johanson & Vahlne, 2009, p. 1411). They also explained networking in terms of building trust and commitment (Johanson & Vahlne, 2009).

The fashion retailer Hennes & Mauritz (H&M) is a company that can be described by the incremental internationalization perspective. In 1947, the founder of H&M, Erling Persson, opened the first women-clothing store called “Hennes” in Västerås, Sweden. The first store outside Sweden was opened 17 years later in Norway, and three years later in Denmark. This is a common way to internationalize in incremental steps. It was first in 1976 that H&M decided to leave the safe Scandinavian markets and open up a store in the United Kingdom (H&M, 2012).

The stage model of internationalization was in the late 1980’s questioned by researchers (Aspelund et al., 2007). Ganitsky (1993) studied export firms in Israel that served the foreign market straight from the birth but according to Aspelund et al. (2007), were McKinsey and Co. the first ones to develop the term “born globals”. Even though the stages model, like the Uppsala Internationalization Process Model has been questioned, it is still a common way to internationalize among many firms.

1.1.3 Introduction to characteristics of the founder/top manager and entrepreneurial orientation

An important aspect to consider when talking about born global firms is also the characteristics of the founders/top manager’s. Previous research claims that the characteristics of the founder/top managers have a large impact on born global firms (Harveston et al., 2000; Miller, 2011). Founders/top managers’ characteristics are aspects that we will examine and look at more closely in this study.

Founders/top managers’ characteristics focus on the individuals’ perspective rather than firm behavior. Firm behavior is related to how decision-making and strategies are taken within the firm without the founder/top manager having such huge impact on everything, therefore in this study will also investigate the firm behavior of born global firms. Covin and Slevin (1991) describe firm behavior in terms of entrepreneurial orientation (EO). EO does not look at individual characteristics rather it looks at the firms as a whole and how the employees together with the managers influence the work within the firm. It examines areas such as innovativeness, proactiveness, risk-taking (Lisboa, et al., 2011), competitive aggressiveness and autonomy (Lumpkin & Dess, 1996).

Although the characteristics of the firm and the founder have an important role during the internationalization and operation of born global firms, there are also other fundamental decisions that have to be made such as rapidness and time of internationalization, the scope as well as the size of the market, that the internationalization depends on (Aspelund et al., 2007). The reasons for this are that born global firms commonly pursue a specific niche market (Aspelund et al., 2007),
where they offer customized or specialized products in order to expand (Persinger et al., 2007). Due to the niche market it is also important to be innovative by coming up with new products as the product life cycle is shorter within born global firms (Persinger et al., 2007).

1.1.4 Introduction to innovation and outcome

For the innovative perspective, born global firms are more likely to compete with differentiation strategy than domestic set ups and focus their resource commitment on their most attractive markets (Aspelund et al., 2007, p. 1433). According to Wang and Costello (2009), innovation is crucial for businesses in order to survive in a dynamic environment where there is an increased globalization, changing customer needs, and “a fast changing technological landscape” (Wang & Costello, 2009, p. 65).

Born global firms and small and medium enterprises (SMEs) tend to innovate differently from large enterprises since they normally possess less resources, research and development (R&D) and have to deal with more barriers as well as uncertainties when it comes to innovation (Tödtling & Kaufmann, 2001). For example, SMEs (“enterprises which employ fewer than 250 persons and which have either an annual turnover not exceeding 50 million euro” (European Commission, 2005)) are often not as involved in networks as large enterprises. In order to overcome these barriers born global firms must put more effort in becoming more innovative (Tödtling & Kaufmann, 2001). This can lead to a higher outcome because innovation can help a firm to become a market pioneer and gain first mover advantages such as customer loyalty (Covin et al., 1999). The literature claims that firms with strong EO (proactiveness, risk-taking and innovativeness) have a better performance when entering new markets (Lumpkin & Dess, 1996). In this thesis we refer outcome as the general view of profitability, number of employees, sales growth, market shares and foreign expansion.

1.1.5 Research Gap

In previous research much information has been given about born global firm characteristics, showing what criteria firms have to fulfill in order to become a born global firm. Much information has also been given by the academic world, on what kind of entry mode the born global firms choose, networking, its drivers, and the challenges that are faced. There have been much written about managerial characteristics of born global firms where the scholars have been looking at it in entrepreneurial level. There is not much information in terms of how the managerial characteristics influence the innovation and outcome of the firm. Since we came across literature describing the managerial characteristics within born global context but did not find any research or study that explains how these characteristics influence innovation and outcome we can clearly see that there is a research gap. Various approaches have been taken into the field of entrepreneurship when speaking about characteristics of founder/top manager, everything from individual traits, personality traits, opportunity traits etc.

We had a hard time finding any research that considers born global firms and EO in the same context. Although, we do not claim to be the first ones to consider these two areas together, the lack of sufficient studies on it shows that there is a clear research
gap when looking at how EO of the born global firm can affect the innovation and outcome. This study aims to contribute towards filling these gaps. When it comes to EO, many researchers claim that firms with a strong EO get higher performance when entering new markets (Lumpkin & Dess, 1996).

This study will investigate the areas of born global entrepreneurs, focusing on individuals’ characteristics such as founders and top managers and EO, which look at the firm behavior and strategy. As born globals start to internationalize at an early stage and focus on niche markets, it is safe to assume that they must be very innovative in order to survive in the market. We will therefore look at the innovation and the outcome of the born globals in more detail.

The current study differs from previous research when it comes to looking at the firm behavior/strategy’s impact on the innovation and outcome. First, we suggest that EO and the characteristics of the founder/top managers have a large influence on born global firms. Within EO, as mentioned above, there are three areas, such as innovativeness, risk-taking and proactiveness. This study also differs in that it focuses on born global firms located in small cities, Umeå and Skellefteå, in Northern Sweden. Due to the fact that many born globals have a young age and many of them have limited resources, it is common to define most of the born globals as SMEs when it comes to the size of the firm (Knight et al., 2004). We will thereafter, only write born globals or born global firms.

1.2 Research Question

When developing the research question, we have this current study, previous research and the research gaps, mentioned above in mind. In order to be able to contribute to filling in the research gaps we have posed the following research question;

RQ: How have the characteristics of the founder/top manager and entrepreneurial orientation an impact on the born global firm’s innovation and outcome?

1.3 Research Purpose

The purpose of this study is to explore and get a better understanding of how the characteristics of the founder/top managers and EO impact on the innovation and consequently the outcome of a born global firm. The context of this research is born globals in non-metropolitan areas.

The diagram below illustrates the purpose of this study by showing how the various aspects of this research contribute to each other in relation to the research question. The two areas under investigation are the characteristics of the founder/top manager and EO are assumed to affect the organization and this is shown through the level of innovation and ultimately the outcome.
In the figure above, we try to show the linkages and connections based on our research question. Since our research question includes five elements we believe it can be good to develop this figure. The main context of this study is born global firms, as mentioned before.

Within the context of born global firms, we want to see how the characteristics of founder/top managers and EO can influence, have an impact on the innovation and the outcome. We decided to include the box “organization” since it is important to understand that the characteristics of the founder/top manager and EO affect the organization, which in return can have an impact on innovation and outcome of the born global firm.

1.4 Delimitation

The study focuses on born global firms, characteristics of founder/top manager, EO, innovation and outcome, therefore we have decided to put much more effort on areas considered for us important for the study. When it comes to born global, we will look at the speed of internationalization, communication channels and some information about international expansion. Characteristic’s of founder/top manager is very broad and it can occur plenty of characteristic when it comes to managerial aspects therefore, the focus here is based on four characteristics found on born global firms literature rather than characteristics in general. There are five different elements within EO but for this study will only look at three elements, which we also consider as delimitation of the study. Innovation itself is very large and can be viewed in different ways; therefore the focus is mainly based on product innovation and differentiation strategy. The same limitation lies behind outcome as one of the key elements of the study. Since outcome is very large, the focus will be based on five financial dimensions. The fact that we are doing the research in non-metropolitan areas can also be considered as delimitation.

This study is also limited due to the fact of three participants based in northern Sweden. The choice of two participants choosing to be anonymous on the study also limits data information gathering since not much detailed information can be provided.
on the study. The interviews with the founder/top managers provided us with primary data.

1.5 Research Outline

Figure 2: Research outline
*Source: Authors*

**Introduction:** Chapter one aims to introduce the reader to the context of the study. It shows the research gaps identified and as a result the direction the study takes. The research question is posed and the purpose of the research is also discussed.

**Literature Review:** In the second chapter, we identify relevant theories for the research area within born globals, characteristics of the founder/top managers, EO, innovation and outcome. These theories will either be supported or not supported by the data we collect and further discussed.

**Methodology:** Methodological considerations are presented and discussed in the third chapter of the thesis. Here the reader will be able to see the logic behind this thesis.

**Empirical Findings:** In this chapter we introduce the cases we used and show the findings from the interviews and provide the reader with quotations.

**Analysis:** In this chapter we compare the theory, from the literature review chapter, with the empirical findings, from chapter four, then we analyze the findings. We will then modify the conceptual framework according to the findings.

**Conclusion and Recommendations:** The final chapter will provide the reader with conclusions, which will summarize the whole thesis by providing the most important and relevant findings in the research. We also mention the new theoretical implications that we have discovered in the empirical findings. Recommendations will make suggestions on changes that can be made as well as different areas that further studies can investigate in the future, areas that this study has not been able to cover.
1.6 Definitions of key terms

- **Born global firms** – Born globals are firms, often SMEs, that become international directly from start or short time after establishment and sees the world as one market with opportunities rather than obstacles in foreign markets, and operate in niche markets.

- **Entrepreneurial Orientation** – Firm behavior of entrepreneurship, meaning strategies taken within the firm in order to discover opportunities, create new ideas, being risky and gaining competitive advantages. It focuses on the whole firms rather than individual. The most common elements used within entrepreneurial orientation are proactiveness, risk-taking and innovativeness.

- **Managerial characteristics of born global firms** – Characteristics that founders or top managers possess in born global firms. The most common characteristics of founders/top managers within a born global firm are prior international experience, ability to identify business opportunities in foreign markets, higher risk-tolerance, and understanding of cultural differences.

- **Innovation** – Innovation is referred as new ways of doing things or improving existing products/services.

- **Outcome** – The “result” of the firm, the general overview of profitability, number of employees, sales growth, market shares, and foreign expansion of the firm.
Chapter 2: Literature Review

In this chapter we discuss relevant theories for our chosen research question: “How have the characteristics of the founder/top manager and entrepreneurial orientation an impact on the born global firm’s innovation and outcome?” We divide this chapter into five parts by mentioning all factors in this study, and then conclude it with a conceptual framework.

2.1 Born Globals

Today companies seek international market opportunities more than ever and going international has become easier compared to a few years ago. For many years empirical results and theoretical reasoning have questioned the concept of stage model in internationalization processes. The internationalization stage model, also known as the Uppsala Internationalization Process Model has brought a lot of attention to the academic world. It looks at how firms pursue the incremental approach of the internationalization process (Johanson & Vahlne, 1977, p. 540).

The Uppsala Internationalization Process Model has for many years been used as the traditional way of internationalization. Companies use the incremental approach in order to internationalize, implying that the internationalization process develops in stages. According to Johanson and Vahlne (1977), the Uppsala Internationalization Process Model “focuses on the development of the individual firm and particularly on its gradual acquisition, integration, and use of knowledge about foreign markets and operations, and on its successively increasing commitment to foreign markets.” (Johanson & Vahlne, 1977, p. 23). Consequently, before firms start to internationalize, they must perceive knowledge about foreign markets as well as, create networks, commitment, and find available resources in order for them to become successful in the foreign markets (Johanson & Vahlne, 1977).

In 2006, Johansson and Vahlne revisited the model of Uppsala Internationalization more by explaining how firms use the model. The study conducted in 2006 explained the incremental internationalization model as the Uppsala Internationalization Process Model (Johanson & Vahlne, 2006). In 2009, Johnson and Vahlne revisited the model again but focused on the aspects of commitment, networking, knowledge and learning etcetera. Johnson and Vahlne (2009) consider developing knowledge, commitment and experience as crucial aspects in internationalization, meaning that knowledge grows out of experience, which leads to a learning process. Building trust and commitment in the foreign market reduces the uncertainty to internationalize and makes developing foreign operations possible (Johnson & Vahlne, 2009). There are many studies that support the Uppsala Internationalization Process Model, as well as there are studies that view it as inadequate.

Previous studies that have been made by Johanson and Vahlne (1977) on the Uppsala Internationalization Process Model tend to focus on large enterprises and not on small and medium enterprises (SMEs). In this case much criticism has emerged during the past decades stating that not all firms use the incremental steps in order to internationalize, Hedlund and Kveneland (1985) conducted a research in Japan, studying Swedish firms and their result and findings showed that those firms did not use Uppsala Internationalization Process Model rather they used a more rapid way to
internationalize (Hedlund & Kverneland, 1985, p. 56). Another research carried out by Lindmark et al. (1994, in Moen & Servais, 2002) studying firms in Nordic countries, talks about the existence of born global firms. The study was based on 328 exporters from Finland, Norway, Sweden, and Denmark. The empirical evidence showed that operating in domestic markets does not seem to be as relevant as it was before and this was due to changing market conditions (Moen & Servais, 2002). In this case, if a firm does not use the incremental way of internationalizing, they opt for a quicker internationalization process that can contribute to more effective outcomes. This type of internationalization model is called “born globals” (Acedo & Jones, 2007, p. 237).

The interest in born global firms has increased over the past years. Born globals are the firms that have an international or global approach directly from the start-up, or which take the international or global direction only a short time after the first market entry (Madsen & Servais, 1997, p. 562). McDougall and Oviatt (1994, p. 49) stated that born globals are companies that “from inception, seeks to derive significant competitive advantage from the use of resources and the sales of outputs in multiple countries”.

Some studies use the term early internationalizing firms or new international ventures but it was McKinsey who used the concept of born globals first (Gabrielsson & Kirpalani, 2004). The born globals also seek for competitive advantages by gaining resources from a lot of countries (Gabrielsson & Kirpalani, 2004).

Born global firms characteristics can be described as a part of international entrepreneurship and as such international entrepreneurship is one of the factors for establishing born global firms (Aspelund et al., 2007). It is also discussed that international entrepreneurship can be established from previous international experience of the founder, which will be described more in detail later on. According to McDougall and Oviatt (2000, cited in Oviatt & McDougall, 2005, p. 539), the definition of international entrepreneurship: “a combination of innovative, proactive, and risk-seeking behavior that crosses national borders and is intended to create value in organizations.”

The born global approach is challenging the traditional internationalization approach. First, in contrast to the traditional approach, born global firms internationalize early or directly after its establishment (Knight et al., 2004, p. 647). Second, the sales of born global firms can target different markets at the same time and do not normally follow the traditional incremental steps. Third, the first targeted markets can be foreign markets instead of the domestic market in the home country. Fourth, the entry mode in these foreign markets can be of different types, such as Foreign Direct Investment and exporting. Fifth, to become a born global in an effective way, many born global firms are using communication technologies such as Internet. Finally, the born globals are internationally oriented and not afraid of taking risks abroad (Knight et al., 2004).

Cavusgil & Knight (1997, cited in Persinger et al., 2007, p. 74) state that born globals are “generally small, have less than 500 employees and their annual sales are under
$100 million. These firms begin exporting one or several products within two years of their establishment and tend to export at least 25% of total production”. Zhou et al. (2007) look at characteristics considered for born global firms in a different way and argue that born globals should have at least ten percent of sales from exporting within three years after inception. A few studies have been looking at the number or type of countries that a firm must be involved in order to be called a born global firm. To be considered as a born global, the maximum times for the firm’s internationalization entrance range from two years after inception McKinsey and Co. (1993, in Chetty & Campbell-Hunt, 2004) to eight years (McDougall et al., 1994, in Chetty & Campbell-Hunt, 2004).

The information provided above, describe non-qualitative measurements when it comes to defining born global firms. It is important to give the reader general information about born global firms in order to get a better understanding of the area but we will not use all of the non-qualitative measurements later on in this thesis, instead we have only chosen to focus on the speed of the internationalization, since it is one of the important aspects to consider when talking about born global firms.

Born global firms perceive the world as one market and do not confine themselves in a single country (Chetty & Campbell-Hunt, 2004). They perceive international market as providing opportunities rather than obstacles and their focus is growth through international sales. In order to be a born global, firms produce high-specialized products for a niche market so that it can suit customers universally (Chetty & Campbell-Hunt, 2004, p. 61). Unlike the large firms, born global firms cannot pursue a multi domestic approach, as they are dependent on a single product that they must introduce in the leading market first (Moen & Servais, 2002). Born globals view their future success being dependent on their ability to do well on the foreign markets. They believe that there is no guarantee of success in the domestic market and it can be difficult to sustain business operations (Brännback et al., 2007). Most existing arguments about born globals is that born global firms look at their markets as transnational implying that they start developing the capabilities needed to reach international goals from the very beginning (Brännback et al., 2007).

2.2 Characteristics of the founder/top manager in a born global context (individual level)

As mentioned in the introduction chapter, every founder/top manager’s has different characteristics, where international entrepreneurship tends to differ from domestic entrepreneurship. Since our research is about born globals we have chosen to look at the characteristics of a founder/top manager from a born global context. Researchers over the years stand behind the argument that the characteristics of the founder/top manager’s affects the decision of internationalization (Harveston et al., 2000) and especially since it is common that the individual entrepreneur (the founder) has a big impact and influence on the SME’s (Miller, 2011, p. 875).

Harveston et al. (2000) conducted a study of 224 firms to describe the differences between born global firms and domestic firms by focusing mainly on the individual perspective. Looking at the individual cognitions, the results from Harveston et al. (2000) study showed that “managers of born global firms have global mindsets, higher international experience, higher level of risk tolerance and are more likely to
perceive opportunities in international markets that may influence the internationalization of the firm than of gradually internationalized firms” (Acedo & Jones 2007, p. 239). Nummela et al. (2004) stated having a global mindset provides better internalization performance.

2.2.1 Prior International Experience

Chetty and Campbell-Hunt, (2004); Persinger et al., (2007); and Harveston et al., (2000) state that international experience of the founder to a born global firm is a common characteristic. International experience in terms of living and working abroad is one factor, which affects internationalization and that differs from the older firms to the younger firms (Chetty & Campbell-Hunt, 2004, p. 62). The previous experience has an impact on the internationalization since it tends to “reduce the psychic distance to specific markets and minimize risk and uncertainty” (Chetty & Campbell-Hunt, 2004, p. 62).

The prior international experience of born global founder and decision makers plays an important role in increasing the firm’s speed of learning and internationalization. (Oviatt & McDougall, 1997, cited in Chetty & Campbell-Hunt, 2004, p. 62)

Previous international experience of the founders/top managers of born global firms has a huge influence on the speed of learning and the internationalization process and can also help to increase the speed (Oviatt & McDougall, 1997, in Chetty & Campbell-Hunt, 2004, p. 62). Here, researchers often talk about absorptive capacity. Absorptive capacity means the ability to bring in new knowledge and information in a valuable way, and since born globals already have knowledge about internationalization from the beginning they have an advantage in the collection of new knowledge about internationalization (Chetty & Campbell-Hunt, 2004). Harveston et al. (2000) argue that founders/top managers with international experience, when it comes to education or work, are normally more “familiar with the foreign market conditions […] than managers without such experience” (Harveston et al., 2000, p. 2). Karra et al. (2008) state that entrepreneurs learn best from their previous experience and this is also an advantage for the stock of knowledge.

2.2.2 Opportunity Identification in Foreign Markets

Due to the fact that founders of born global firms see the world as one market instead of different markets, they have also understood the “limited importance of the domestic market” from the start (Chetty & Campbell-Hunt, 2004, p. 61). The founders see opportunities instead of problems when it comes to the international markets (Madsen & Servais, 1997: Chetty & Campbell-Hunt, 2004). Identifying opportunities brings value to the firm and it is seen as an important factor (Karra et al., 2008). The researcher have compared the risks and costs that the older firms and born globals see the latter has a more positive attitude towards internationalization and do not see as many risks and costs (Chetty & Campbell-Hunt, 2004, p. 61). Prior international experience goes a bit hand in hand with opportunity identification since normally, founders/top managers discover opportunities “based on their prior knowledge” (Di Gregorio et al., 2008, p. 190).
Karra et al. (2008) talk about three different ways of opportunity identification (2008). The first way does the entrepreneur recognize an opportunity through an “active search”, which means that the entrepreneur scans the environment and by that finds gaps that he/she wants to fill (Karra et al., 2008, p. 446). The second way to identify an opportunity is by doing a passive search, which means that they find these opportunities while doing other activities. The third and last way of identifying opportunities is by using their “creativity and imagination” (Karra et al., 2008, p. 446). These three ways can either be combined or used separately. In an international context, it can be more difficult with opportunity identification since it is an activity, which takes place “across international boundaries” and the entrepreneur should possess the ability to see whether the opportunity can be used in a different culture (Karra et al., 2008, p. 446).

2.2.3 Higher Risk-Tolerance

Another characteristic of the founder/top manager that is important is risk tolerance since the perception of the manager can have a big impact on the decision-making when it comes to whether to internationalize or not (Harveston et al., 2000). According to Gleason et al. (2006): “born-global firms face greater risk than their domestic counterparts and this risk increases with the number of markets and the complexity of entry modes” (Gleason et al., 2006, p. 100). The risks increase with every new entry to a foreign market since it is a new marketplace. Risk tolerance refers to how willing the founder/manager is to take a decision with a (higher) risk or how they react when it is time to enter a new market or launch a new product (Harveston et al., 2000). Therefore, higher risk-tolerance can be considered as a characteristic of the founder/top manager within the born global firm.

Since knowledge about a foreign market can reduce the uncertainty, prior international experience can influence the views on risk taking (Harveston et al., 2000). Research done by De Clercq et al. (2005) shows that firms, which internationalize have a higher risk-tolerance than firms that do not internationalize by saying that firms, which gradually internationalize tend to entry markets that are less risky (De Clercq, 2005, p. 410). Harveston et al. (2000) stated that managers who perceived a higher risk level were less likely to go international.

2.2.4 Understanding of Cultural Differences

As internationalization increases, so does the meeting of people and interactions of companies from different cultures. Facing cultural differences is common for born globals since they are active in different international markets. When entering a new market a firm often faces different challenges and many of them can be related to cultural differences. Having knowledge and/or understanding of cultural differences can help the managers to face these challenges in an effective and appropriate way (Stephens & Greer, 1995, p. 40). The cultural values differences seem to be more visible in the beginning of the business due to the fact that the partners do not know each other (Kanter & Corn, 1994). The national culture has a big impact and influence on how peoples’ values and understanding for the people they work with. “The cultural values can affect decision making, managerial style, interpersonal trust and team work” (Stephens & Greer, 1995, p. 41).
Born global entrepreneurs should possess the ability to develop “cross-cultural social relationships in order to build international ties” since different cultures can be found within international markets (Karra et al., 2008, p. 449). It is important for the born global firm to have this ability in two ways: first, it is possible for the firm to choose a good partner and second, it is possible to gain knowledge from the different networks (Karra et al., 2008, p. 450).

We have chosen to focus on these four founder/top manager’s characteristics since they seem to be the most common characteristics for founders/top managers of born global firms and were most frequently mentioned while reading previous literature. We believe that all of these four characteristics are highly relevant when studying characteristics of the founder/top manager within born global firms and they are related to having a global mindset.

2.3 Entrepreneurial Orientation (firm level)

Research and studies over the past years have been looking at the characteristics of born global firms in terms of individual behavior. Entrepreneurial behavior is very important within born global firms because it includes the willingness to take risk, become more innovative and proactive towards internationalization. As born global firms internationalize from the early start-up, they look at entrepreneurship as one of the core elements (Javalgi et al., 2011). Shane and Venkataraman (2000, cited in Oviatt & McDougall, 2005, p. 539) state that the study of entrepreneurship can be described as “examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited”.

Covin and Slevin (1991) look at the behavior model of entrepreneurship as a crucial way of giving meaning to the entrepreneurial process, meaning that it is the actions within the firm that brings entrepreneurship (Covin & Slevin, 1991) and not the individual’s psychological profile (Covin & Lumpkin, 2011) even though the individual person can have an impact on the firm.

In 1983, Miller wrote an article to show the differences between entrepreneurship and its drivers as different kinds of organizational outlines. Those outlines where shaped according to the size, CEO’s personality, structure, and process (Miller, 2011). Looking at all those aspects, according to Miller (2011) a broad measure of entrepreneurship, needed to be developed. Recently more attention has been paid to the characteristics of firm behavior, where Covin and Slevin (1991) wrote about “entrepreneurship as firm behavior” and “corporate entrepreneurship”, which is today called for EO (Covin & Lumpkin, 2011). Thanks to Miller (1983), the concepts of EO exist today (Covin & Lumpkin, 2011).

Over the past years, scholars have tried to find the correct definition for entrepreneurial orientation (EO) and there has been agreement in the academic world constructing the elements of getting a better understanding of EO (Covin & Lumpkin, 2011). Covin and Slevin (1991) describe EO as a process of looking at the firm behavior and firm strategy/vision rather than looking at the individual characteristics (Covin & Slevin, 1991, p. 8). Scholars have been looking at EO as a process, a way of how entrepreneurs behave in order to develop new entry, new firm, new products, technology or new markets (Miller, 2011).
EO encourages the firms’ activities when selecting research and development, developing new types of technology, managerial process, production process and different product solutions that would help the firm to be ahead of the competitors as well as attracting customers (Lisboa et al., 2011).

Individual characteristics, personality traits and demographic characterizes are important for born global firms but can also be found as poor predictors when it comes to growth and development. EO has been viewed as the driving force for success and innovative outcome (Lisboa et al., 2011, p. 1275). It is also seen as beneficial improvement and allowance of firm’s previous knowledge, skills and process (Lisboa et al., 2011).

Lumpkin and Dess (1996) study explained five EO dimensions that are considered in other to get a better picture of the definition of EO as well as to be able to measure EO. The five dimensions are autonomy, innovativeness, risk-taking, proactiveness and competitive aggressiveness.

- Autonomy looks at the action of a team or individuals bringing up ideas and vision at the same time taking it forth to completion.
- Innovativeness focus on how the firm as whole supports new ideas, experimentation, creative process that can lead to new products/services or new technology.
- Risk taking by being involved in risky projects, incurring heavy debts or making huge resource commitments for higher returns.
- Proactiveness looks at opportunity seeking and participating in emerging markets.
- Competitive Aggressiveness is when the firm directly seeks to challenge its competitors in order to achieve improve their market position and outperform (Lumpkin & Dess, 1996).

Including the five dimensions of EO, this study will only focus on three dimensions such as innovativeness, risk-taking and proactiveness. Risk-taking, innovativeness and proactiveness are mentioned as important factors within entrepreneurship and can sometimes be described as entrepreneurship; therefore we decided to focus on these elements when looking at EO, firm behavior. These elements have also been described as drivers of entrepreneurship but have not been properly examined (Miller, 2011).

Some elements that have a crucial impact in entrepreneurship as whole such as organizational culture, is not defined in EO (Covin & Lumpkin, 2011. Miller (2011) also states that risk-taking, innovativeness and proactiveness manifests differently in different circumstances: meaning that risk taking is crucial in small firms, innovation in high technology firms and proactiveness in “intrapreneurial” giants (Miller, 2011, p. 874). Voss and Moorman (2005, cited in Covin & Lumpkin, 2011, p. 857) define EO as “a firm level disposition to engage in behavior (reflecting risk-taking, innovativeness, and proactiveness) that lead to change in the organization or market.
In order to gain competitive advantage and obtain desirable performance, according to Murray et al. (2011, in Lisboa et al., 2011) firms must take suitable strategic actions to capitalize on EO.

We will explain below those three elements in more details and give a clearer picture of their importance within born global firms. It is also important to mention that these three elements need to be measured by a number of relevant questions about each element, in order to identify if a firm has a high or low level of innovativeness, proactiveness and risk-taking.

### 2.3.1 Innovativeness

As we mentioned above, innovativeness is a dimension of entrepreneurial orientation and refers to how willing the firm is to try new ideas (Lumpkin & Dess, 1996). According to Miller (1983, cited in Covin & Wales, 2011, p. 18) innovativeness is; “exhibition of experimentation, exploration and creative acts as reflected in, for example, new products or services, new processes technologies, new methods of operation, and new business strategies”.

Innovativeness is very important for born global firms and has for many years been seen as the reasons for firms’ existence (Lisboa et al., 2011, p. 1274). Born global firms operate in niche markets and provide specific high-specialized products/services; therefore they need to promote new ideas, experiment, and be more creative in times of new products/services development processes (Persinger et al., 2007). Hughes and Morgan (2007, in Lisboa et al., 2011) define innovativeness as a way to encourage novelty, creativity, and R&D in the development of products/services and processes (Lisboa et al., 2011).

Lisboa et al. (2011) state that product development has an importance in innovation as it includes differentiation focus on the quality and the effort that the firm puts in the product development, brings a uniqueness and differentiation to the product. “Delivery of new differentiated products to the market place is a determinant of firm success” (Lisboa et al., 2011 p. 1277). Empirical studies and scholars have showed that firms that experiments, are creative and are able to innovate as well as bring differentiation products into the market, they tend to be ahead of the competitors and gain high sales (Hurley & Hult, 1998).

### 2.3.2 Risk-taking

Every firm that is defined and act in an entrepreneurial level can be considered as a risk taker. Risk-taking is one of the elements within EO and it is a common trait identified in the literature as unique for entrepreneurs (Persinger et al., 2007, p. 73). Risk taking according to Persinger et al. (2007) involves taking action by venturing into the uncertainty. Risk taking is an act for motivation and the willingness to commit resources to new projects, even though the project can be uncertain and lead to a failure outcome (Lisboa et al., 2011). Many authors explain risk-taking in terms of seeking venture capital, willingness to invest in uncertain returns, meaning the amount of capitals invested into R&D as well as having partnerships abroad. Mill
(1891, in Persinger et al., 2007) was the first one to believe that direction, control and risk-taking are different entrepreneurial roles.

Born global firms, for example face a lot of risks as they enter new international markets regularly. Operating in another country increases the uncertainty as information about the rules and regulations, and cultures must be looked at. Initiating a new venture, as it is a common strategy for born global firms, can also be a risky move. These firms with high level of EO find it often easier to accept uncertainty in international markets (De Clerq et al., 2005). Those firms tend to take risk rather than pursuing risk analysis ahead in order to see what is expected to happen.

Brockhaus (1980, in Persinger et al., 2007) states that risk-taking tendency of entrepreneurs is not more widespread than in the general population. This means, that taking risk must be desired by the entrepreneur or the firm and cannot be looked at in a general aspect. Mainly firms that spend much on R&D are involved in many risky projects, enter new markets and are highly innovative are risk takers.

Risk taking can at the same be viewed differently according to entrepreneurs, firms and individuals such as managerial characteristics. This can be a result of that entrepreneur’s uses heuristics and biases when dealing with decisions (Busenitz, 1999). Entrepreneurs face risk daily as risk taking involves making and setting decisions in order to discover opportunities as well as learning from the actions taken from being risk tolerant.

2.3.3 Proactiveness

Proactiveness can be described as responsiveness to market signals, acting according to customers’ needs and preference. Proactiveness leans more towards goals seeking, looking forward and identifying opportunities. “It reflects a posture of anticipating and acting on future changes in the market and pioneering new processes and products” (Lisboa et al., 2011, p.1276). Being innovative as well as risk taking involves recognizing opportunities. Without opportunities, risk taking can be hard to meet and the nature of born global firms is mostly defined as identifying opportunities (Persinger et al., 2007).

Proactiveness can play an important role within born global firms, as it is a way to overcome external problems. The people or firms, and not just an individual take action to influence and have an impact on their environment. They often seek opportunities in the market as well as being aggressive in order to gain competitive advantages (Persinger et al., 2007, p. 79).

The more proactive the entrepreneurs are the more opportunities and “the more perseverance the entrepreneur will exhibit in overcoming the environmental conditions of an emerging market” (Persinger et al., 2007 p. 79). Born global firms often seem to have a strong global orientation and Gray (1997, in Persinger et al., 2007) describes global orientation as the knowledge and commitment to identifying opportunities within international activities. Opportunities within born global firms occur often when firms create partnership in order to expand, conducting a project for a particular firm in order to increase branding or attract more customers and expanding into new market. Identifying business opportunities may not be a hard task
but developing those opportunities can be risky as well as costly. Opportunities increase the chances of becoming pioneers in the market, which means that the firm does not follow the competitors but rather it becomes the trendsetters for a particular product or market (Persinger et al., 2007).

2.4 Innovation

Innovation is one of the key factors within this study. As such we have chosen to look at it separately from the elements of EO, in order to see how the characteristics of the founder/top manager in an individual level influence innovation rather than looking at innovation from a perspective of firm behavior as EO.

Born global firms see the markets around the world as one market and that the market can provide them with opportunities and because of this the born global firms mainly grow “through international sales” (Chetty & Campbell-Hunt, 2004, p. 61). In order to grow through international sales, the born globals, as mentioned in the introduction chapter, bring customized products to niche markets (Chetty & Campbell-Hunt, 2004). The demand for new products is increasing due to a shorter product life cycle, and this is “forcing” firms to become more international and innovative (Persinger et al., 2007, p. 75). Previous research on born global firms finds that born global firms, who have a high level of entrepreneurship, face their challenges by offering innovative products on global markets (O’Cass & Weerawardena, 2009). Kim et al. (2011) state innovative products are crucial for a born global firm’s success (Kim et al., 2011, p. 879) and many researchers tend to talk about the innovation theory when explaining born globals. “Innovation theory views innovation as the pursuit of novel solutions to challenges that confront the firm, including the creation of new products and the pursuit of new markets” (Knight et al., 2004, p. 647). The innovation theory is a suitable theory to the born global approach since the born global firms do not normally possess as much resources as large enterprises (Knight et al., 2004).

“In times of fast changing markets and fast changing technology, businesses which want to safeguard their future must innovate” (Johne, 1999, p. 10).

Schumpeter was one of the first to point out the role of innovation in the field of entrepreneurship, and innovation is one of the factors that are used to define entrepreneurship (Lumpkin & Dess, 1996). Bessant and Tidd (2011) define innovation “as a process which can be organized and managed, whether in a start-up venture or in renewing a 100-year-old-business” (Bessant & Tidd, 2011, p. 11). Another definition of innovation, according to Porter (1990) is “improvements in technology and better methods or ways of doing things. It can be manifested in product changes, process changes, new approaches to marketing, new forms of distribution, and new conceptions of scope” (O’Cass & Weerawardena, 2009, p. 1330).

One of the aspects mentioned in the literature about innovation is product innovation, which the literature has described as an important aspect to shape the firm’s success development and growth. If firms do not have knowledge about the market it can create challenges within the firm. According to Lisboa et al. (2011) firms need to engage in the market place (that is, develop customers knowledge, identify new ideas and enter new markets) in order to increase product innovation (Lisboa et al., 2011).
Product innovation is “changes in things (products/services) which an organization offers” (Bessant & Tidd, 2011, p. 19). Johne (1999) states “products have to be updated and completely renewed for retaining strong market presence” (Johne, 1999, p. 6).

As mentioned in the first chapter, born globals often tend to have a differentiation strategy unlike domestic start-up firms. A differentiation strategy is when a firm offers different products with different designs, high quality, strong brand image and includes product innovation (Cavusgil & Knight, 2009; Knight et al., 2004). It is common among born global firms to offer products to niche markets and that these markets can sometimes be too small to attract larger firms. The advantage that a differentiation strategy can bring is that the needs of the customers are often met and this creates customer loyalty. Due to the fact that born globals normally lack resources and target niche markets, a differentiation strategy can be an effective choice (Cavusgil & Knight, 2009).

### 2.5 Outcome

Along academic research, different dimensions of outcome have been used to measure the outcome of born global firms. Many researchers are looking at the financial dimensions, such as sales growth, market shares and profitability when it comes to the outcome of the firm (Knight et al., 2004; Lumpkin & Dess, 1996). Others are looking at number of employees and foreign expansion (Hashimoto, 2011, pp. 21-22).

These financial dimensions are what we consider as the outcomes in our study:

- Profitability
- Number of employees
- Sales growth
- Market shares
- Foreign expansion

By internationalizing early in the development stage, it is possible to get international success even though the born globals do not possess as much resources as large enterprises (Knight et al., 2004). The interfaces with successful firms that internationalize and operate in foreign markets have increased in the academic studies.

Acedo and Jones (2007) argue that long-term internationalization performance depends on strategic choices that the firm chooses at the inception of the life of the firm. Jolly et al. (1992, in Persinger et al., 2007) argued that international firms reveal higher growth rates than domestic firms, whereas Bloodgood et al. (1996) associate internationalizing in early stage of the firm with the profits. Autio et al. (2000) looks at it in terms of higher sales share and substantial growth in international sale. Acedo and Jones (2007) have find empirical evidence that supports rapid internationalization “born globals” by arguing that international activities in the early startup of the firm is positively related to high outcome of the firm but it is mostly dependent on the firm’s capabilities for strategic change. According to Lumpkin and Dess (1996), a firm needs to have a strong EO within the firm, meaning that they have a strong innovativeness,
risk-taking and proactiveness, to be able to get a high performance when entering a new market.

Innovation is strongly associated with growth (Bessant & Tidd, 2011). Firms can also perform better in international markets if they are innovative (O’Cass & Weerawardena, 2009). By pursuing an innovative approach and differentiation strategy it is possible for born globals to gain first mover advantages. First mover advantage refers to being the first one to enter a foreign market with a specific product/service (Knight et al., 2004). By being a pioneer in a foreign market it is possible to increase the market shares since the born global firm will have monopoly with the new product for a while and it is possible to get a strong position and might develop loyal customers since the firm has been on the market for a longer time (Knight et al., 2004).

2.6 Conceptual Framework

The conceptual framework is made in order to simplify the focus of this study and to make it easier for the reader to get a clear picture of the subject. As our research question states, we have chosen to focus on five different factors;

- Born global context
- Characteristics of the founder/top manager
- Entrepreneurial Orientation
- Innovation
- Outcome

![Conceptual Framework Diagram]

Figure 3: Conceptual Framework

*Source: Authors*

In this literature review chapter we have brought a discussion about born global firms since it is the context of our study. The four factors are characteristics of the founders/top managers, EO, innovation, and outcome, which take place within this born global context. The main characteristics of the born global firms that we have
kept in mind and chosen to focus on are:

- Internationalize early from the birth
- Operates in niche markets
- See opportunities in foreign markets
- Major sales outside Sweden

The main focus lies on the left side of the conceptual framework, which are the influencing factors of innovation and outcome. We have explored four main characteristics of the founder/top managers;

- Prior international experience
- Opportunity identification in foreign markets
- Higher risk-tolerance
- Understanding of cultural differences

The purpose of the study is to explore how these characteristics affect the firm’s innovation and outcome. We will also find out if the identified theories will be confirmed or denied and get a deeper understanding within the area. We believe that all the chosen respondents (founders or/and top managers) possess all these four characteristics since they are the most common characteristics of founders/top managers within born global firms according to previous literature.

Within EO, which is described as firm behavior, we have chosen to focus on the three main elements;

- Innovativeness
- Risk-taking
- Proactiveness

By looking at these three elements, we will also explore how these elements affect the firm’s innovation and outcome by measuring the level of each element. While the characteristics of the founder/top manager are individual, EO is on the firm level, meaning that the firm has a common vision and orientation; it is entrepreneurial.

Although the characteristics of the founder/top manager are individual, we believe that they can influence rest of the firm, especially since the entrepreneurial behavior seems to have a big impact on the born global firms. It is stated that the characteristics of the founder/top manager have an impact on the organization since the born globals are SMEs; therefore we put the box “organization” in the conceptual framework. With this, we want to illustrate that the characteristics affect the organization as a whole and we will later take a look at the impact of characteristics of the founder/top manager on the born global firms innovation and outcome.

In order to know how strong the level of EO is within the firm, all the three dimensions (innovativeness, risk-taking and proactiveness) need to be measured. As we mentioned above, EO is a firm level behavior and works as a common strategy/vision within the firm. If the firm has a strong EO it leads to a higher level of innovativeness, risk-taking and proactiveness. Since the three dimensions within EO
need to be measured, we also have to decide what the “good” level of risk-taking, proactiveness and innovativeness are.

Born globals are from nature known for taking higher risk than domestic and incremental firms. This is because they are entering foreign markets, which they can have little or no knowledge about. Since they are taking higher risks from nature it is a possibility that they can take too many risks and be too opportunistic. We think that born global firms should have slightly higher level of risk-taking than the average that is common of domestic firms since they are acting on foreign markets. The born global firms must be proactive and look for opportunities in foreign markets since they normally focus on niche markets and the domestic home market can be too small. Since born global firms tend to offer high technology and highly innovative products/services, we expect that born global firms should have a high level of innovativeness. Due to the fact that firms can have a low or high level of EO, we wanted to show that EO can have an impact on the organization as whole and in turn, the firm’s innovation and outcome.

As mentioned before, we have chosen to use the word outcome when talking about the “result” of the firm. In outcome we include different financial dimensions such as profitability, numbers of employees, market shares, foreign expansion, and sales growth. We chose to include all these variables but only call it for outcome since we believe it will be impossible for the founder/top manager to answer questions that are related to how their characteristics and EO have an impact on each financial dimension.
Chapter 3: Methodology

The third chapter in this study is the methodology part. We start with explaining our choice of subject and then we discuss research philosophy, research approach, research strategy, and research design. Then we also discuss data collection, sample selection and quality standards.

3.1 Preconceptions

The purpose of the study is to provide and gain a better understanding of how the characteristics of founder/top managers and EO have an impact on innovation and outcome. Since born global firms, are often seen as SMEs and it has been proven that the founders/top manager has a big impact on the firm, it is important to see how it influence the innovation and outcome. The two authors conducting the research come from the field of “Business Development and Internationalization” a master’s program at Umeå University. The preconceived behind the research is not only based on background educational but also on the authors’ previous international experience.

The authors of the thesis have different backgrounds, where one is originally Swedish and the other author has been raised up in Sweden but comes from a foreign country. The primary preconception was based on our personal experience developed from living and studying abroad and travelling. Secondary preconception came through knowledge gain from educational background such as lectures, articles, books and other sources.

Before studying the master’s program in Umeå, both of the authors had a bachelor’s degree from two different universities where one of the authors studied at Luleå University of Technology in Sweden but went to South Korea as an exchange student at Ajou University. The other author has international experience in terms of studying at Middlesex University in England and working in Thailand. Although it is possible that this prior education influences how the authors think and act, they have maintained the objectivity of this study.

The main focuses on the master’s program are development and internationalization consequently; the authors have prior experience and knowledge in both the areas. Their interest in the field of business development, innovation, internationalization and non-metropolitan areas, has highly motivated the writing of this thesis.

3.2 Choice of Subject

Deciding what subject to write on for the thesis was challenging but because of the master’s program we are studying, it became easier to choose the subject. Since we believe that the area of entrepreneurship is very interesting and has a lot of different directions, we still had to focus on a particular topic. We were asked to participate in the CiiR project, and this narrowed down the study to the areas of internationalization, innovation and networks.

We chose to focus on internationalization (born global firms), innovation and outcome since we have prior knowledge of these aspects. The research areas that we
are looking at are the characteristics of the founder/top managers and EO, and their impact on the innovation and outcomes of the born global firms.

3.2.1 The CiiR Project

Håkan Boter, one of our professors from the Umeå School of Business and economics, asked us to participate in the CiiR project (Centre for Inter-organizational Innovation Research). The CiiR Project is divided into different work packages. Håkan Boter is the leader of work package four, which focuses on “Capitalizing on opportunities for innovation and business through international links and ICT”. The purpose of work package is to address the level of globalization, which is increasing by looking at the ICT sector. The research will take place in non-metropolitan areas and mainly focuses on the innovation system. The aim of the project is to do research within the field of internationalization, innovation and networking in non-metropolitan areas and is a partnered projected between Umeå University and Luleå University of Technology (Centre for Interorganisational Innovation Research, 2011).

We decided to participate in the CiiR project since we believed it is both an interesting and important project with a lot of interesting directions to it. Being a part of project has had a huge impact on our study since the research is based on a project. Giving us the chance of being a part of this project also means that the research must be as good as possible by giving the most important information needed to carry on with this project. Time and pressure was put on us since we had to follow a schedule provided by the leaders of the projects.

Since we were not the only students participating on the project, different occasion was arranged for us to meet with other students conducting research for the project but focusing on different areas. This was arranged for us students to explain our research field as well as share ideas with each other. During this occasion we managed to get suggestions and recommendations from both students and teachers. It allowed us to increase the value and information gathered for this study since help came from participants of the CiiR Project.

Participating on the CiiR project also gave us a chance come out to the real world by working with professional researcher who themselves have conducted many research in the past and have much knowledge within the field of research.

CiiR project gave us a chance to come out to the real world, when it comes to doing research for professional project rather than just a school thesis, since this thesis will also be used for different purposes of the project.

3.3 Research Philosophy

Philosophy can be described as beliefs that we gain from knowledge and understanding about the social world (Saunders et al., 2009). Within research philosophy, there are methodological assumptions involved such as epistemology and ontology, which helps to identify the nature of a study (Raadschelders, 2011). Those assumptions tell the authors about how a research should be conducted and carried out (Saunders et al., 2009). Epistemology clarifies the knowledge, for example looking at questions such as, how we know or where we get the knowledge that born global
firms’ internationalise early from their inception. The knowledge of born global firms internationalization processes is received from what we call the literature, that is, books, journals, online sources and so on. Epistemology also concerns questions such as “if we should make decisions based on the knowledge or if we should make a research in order to see if the knowledge fits well with the reality” (Bryman & Bell, 2011, p.15-17).

Ontology on the other hand focuses on the reality. According to Raaschelders (2011) ontology generates theories of what can be known, perceived and gives the view of the reality (Raaschelders, 2011, p. 920). Questions such as if it is true that born global firms internationalise from inceptions or if the firms of born global firms are dependent on the founder’s/top managers’ as the literature tells us; are questions that can be part of ontology. When conducting interviews with born global firms, we will be able to find out if the knowledge received from the literature goes hand in hand with social actors.

In order to carry out a research, both epistemology and ontology must be used as they often overlap each other. Since we have a lot of knowledge about internationalization, born global firms and innovation, ontology will require us to find out how people can perceive this in reality and justifies it in a tangible manner. Within epistemology, there are different approaches such as positivism and interpretivism that are used for better understanding of research philosophies. Positivism refers to testing and using theories in order to analyse facts and develop hypotheses (Saunders et al., 2009). In order to generalize, researchers need to use samples of quantitative data. Interpretivism on the other hand is more of a qualitative research approach, which focuses on understanding of the research problem considering social factors from a subjective perspective. As human beings think and reflect on things in a complex manner, quantitative methods cannot always be the appropriate approach. Interpretivists argue that if we want an understanding of different actions and relations in between, then we have to illuminate those social actions into reasons in the context of reasons and meanings (Saunders et al., 2009). For example, a positivist researcher would be able to measure characteristics of founder/top manager and firm behavior using a quantitative method through identifying patterns and correlations. Whereas an interpretivist researcher would focus more on getting a better understanding of how and in what sense founders/top managers characteristics affect the firms innovation or what born global firms do in order to become more innovative and produce specialized products and so on.

Within ontology, there are also two approaches such as objectivism and constructionism. Objectivism view social phenomena and its meaning independent from social factors while constructionism view social phenomena and its meanings dependent on social factors (Bryman & Bell, 2011, p. 20).

Our research is positioned within the interpretive paradigm as epistemological view and by constructionism as ontological view. Both approaches focus on qualitative research strategy and this is how we conducted our study. The interpretive paradigm states that it is important for the researcher to be able to understand the distinction between human roles and social actors (Saunders et al., 2009) “The challenge here is to enter the social world of our research subjects and understand their world from their point of view” (Saunders et al., 2009, p. 116). Interpretivism and constructionism are good ways of developing perceptions through discovering
meanings to successfully improve our understanding of the whole context.

Reasons for using interpretivism and not positivism are because interpretivism is highly suitable when doing research in business and management (Saunders et al., 2009) and there may be interpretation and intervention of managerial characteristics of born global firms, therefore getting a deeper understanding within the area can develop the knowledge pursued. Both the interpretivism and constructivism approaches will evaluate the nature and the reality of our subjects’ matter of the research while looking at the relationships between different factors.

3.4 Research Approach

There are three different types of research approaches that can be used in the research: inductive approach, deductive approach and abductive approach (Saunders et al., 2009). The inductive approach is used when the author wants to develop a theory or theoretical implications after gathering useful data. The purpose of an inductive approach is to get a comprehensive picture of the situation by doing for example interviews then analyzing them. The outcome from analyzing the interviews will help the author to develop their own theoretical implications or to find out which aspects can be developed or confirmed with previous research. This can also be described as a way of authors generating theories from data. The deductive approach on the other hand “explain causal relationships between variables” (Saunders et al., 2009, p. 125). It is not about creating new theories (Kovács & Spens, 2005) but the testing of theories in order for them to be correct, for example, a generalization can be made that “all born global firms develop high-tech products/service” but this has to be tested first.

The objective of the study was to find out how managerial characteristics and EO influence or impact the born global firms’ innovation and outcome. The process started with a deductive approach where we identified theories that explained born globals, managerial characteristics, EO, innovation and outcome. From the information gathered from the literature, we managed to develop a conceptual framework in order to get an easy overview and summary of the literature review. The reasons for starting with deductive approach was because we wanted to compare our findings with previous research findings and our prior theoretical knowledge in this field of research and that would not have been possible if we only used the inductive approach. We also chose the deductive approach as a first step since we used previous literature to find relevant theories that we have compared with our collected data (Saunders et al., 2009). The goal with the data collection was to analyze and understand if the theories that we identified in the second chapter were in line with the collected data. Through the process, we managed to collect relevant information and the interviews were also undertaken with the founders/top managers of the firms. As the study evolved, we revised the strategy by taking on an inductive approach in chapter five. This contributed to the conceptual framework we developed in chapter five, influenced by our empirical findings. Systematically combining these two approaches can be described as “continuous movement between empirical world and a model world” (Dubois & Gadde, 2002, p. 554). Many authors describe this approach as abductive approach and cannot be described as either a deductive approach or an inductive approach (Kovács & Spens, 2005).
We considered abductive approach to be the most suitable for our study as the empirical studies were based on existing theories and dependent on empirical findings. We wanted to match the theory to reality, by looking at what is going on in the reality, available theories, the cases and the conceptual framework. Using abductive approach helped us to modify our conceptual framework, as there was unexpected information discovered during the process of empirical research. Abductive approach does not have a linear direction but rather it gives the authors a chance to go back and forth between framework, data sources and analysis (Dubois & Gadde, 2002, p. 555). It not enough to just generate theories but the importance lays in fitting the theories with the reality, therefore, an abductive approach develops a combination of theories in the study and new information discovered from looking at the theory from the view of the reality (Dubois & Gadde, 2002).

3.5 Research Design

Research starts with a problem or questions that need to be answered. In order to investigate something, a research design is needed. There are multiple choices and priorities when it comes to conducting a research design in a study. Research design can be described as a way to collect data in order to find relevant information for the study (Saunders et al., 2009). When it comes to looking at research design as a whole, descriptive and exploratory are the two types of fundamental approaches that look at research design in two different ways. Descriptive approaches focus more on measuring, calculating sizes, quantities and frequencies while the purpose of an exploratory approach is to generate ideas, theories, discover insights, conducting qualitative data in order to identify what is happening, and reasons why things are the way they are (Saunders et al., 2009, pp. 140-141). When authors want to explore new research areas or study areas where there is not much previous research done, the exploratory approach can be the most appropriate to use. It can provide existing information that can be developed into new data or theory.

The research question and the purpose of the study are to see how the founder’s characteristics and the firm behavior of born global firms impact on innovation and outcome. Looking at the questions of “how” can be classified and related to exploratory research. There is information written about born global firms and founders characteristics but not much have been written about born global firms in relation to firm behavior and what impact founders/top manager characteristics have on the firms innovation and outcome, therefore exploring this area will provide and help us to gain insightful information and understanding as well as get more familiar with the area being studied.

The choice of the design also depends on the research process, the research question and the type of information the researcher is trying to gain. Beside descriptive and exploratory research that describe research design as a whole; there are also five different approaches within research design that can be conducted when collecting data. According to the literature, those five different research designs are “experimental design, cross sectional design, longitudinal design, case study design and comparative design”, which looks at both measurements and understanding (Saunders et al., 2009). Below we give a brief explanation for each research design in order to identify which design suits our study well.
Experimental design focuses much on the natural science but looks as well at social science. It identifies if there is a link between two variables and has a strong relation to validity. It is mostly used in quantitative research (Saunders et al., 2009). Cross sectional design collects data on more than one variable or case and is mostly used when the researcher is trying to represent a population as well as describing relationships between variables (Bryman & Bell, 2011, p. 53-55). Longitudinal design is an extension of cross sectional design. Comparative design uses up to two or more cases and compares them with each other (Saunders et al., 2009).

Case study design is the most well-known and the most used design (Dubois & Gadde, 2002), which focuses on real cases in order to find relevant information. In order for us to collect data, answer the research question and come up with a conclusion, it is important to create a logical framework that requires an appropriate case study design. For this study, we conducted the case study design and as mentioned before, we used an exploratory approach. Case studies according to Yin (2009) are related to exploratory approach. The table below describes that case study design is especially useful for a research question that has the form of “how” and “why”.

<table>
<thead>
<tr>
<th>Research strategy</th>
<th>Form of research question</th>
<th>Requires control over behavioral events</th>
<th>Focuses on contemporary events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case study</td>
<td>How, why</td>
<td>NO</td>
<td>YES</td>
</tr>
</tbody>
</table>

Source: Yin, 2009, p. 9

According to Yin (2003, in Saunders et al., 2009) the case study design involves investigating a particular phenomenon by using different sources that provide evidence. Yin (2009) describes case study research as a linear but iterative process. This method is especially useful for trying to understand theoretical models by using them in real world situations. The characteristic for case studies occurs when the researcher has the desire to understand complex social phenomena (Yin, 2009). “The case study can be used to explore and understand the way in which different situations and circumstances evolve over time” (Remenyi et al., 1998, p. 162). Questions such as what impact founders/top managers characteristics have on innovation and outcome in born global firms can be related to case study design as this tends to generate answers to “what, why, and how questions” (Saunders et al., 2009, p. 146). The advantage of using case study design is it deals with different variety of evidence, documents, artifacts, interview and observations, beyond what might be discovered in conventional historical study (Yin, 2009, p.11).

Remenyi et al. (1998) define four different case studies; single case design, multiple-case design, holistic design and embedded design. This thesis is based on a multiple case design since we will do interviews with three different firms and we refer the firms as our cases. The reasons for doing multiple case studies are that we wanted to see how different founders/top manager’s characteristics affect innovation and outcome as well as looking at the importance of EO since the characteristics of founders/top managers tend to be very high within born global firms. Yin (1994, cited in Dubois & Gadde, 2002, p. 556) argues that “findings or conclusions in a case study are likely to be much more convincing and accurate if it is based on several different
sources of information”.

The interest behind this is also because we want to enrich the understanding of the context of the research, carry out the research with founder/top manager at the case company and it provides unique means when it comes to developing theory by gaining in depth insights of empirical phenomena and its context, therefore case study design was the most relevant research design to use.

3.6 Research Strategy

When conducting a research, from the start it is important for the researcher to decide which type of research strategy to use. There are two main strategies mentioned in the literature such as qualitative and quantitative research. In many years, authors have tried to draw a distinction between qualitative and quantitative research, as it is helpful in terms of understanding the importance in order to be able to analyse data meaningfully (Saunders et al., 2009).

Qualitative research refers to words and it comprises of an inductive approach, which focuses on exploring different behavior, life and social factors (Silverman, 2001). It involves in-depth examination of the phenomena, and uses subjective information in exploring new areas. This is mostly used when researchers want to provide much more information rather than just statistical or numerical data (Silverman, 2001). In order to make qualitative methods useful in a research, the data must be analysed and the meanings must be understood (Saunders et al., 2009).

Quantitative research strategy deals with numerical information, classifying features, statistical models or testing theories (Saunders et al., 2009). It uses graphs, charts and statistics in order to explain data and variables as well as allowing researchers to explore, present, and examine relationships and trends within data collection. Quantitative research strategy can range from simple counts such as the frequency of occurrences to more complex data such as test scores, prices or rental costs. In order for quantitative research strategy to be useful, data must be analysed and interpreted. The implication here is that quantitative research simply and objectively reports reality (Saunders et al., 2009).

Table 2: Distinctions between quantitative and qualitative data

<table>
<thead>
<tr>
<th>Qualitative data</th>
<th>Quantitative data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Based on meanings expressed through words</td>
<td>Based on meanings derived from numbers</td>
</tr>
<tr>
<td>Collection results in non-standardised data requires classification into categories</td>
<td>Collection results in numerical and standardised data</td>
</tr>
<tr>
<td>Analysis conducted through the use of conceptualisation</td>
<td>Analysis conducted through the use of diagrams and statistics</td>
</tr>
</tbody>
</table>

*Source: Developed from Dey (1993); Healey and Rawlinson (1994), cited in Saunders et al., 2009. p. 482*
The choice between the methods is mostly depended on what type of information you are trying to find out. For example, if we would like to discover how many SMEs in Sweden use rapidly ways to internationalise or measure the performance of born global firms in terms of sales in foreign market, then a quantitative approach would be relevant for the study. But as we were concerned about finding out and getting a better understanding of the characteristics of founders/ top managers and firm behavior within born global firms, then a qualitative research strategy was more relevant for us to use.

Rather than providing numerical data in the research, we wanted to provide a deeper understanding within this particular area. Using qualitative research helped us to provide detailed description and explanation of the research topic and as qualitative method uses in-depth interviews and semi-structured interviews as data-gathering tools, it enriched our study for better understanding of the related subject matter.

### 3.7. Data Collection

Another way of gathering data is through primary and secondary data collection. Secondary data involves analysing and interpreting data that has already been collected for other purposes (Saunders et al., 2009). There are three main sub-groups of secondary data such as documentary data, survey-based data and those compiled from sources. The collecting modes of documentary data are journals, interview transcript, media account, voice recording etc. Questionnaire survey is mostly used to collect survey-based secondary data (Saunders et al., 2009).

When considering terms of collecting new data for a specific purpose, primary data collection is mostly used. The advantage of using primary data collection is it provides the researchers with new information rather than the existing ones (Saunders et al., 2009). Yin (2009) mentions six sources of evidence in the literature, which are six different sources of how to collect data. These are; documentation, archival records, interviews, direct observations, participant-observation, and physical artifacts (Yin, 2009, p. 102).

We chose to collect our data by doing interviews. The interviews from the qualitative point of view can be classified as semi-structured interviews, in-depth interview and focus groups, telephone interviews whereas quantitative research involves self-completion questionnaires where questions are designed for the respondent to answer through e-post, sent by post and so on. A structured interview is another type of data collection used in quantitative research where questions are scheduled and the questions cannot go outside the box (Bryman & Bell, 2011).

For this study, both primary and secondary data collection were used. Articles, books, journals have been used as secondary data collection in order to find a theoretical framework and what different authors have written about born global firms, internationalization process and managerial characteristics and so on. Umeå university library database was used in order to find relevant articles as well as journals. Publications from previous work on internationalization, born global firms, innovation were also used as well as student papers collected from Google Scholar.
Data collection techniques in case study design vary and can also be used in combination, which makes the design more flexible to conduct. As the technique varies and the design is flexible, we conducted semi-structured interviews. Using semi-structured interviews helped us to collect information by having interaction with three different born global firms at different times. The questions in the interview guide were formulated according to our research question as well as the information discovered from the literature. The interviews were conducted with born global firms based in Västerbotten. The advantage of using semi-structured interviews was that we were able to go beyond our boundaries by asking questions developed from interactions, communication between the researcher and the firms rather than following a structured interview were questions must be followed according to the interview guide. Some questions could be limited while others could be extended by using follow up questions where the respondents get the chance to elaborate their answers. As we wanted to gain more information and understanding, using semi-structured interviews gave the respondents the freedom to articulate general views as well as their opinions in more details, which in turn provided the researcher with more understanding of the context as a whole.

When looking at the research questions, both primary and secondary sources were used in order to develop the interview guide. More than 30 questions were formulated for the firms to answer. We started by contacting the selected firms in order to find out if we could conduct interviews with those firms. When time and day was decided between the researchers and respondents, the interview guide was brought to the interview rather than being sent in advance. The interviews with founders/top managers were face-to-face, where we as the researchers had the opportunity to interpret expressions of founders/top managers and how they managed to respond to the questions. The interviews were done in Swedish since both of the authors speak Swedish and the founder/top managers of the companies also spoke Swedish. In order to collect data, we recorded the interviews in order to increase the credibility. Reasons for us recording the information was because we wanted to explore and see if there were some hidden information that we did not managed to write down during the interview.

3.8 Sample Selection

The selected firms for the interviews are all referred to as born global firms. This means that all of the firms have internationalized from start or from an early stage and are SMEs. The reason for focusing at born global firms was due to the fact that it is a subject that is getting more and more attention but still has a lot of research gaps and where we believe that we can contribute to using our knowledge and findings. Since the term born global firms is relatively unknown in Sweden we decided to talk about born global firms from its definition. As mentioned in chapter one, we wanted to explore how the characteristics of the founder/top manager and entrepreneurial orientation impact on the innovation and outcome of the firm.

Due to the limited time that we were given for our thesis, we also had to limit the number of firms that we would interview (. Together with Håkan Boter and the PhD student in business development, Jan Abrahamsson, we decided to choose firms from Umeå or cities close to Umeå since these firms are located in a non-metropolitan area since the CiiR project is focusing on non-metropolitan areas.
Together with Håkan Boter and Jan Abrahamsson, we discussed relevant and appropriate firms that we believed fitted the definition of born global firms. We selected three different born global firms but since the founder of one of the firms did not have the possibility to participate we had to select another born global firm. Beside the firm that did not have the opportunity to participate we had no problem with getting access to firms. All the interviews took place within a time period of approximately two weeks.

The case selection is an important part in our thesis, especially since we want to develop theories from our chosen firms (Eisenhardt, 1989). The chosen firms were, as mentioned above, located in Umeå and Skellefteå, and the reason for this was that we wanted to meet the interviewees face to face, although anonymity was maintained, and avoid telephone interviews.

Since we are using case study research, we chose to do a non-probability sample because a probability sample, such as random sampling, would have been highly irrelevant (Saunders et al., 2009). Within non-probability samples one can find different techniques such as judgmental sampling, snowball sampling and convenience sampling (Remenyi et al., 1998). This sampling method allowed us to explore our research question. We chose to do a judgmental sampling since we consciously chose our interviewees due to their high chances of providing useful information. Consequently, we believed that our sample was individuals and firms that would provide insight into the subject (Remenyi et al., 1998).

3.9 Description of the interviews

The primary data collection for the study was based on three different respondents located in Umeå and Skellefteå. Since they tend to be very busy, we as authors had to conducted the interviews according to the respondent choice of time and place.

All the interviews was held at the respondents office as well as the place where all the business is conducted, meaning where the products/service are developed. Before starting with the interviews, we can gave a brief introduction of who we are and the purpose of our study. Moved on later by explaining how long the interview will take as well as the type of questions that would occur during the interview. The interviews between the three respondents had a very good and open atmosphere.

Since both of the authors speak Swedish and the respondents could as well speak Swedish, we decide to conduct the interview in Swedish. Reasons for this were because of better interaction between respondents and authors. As English is not our first or native language, we believe it would be hard and different to speak English when speaking Swedish can seem to be easier for both. The negativity of having interviews in Swedish can be view in the point of translating the words in English. Since we decided to record the interview and did transcription, the next step was to translation the gathered information into English. Translating from a language to language can be hard as well as decrease the credibility. The meaning of a sentence can mean the same but in order to know exact how the respondent answered to the question can be different. Translating the interviews into English was a must, therefore we had to make sure we understood what the respondents was trying to say before translation. There were no problems or complication occurring during the
interviews or after the interviews but just that some information had to be confirmed as changed according to respondents.

3.10 Quality Standards

The quality standard is an important section to take into consideration when writing a thesis. Validity and reliability are the most common elements when talking about quality standards for a quantitative research. Different authors in the scholar have discussed how researcher use quality standards in qualitative research since it commonly used in order to measure the quality of a study in quantitative research strategy. Lincoln and Cuba (1994, cited in Bryman & Bell, 2011) state that researcher should find other ways on how to assess the quality of qualitative research in terms of reliability and validity. When measuring a study in a qualitative way, Lincoln and Cuba (1994) suggest that researcher should view it in terms of trustworthiness and authenticity. As this study is based on qualitative research, we focus on these two elements that are related to a qualitative research; trustworthiness (Shenton, 2004) and authenticity (Bryman & Bell, 2011).

3.10.1 Trustworthiness

Trustworthiness is one element that is very important to take into consideration while writing a thesis and the same for reliability that is used in a quantitative research (Golafshani, 2003). Trustworthiness consists of four criteria; “credibility, transferability, dependability, and confirmability” (Shenton, 2004, p. 64). We will now explain these four criteria.

Transferability

Transferability is about the possibility of using the findings in a different context and the possibility of transferring our findings to a different context or a different population (Shenton, 2004). This criterion puts a lot of effort on the social environment/context that we are studying. When writing our thesis we decided to focus on Sweden and limit it down to Västerbotten and the cities of Umeå and Skellefteå. Coming up with findings that are not easily transferable can be related to the choice of case study.

For this particular study, the focus is on special type of firms and the findings are case specific, therefore the findings does not aim to have large validity. The study can in other hand be transferred to a quantitative research when looking at the measured of EO. As the focus on this study is to get a deeper understanding on how characteristics of founder/top managers have an impact on the born global firms innovation and outcome, this allowed us to have more in-depth interviews with the respondents. In this sense, the findings can be hard to transfer globally, meaning that if it is possible to use these findings in other context outside born global context. The other way around, we believe that it might be possible for other researcher that are doing research within entrepreneurial orientation and innovation in the context of domestic SMEs to transfer the findings since born global firms are often considered to be SMEs.
Dependability

Dependability refers to “ensuring that complete records are kept of all phases of the research process” (Bryman & Bell, 2011, p. 398). In order to increase the dependability/reliability for our research we disclosed our interview guide (see Appendix 1) and the responses from our interviews in a transparent manner. We tried to describe our research process in as much detail as possible and recorded all of our interviews and took notes to increase the trustworthiness.

Confirmability

Confirmability is one of the objectives in research and means that the researcher should not let the individual beliefs affect the research (Shenton, 2004). When writing our thesis and conducting the data collection and analysis we tried to stay away from our personal beliefs and values since we did not want our personalities to affect the result, although we believe that it is easier said than done. We strived to provide information faithfully rather than invented data.

Credibility

Credibility refers to whether the interviewees would agree and accept the interpretations that we have made from the interview material, meaning how our interpretations fits the reality (Shenton, 2004). Some researchers state that credibility is the most important criteria when it comes to trustworthiness (Shenton, 2004).

The findings of the study are considered to be credible since of in depth interviews in silence place, which allowed us also to get clear information from recording. To increase the credibility of the study, same type of questions was also asked to all the respondents. We also made transcriptions of each interview to be able to go back and avoid making false citations. We always tried to have discussions between us, as the researchers, and compared our interpretations in order to increase the chance of understanding and perceiving the interviewees answers in the right way.

3.10.2 Authenticity

We have now discussed the importance of trustworthiness when writing a thesis. It is also important to keep in mind that the thesis should have high authenticity meaning that we as authors play an important role when writing the thesis (Bryman & Bell, 2011). In order to maintain high authenticity, we have been very careful when writing about our cases and while analyzing the findings. We strived to give the right picture of all the respondents by carefully recording all the interviews and making transcriptions. Making transcriptions means we recorded exactly as the interviewees answered and we did not make any of our own assumptions and by this we have managed to provide the right picture. We also tried to be as objective as possible.
Chapter 4: Empirical Findings

In this chapter we declare the result of the interviews done with born global firms that we have done. We start by providing background information about the interview firms and then discuss the empirical findings by following theory by theory.

We have decided to go through the empirical findings collected from the interviews, by following a theory-by-theory structure in our headings. This implies to firstly describing the studied born globals, interviewed respondents A, B and C’s, then follow up with viewing the impact of the characteristics by the founder/top manager, entrepreneurial orientation on innovation and outcomes. The same structure will be followed when moving on to the next chapter, analysis.

4.1 Case Presentations

To simplify the chapter, we have decided to call the interviewed firms for Respondent A, Respondent B and Respondent C. This is due to the fact that two of the firms wanted to be anonymous and will below be described in more detail.

4.1.1 Software producer – Respondent A (RA)

The first firm interviewed was a software producer within the entertainment industry. Three entrepreneurs founded the firm in 2003, which is located in Umeå, Northern Sweden. Today, there are five owners and all except one works full time within the firm. We did the interview with the CEO of the firm (not one of the core founders) and the interview took place at the office of the CEO in Umeå, on the 18th of April and was held in approximately one hour and 30 minutes.

The firm’s business idea is to create software products for different people in the entertainment business and a typical customer would be someone their middle age, who has been dealing with entertainment during his/her lifetime. They managed to expand to different countries outside Sweden such as Canada, Germany, England, Spain, Italy, and France etc., but biggest market is located USA. Up to 60-70 percent of their sales occur outside Sweden. In USA, interoperation happens directly through separate stores that want to sell the products. The turnover today is around 30 million with over 23 full time employees and probably as many work part time.

The table below presents data summary of the firm of RA.

Table 3: Data summary of the firm (RA)

<table>
<thead>
<tr>
<th>Business type</th>
<th>Software producer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of establishment</td>
<td>2003</td>
</tr>
<tr>
<td>Number of employees</td>
<td>&gt;20</td>
</tr>
<tr>
<td>Markets where most of the customers are located</td>
<td>USA, Canada, Germany, England, Spain, Italy, and France</td>
</tr>
</tbody>
</table>

Source: Authors
4.1.2 Digital specialist agency (North Kingdom) – Respondent B (RB)

The second firm interviewed was North Kingdom, a digital specialist agency within the entertainment industry. The interview was held with one of the two founders, who still have a top position within the firm. The interview was held the 23th of April, lasted for one hour and took place at the office of the firm.

This firm is located both in Skellefteå and Stockholm. In 2003, respondent B established the firm with his colleague and in 2006 a third member start working on the top position.

A typical customer can be a larger firm that operates with different entertainment services. The first customer during establishment was a Swedish customer and in 2004, a year after start, the first project for an international customer was done. 85 percent of the sales occur outside Scandinavia but it varies from year to year, depending on exchange rates. The customers are located in USA, Germany, Netherlands, Japan, and Australia. They focus on niche market with customized services for customers. They view themselves as a very selective firm, where customers come to them because they want something completely unique and different.

The table below provides a data summary of the firm of RB.

Table 4: Data summary of the firm (RB)

<table>
<thead>
<tr>
<th>Business type</th>
<th>Digital specialist agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of establishment</td>
<td>2003</td>
</tr>
<tr>
<td>Number of employees</td>
<td>&gt;20</td>
</tr>
<tr>
<td>Markets where most of the customers are located</td>
<td>USA, Germany, Netherlands, Japan, and Australia</td>
</tr>
</tbody>
</table>

Source: Authors

4.1.3 Digital agency and software producer – Respondent C (RC)

The third firm that we interviewed was a digital agency and software producer within the entertainment industry. The interview was held with the founder, who is also the CEO/founder of the firm. It took place the 3rd of May, lasted for one hour and 30 minutes and took place at the office of the firm. The firm was established in 2009 and is located in Umeå. Before establishing the firm, the founder had driven two other startups. The founder has a passion for the industry, which led to establishing this software and digital agency firm. The business concept of the firm is to develop innovative products.

The firm is divided into three parts or departments, with 25 full-time employees. They sell products to private customers and professional services to other companies and were one of the early producers of advanced content in the mobile/app industry in Sweden. Their private customer products can be reached through digital distributed portals in 130 countries. Although the market is very huge in this particular industry; this firm is very selective as they choose the business customers that they want to work with. They focus on niche markets by providing products to the chosen customers and it is very important that the products do not harm the people and the
society, like for example making customers addicted to a product in a negative way.

The table below gives a data summary of the firm of RC.

Table 5: Data summary of the firm (RC)

<table>
<thead>
<tr>
<th>Business type</th>
<th>Digital marketing firm / software producer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of establishment</td>
<td>2009</td>
</tr>
<tr>
<td>Number of employees</td>
<td>&gt;20</td>
</tr>
<tr>
<td>Markets where most of the customers are located</td>
<td>The products are available in 130 countries</td>
</tr>
</tbody>
</table>

Source: Authors

Before going into the empirical findings we first want to highlight that the information given from respondent C (RC) and the firm of RC is from 2011.

4.2 Empirical Findings

In this section, we will provide the empirical findings regarding born globals, characteristics of the founder/ top manager, entrepreneurial orientation, innovation and outcome.

4.2.1 Born Global

According to the literature, born globals are firms that become international right from the birth or shortly after the establishment of the firm (Madsen & Servais, 1997). During the interviews, we asked the respondent to briefly describe the international process how; meaning describing how many years it took for them to become international. They all answered that they became international within a year from start through international sales.

We tried to find out the ambitions and reasons for going international and why the firms did not focused on the domestic market first. The reasons behind internationalisation were quite different from respondent to respondent but the most common ambitions behind it were because all the respondents saw business opportunities and market potentials in the foreign market. RB described the reasons, as “there are often more opportunities and much more budgets in the foreign market”. RB managed to establish networks and customers in the foreign market early from previous work and it was very clear that they wanted to build their business on the relations that they had. Whereas RA described the products they produce was already from the start made for international customers. It was not something they decided in advance but the products were created to serve foreign markets. One interesting fact that RC mentioned in the interview was: “If you have a product that has good potential in the international market, then you know what the product can do. Nothing was decided in advance, instead those products are international, and the customers are spread around the world”

RC’s answer to the ambitions of going international was more of a decision made pretty early as the founder state “It was a dream that I had, moving into Silicon Valley directly and I think that is the main motivation of doing international business, to see
the world”. They wanted to work with famous and successful brands and it was also his own interest since he had not worked with international customers before.

When we asked about were the customers are located and the markets, RA stated, “Above all, we talk about the USA, which is a big market for creative software’s. Between 60-70 percent of our total sales are created outside Scandinavia” RB described “If we look at the sales than 80 percent comes from outside Scandinavia”. RA operates in England, Italy Spain, France, Australia, Poland and Japan etc. RB on the other hand operates in Germany, USA, and Sweden etc. The sales of RC are available in 130 countries. Therefore, a big percentage of their sales comes from abroad as well as they have a large market in Sweden. It is very clear that all the respondents have their biggest customers located outside Sweden.

In order to handle geographic distance, the firms use different types of techniques to reach and keep in contact with their customers. RB has direct contact with their customers as they provide more of specialized services where the customers seek them in order to get customized services. They are very selective and have managed to create strong relation with their customers. The firm of RC uses the same type of operation as they often get in touch with the customers they want to work with as well as they do of pitching. RA uses more a straightforward approach by selling the product straight to the customers. RB described it very clear by pointing out that “we focus more on building our brand. Customers often come to us because they want something different. We serve a niche market, otherwise the customers we work with could have been huger but we have chosen to focus on niche markets” RA states “I would say that a typical customer to us is a person who is in their middle age”. RC states that a typical customer is a larger cooperation that already is highly tech oriented and works within the media industry.

According to the firms interviewed, it is common using Internet in order to reach and keep in contact with the customers. Social media is common for RA as they keep contact with their customers via e-mail, Facebook pages, YouTube channels and Twitter as well as their own website. The firm of RB and RC also use Internet and social as effective communication tools and reach their customer mostly through e-mails, telephones, meetings, pitching as well as Skype.

4.2.2 Characteristics of the founder/top manager

One of the four characteristics described in the previous literature is the prior international experience which claims born global managers/founders to have in terms of living and studying/working abroad (Chetty and Campbell-Hunt, 2004). RA answered that he did not have prior international experience in terms of studying or living abroad, but the firms that he had worked with, before his current position had international sales and foreign staff outside Sweden. Although RA had not worked or studied abroad, it was nothing new for him to start working in a company with international customers.

RB on the other hand, had prior international experience in terms of studying and working abroad. After completing economics in the upper secondary school he went on and continued with the studies in USA where he studied international business for four years. RB mentioned that; “I did it because I knew that I wanted to work in an
international context but did not know what I wanted to work with". After graduating at university, he continued to work for an Internet-corporation for two and a half years in the USA. When he returned back to Sweden he worked for a company with international customers.

RC did not have prior international experience in terms of working or studying and did neither not have a lot of travelling experience before establishing the firm. RC was born in a foreign country and moved to Sweden in the age of six.

Business opportunity in foreign markets is the second characteristic of founder/top manger, which refers to that founders/top managers identify more opportunities abroad than domestic founders/top managers (Chetty & Campbell-Hunt, 2004). RA mentioned, “we are looking for business opportunities everywhere” but they have an yearly plan on what to achieve and if opportunities occurs along the way, they are always open for them. RC answered; “there are so many business opportunities, and I have to control myself to not take too many opportunities”.

RB answered that he has an impact on many things, since he has the privilege to decide to accept or not when it comes to working with different projects. In contrast to RA and RC, he said, “there is very little proactiveness and this is a problem that we have. Every day, we get a request via e-mail, and ask ourselves if there is any idea to go out and hunt them”. He mentioned that many opportunities occurs when travelling to abroad in places such as Texas, which helps them to create new networks and develop old contacts.

The third characteristic of the founder/top manager is higher risk-tolerance and the literatures state that born global founders/top managers have higher risk-tolerance than domestic firms (Gleason et al., 2006). RA states “of course, no one is really interested in taking risks at all” but mentioned that it is important to do as good businesses as possible by having a vision in mind. RB’s view on this point was, “I think we have pretty high risk-tolerance and that’s probably the reason why we can be very selective”. RC said, “I’m very calculated in everything that I do” and mentioned himself being a professional poker player before which has affected his view on risks. RC also mentioned that it seem to be a lot of risks but there are a lot of effort put behind it, “I think that I have higher risk-tolerance than average since I actually dare to do things”. According to RC a reason for being a very analytical person has very much to do with his university studies.

The final characteristic of the founder/top manager is the understanding of cultural differences. Both RA and RB describe the cultural differences as very big and important. RA said that culture differences could be bigger than one perceives and it can happen that misunderstandings occur but it has not stopped them from doing businesses. RA also mentioned “a good thing with entertainment is that it unites people and this can be a reason that we have succeed to reach new markets”. RB views the understanding of cultural differences as important since it has opened up his view when it comes to knowing where and whom to build partnership with in foreign countries. RC differentiated human and business by stating that business run between companies and not human but “since they are individuals, you need to be able to handle cultural differences”. According to RC, living or studying aboard would have increased his knowledge and it would have been easier to understand cultural
difference if he had more prior international experience. He mentioned that people might have a picture of the world which might be wrong, that is why it is important to travel, to get the right picture.

4.2.3 Entrepreneurial Orientation

One of the three elements within entrepreneurial orientation is proactiveness, which tells us how firms react and identifies business opportunities as a firm strategy (Lisboa et al., 2011). RA answered that the employees working within product development do not react on different market campaigns and should not because it is not within their business department. RA also mentioned that employees using the products identify many of the business opportunities themselves. He said that products are created for the employees own needs and what they believe people need.

RA went on by explaining “we have not adopted us to the competitors but we keep an eye on them, but we are going our own way”. They are sometimes forced to wait with some products and plans because of external barriers as changes in currency.

In contrast, RB answered that “since we get a lot of requests we have a more laid backed attitude. We also talked about if we should sell all the different ideas that we have had on many things”. Two reasons for this according to RB are that these are convenient and also related to lack of time.

RC mentioned them being proactive as they look for opportunities all the time. “No one will give it to you, it is not going to come to you automatically. You have to go out there and hunt”. He also mentioned they tend to take their own race although it can happen that competitor start to launch new products. They still focus on their own business. Sending employees abroad to work, according to RC can hopefully create opportunities.

The second element within entrepreneurial orientation is risk-taking and refers to how willing firms are when it comes to risk taking (Lisboa et al., 2011). None of RA, RB or RC is doing risk analysis in report format. RA answers that they are trying to do as good products as possible and try to market the product in a clear and understandable way. RA said “we are not doing risk analysis by documents instead we can meet at the coffee machine and discuss how it will be with a product”. He also told us that they hire external people to work with markets that they have little knowledge about.

RB has the thought of starting with risk analysis in the future but right now “It is very much gut feeling and the priorities that we have”. The company of RB takes the customer into something called “the fog” which RB believes sometimes can be a bit risky since the customers can wonder why they should pay to be led into the fog. RC stated that although he does not do a risk analysis in a report format, he still keep calculations in mind. Sometimes he is too analytical and misses some opportunities. “For everything that I do, I see different outcomes and then I plan before what road I should take. I rarely get surprised”. He also mentioned “I would say that 95 percent of all the risks and decisions are taken by me”.

The third element within entrepreneurial orientation is innovativeness. All respondents use different strategies to trigger creativity. RA is more team-oriented, meaning that there is not only one person that develops all the products; instead people can come with own suggestions and opinions. RA mentioned the term “high
roof” which they use as a motto by allowing everyone to come up with suggestions and to collaborate. RB answered, “It is very important to not let people work too much”. In order to become more innovative and creative RB explains the importance of allowing employees to carefully participate in different kinds of education/conferences, also carefully choose projects that are interesting “you want employees to be interested”. RB also mentioned that it is important to keep an eye of what is happening in the industry and encourage the employees to read and browse around on the Internet. RC tries to mix different kinds of people, such as designers and technicians; by having an open environment and open space in the office. Something interesting mentioned by RC is that they “have something that we call Friday pitching. Every Friday, one has to present in 30 minutes a product or idea that the person has come up with, or a thought or something that they have read. The other people can give comments and feedback”. RC also mentioned sending employees abroad as ambassadors for the firm to cluster regions in order to hopefully increase the creativity, to increase the network and to improve the understanding for cultural differences.

The firm of RA launches around 30-40 products yearly, mostly simple products since the more advanced products take longer time. The firm of RB does around 20 projects yearly. The firm of RC launched last year around 40 products and two of them were their own.

4.2.4 Innovation

When talking about innovation we asked the respondents to describe their innovation and how it looks like for the firms. RA answered, “We are always looking for new products. Otherwise, it can be a bit randomly as well, depending on what opportunities that we are facing”. RA also mentioned that the employees could almost do whatever they want and that people from the outside can come with new ideas. Most of the products come from the specialty of the employees. RB answered that their innovation process is not very linear meaning that they have the chance to go back and improve the work. RC described the innovation process of the firm a bit of a dilemma and that “we are only a few, and sometimes it feels like I’m the only one that comes up with new products and the other work as producers”.

In the literature it is stated that it is common for born global firms to compete with a differentiation strategy (Cavusgil & Knight, 2009). RB answer to differentiation strategy was, “we choose to break the pattern, we demand, we do not want to be the easiest painless experience. It is not what we sell. In the end, we want to be the best”. RB also mentioned their prices being pretty high in comparison to competitors. On the other hand, RA had more of a low cost pricing strategy, and said that it is a daily low intensive war with the competitors when it comes to the price. “If they (the competitors) launch a new product, we take a look at them but the strongest strategy that we use is the price”. RA went on by saying that it could be a bit of differentiation strategy since they are doing something different by developing unique products.

RC uses both pricing strategy and differentiation strategy. “It was a pricing strategy in the beginning to be able to enter the market but now when we have shown who we are, it is more towards differentiation strategy”. 
When we asked the respondents to describe how their characteristics as founder/top manager affect the firm’s innovation all the respondents answered they have an impact on the innovation of the firm. RA said he can affect the innovation “by trying to get as good working environment as possible and to have it as structured as possible, in order to get people do to things on their own initiative”. RA also mentioned that he can never force anyone to do something but he can make people use their inner energy. RB answered that he can affect the innovation by being interested, “to show interest on the employees’ ideas is one of the most important things”. He also said that although he does not have the knowledge of what is happening, he always tries to understand what the employees are doing. RC has a big impact on the firm’s innovation since he has much knowledge within the industry and manages to come up with most new products and is one of the very few working with the new ideas and not just production.

In order to find out how EO has an impact on the firm’s innovation, we started to explain the term itself since the respondents did not know about it. We then went on with asking how the entrepreneurial orientation had an impact on the firm’s innovation and since both firm, RA and RB were innovative companies and view EO as an important impact. RA answered, “The innovation is very important”. The proactiveness is according to RB low for the company, and therefore he said that the proactiveness does not affect the innovation that much. RC said that the creativity would hopefully increase by mixing people and sending employees abroad to work on distance.

4.2.5 Outcome

The final section of interview guide was the aspect of outcome. Here we asked how the characteristics of the founder/top manager and entrepreneurial orientation had an impact on the outcome of the firm. All respondents agreed that they have the possibility to affect the outcome. RA answered that he can have an impact on the outcome by working through communication and planning as well as making sure that the individuals does a productive job. He has also tries to imply good working conditions that allow people to make a good job. He also points out the importance of having an impact in every department by saying “I’m the one that makes sure that everything goes around and goes well” and mentioned the importance having an internal plan. RA mentioned that he could not be bureaucratic and defend his position. He said that planning and making sure that people give everything is his impact on the profitability, and by bringing his previous experience and knowledge. RB answered that, “I can decide whether or not we are going for a project. Whether or not it affect the occupancy rate, it affects revenue, profit – everything”. RC answered, “I would say that 95 percent of all the risks and final decisions are taken by me. The other people that I work with, provides me with information and their opinions but I’m still the one who makes the final decisions. This is a factor of why we are not growing faster and we are working to find a better process for this.”

The last question within outcome is, as we mentioned above, how the entrepreneurial orientation have an impact on the outcome. RA said that they have strong risk-taking, innovativeness and proactiveness while RB said that they have strong risk-taking and innovativeness but that problems when it comes to proactiveness. RC said that the firm has high proactiveness, innovation and risk-taking. RA answered that they offers
products that they believe people needs and therefore it is important to have people that know the industry very well. In order to bring success, RA said that “I think we have to create new products and that we must develop the products that we have. It is all about finding those products that will become very successful and find solution to solve problems for the users”.

RB said “proactivity would affect most if we had our focus on it... proactiveness is of course what we need most of now”. He mentioned that innovation has a big impact on everything but it is also costly. “Risk-taking can also influence. Of course, it would be good if you look at the short-term perspective to take on any project that does not feel as much fun but in the long term it would probably be that we dilute the brand a lot”.

RC answered “if I did not put so much effort into the business as I have done, we might still have been one or two employees, so it is absolutely important to take chances. You have to take chances even though it is risky”. He said that proactiveness and risk-taking are the elements that have the biggest impact on the outcome but that innovation is very important as it involves being more creative in order to be different.

The table below summarizes the empirical findings from chapter four, theory-by-theory. By implementing this table, we hope to simplify the understanding for the readers.

Table 6: Summary Empirical Findings

<table>
<thead>
<tr>
<th>Theories</th>
<th>Respondent A</th>
<th>Respondent B</th>
<th>Respondent C</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Born globals</strong></td>
<td>• Internationalized within a year</td>
<td>• Internationalized within a year</td>
<td>• Internationalized within a year</td>
</tr>
<tr>
<td></td>
<td>• See opportunities in foreign markets</td>
<td>• See opportunities in foreign markets</td>
<td>• See opportunities in foreign markets</td>
</tr>
<tr>
<td></td>
<td>• Major sales outside Sweden</td>
<td>• Major sales outside Sweden</td>
<td>• Major sales outside Sweden</td>
</tr>
<tr>
<td></td>
<td>• Niche markets</td>
<td>• Niche markets</td>
<td>• Niche markets</td>
</tr>
<tr>
<td></td>
<td>• Use Internet and social media as communication tools</td>
<td>• Use Internet and social media as communication tools</td>
<td>• Use Internet and social media as communication tools</td>
</tr>
<tr>
<td><strong>Characteristics of founder/top manager</strong></td>
<td>• Prior international experience in terms of working with international customers</td>
<td>• Prior international experience in terms of studying and working abroad</td>
<td>• Prior international experience in terms of born in a foreign country</td>
</tr>
<tr>
<td></td>
<td>• Look for business opportunities everywhere</td>
<td>• Identify business opportunities in foreign markets</td>
<td>• Identify almost too many business opportunities, have to control himself</td>
</tr>
<tr>
<td></td>
<td>• Not really interested in risks</td>
<td>• Higher risk-tolerance</td>
<td>• Higher risk-tolerance than average but very analytical</td>
</tr>
<tr>
<td></td>
<td>• Cultural differences does not stop him from doing business</td>
<td>• Avoid some countries because of a deep understanding of cultural differences</td>
<td>because of university studies</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Some understanding of cultural differences but would have been deeper if studied or worked abroad</td>
</tr>
</tbody>
</table>
After defining the findings in the table summary, our next step is to analyze the empirical findings. We investigate if the empirical findings are in line with the theories and if there are new findings.

<table>
<thead>
<tr>
<th><strong>Entrepreneurial Orientation (EO)</strong></th>
<th><strong>Innovation</strong></th>
<th><strong>Outcome</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Identify opportunities in specific departments</td>
<td>• Always looking for new products</td>
<td>• Top manager characteristics have an impact on outcome</td>
</tr>
<tr>
<td>• Not adapted to competitors</td>
<td>• Employees and external people can come with ideas</td>
<td>• EO has an impact on outcome</td>
</tr>
<tr>
<td>• No risk analysis in paper format</td>
<td>• Low price strategy</td>
<td></td>
</tr>
<tr>
<td>• Trying to produce as good products as possible</td>
<td>• Top manager characteristics have an impact on innovation</td>
<td></td>
</tr>
<tr>
<td>• Working environment affect the creativity</td>
<td>• EO has an impact on innovation</td>
<td></td>
</tr>
<tr>
<td>• Everyone can come up with a new idea</td>
<td>• Innovation process is not linear</td>
<td></td>
</tr>
<tr>
<td>• Launched 30–40 products</td>
<td>• Differentiation strategy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Founder characteristics have an impact on innovation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Proactiveness does not affect innovation</td>
<td></td>
</tr>
</tbody>
</table>

| | • Looking for business opportunities everywhere | |
| | • Sending people abroad | |
| | • Not adapted to competitors | |
| | • No risk analysis in paper format | |
| | • 95 percent of the decisions is taken by the founder | |
| | • Working environment are affecting the creativity | |
| | • Are updated about the industry | |
| | • Mix people | |
| | • Send employees abroad | |
| | • Friday-pitching | |
| | • 40 products | |

| | • Innovation process dilemma – almost only one person that come up with ideas | |
| | • Low price strategy in the beginning now more towards differentiation | |
| | • Founder characteristics have an impact on innovation | |
| | | |

Source: Authors

After defining the findings in the table summary, our next step is to analyze the empirical findings. We investigate if the empirical findings are in line with the theories and if there are new findings.
Chapter 5: Analysis

In chapter five, we compare the empirical findings with the theory and conceptual framework from chapter two - the literature review, in order to determine if the empirical findings will support theories in previous literature. The purpose of this chapter is to also bring up the new findings, address theory implications for further studies, and develop the theoretical framework. We follow the same structure as in chapter four, theory-by-theory.

5.1 Born Globals

The literature (Chetty & Campbell-Hunt, 2004) shows that, born global firms decide to go international directly from the start or shortly after inception and it is common that firms perceive international markets as one market, which provides opportunities rather than obstacles. Their focus is growth through international sales (Madsen & Servais, 1997) and receives competitive advantages “from the use of resources and the sales of outputs in multiple countries” (Oviatt & McDougall, 1994, p. 49). The first reason for considering those firms as born globals is we can see that Respondent A (RA), Respondent B (RB) and Respondent C (RC) became international within a year due to the fact that their products/services are targeted towards international customers and there is an international demand. All the respondents also have the ability to see opportunities in foreign markets.

The second reason can be related to how many countries they operate in and are exporting to. As they operate in different markets around the world, the literature states that born globals tend to begin exporting one or several products within the first few years of their establishment and tend to export at least 25 percent of the total production (Gabrielsson, 2004). As mentioned above, all three respondents started to export within a year. As seen in chapter four, the majority of the sales of RA occur in USA, the majority of the sales of RB come from businesses outside Scandinavia, and the majority of the sales of RC happen outside Sweden.

It is mentioned in the literature that in order to be considered as a born global, firms must produce highly specialized products sold on niche markets, so that it can suit customers universally (Chetty & Campbell-Hunt, 2004). Looking at the products and services that our respondents’ firms provide, we can clearly see that these firms have highly-specialized products or services sold on niche markets, and they are very selective. Since the products or services tend to be customized for the niche market. This is the third reason for considering those firms as born globals.

The fourth reason can be related to the fact that born globals tend to use Internet and social media as effective communication tools (Knight et al., 2004). All the respondents agreed that Internet and social media are common ways to keep in contact with customers in foreign markets.

During the interviews, it seemed as if the interviewees consider themselves as small international firms and we noticed that none of the respondents used the term born global when they referred to themselves, although it is clear that they fulfill the criteria of being born global firms.
The table below provides an overview of the analysis by identifying whether the empirical findings support the born globals’ theories or not. In this table we have not identified new findings to the born global context.

Table 7: An overview of the empirical findings and theories of born globals’

<table>
<thead>
<tr>
<th>Born globals</th>
<th>Respondent A</th>
<th>Respondent B</th>
<th>Respondent C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internationalize directly or early form the start <em>(Oviatt &amp; McDougall, 1994)</em></td>
<td>+, +</td>
<td>+, +</td>
<td>+, +</td>
</tr>
<tr>
<td>See business opportunities in foreign markets <em>(Chetty &amp; Campbell-Hunt, 2004)</em></td>
<td>+, +</td>
<td>+, +</td>
<td>+, +</td>
</tr>
<tr>
<td>Sales in multiple countries <em>(Oviatt &amp; McDougall, 1994)</em></td>
<td>+, +</td>
<td>+, +</td>
<td>+, +</td>
</tr>
<tr>
<td>Niche markets <em>(Chetty &amp; Campbell-Hunt, 2004)</em></td>
<td>+, +</td>
<td>+, +</td>
<td>+, +</td>
</tr>
<tr>
<td>Use Internet and social media as communication tools <em>(Knight et al., 2004)</em></td>
<td>+, +</td>
<td>+, +</td>
<td>+, +</td>
</tr>
</tbody>
</table>

*Source: Authors*

+, + = yes, they agreed, it supports the theory  
+, - = yes, they agreed, it does not supports the theory (new findings)  
-, + = no, they did not agree, it supports the theory  
-, - = no, they did not agree, it does not support the theory

### 5.2 Characteristics of the founder/top managers

According to several literatures, it is more common that founders/top managers of born global firms have prior international experience in terms of living or studying abroad than founders/top managers of domestic firms (Chetty & Campbell-Hunt, 2004). All the respondents had different kinds of international experience. RB was the only one that had prior international experience in terms of studying and working abroad. Both RB and RA have in their previous employment worked with international customers, so for RA, the theory is only supported to some extent. The answer of RC does not support the theory since he did not have prior international experience in terms of working/studying abroad. As RC was born in a foreign country and came to Sweden as a child it can be very difficult for us to consider this as international experience since he was so young, although we believe this could be a trigger to starting an international firm.
Another characteristic that is typical for born global founders/top managers is that they can identify opportunities in foreign markets (Chetty & Campbell-Hunt, 2004). According to literature, (Karra et al., 2008), it is important to be able to identify opportunities in foreign markets since it can increase the outcome of the firm and brings values. Karra et al. (2008) describe ways of how born global entrepreneurs identify opportunities and theorize on how these firms do so. The three different ways to identify opportunities are through an active search, which means that the entrepreneur actively looks for opportunities. The second way is by doing a passive search, which means that the goal is not the goal to identify an opportunity but it just happens when doing something else. The third way is by using the creativity and imagination. RA and RC were both actively looking for business opportunities while RB was very passive since they got so many requests from customers. RB mentioned that during his trips to customers he often came across opportunities that are network related. RA mentioned that he is looking for business opportunities everywhere and RC had to control himself to not take on too many opportunities. Therefore, we believe that the level of effort of an entrepreneur is related to how many requests a firm gets. Even though RB is passive, we believe that he has the ability to identify opportunities in foreign markets so here all the three respondents are in line with the theory.

As born global firms internationalize rapidly after inception, the founders/top managers take a lot of risks as they enter new and foreign markets. They also take risks by having highly innovative products for niche markets. Therefore, they are considered to have higher risk-tolerance than founders/top managers of domestic firms. It is common that founders/top managers of born globals see many of the risks as the opportunities and our empirical findings from RA, RB and RC confirm this theory. They have higher risk-tolerance than average since they have a big impact on all firm decisions, which among others includes foreign customers. RC mentioned that he is very analytical in everything that he does, and the reason for that is probably his academic background.

It is important for born global founders/top managers to have an understanding of cultural differences since they operate in different foreign markets (Karra et al., 2008). All the three respondents agreed that it is important to have this understanding since they are dealing with so many foreign customers. We could see a relationship between prior international experience and understanding of cultural differences, meaning that it was easier to have understanding for cultural differences if the person had studied or worked abroad. RC, who did not have prior international experience in terms of studying or working abroad, stated that it would have been easier for him to understand different cultures if he had studied or worked abroad and that it is important for him to travel to get deeper knowledge about different cultures. RA who has prior international experience in terms of working with international customers, told us that cultural differences do not stop them from doing businesses even though the differences can be huge. Although RB had a lot of prior international experience, he avoided doing business with some cultures since the differences are too far apart, which can be as a result of his deep understanding of cultural differences.

The table below looks at the founder/top manager characteristics and provides an overview of the analysis by looking at whether the empirical findings support the theories or not, and highlight new findings.
Table 8: An overview of the empirical findings and theories of founder/top manager characteristics

<table>
<thead>
<tr>
<th>Characteristics of the founder/top manager</th>
<th>Respondent A</th>
<th>Respondent B</th>
<th>Respondent C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior international experience (Cheatly &amp; Campbell-Hunt, 2004)</td>
<td>+, - Has prior international experience in terms of working with international customers</td>
<td>+, +</td>
<td>+, - Has prior international experience in terms of being born in a foreign country</td>
</tr>
<tr>
<td>Identify business opportunities in foreign markets (Karra et al., 2008)</td>
<td>+, +</td>
<td>+, +</td>
<td>+, +</td>
</tr>
<tr>
<td>Higher risk-tolerance (Harveston et al., 2009)</td>
<td>-, + RA said “no one is really interested in taking risks” but we consider him to have high risk-tolerance</td>
<td>+, +</td>
<td>+, +</td>
</tr>
<tr>
<td>Understanding of cultural differences (Stephens &amp; Greer, 1985)</td>
<td>+, - Has some understanding of cultural differences by working with international customers</td>
<td>+, +</td>
<td>+, - Would have better understanding of cultural differences if studied or worked abroad</td>
</tr>
</tbody>
</table>

Source: Authors

+, + = yes, they agreed, it supports the theory
+, - = yes, they agreed, it does not support the theory (new findings)
-, + = no, they did not agree, it supports the theory
-, - = no, they did not agree, it does not support the theory

5.3 Entrepreneurial Orientation

Entrepreneurial orientation (EO) is important within all industries and especially for born globals as it involves the whole firm when it comes to being proactive, taking risks and being innovative, in order for the firm to grow. Born global firms tend to have entrepreneurial behavior in terms of individual behavior, since the founders of born global firms view entrepreneurship as an important element (Harveston et al., 2008).

One of the three elements mentioned above, is proactiveness. By being proactive the theory looks at it as identifying business opportunities such as doing a project for a customer in order to increase branding loyalty and searching for new customers, as well as entering new markets (Persinger et al., 2007). According to Persinger et al.
(2007), it is the nature of born globals to identify opportunities. While interviewing the respondents we could clearly see differences in their proactiveness, some of the respondents were more proactive than others. For example, RB was not really searching for customers since they had an extensive network and by that customers come to them with requests for opportunities. He mentioned that they do their own race when it comes to competitors and does not adapt to what the competition is doing. He mentioned that employees sometimes travel abroad to visit conferences. It is clear that RB has difficulties when it comes to being proactive but he is aware of it and as such will try to become more proactive in the future. We think it is important for the firm of RB to become more proactive because as the market matures the firm may become less exotic.

Being proactive for RA means that each department is focusing on the business opportunities that are relevant in what they are specialized in and that they are always looking for opportunities. What is interesting with RA is that the producers are the people who actually use the kinds of products that they develop. Therefore, if you are working with product development, you should be able to identify new product opportunities. For instance, if you are working within marketing, you should be able to identify opportunities that are related with marketing campaigns. RA also mentioned that the firm does their own race when it comes to competitors and that they not adapt themselves to what the competition is doing. It is the same for the firm of RC; meaning that they also tend to do their own race when it comes to competitors launching new products. RC stated that it is important not to look at the competitors too much since it can make one too scared to launch a new product. Another thing that the firm of RC does in order to identify opportunities, among others, is by giving the employees the possibility to travel abroad as ambassadors and work in the foreign country, visit fairs and other events relative for the industry. Because of this, we consider the firm of RC to be proactive since we believe that the employees have the chance to identify business opportunities, which can be a form of aggressive searching.

All the firms are proactive on different levels. We consider the firm of RA to have higher level of proactiveness since they are looking for opportunities everywhere and they identify opportunities by looking at their own needs. We also consider RC to have a higher level of proactiveness compared to the firm of RB. The proactiveness seems to be dependent on the need to identify opportunities, meaning that firms which do not get so many requests for opportunities, need to be active by themselves so as to identify opportunities.

According to De Clerq et al. (2005), firms with high EO tend to take risks such as entering new markets instead of doing risk analysis ahead of entry. It is especially common for born global firms to be considered as risk-takers since they operate in foreign markets (Miller, 2011). None of the respondents are doing risk analysis in paper format. As mentioned in empirical findings, RA discusses the risks within the firm during coffee breaks by asking the employees if they think the firm should launch a new product or not. They are also trying at the same to provide as high quality products as possible in order to prevent or at least minimize risks. RB said that it is very much a gut feeling when it comes to making decisions about new services/projects but they are talking about starting with risk analysis in paper format.
in the future. RC told us during the interview that he is very calculated in everything that the firm does, but all these calculations are done mentally but not on paper.

Since none of the respondents are doing risk analysis in paper format yet are still entering foreign markets, involved in risky projects, and producing unique products that have not previously existed on the market, we consider all these firms to be risk takers, and thus supports the theory. The firm of RA does not write a risk analysis in paper format and they enter new markets that they have little knowledge about, for example, when entering Japan, they allowed an external person to take care of the sales contact in Japan. RB told us that they he trusts his their gut feeling when it comes to risky projects and that he is not writing a risk analysis in paper format at the moment, and therefore, we consider the firm of RB to be a risk-taker within EO. The reason for considering the firm of RC’s firm to be a risk-taking one is that they also enter new markets and they produce unique products, but we have to keep in mind that RC told us, “I would say that 95 percent of all the risks and decisions are taken by me”. Therefore we consider the firm of RC to have a lower level of risk-taking in EO since we believe that the impact of the founder is too big. This brings the risk-taking decision to an individual level instead of a firm level even though the firm is the one taking the actual risks. We consider both the firms of RA and RB to have a higher risk-taking level in EO than the firm of RC.

One of the three elements of entrepreneurial orientation is innovativeness, which explains how willing the firm is to try new ideas, experiments and being creative (Lumpkin & Dess, 1996). According to the theory, (Miller, 2011), high technology firms are considered to be more innovative and all our cases are high technology firms. Since we wanted to find out whether the firms were innovative or not, we asked the respondents what they do in order to measure it. RA said that the working environment has a big impact on creativity and that they are trying to be team-oriented. Both RB and RC also agreed that the working environment has an impact on and affects creativity. They also emphasized on the importance of being updated on what is going on in the industry. RB mentioned that it is important to not let the people work too much. It is also important to be updated of on what is going on in the industry. RC also mentioned that the working environment affect the creativity. RC is also trying to mix different people and has started to send employees abroad. Due to the fact that he is almost the only one that comes up with ideas, he has implemented Friday pitching.

Since all the respondents have strategies to become more creative and are striving to come up with unique products/services, we can see that these findings are in line with the theory of born globals. We believe that the firm of RA and RB are highly innovative in EO, while RC mentioned that it is almost only one person that comes up with ideas. Therefore, we consider the level of innovativeness of firm of RC to be lower when it comes to EO.

The firm that we consider as having the highest level of EO is the firm of RA due to the fact that he was talking about the firm as a whole and had problems with distinguishing the firm from himself. We believe that the firm of RB can be described as an entrepreneurial oriented firm since they seem to have a firm level strategy and were also talking about the firms as a whole. But the element of proactiveness is lower due to the fact that they are not really looking for business opportunities by
themselves. While analyzing the firm of RC it is difficult to say that the firm is an entrepreneurially oriented firm. The reason for this is, as we mentioned above, that we believe that the impact of the individual on the firm is too big more so especially since he mentioned during the interview that he had problems with the delegation. He also mentioned that the firm would not be as successful as it is today if he did not put in much effort.

The table below shows the empirical findings in comparison to the theories of EO. We describe EO in terms of high and low level of firm behavior.

Table 9: An overview of the empirical findings and theories of EO

<table>
<thead>
<tr>
<th>EO (firm level)</th>
<th>Respondent A</th>
<th>Respondent B</th>
<th>Respondent C</th>
</tr>
</thead>
<tbody>
<tr>
<td>High level of proactiveness (Lisboa et al., 2011)</td>
<td>+, +</td>
<td>-</td>
<td>+, +</td>
</tr>
<tr>
<td></td>
<td></td>
<td>They are not proactive since they receive lots of requests from customers</td>
<td></td>
</tr>
<tr>
<td>High level of risk-taking (Persinger et al., 2007)</td>
<td>+, +</td>
<td>+</td>
<td>+, -</td>
</tr>
<tr>
<td></td>
<td></td>
<td>It is not possible to consider the firm of RC as having a high level of risk-taking since it is on individual level</td>
<td></td>
</tr>
<tr>
<td>High level of innovativeness (Lumpkin &amp; Dess, 1996)</td>
<td>+, +</td>
<td>+, +</td>
<td>+, -</td>
</tr>
<tr>
<td></td>
<td></td>
<td>It is not possible to consider the firm of RC as having a high level of innovativeness since it is on individual level</td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors

+, + = yes, they agreed, it supports the theory
+-, + = yes, they agreed, it does not support the theory (new findings)
-, + = no, they did not agree, it supports the theory
-,- = no, they did not agree, it does not support the theory

5.4 Innovation

The literature, (Lisboa et al., 2011), claims that innovative products/services are extremely important for the success of born globals since they are operating in niche markets and researchers consider the innovation factors to be a reason to a for firm’s existence. In order to know how innovative the firms are, we need to consider the innovation process. The innovation process is quite different from one respondent to another. We consider the firm of RA to be highly innovative due to the fact that they are always looking for new products that do not exist on the market and that many of the employees contribute with new ideas that help the firm to develop, even people
outside the firm. RB explained that their innovation process is not very linear meaning that they are flexible and make changes during the process. He also encourages the employees to get more updated and search for information about what is happening in the industry. When it comes to the firm of RB, we consider them to be highly innovative since they want to break patterns and produce something new. RC told us that he is almost the only person in the firm, which comes up with new ideas. Therefore, he had implemented Friday pitching, meaning that people present an idea that they have during these meetings. Since it is so crucial for born globals to be innovative, we think it is a very good idea to start with these Friday pitching meetings in order to make more people involved in the innovation process. Although it is not many people coming up with new ideas in the firm of RC, we consider them to be highly innovative, especially since many of the new ideas comes from simple things in the surroundings environment.

As we mentioned in the literature review and empirical findings, it is common that born globals use differentiation strategy in order to compete with competitors. Firms that use differentiation strategy tend to be more high tech, have higher prices, high quality products or services and focus on building their brands (Knight et al., 2004). During the interview with RA, he told us that they actually have more of a low price strategy, meaning that they have a kind of penetration pricing and use their low prices against the competitors, which does not support the theory. Even though RA competes mostly with a penetration pricing strategy, he told us that it could be a bit of differentiation as well, since they try to come up with new products that do not yet exist on the market.

On the other hand, RB told us that they have higher prices and want to break the pattern, go a different direction, and build their brand, which supports the theory. The firm RC started with a penetration pricing strategy but as soon as they got a stronger brand image to they started to go more towards differentiation, which also supports the theory to some extent.

Innovation is very important for born global firms implying that founders/top managers have a big impact on the decision made when it comes to innovation. This is in line with our empirical findings since the respondents all have a huge impact on the firm’s innovation and they all have different ways of how they affect the innovation. RA described that he could have a structured working environment, which affects the innovation of the firm since the employees will take up their own initiatives. RB on the other hand explained his impact on innovation as showing interest on the employee’s ideas. Creativity becomes more effective when there are ideas coming from different people rather than different ideas coming only from one person. RC as a founder has a big impact on creativity and innovation, as he is the one developing new ideas and at the same time works very closely with the different departments in order to realize those ideas.

We will in the table below explain some parts of the innovation, where the reader can see if the empirical findings are in line with the theories of innovation and show new findings.
Table 10: An overview of the empirical findings and theories of innovation

<table>
<thead>
<tr>
<th>Innovation</th>
<th>Respondent A</th>
<th>Respondent B</th>
<th>Respondent C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly innovative ( (Kim \textit{et al.}, 2011) )</td>
<td>+, +</td>
<td>+, +</td>
<td>+, +</td>
</tr>
<tr>
<td>Differentiation strategy ( (Carsisil \textit{&amp; Knight}, 2009) )</td>
<td>-, - \</td>
<td>+, +</td>
<td>+, -</td>
</tr>
</tbody>
</table>

\textbf{Source: Authors}

+, + = yes, they agreed, it supports the theory
+, - = yes, they agreed, it does not supports the theory (new findings)
-, + = no, they did not agree, it supports the theory
-, - = no, they did not agree, it does not support the theory

We have decided to leave the impact of founder/top manager’s characteristics and EO on the firm’s innovation outside the table. The reason for this is because we discovered a research gap within the areas and have not found theories that clearly support those aspects.

5.4.1 The impact of founder/top manager characteristics on firm’s innovation

RA has prior international experience in terms of working with international customers. Due to the fact that RA has not studied or worked abroad, we believe that this factor has little influence on the firm’s innovation. It is the same for RC, since he has not worked or studied abroad. The only respondent that had prior international experience in terms of studying and working abroad is RB. We believe that his prior international experience has affected the innovation of the firm since he has vast knowledge about different cultures and might know what suits which different cultures. Working and meeting different people from around the world, helps to open up the mind of the person and from this ability they tend to view the world in a new perspective, which can lead to an increase in innovation capacity.

Since all of the respondents are operating in international markets, we believe that they have all managed to gain understanding of cultural differences, meaning that they have gained some knowledge about different cultures and can use this as an advantage when developing new products or services.

As we mentioned above, all the respondents have higher risk-tolerance and they tend to have an impact on the firm’s decision. The high risk-tolerance of the respondents has a huge impact on the firm’s innovation since it is risky to develop highly innovative and unique products for foreign markets. RC mentioned the importance of letting employees experiment and to not be afraid of making mistakes; this can increase the innovation since they dare to think outside the box.
5.4.2 The impact of Entrepreneurial Orientation on firm’s innovation

If we look at innovation in terms of EO, it is proven that the firms of RA and RB are innovative within EO. We considered the firm of RC to have a lower level of innovativeness within EO. When it comes to risk-taking on firm level we could see that the firm of RA and RB were risk-takers within EO since it seemed to be a strategy that the firms use, whereas RC seemed to have a more individual level strategy than a firm level strategy. With this we mean that he has a huge impact and some delegation difficulties in terms of giving employees responsibilities when it comes to making decisions, therefore, risk-taking within EO has not affected the firm of RC’s innovation that much. When it comes to proactiveness within the firm level we could see that the firm of RA was very proactive, because everyone seemed to be involved in some way in certain business opportunities. We perceive that those opportunities are what make the innovation effective since the employees need to be able to identify product gaps in the market. The firm of RB is not very proactive in the way that they are searching opportunities and therefore, it is not possible for us to consider proactiveness as an impact on firm’s innovation. When it comes to the firm of RC we believe that they are proactive on a firm level since many of the employees seem to be looking for opportunities.

Looking at innovation as a whole and the theory of innovation described in the literature review, we can see that being innovative and creative is very important and is something commonly adopted within born global firms. It is not enough with just one person coming up with all the ideas in terms of EO; instead it has to be on a firm level. A firm should also use the environment, customers and people from outside to increase the innovation capability.

5.5 Outcome

Everything that we have written so far is linked to the outcome of the firm. We have considered how the characteristics of the founder/top manager and EO impact on the outcome. Different dimensions of outcome are used in previous research in order to describe outcome and the common financial dimensions are; profitability, market shares, the number of employees, sales growth and foreign expansion (Knight et al., 2004; Lumpkin & Dess, 1996; Hashimoto, 2011).

As outcome is very important for every firm we tried to see what impact the founder/top manager’s characteristics have on the firm. We could clearly see that all the respondents have a huge impact on the outcome since they are involved in the majority of all the decisions made within the firm. RA told us that he put a lot of effort in planning and communication, which leads to better work conditions, and hopefully will increase the outcome of the firm. Although, all the employees have their own responsibilities, he tries to make sure that everyone is doing what they asked to do and do it in a good way. RB told us that he makes the final decision on whether they will work with a certain project or not, and RC makes 95 percent of all decisions.

In the literature review chapter we mentioned absorptive capacity, which means that entrepreneurs in born global firms tend to bring in new knowledge about internationalization since they have some knowledge from start (Chetty & Campbell-
Hunt, 2004). We absolutely believe that this absorptive capacity will affect the outcome in a positive way, since it will provide the entrepreneurs with knowledge.

We have decided not to construct a table for outcome and how the founder/top manager’s characteristics and EO have an impact on the firm’s outcome. This is because we discovered a research gap in the areas, and we have not managed to find relevant theories that are done within the born global context.

5.5.1 The impact of founder/top manager characteristics on firm’s outcome

An interesting fact that RA mentioned was that he brought his previous experience and knowledge to the firm, meaning that he believes that he brought his prior international experience, understanding for cultural differences, risk-taking, and ability to identify business opportunities in foreign markets. Since he had prior international experience from working with foreign customers, we could see that this had an impact on him and it seemed to give him a better understanding of cultural differences, which has been useful now as a top manager in the firm, and supports the theory to some extent.

By having this previous experience we believe that it has affected the outcome in a positive way, because he is not afraid of entering new markets in the same way as domestic founder would be, and it seemed to decrease some barrier of entry modes. We think that this is a reason for entering foreign markets, which increase the foreign expansions, and it is possible to increase the sales growth and in turn, the market shares. RA told us that he is looking for business opportunities everywhere and that they are launching products that never existed on the market before, like a pioneer. We believe that RA has higher risk-tolerance since he is one of the top decision makers, meaning that what he decides in the end is what leads to the outcome.

RB has a huge impact on the outcome as he mentioned that he makes all the decisions, for instance, if a customer has come to them with a request and he sees that it is not a project that would perform well on the market, he has the power to reject it. By studying and working abroad he has been able to meet people from different cultures, which have led to a better understanding for cultural differences. Since he has many years of international experience and therefore extensive knowledge about different cultures, we believe it has a positive impact on the outcomes. This is because he knows what cultures and countries to “avoid”, in order to not make “bad deals” that have a negative impact on the outcome, which might go hand in hand with being selective. By having a deeper understanding of cultural differences, we believe that it will also affect the ability to gain knowledge for networks. As mentioned above, RB goes very much for the gut feeling meaning that if he feels something would do well on the market, he decides to go for it. As we said, we believe that he has higher risk-tolerance and it will affect the outcome in a good way since it is important for born globals to be innovative, enter niche markets and foreign countries.

RC has a very big impact on the outcome and as the founder tends to make all the decisions when it comes to the firm, being risky and going for opportunities which often leads to better outcome. RC’s firm defines themselves in the stage of delegation. They need to start giving different employees the power to make decision and we believe that it will help them to grow and become more innovative than now where as
there is only one person making decisions. We believe that the outcome of the firm of RC would increase if RC started to delegate and give responsibility to employees. The reason for this is that at the moment, everything has to go through RC and it is not possible for him to spend a lot of time on everything since it is too time consuming and people have to wait for a long time to come in and have contact with him, which can lead to lost opportunities.

5.5.2 The impact of Entrepreneurial Orientation on the firm’s outcome

As we have seen in chapter four, RA has stronger EO since the firm has a higher level of all the three elements (proactiveness, risk-taking and innovativeness). We would say that the firm of RB has lower level of EO in comparison to RA’s, since they are not as proactive as the other firms. We consider the firm of RC to have the lowest level of EO since the individual factors of the founders has a very big impact on the firm.

Lumpkin and Dess (1996) also state that a firm needs to have strong EO in order to perform well when entering a new market. Having a strong EO, according to these authors can mean being strong, as a firm and these firms probably not start imitating or falling into the competitors’ hands when entering a new market because they know the competitors strong “weapon”.

Since the firm of RA has strong EO and is doing well, the theory is supported. We believe that all the three elements have the same impact on the outcome. An interesting finding that RB mentioned during the interview was that if they were proactive, it would affect outcome the most out of these three elements. But due to the fact that they are not so proactive, the risk-taking and innovativeness have a bigger impact on the outcome. Even though they are a risk-taking firm, they of course analyze what projects to do, meaning that they cannot take too many risks since it would affect the outcome in a negative way in the long run. Innovation has a big impact on the outcome of the firm but it is also a big cost. Since we could see that RC does not have as strong EO as RA and RB but is still doing very well, we believe that this theory is only supported to some extent. As mentioned, we believe that the innovativeness and risk-taking level are lower than the proactiveness level in EO.

From the above, we could see that all firms are highly innovative (even though all the firms might not be highly innovative in terms of EO), which is an important element since innovation is strongly associated with growth and innovative firms in international markets tend to perform better (Bessant & Tidd, 2011) and gain high sales (Hurley et. al., 1998, Cited in Lisboa et al., 2011). Due to the fact that the respondents are innovative and it is going well for all of them, we think that the theory is confirmed. By being highly innovative and have a differentiation strategy, it is possible to gain first mover advantages, which can affect the outcome in a positive way since it increases the chances of getting loyal customers and increase the market shares.

According to the literature, proactiveness is important for born global firms in order to overcome external problems. We believe that the firm of RB will become more proactive when they have to, meaning that when they start to face a lot of external problems, we believe that they will increase the level of proactiveness.
When doing an overview of EO, we can see that all the elements are very linked to each other. In order to become innovative and proactive, we believe that the firms need to be risk-takers. It is not enough to just identify opportunities; instead the firms have to turn those opportunities into reality. One must dare to win.

5.6 Conceptual Framework

All the firms of the respondents are considered as born global firms and they are all fulfilling the five different aspects. They all became international within one year and because of that they see more opportunities than obstacles in foreign markets. They also have their major sales outside Sweden, where they provide highly specialized products to niche markets. All the firms used Internet and social media to keep in contact with their customers, since these are effective communication tools despite the distances between them and their customers.

All the respondents had some kind of prior international experience before starting at/founding the born global firm. RB has studied and worked abroad, RA has worked with international customers and foreign staff in his previous job, and RC is born in a foreign country.

It was shown that RB had deep knowledge and understanding about different cultures but RA, who had been working with international customers and foreign staff, also had some understanding of cultural differences. We therefore think it is important to point out that the customers and staff had gained his knowledge and understanding for cultural differences and by that we mean that it is important to take relations into considerations. RC told us that he had been working with domestic customers in his previous job and he has not travelled that much before starting the born global firm, but he is born in a foreign country and came to Sweden when he was six years old. RC mentioned that he believe that he would have higher understanding and knowledge of cultures if he had studied or worked aboard. He also mentioned that he and the other employees are learning a lot about different cultures at the moment.

All the respondents seemed to have higher risk-tolerance than founders of domestic firms since they have a big impact on decisions within the firm. Since they are actually entering foreign markets early from the birth and are considered to be highly innovative firms, there is no doubt that all the respondents are more willing to take risky decisions. RC stated that he is very calculated and analytical in everything that he does and he thinks that his university studies as graduate engineer had a big impact on him.

According to the literature, EO is a firm behavior and a firm level strategy. As we mentioned before, EO consists of three elements; proactiveness, risk-taking and innovativeness. We have stated that the firm of RA had the highest level of EO since they have a firm level behavior for proactiveness, risk-taking and innovation, which is in line with theory. One interesting fact was that the firm of RB was not very proactive and the reason for that was that big customers send requests to them and there was really no need for them at the moment to be proactive. The firm of RB has managed to build a strong brand image and has also won a lot of prestigious international awards and that two of the three founders had worked in the industry before starting this born global firm, therefore they brought a lot of valuable contacts.
into the firm. From this we will point out the importance of keeping the brand image/firm position and previous contacts in mind when talking about proactiveness. At the same time we could see that the firm of RC, which is a very young firm, was a lot more proactive and we believe that has to do with the fact that the firm has not had the time to build a strong brand image as RB’s firm.

The next element is risk-taking. Here we stated that the firm of RA and the firm of RB are risk-takers at an EO level, while the firm of RC was considered to have a lower level of risk taking within EO due to the fact that the founder (RC) has a huge impact himself on all firm decisions and has some delegation difficulties at the moment. We believe that the reason for this could be that the firm of RC only has one founder (RC) and that the firm was established in the end of 2009, whereas more than one person founded the firm of RA and RB and those firms were founded in 2003.

As mentioned above, all respondents’ firms are considered to be highly innovative since the theory states that firms, which produce high tech products, are highly innovative. Even though they all are highly innovative firms, we consider that there are differences in the level of innovativeness within these firms. RA and RB have a higher level of innovativeness within EO than the firm of RC, since the innovativeness seems to be more on an individual level at the moment. We believe that the firm of RC will increase EO within few years as the founder is thinking of starting to delegate more responsibility and give employees the opportunity to work abroad in order to increase the level of creativity.

According to the theory, it is common that born global firms use differentiation strategy as a competitive strategy. From our findings, we could see that one of the born global firms is using low price strategy instead of differentiation strategy. We believe that the reason for the firm of RA to use a low price strategy is because of high competition in the markets and that many of those competitors are offering similar products. This can be a reason why they have to use low prices as their competitive strategy. On the other hand, RB and RC use differentiation strategy. While the firm of RB had a differentiation strategy from start, the firm of RC started with a low price strategy but with time they moved more towards a differentiation strategy. We believe that reason for the firm of RB going with a differentiation strategy from start is because they had worked in the same industry before and had a lot of valuable contacts and a relatively extended network in the industry in comparison to the firm of RC. When it comes to the impact of founder/top manger’s characteristics on innovation, we could see that the characteristic that differs among the respondents is prior international experience.

We believe that EO of the firm of RA has the biggest impact on innovation since the firm has a high level of EO. When it comes to the firm of RC we could see that the proactiveness had little impact on innovation, while the firm of RC had more of an individual level when it came to risk taking within EO. When it comes to outcome, we believe that the founders/top manger have a huge impact on the outcome as they all tend to make decisions on different kinds of levels. Although people can bring their ideas and opinions about the work in the end the final decision always passes through the founders/top manager’s office. As the firm of RC is the only founder in the firm compared to RB’s firm and RA’s firm, we can see that he has a big impact on the outcome as he has responsibility for every department.
When it comes to EO, RA tends to have the highest level and in this case we believe that, it can have a good impact on the outcome because everyone tends to contribute with ideas, all the employees have a responsibility to identify opportunities in the market and they use different ways in order to develop creativity within the firm. RB on the other hand has lower level of EO compared to RA, because of the proactiveness, but we believe that this does not affect their outcome, as they tend to fulfill other areas within EO in order to have a positive outcome. EO has a different impact on the firm of RC, as most of the decisions are taken by the founder and the firm defines itself right now in an individual level rather than on a firm level but at the same time there is much collaboration between the founder and the employees. It is possible that, if the firm of RC increases the EO within the firm, the firm will manage to expand quicker and become larger than they are today.

Since we could see some differences in our empirical findings according to the theory we will revise/modify the conceptual framework. Therefore, we will revise and complement the conceptual framework with new findings in the following way:

- **Age of firm** – From our empirical findings we could see that two of the firms were founded in 2003, while the other one (the firm of RC) was established in 2009. In the firm of RC we could clearly see that the founder had a big impact of on the firm himself since the level of EO is pretty low. We could at the same time see that RA and RB seemed to have difficulties in distinguishing between the firm and themselves as they have operated for many years. We therefore believe that one has to take into consideration the age of firm while looking at the EO level of a firm.

- **Number of founders** – We believe that it is important to consider the number of founders when looking at characteristics of the founder/top manager characteristics and EO. By having at least one more person it is easier to complete each other.

- **Relations** – As we could see above, RA had learned about different cultures and managed to gain prior international experience from working with international customers and foreign staff in Sweden. Because of this we think it is important to take the relations into consideration when looking at prior international experience and the understanding of cultural differences.

- **Brand image/brand position** – As the firm of RB has managed to create a strong brand image from the start, we believe that it is important to take the brand image/brand position into consideration when talking about proactiveness. The reason why RB is not very proactive is because they already get so many requests from customers as a result of their strong brand image.

- **Network** – RC is letting employees work abroad in cluster regions, which increases their network (becomes an input to the firm), while the firm of RA is using their network when it comes to new markets that they have little or no knowledge about as well as working with producers. RC mentioned, “I think that networking is very important within business. Especially for us coming from a small city like Umeå”. RA and RB said that social/private network is
extremely important. RB had worked in the same industry in his previous job, which means that he could use his previous network in his current job.

Figure 4: Modified Conceptual Framework according to the empirical findings

Source: Authors
Chapter 6: Conclusions and Recommendations

Based on the information gathered from the theoretical framework and the findings collected in the interviews, we answer the research question for the study. In order to add more value to the study we will also give some recommendation. We also see if it is vital to suggest future studies for the academic scholar who has an interest in exploring this area further.

6.1 Conclusions

In the introduction chapter, we mentioned the research gap that we had identified while reading previous literature within these areas. The first research gap that we discovered was that we could not find any literature describing how the characteristics of the founder/top manager impacted on innovation and outcome; instead we could only find the characteristics of the founder/top manager in general. The second research gap that we discovered and did research in was entrepreneurial orientation (EO) (firm behavior) within the born global context.

Therefore, the purpose of our thesis was to explore and to get a better understanding on how the characteristics of the founder/top manager and EO have an impact on the innovation and the outcome of a born global firm. In this chapter, we present answers to the research question that we stated in the introduction chapter:

- How have the characteristics of the founder/top manager and entrepreneurial orientation an impact on the born global firm’s innovation and outcome?

Firstly from the side of the characteristics of founders/top managers we have identified the following ways of impacting on innovation and outcome;

✔ Prior international experience: We could see that prior international experience has an impact on the firm’s innovation in different ways. When it comes to individual aspects we could see that prior international experience had a positive impact on the innovation in terms of becoming more open minded and having a deeper understanding for what the demand and need is within different cultures. On the other hand, the empirical findings showed that it is not necessary to have prior international experience in order to become innovative. Having prior international experience can affect the outcome in a positive way since they enrich their knowledge about foreign markets that possibly decreases different entry barriers.

✔ Understanding of cultural differences: Since most of the respondents tend to have prior international experience in different ways, we could see that it leads to better understanding of the foreign culture, which makes it easier to reach different customers by providing innovative products/services that fits the countries. Understanding of cultural differences leads to a better outcome since it provides the founder/top manager with knowledge of which cultures and countries to collaborate with.
Identifying business opportunities in foreign markets: We could see that identifying business opportunities in foreign markets is crucial for the firm’s innovation since it is possible to discover market gaps and discover new innovative products/services to fill this gap. It is in the nature of born global firms to identify business opportunities abroad, and as they tend to serve niche markets it is especially important to see opportunities everywhere in order to offer new innovative products/services. For a born global firm to survive within the first years of establishment, it is crucial that the founder/top manager have the ability to identify opportunities in foreign countries.

Higher risk-tolerance: We could see that higher risk-tolerance was one of the characteristics that had the biggest impact on born global firm’s innovation since it is risky to produce a highly innovative and unique product/service in a niche market in foreign countries. One has to have higher risk-tolerance in order to provide innovative products/services since the customers might not understand the offering and enter foreign markets, because of this it is crucial for founder/top managers to have higher risk-tolerance.

Secondly, we could see that EO had the following impact;

Proactiveness: We could see a clear difference when it comes to proactiveness of the born global firms. If the proactiveness is low within the firm it will not affect the innovation, and vice versa, if the proactiveness is high within the firm, it will have a higher impact on innovation. Being proactive within EO can increase the outcome in terms of higher income by increasing the sales and market shares.

Risk-taking: From our empirical findings, we could see that the level of risk-taking within the firm did not have much impact on the born global firm’s innovation. Since these born global firms are SMEs, where it is common that the founder/top manager characteristics have a big impact, it is difficult to see that risk-taking within firm level affects the innovation. In order to be successful in the market and provide a highly innovative product, it is very important to have risk taking within the firm. RC said; “I would almost say that, as the company is today, with these number of employees, I would say that 95 percent of all the risks and decisions is taken by me. This might be a factor of why we are not growing faster. I mean, I do not give people the right to do things”.

Innovativeness: We could see that the level of innovativeness within EO has a higher impact on the firm’s innovation since it is important to take advantage of the creativity of the employees, external people and the society in order to become more innovative. It is important for these born global firms to have innovativeness, as the innovativeness of the firm has a big impact on the firm’s outcome. This is important since they are high tech firm and innovation is crucial for born global firms’ outcome.
6.2 Building new theory

Since we adopted an abductive approach, we have in chapter five, built a new modified conceptual framework where we try to build our new theories. We found five aspects that we believe need to be taken into consideration when looking at how the founder/top manager’s characteristics and EO impact on the born global firm’s innovation and outcome.

We discovered that there are other elements that can have impact on innovation and outcome in terms of founder/top manager’s characteristic and EO, not just those given in the first conceptual framework. As mentioned in chapter five, we have come up with five new elements, which can be seen below.

6.2.1 Age of the firm

We considered the age of the firm as one important aspect. This has to do with the time the firm has been in business or operated in the market. As we can see, there is a big gap between the ages of the three firms. The two firms of RA and of RB have operated for approximately the same time whereas the other firm has not been in the market for as many years. When the firm is still young, it is crucial that the founder/top manager have a bigger impact on innovation and outcome but the larger the firm becomes the more delegation must be involved. Reasons for the founder of RC having so much impact on the firm’s innovation as well as the outcome can be because they are still developing and have not come to the phase of delegation, whereas RB and RA have been in the market for many years and managed to build a stronger position in the market.

6.2.2 Number of founders

When it comes to the difficulties of delegation as one of the founders tend to have, we discovered that it could be related to the number of the founders involved when establishing the firm. We believe it is important to consider the number founders when it comes to employee empowerment and delegation. The two firms that were established by a group of founders, we could also see that the founder/top manager’s of the firms’ had problems with distinguishing the firm from themselves. We can see that it may be easier for them to delegate responsibilities and decision-making since it is not one person who is in charge of doing everything.

One founder established the firm of RC and this makes it hard for the founder to delegate any decision-making. During the interview RC mentioned different phases that the firm goes through along their business operation. At this moment, the firm of RC define themselves in phase three and four, which the founder described as the phase where delegation and responsibility takes place. No one is capable of doing everything himself at this phase but the work and decisions must be divided so that people have responsibilities for their departments. “You must divide it so that people are responsible for different departments and if they happen to do something wrong that you have not thought of, just move on and let it go” (RC).

Having only one founder can in the long run affect innovation and outcome in a negative way as we have discovered, since RC mentioned that “I have done a kind of
We believe that it can be viewed as very frustrating for the seniors as they cannot themselves decide or make decisions. The founder of RC, also mentioned that it inhibits them from expanding and growing fast as in the end of his hours, people are standing in the queue, to have meeting with him in order for decisions to be made. In this case, having more than one owner can be an advantage since the employees do not have to turn to one person in terms of decision-making since they will have the power to make their own decisions.

6.2.3 Relations

When it comes to prior international experience, the theory state that founder/ top managers of born global firms tend to have prior international experience in terms of working and living abroad but we believe that prior international experience can also be gained from working with international customers, having business in foreign market as well as developing partnership with other firms in international market. Coming from a foreign country and growing up in a multi-cultural society can also provide a person with knowledge that can help and allow them to be able to understand cultural differences. It is not necessarily important to live and work in foreign markets in order to get a understanding of culture differences or be able to have business in foreign market, but it can create a lot of advantages in terms of knowing what the customers in a particular country want, whom to build partnership with, and where the company can build good networks or find where the opportunities are.

6.2.4 Brand image/brand position

Being proactive within born global firms is important and it is common that born global firms try to find opportunities everywhere. As we have discovered two firms were more aggressive when it came to identifying opportunities whereas the other firm did not need to search much for opportunities. Reasons for this can be that the firm that is not so proactive has managed to build a strong brand image this has led to them becoming very selective. Before creating a strong image, we believe that the firms of RB who are currently not so proactive, where looking for opportunities in order to create the image that they have today. We also believe that it has to do with the previous customers that they managed to bring along in to the new firm. Brand image can have a very positive impact on innovation as well as outcome. They would not be able to build this brand image if they were not so innovative with the services that they provide. On the other hand, although building brand image is important, we also believe that it is always good to be proactive in order for the firm to continue growing because within the business world nothing is promised. One day it happen that the competitor develops a strategy that may be hard to beat, therefore being proactive can allow the firm to discover things that they never thought existed.

6.2.5 Networking

Networking is very important for both born global firms and domestic firms. Without networks it is very hard to succeed in the market. All the companies agreed that networking is extremely important for them, any type of network from social network
to incubators to private networks and so on. RC mentioned, “I think that networking is very important within business, especially for us coming from a small city like Umeå”.

We believe that the strategy of sending employees abroad in cluster regions can allow the firms to build external networks, which can become a positive input for the firm. Working with people that have knowledge about the particular branch can also have good impact on the innovation and outcome in terms of networking as it is always an advantage working with people who know a lot about a particular industry since it can increase the firm’s knowledge. One example can be the firm of RA who works with producers that have more knowledge about this particular industry. Since our focus have not been networking during this thesis we have chosen to talk about networking in our empirical findings, although we think it is important to mention that the firm of RB is included in the large network “The Lodge” and is the “hub” within the network. 14 companies are included in the network and around 100 employees.

The information below summarizes the new findings that we have explained above;

- The age of firm and the number of founders need to be taken into consideration when it comes to looking at what impact the founder/top manager’s characteristics and EO have on the born global firm’s innovation and outcome.

- Relations are something that should be kept in mind when talking about prior international experience since it is possible to get international experience from the relations with international customers, foreign staff and being surrounded by multicultural society. This can also increase the understanding of cultural differences.

- It is important to take the brand image/brand position into consideration when talking about proactiveness. Having a strong brand image can lead to a lower level of proactiveness since these firms can receive requests for opportunities from new customers.

- Networking is important for all firms, especially for those firms that are located in non-metropolitan areas. Networking can have an impact on innovation, knowledge and outcome as a whole. Firms involved in networking can gain new inputs such as, discovering more opportunities, becoming more creative and gaining new knowledge.

6.3 Managerial implications

By doing this study we have managed to come up with five suggestions and recommendations for born global firms and its managers.

- **Activities that stimulates creativity and innovation** – Since it is crucial for born global firms to be innovative, we strongly recommend all born global firms to implement activities that stimulate the creativity and innovation. Those activities can be done on all the levels within the firm; individual, group, and the firm as a whole. Such activities can be that employees within the firm can visit different conferences and undertake educational courses; it
can also be to travel abroad and get inspiration and motivation from new surroundings. We also recommend all the firms and managers to implement a creative working environment and to motivate the employees to come up with ideas. It is also important that the employees do not hesitate to introduce their ideas to the other employees.

- **Risk analysis in paper format** – According to previous research and our study, born global firms tend to be risk-takers, the born global firms also tend to have higher risk-tolerance than domestic firms. Although the interviewed firms are risk-takers none of them did a risk-analysis in paper format, instead they trusted their gut feeling and did the analysis in the head. We suggest that the born global firms should do a risk analysis in paper format because it will give them a clear picture of the risks; it will also provide better historical information. Doing a risk analysis in paper format will also help the firm to get a better overview of the risks as the firms grow and develops.

- **Being proactive** – Being proactive is important since it allows born global firms to seek and identify opportunities. As we have discovered, some of the firms had lower proactiveness than the others as they managed to build a strong brand image, which allowed them to become more selective. We in this case recommend the born global firms to always be proactive since the competition can increase, which can force them to be aggressive when searching for opportunities since the firm’s competitive advantages can decrease.

- **Delegation** – In order for the firm to grow, expand and become more innovative, it is important to delegate responsibility and give the employees or seniors the power to make decisions. The reason for recommending delegation is because we believe that is not enough with just one person making all the decisions, coming up with products or identify new opportunities. It is important to have a firm that operates on a firm level, where everyone focuses and works towards the same goals, where the firm can be seen as one firm rather than the owner’s firm and employees as just the workers.

- **Collaboration** – We would recommend the firms to work more closely with their customers and allow the customer be involved within the process of developing new products and services. This will allow the firm as well as the customer to share ideas and vision with each other.

### 6.4 Limitations and suggestions for Further Research

Since we interviewed three born global firms we do not believe it is possible to make any generalizations due to the limited number of firms. We believe that more firms should be researched in order to make generalizations.

Due to the fact that we could find a pretty big research gap when it comes to the impact of the founder/top manager’s characteristics on the born global firm’s innovation and outcome, and EO within the born global context, we believe that more research should be done within these research gaps in order to better fulfill these gaps.
Although, we think that our study has contributed with some new findings but as mentioned above we think it is important to enlarge the number of interviews even though we believe that our empirical findings are trustworthy. It would also be very interesting to do a longitudinal study, to see if the impact of founder/top manager’s characteristics and EO on the born global firm’s innovation and outcome change as the firms become more mature. We could also see that networking seemed to have a high impact on the born global firm’s innovation and outcome, both in terms of founder/top manager’s characteristics and EO. Therefore, we would suggest looking at the impact of networks more thoroughly when it comes to innovation and outcome.

Regarding EO, the most common way is to measure the different levels of the elements is by doing a quantitative study. This was a bit challenging for us, but we strongly believe that we succeeded in exploring the elements impact through this thesis by using a qualitative design in our study. Therefore, we believe it will be possible for future researchers to use a methodological triangulation. Although, we could see that it could have been a good idea to interview employees from different positions when asking about the three elements of EO in order to get a picture of what they thought and see if the level of EO was the same as the founder/top manager stated. Since we only considered founders/top managers characteristics in terms of prior international experience, ability to identify opportunities in foreign markets, higher-risk tolerance, and understanding for different cultures, we think it could be a good thing for future researchers to focus more on the personality of the founder/top manager.

As mentioned in the methodology chapter, we believe it will be possible to transfer our findings to other non-metropolitan areas in Sweden. We also think it might be possible to transfer our findings to domestic SMEs to some extent since they have some similar characteristics as the born global firms. We strongly believe that we have managed to deliver trustworthiness and authenticity while doing this study.
References


Appendix 1: Interview Guide (English)

1. About the firm

- You are the owner and founder of xxxx. Can you talk about corporate history. In broad terms. From its inception to the present day.
- Who are the owners of the company?
- What products/services are developed/sold?
- Which customer segments? Give example of a typical customer.
- Which markets? Region and national? International/export?
- Your own background. Education, jobs, international experience.

1.1 Drivers for internationalization

- Tell me about the idea/ambition to go international
- Who were the three most important / biggest challenges / obstacles that needed to be "solved" before starting?

1.2 The model for internationalization

- Is it possible to identify different phases / steps in your process of internationalization. What are the characteristics in each of these steps?
- Challenges during different phases?

1.3 Collaboration

- A company is almost never working alone. They are often involved in various formal or informal, temporary or permanent relationships or networks. Could you list the major networks for your company?
- In what functions are networks of particular importance to you? E.g. marketing, sales, Internationalization, production, purchasing, human resources, technology development.
- Social / private networks. What roles have these?
- Support agencies. What roles have these?
- Investors. What roles have these?
- Have the networks role changed over the internationalization process? If so, how?
- Do you feel that there may be negative aspects of working together with others that complicate the process of internationalization?
2. Founder/top manager characteristics

- How do you as an individual identify business opportunities in foreign markets? Why?
- How do you as individual view risk-taking? Why?
- How do you as an individual view cultural difference? Why?

3. Entrepreneurial Orientation

Innovativeness

- How does the firm identify and create creativity? Why?
- How many new product(s) (lines) have the firm launched/marketed since the start? Why?

Risk-taking

- How does the firm view risk-taking?
- How much effort does the firm dare to put into risky project?

Proactiveness

- How does the firm identify business opportunities? Why?
- How does the firm react on external uncertainty? Why?

4. Innovation

- How does the innovation process look like? Why? Where does the ideas come from?
- How do you as an individual view innovation?
- How do your characteristics as a founder/top manager influence the innovation of the firm?
- What strategy does the firm use in order to compete with competitors?

5. Outcome

- How do your characteristics as a founder/top manager affect the last line in the income statement?
- How does the entrepreneurial orientation in terms of innovativeness, risk-taking and proactiveness affect the income statement?
Appendix 2: Interview Guide (Swedish)

1. Om företaget

- Vilka ägare finns till företaget?
- Vilka produkter/tjänster utvecklas/säljs?
- Vilka kundsegment. Beskriv en typisk kund
- Vilka marknader? Region och nationellt? Internationellt/export?
- Din egen bakgrund. Utbildning, arbeten, internationella erfarenheter (innan).

1.1 Ambitionen att gå ut internationellt

- Berätta om tanken/ambitionen att gå ut internationellt
- Vilka var de 3 största utmaningarna som behövde ”lösas” innan start?

1.2 Modellen för internationalisering

- Är det möjligt att identifiera olika faser/steg i er internationaliseringsprocess? Vad kännetecknar i så fall dessa steg?
- Utmaningar under olika faser.

1.3 Samverkan

- Skulle du kunna lista de viktigaste nätverken för eft företag.
- Inom vilka funktioner är nätverk särskilt viktiga för er, t ex inom marknad, försäljning, internationalisering, produktion, inköp, personalfrågor, teknikutveckling?
- Vilka typer av resurser har nätverksrelationerna bidragit med som haft betydelse för er internationalisering?
- Vilken roll har sociala/privata nätverk?
- Vilken roll har support agencies för er?
- Vilken roll har investerare?
- Har nätverkens betydelse förändrats under internationaliseringsprocessens gång? I så fall hur?
- Upplever du att det kan finnas negativa aspekter med att arbeta tillsammans med andra som försvårar internationaliseringsprocessen.
2. Kännetecken grundare/toppchef

2.1 Identifiering av möjligheter

- Hur identifierar du som grundare/VD affärsmöjligheter utomlands? Varför?

2.2 Högre risktolerans

- Hur ser du som grundare/VD på risktagande?

2.3 Förståelse för kulturella skillnader

- Hur ser du som grundare/VD på kulturella skillnader? Varför?

3. Entreprenöriell orientering

3.1 Risktagande

- Hur ser företaget på risktagande?
- Hur mycket vågar ni satsa på riskfyllda projekt?

Proaktivitet

- Hur reagerar företaget affärsmöjligheter? Varför?
- Hur reagerar företaget på extern osäkerhet? Varför?

Innovationsförmåga

- Hur identifierar och skapar företaget kreativitet? Varför?
- Hur många nya produkter årligen har företaget lanserat sen start?

4. Innovation

- Hur ser företagets innovationsprocess ut? Var ifrån får ni idéerna?
- Vilken strategi använder företaget för att konkurrera med konkurrenter?
- Hur ser du som grundare/VD på innovation? Varför?
- Hur påverkar du som grundare företagets innovation?
5. Outcome

- Hur påverkar dina egenskaper/kännetecken som grundare/VD företaget sista raden på resultaträkningen?
- Hur påverkar den entreprenöriella orienteringen (innovationsförmåga, risktagande och proaktivitet) sista raden på resultaträkningen?