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## The success of born global firms: a conceptual model

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**Abstract:** The purpose of this paper is to establish research propositions in the context of born global firms' behaviour and success. The literature on born global, available in major databases such as ABI/INFORM, Ebscohost and Emerald, has been reviewed with an aim to study born global firms' behaviour and identify the research gaps. A conceptual model with the entrepreneurial cognition and motivation as the antecedents of entrepreneurial behaviour has been established, and nine research propositions are suggested to fill the research gaps in the literature. This study contributes in three major ways. First, it integrates the key theoretical paradigms and establishes their relationships with born global firms' behaviours. Second, it identifies the research gaps and develops a conceptual model. Third, it shows the critical factors required for the success of born global firms. Future research is recommended to empirically test the proposed model and to determine the validity of this model.

**Keywords:** born global; firm performance; networking; resources and capabilities.

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## 1 Introduction

The term ‘born global’ came into existence in 1993 in the original work produced by the McKinsey Consulting Company on behalf of the Australian Government. The term ‘born global’ is synonymous with global start-ups, international new ventures (Oviatt and McDougal, 1994) and born global (AMC and McKinsey and Company, 1993; Knight and Cavusgil, 1996; Madsen and Servais, 1997). The born global firms begin exports within two years of their establishment. The born global is defined as the firms that “as business organizations, from inception, seek to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries” (Oviatt and McDougal, 1994, p.49). It has also been defined as the firm that reaches foreign sales of at least 25% within three years of their establishment (Knight and Cavusgil, 1996). Research states that “born globals begin exporting one or several products within two years of their establishment and tend to export at least a quarter of total sales. They tend to be small manufacturers, with average annual sales usually not exceeding \$100 million” (Andersson and Wictor, 2003, p.252). However, a recent study simplifies the definition and states that born globals are companies that discover and exploit opportunities in multiple countries from inception (Melen and Nordman, 2009).

These definitions of born global clearly show a more substantive contrast to the traditional stage models including the Uppsala internationalisation model or the U-model (Johanson and Wiedersheim, 1975; Johanson and Vahlne, 1977) and the Innovation model or the I-model (Cavusgil, 1980). The conventional stage theories emphasise the need to build up the domestic base thoroughly before entering the international arena, and posit that internationalisation is a gradual process. However, born global firms’ approach is accelerated internationalisation process soon after their inception.

Studies to date have explored the born global phenomena using various theoretical frameworks. For example, network theory and evolutionary economics (Madsen and Servais, 1997); knowledge-based internationalisation process theory and learning through network approach (Sharma and Blomstermo, 2003); resource-based view, knowledge-based view and the network perspective (Freeman et al., 2009); knowledge-based view and international entrepreneurship theory (Melen and Nordman, 2009); resource-based view and strategic behaviour theory (Porter’s generic strategies) (Knight and Cavusgil, 2005); dynamic capabilities view of competitive strategy (evolved from resource-based

view) and organisational learning theory (Weerawardena et al., 2007); and resource-based view, network-based view and organisational learning theories (Gabrielsson, 2005) dominate the current studies. Researchers have used a number of multidisciplinary approaches to study born global firms' behaviours. However, these approaches lack integration. One of the purposes of this study is to integrate various approaches used to understand born global firms' behaviours. Furthermore, this study attempts to identify research gaps in the literature, particularly with respect to the antecedents and consequences of the born global firms' behaviours.

## **2 Theoretical frameworks to study born global**

The overt born global literature starts with Rennie (1993) with the study of Australian SMEs that are able to expand rapidly into global markets and to make an important contribution to the export income of Australia. In a study of 300 Australian manufacturing firms, Rennie (1993) found that there is a new breed of firms successful in world markets without having an established domestic base. These findings are contradictory to the traditional internationalisation theories, such as Uppsala model (Johanson and Wiedersheim, 1975; Johanson and Vahlne, 1977; Johanson and Vahlne, 1990) and the Innovation model (Bilkey and Tesar, 1977; Reid, 1981). The subsequent literature on born globals is not large. Since the study of Rennie (1993), the current studies have been trying to understand the behaviour of born global firms (Oviatt and McDougal, 1994; Madsen and Servais, 1997; Moen, 2002; Gabrielsson and Kirpalani, 2004; Knight and Cavusgil, 2004; Knight et al., 2004). The extant literature on born global can be classified into two major categories: conceptual and empirical. Appendix 1 shows the critical studies on born global and a brief summary of those studies. The emergence of born global firms is the importance of niche markets offered to newer firms, advances in electronic process communication technology and flexibility and adaptability of approach of doing business (Rennie, 1993; Knight and Cavusgil, 1996). Moen (2002) stated three major reasons to justify the importance of research on born global firms. First, the failure of traditional internationalisation theories to explain the behaviour of born global firms' results to further examination of the theoretical background of the phenomenon. Second, born global firms are innovation driven with potential for extreme growth. These factors make the research on born global firms prominent. Third, an increasing number of firms start their global journey early in their operations. This has been evidenced by studies based on Canadian samples (Preece et al., 1999), US and Denmark samples (Knight and Cavusgil, 2004). The following paragraphs describe a brief summary of the perspectives that have been used to understand born global phenomena.

First, the resource-based perspective of the firm has been used by many studies as an attempt to explain born global firms' behaviour (Knight and Cavusgil, 2004; Knight and Cavusgil, 2005; Weerawardena et al., 2007; Gabrielsson et al., 2008; Freeman et al., 2009). The resource-based perspective argues that the firm's foundational resources are particularly important in diverse business environments. This is because they provide a stable basis for strategy development. Knowledge possessed by a born global firm, in this process, plays a critical role in resource-based perspective (Knight and Cavusgil, 2004).

Thus, this perspective focuses on the internal resources and capabilities of the firm as the fundamental source of competitive advantage (Wernerfelt, 1984; Wernerfelt, 1995; Knight and Cavusgil, 2005). The resource-based perspective considers the firm as having a bundle of resources consisting of physical (capital), human (labour) and intangible assets (managerial and technological skills) that lead firms' success in international markets. For example, research finds that one of the important motives for international expansion is the reduced cost of production (Julian and Ali, 2009). These resources offer potential competitive advantage to born global firms through the products and/or services they provide, with the consequence of improved firm performance.

Second, the knowledge-based perspective to study born global firms' behaviour has been profound in the extant studies (Sharma and Blomstermo, 2003; Freeman et al., 2009; Melen and Nordman, 2009); in fact, this perspective is complementary to the resource-based perspective. The U-model states that the firms' internationalisation process is driven by their knowledge-base (Johanson and Vahlne, 1977). Firms accumulate institutional knowledge, business knowledge and internationalisation knowledge through foreign exposure (Eriksson et al., 1997; Sharma and Blomstermo, 2003). Institutional knowledge concerns knowledge on foreign institutions and the current rules and regulations. Business knowledge includes knowledge on clients, their needs and their decision-making process. Internationalisation knowledge refers to the internal resources of the internationalising firms (Yu, 1990; Eriksson et al., 1997; Sharma and Blomstermo, 2003). Thus, knowledge-based perspective emphasises on the firms' strengths and weaknesses, the international customers and the foreign markets' opportunities and threats.

Third, the network-based approach to study born globals has been applied in many studies (Madsen and Servais, 1997; Sharma and Blomstermo, 2003; Gabrielsson et al., 2008; Freeman et al., 2009). The firm develops international business networks in three different ways: the establishment of relationships in country networks that are new to the firm; the development of relationships in those networks that are known to the firm; and the integrating networks in different countries by using the existing relationships of the firm as bridges to other networks (Madsen and Servais, 1997). Smaller born global firms rely on social and business networks to develop inter-firm partnerships to overcome their lack of experience and to provide them with knowledge about new foreign markets (Freeman et al., 2009). Research acknowledges that the U-model, especially in the context of network building, does not capture important phenomena in the modern internationalisation business world (Johanson and Vahlne, 2003). In a recent study, similar results are also obtained that shows that communication frequency does not contribute much to predict levels of trust among management teams of some international joint ventures (Julian et al., 2010). Thus, Johanson and Vahlne (2003) develop a revised internationalisation-network model based on an experiential, learning–commitment interplay. While the revised internationalisation-network model provides some indication of how networks are used by born global managers, one recent study states that this revised model does not explain rapid internationalisation process (Freeman et al., 2009). Addressing this limitation, Freeman et al. (2009) outlined a new model for rapid knowledge development through technological experience/knowledge, which better explains accelerated internationalisation. While Johanson and Vahlne

(2003) emphasised on market specific experience and operational experience, Freeman et al. (2009) emphasised on technological experience/knowledge. Studies demonstrated that rapidly growing born global firms have relied on networking and the internet or selected a few large multinational enterprises as partners in order to develop and expand their businesses (Gabrielsson and Kirpalani, 2004; Gabrielsson et al., 2008).

Fourth, the evolutionary economics approach has been used in some studies to explain the born global phenomena (Madsen and Servais, 1997; Knight and Cavusgil, 2004). This approach explicitly describes innovation process (Knight and Cavusgil, 2004). The evolutionary economic view implies that the superior ability of certain firms leads to maintain innovation and, as a result, create new knowledge. Subsequently, these lead to the development of organisational capabilities, consisting of critical competences and embedded routines. These resources, in turn, lead to superior performance, particularly in highly competitive or challenging environments (Nelson and Winter, 1982; Knight and Cavusgil, 2004).

Fifth, the phenomenon of born global firms has been interpreted within the framework of international entrepreneurship. This framework focuses on the formation of the born global firms and their initial internationalisation process (Melen and Nordman, 2009). International entrepreneurship is a combination of innovative, proactive and risk seeking behaviour that crosses national borders and is intended to create value in organisations (McDougall and Oviatt, 2000). Oviatt and McDougall (2005) in another study define international entrepreneurship as the discovery, enactment, evaluation and exploitation of opportunities across national borders to create future goods and services. Their study developed a conceptual model of various forces influencing internationalisation speed of born global firms. The model shows that entrepreneurial perceptions are affected by technology, opportunity and competition. The effect of entrepreneurial perceptions is internationalisation speed, moderated by knowledge and network relationships.

Sixth, strategic behavioural theory has also been examined to comprehend the born global phenomena. One empirical study confirms that performance in international markets is a function of business strategies in terms of global technological competence, unique products development, quality focus and leveraging foreign distributor competences. These business strategies are somehow affected by international entrepreneurial orientation and international marketing orientation (Knight and Cavusgil, 2004). In this study, the authors show relationships among born global firms' orientations, strategies and international performance. This study shows that international entrepreneurial orientation and technological orientation together with Porter's generic strategies affect born global firms international performance. Knight and Cavusgil's (2004) study found four clusters of born global firms that performed differently in international markets. The high-performing cluster is the firms with a far broader scope of strategic activities than any other cluster, followed by the firms that are strong in technological leadership. The third cluster is the firms that maintain cost leadership. The worst performance cluster of firms is those lacking strategic direction. Thus, the strategic directions affect born global firms' success.

Seventh, the dynamic capabilities view of studying born global firms' behaviour is rooted in Strategic Management. The framework analyses the sources and methods of wealth creation and capture by private enterprise firms operating in environments of rapid

technological change. This approach emphasises on the development of management capabilities and the combinations of organisational, functional, technological skills (Teece et al., 1997). The dynamic capabilities view has been evolved from the static resource-based view of competitive strategy. This approach suggests the need to distinguish capabilities from resources, and stresses on the importance of the dynamic processes of capability building in gaining competitive advantage (Weerawardena et al., 2007). Dynamic capabilities change the firm's bundle of resources, operational routines and competencies, and affect economic performance (Helfat and Raubitschek, 2000; Zollo and Winter, 2002). The building of dynamic capabilities involves processes that are knowledge-based and are instrumental in knowledge creation, integration and configuration. The dynamic capabilities view assigns a prominent role to the entrepreneurial decision-makers in the formulation and implementation of competitive strategy. The dynamic capabilities view captures the role of knowledge in the accelerated internationalisation process of born global firms (Weerawardena et al., 2007).

Eighth, the organisational learning approaches of born global firms are an issue of emerging interest. Organisational learning approaches have been adopted to explain the born global firms' internationalisation processes (Eriksson et al., 2000; Weerawardena et al., 2007). Organisational or entrepreneurial learning deals with the identification and exploitation of opportunities. Successful born global firms devote active efforts to collecting and generating market-related intelligence to identify and exploit opportunities (Gabrielsson et al., 2008). Thus, organisational learning process is a blend of firm's networking ability, entrepreneurs' knowledge and experience.

### **3 Summary and research gaps**

Researchers have used a number of multidisciplinary approaches to study the born global phenomena. Yet there are some limitations in the extant literature. First, the literature in relation to born global firms' behaviours lacks integration. Various theoretical perspectives have been employed to explain born global firms' behaviours. However, some of these theoretical perspectives overlap. For example, the evolutionary economics approach focuses on creating new knowledge and as a result firms achieve greater organisational capabilities and superior performance in a competitive international business arena. Thus, the root of evolutionary approach is knowledge creation (or knowledge-based approach). Second, following the definition of international entrepreneurship and conceptual findings of Oviatt and McDougall (2005), this study finds that the international entrepreneurship approach to study born global phenomena is a blend of resource-based view, knowledge-based view and network or technology-based view. Third, the dynamic capability approach emphasises on managerial, technological, organisational and functional capabilities especially in a rapidly changing business environment. Although the dynamic capabilities view has been evolved from resource-based view, this approach is also a blend of technology/knowledge-based approach and firms' strategic behavioural approach. Fourth, the study of Gabrielsson et al. (2008) implies that the organisational learning approach is a blend of entrepreneur's knowledge, skills and experience, and networking ability. These integrations lead us to three critical theoretical perspectives for studying entrepreneurial behaviour; namely, entrepreneurial resources, entrepreneurial knowledge and entrepreneurial network.

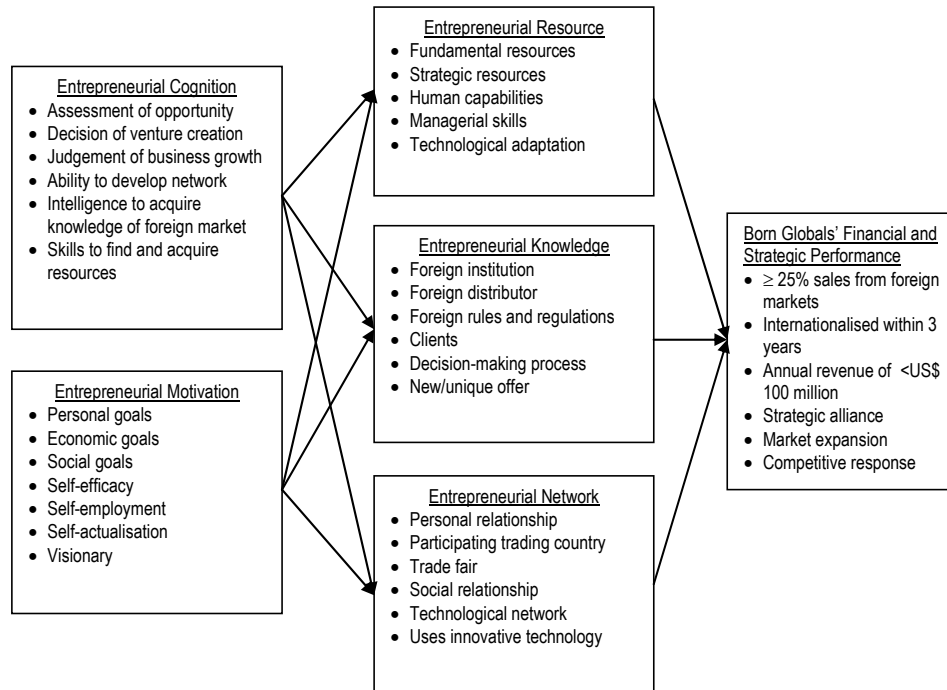
The second limitation of the current literature is the lack of examination of the antecedents of born global firms from the perspective of managerial behaviours. Entrepreneurial Cognition and Motivation (ECM) offers multiple advantages that can enrich the understanding of born global firms' behaviour. Entrepreneurial cognitions are defined as "the knowledge structures that people use to make assessments, judgments, or decisions involving opportunity evaluation, venture creation, and growth" (Mitchell et al., 2002, p.97). One study states that a cognitive approach may be fruitful in studying behaviours of born global and established companies (Zahra et al., 2005). Zahra et al.'s (2005) conceptual study suggests that a cognitive perspective can induce greater depth and variety into future international entrepreneurship research. Studies state that all human actions are the result of both motivational and cognitive factors (Locke, 2000; Shane et al., 2003). While the cognitive factors include ability, intelligence and skills, the motivation category is a combination of goals, self-efficacy and vision (Baum and Locke, 2004). Human motivation plays a critical role in the entrepreneurial process by determining the selection and effective execution of the various activities necessary to create the firm and build its international operations (Locke, 2000; Shane et al., 2003). As born global firms learn by doing from their successes as well as failures, understanding ECM can be contributing to explain born global phenomena.

Third, the measurement of born global firms' performance focuses only on the financial performance. The strategic performance aspect remains untouched. Business performance in the marketing literature has been rooted in the concept of microeconomics such as profit maximisation (Styles, 1998). Profit is said to be maximised when marginal revenue is equal to or greater than marginal cost. As a result, one of the streams of international marketing performance is concerned with the measure of profit, such as return on investment and profit-to-sales ratios. Another stream of international marketing performance is focused on sales-driven measures such as sales growth and market share (Day and Wensley, 1988). However, the microeconomics focus is one dimensional. As argued by Cavusgil and Zou (1994, p.4), "a firm usually initiates an export venture with a number of objectives, which can be financial (i.e. profits, sales, or costs) and/or strategic (i.e. market expansion, competitive response, gaining a foothold in a foreign market, or increasing the awareness of the product/firm)". Cavusgil and Zou (1994) suggested that marketing performance is a multidimensional process. Most researchers have advocated a multidimensional approach in order to enhance the validity of the construct in recent years (Cavusgil and Zou, 1994; Chaudhuri, 1999; Calantone and Knight, 2000; Reid, 2002; Wong and Merrilees, 2007). Multidimensional measure of a firm's performance, including both financial and strategic aspects, can potentially provide a more comprehensive understanding of born global firms' performance.

#### **4 The research propositions**

This study develops three major research gaps and nine research propositions (see Figure 1) after carefully examining the current literature on born global. The research propositions are the linkages of various constructs that affect born global firms' financial and strategic performance.



**Figure 1** The conceptual model

Entrepreneurial activities create new jobs and that lead to sustained growth through development of new products and technologies, new uses of the same resources and/or new method of production (Ahmed et al., 2011). While entrepreneurial success in the context of born global is dependent on the intellect of the entrepreneur, business performance success is the outcome of the firm's degree of market orientation (Ahmed and Krohn, 1994; Julian, 2010). Entrepreneurs perceive risks in various ways. Their personal traits define business risks and search for opportunities from a broader environment. Their perceptions of risks and opportunities also differ extensively. That is why some people are entrepreneur of successful born global firms. The cognitive perspectives of entrepreneurs may provide important insights about perceptions, learning and reasoning of available resources, networks, technologies and strategies of the born global firms operating in a dynamic international environment. The current literature also emphasises on the understanding of mental constructs and psychological influences that impact on international marketing of products and/or services (Zbib et al., 2010). Research states that "human endeavours, especially complex activities such as new venture initiation, are a result of people's cognitive processes" (Segal et al., 2005, p.44). Therefore:

*Proposition 1: Entrepreneurial cognition has a positive relationship with entrepreneurial resources (resource-based perspective) of born global firms.*

*Proposition 2: Entrepreneurial cognition has a positive relationship with entrepreneurial knowledge (knowledge-based perspective) of born global firms.*

Proposition 3: *Entrepreneurial cognition has a positive relationship with entrepreneurial networks (network/technology-based perspective) of born global firms.*

Achievement and evaluation process of entrepreneurial resources, knowledge and networks are dynamic. These are developed through one's experience, capability and motivation. Although the current literature on born global's resource-based view, knowledge-based view and network-based view have greatly enhanced our understanding of entrepreneurial activities; these perspectives ignore the role of human faculty. Entrepreneurial success in terms of born global firms depends on willingness to become an entrepreneur, primarily, meaning that the passion to become an entrepreneur may lead a born global firm to succeed. Its success also depends on the decisions that entrepreneurs make. The role of human motivation in the creation of new organisation and entrepreneurial process especially with regard to international entrepreneurship research has been stressed in the extant literature (Herron and Sapienze, 1992; Kuratko et al., 1997; Shane et al., 2003; Segal et al., 2005). However, the role of entrepreneurial motivation with regard to born global still needs attention. These lead to the following propositions.

Proposition 4: *Entrepreneurial motivation has a positive relationship with entrepreneurial resources (resource-based perspective) of born global firms.*

Proposition 5: *Entrepreneurial motivation has a positive relationship with entrepreneurial knowledge (knowledge-based perspective) of born global firms.*

Proposition 6: *Entrepreneurial motivation has a positive relationship with entrepreneurial networks (network/technology-based perspective) of born global firms.*

Empirical findings state that motivation and organisational factors have direct effects on new venture performance (Baum et al., 2001). One study measures born global firms' business performance using three years' export growth, profitability growth and sales growth (Zhou et al., 2007). This study examines the mediating role of social networks between outward and inward orientation and business performance of the born global firms of China. Another study defines venture growth in terms of six years' sales and employment (Baum and Locke, 2004). This study finds that entrepreneurial traits, skills and motivations contribute to venture growth. Knight and Cavusgil (2004) define born global's performance as market share, sales growth and pre-tax profitability. This study shows that born global firms' performance is affected by its technological competence, unique products development, quality focus and leveraging foreign distributor competences. The authors describe these four factors as business strategies.

The success of a born global firm depends on entrepreneurial lenses to find and utilise resources, knowledge and network/technology. In international business, knowledge provides particular advantages that facilitate foreign market entry and operations (Knight and Cavusgil, 2004). Knowledge also facilitates to discover and utilise networks and resources. The recent technological advances have dramatically improved communication, production and transportation in a global market place. The advancement of network technologies (e.g. Information Technology) facilitates the expansion of new markets, where companies can compete or act as a supply chain partner within a framework (Thurasamy et al., 2009). Thus, business networks and resource acquisition have become easily accessible to born global firms. It can be argued that cognition and motivation of

entrepreneurs drive born global firms to define and acquire global resources, build knowledge structure and networks, which in turn affect born global firms' performance in a global market place. Therefore:

*Proposition 7: Entrepreneurial resource (resource-based perspective) has a positive relationship with born global firms' strategic and financial performance.*

*Proposition 8: Entrepreneurial knowledge (knowledge-based perspective) has a positive relationship with born global firms' strategic and financial performance.*

*Proposition 9: Entrepreneurial network (network/technology-based perspective) has a positive relationship with born global firms' strategic and financial performance.*

In summary, the research model integrates three major theories explaining born global firms' behaviours backed by entrepreneurial cognition and entrepreneurial motivation that can potentially explain born global phenomena, especially, in the context of born global firms' success.

## **5 Managerial implications**

"Born global firms are emerging in substantial numbers worldwide, and reflect an emergent paradigm" (Varma, 2011, p.238). A number of studies attempted to explain the born global firms' entrepreneurial motives and behaviours. Most of these studies are conceptual, and only a few are empirical case studies. It is evident in the current literature that there is a lack of theoretical integration in born global studies. The current study attempts to explain born global firm's motives, behaviours and success utilising various theories, particularly in the field of international entrepreneurship and/or business. The current study develops a theoretical model and emphasises on determining its predictability and validity using quantitative modelling. In a nut shell, this model can contribute both in terms of advancing the current literature and managerial practice. Particularly, there are two major managerial implications: first, the entrepreneurs and/or managers of the born global firms should be able to identify the critical skills, knowledge, resources and abilities required for the success of their born global firms; Second, they will be able to identify the critical tools to measure each of the aspects that determine the success of born global firms.

An entrepreneurial environment cannot be developed and strengthened by the entrepreneurs alone (Ahmed et al., 2004). The public and private sectors should work together to improve the forces of entrepreneurial environment. The success of born global firms is directly dependent on entrepreneurial resources, networks and knowledge (see Figure 1). Therefore, it is recommended that both private and public sectors should provide training and build necessary infrastructure for the born global entrepreneurs.

Born global entrepreneurs and managers should extensively search for cross-border relationships in order to develop and strengthen the base of the born global firms in international markets. The current literature finds that cultural and ethnic differences do not pose a barrier to form international joint venture (Julian and Ahmed, 2009). Thus, in this context, joint venture and franchising are some of the many options open to born global firms.

## 6 Conclusion, limitations and future research

A number of studies from a variety of theoretical perspectives contribute to explain born global phenomena in the past 17 years. A review of the current literature on born global shows that some theoretical perspectives are randomly used to explain born global phenomena. The present study has integrated various perspectives and identified three major theoretical perspectives that can shed light on the born global firms' behaviours. These are entrepreneurial resources, entrepreneurial knowledge and entrepreneurial network. Using these three theoretical perspectives as an anchor, this study has identified two research gaps. One is the antecedent of the born global firms' behaviours from managerial behaviour perspective. Another is the lack of study to examine the born global firms' strategic performance. A conceptual model that can potentially fill the research gaps has been developed. Nine research propositions have been suggested to explain the relationships between the constructs in the model. Propositions 1–6 are related to the antecedents of born global firms' behaviours; and Propositions 7–9 are related to firms' performance. As this is a conceptual study, future research should employ in-depth interviews to strengthen the model, and develop and purify the items for each of the constructs. Future research should empirically test this model and determine the validity of this model.

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**Appendix 1: Summary of the extant literature**

<i>Authors (year)</i>	<i>Types of paper</i>	<i>Country of study</i>	<i>Findings</i>
Rennie (1993)	Empirical	Australia	Born global firms are successful without an established domestic base.
Oviatt and McDougall (1994)	Conceptual	N/A	Identification of the emergence of born global firms and their classifications.
Knight and Cavusgil (1996)	Conceptual	N/A	Research gaps are identified: (a) framework for studying born global firms. (b) causal model that can explain and validate the existence of born global firms. (c) factors associated with born global firms that account for superior performance.
Madsen and Servais (1997)	Conceptual (Literature Review)	N/A	Formulates seven propositions for born global firms with regard to antecedents, consequences, nature of the business, geographical location, network, innovation and size of domestic market. A research model has been proposed.
Moen (2002)	Empirical	France/Norway	Newly established highly motivated born global firms possess similar global orientation, export strategy, competitive advantages and market situation as the old global firms.
Moen and Servais (2002)	Empirical	Norway, France and Denmark	This study examines a key element of the stage models of internationalisation process – the existence of a gradual development. The study finds that export intensity, distribution, market selection and global orientation are not influenced by the firms' first year of exporting activity. The findings also state that the time period between establishment and export commencement was less than two years. In terms of export intensity, some firms outperformed those that waited several years before exporting. Thus, this study questions the gradual development process of internationalisation process.
Gabrielsson and Gabrielsson (2003)	Conceptual	N/A	Distinguished the product and marketing strategies of born global firms and globalising internationals. Proposed hypotheses relating to born global firms product and marketing strategies
Andersson and Wictor (2003)	Empirical (Case studies)	Sweden	Factors affecting born global firms include entrepreneurs, industry, globalisation and network.
Sharma and Blomstermo (2003)	Empirical (one-case)	Sweden	This empirical study suggests that models emphasising 'knowledge-based behavioural internationalisation process' and 'learning through networks' are suitable for studying born global firms' behaviour.



**Appendix 1: Summary of the extant literature (continued)**

<i>Authors (year)</i>	<i>Types of paper</i>	<i>Country of study</i>	<i>Findings</i>
Knight and Cavusgil (2004)	Empirical	USA	International entrepreneurial and marketing orientations affect each of the key organisational capabilities (technological competency, unique product, quality focus and leveraging foreign distributor competencies). Each of the organisational capabilities determines born global international performance.
Knight and Cavusgil (2004)	Empirical	USA	Marketing orientation affecting unique product development, quality focus and leveraging foreign distribution competences; international entrepreneurial orientation influencing global technological competence, unique product development and quality focus; global technological competence, unique product development, quality focus and leveraging foreign distributor competences affecting performance; global technological competence, unique products development, quality focus and leveraging foreign distributor competences affecting firm performance.
Knight et al. (2004)	Empirical	USA/Denmark	Born global firms' international performance enhanced in the wake of managerial emphasis on foreign customer focus and marketing competence.
Gabrielsson and Kirpalani (2004)	Conceptual	Israel/Finland	Emphasises on the importance of channel members, networks and/or the internet.
Chetty and Campbell-Hunt (2004)	Empirical (16 in-depth historiographic case research)	New Zealand	The two views of internationalisation: the traditional views (the Uppsala model and the Innovation model) and the born global views are examined. Critical features for these two views are developed. The study suggests to consider several other theories, for example entrepreneurship theory, network approach to further improve understanding of born globals.
Gabrielsson (2005)	Empirical (Case study)	Finland	The experience, qualities and global orientation of the founder and the top management team important for the success of the born global firms in their branding achievements.
Knight and Cavusgil (2005)	Empirical	USA	Better international business performance in born global firms tends to be associated with entrepreneurial orientation, technological leadership, differentiation and focus strategies.

**Appendix 1: Summary of the extant literature (continued)**

<i>Authors (year)</i>	<i>Types of paper</i>	<i>Country of study</i>	<i>Findings</i>
Knight and Cavusgil (2005)	Empirical	USA	Strategic behaviour theory (Porter's generic strategies) and the resource-based view are examined. Developed measures (scales) for orientations (international entrepreneurial orientation and technological leadership), generic strategies (differentiation, focus and cost leadership) and international performance.
Gabrielsson (2005)	Empirical (Descriptive-analytical)	Finland	This study develops four propositions and empirically examines the branding strategies of born globals in terms of their origin, resource constraints and vision.
Luostarinen and Gabrielsson (2006)	Empirical	Finland	The study answers four critical issues: (a) the major distinctions of business development process between born global firms and non-born global firms; (b) the major distinctions of product, operation mode and market strategies in born global and non-born global firms; (c) the major distinctions of marketing mix strategies in born global and non-born global firms; and (d) the major challenges occurring from these distinctions and solutions to those challenges.
Weerawardena et al. (2007)	Conceptual	N/A	The dynamic capabilities view (evolved from resource-based view) of competitive strategy and organisational learning theory are combined to study the factors leading to accelerated internationalisation of born global firms, and develops ten propositions.
Zhou et al. (2007)	Empirical	China	Social networks (home-based) play a mediating role between firms' internationalisation orientations (outward/inward) and firms' performance (export, profitability and sales).
Gabrielsson et al. (2008)	Empirical (Cases)	N/A	This study attempts to clarify the definition of born global and describes the three phases (introductory, growth and resource accumulation) of born global. The study develops seven propositions and states that successful born global passes through these three phases and develop risks, resource-based development, channel/network-based development and organisational learning.
Moen et al. (2008)	Empirical	Norway	This study develops four hypotheses and examines whether there is any significant difference among born global, local and mixed in financing the firms. The one-way ANOVA test results show that there is a significant difference in born global investors when comparing it to local and mixed investors. The study finds seven key differences.

**Appendix 1: Summary of the extant literature (continued)**

<i>Authors (year)</i>	<i>Types of paper</i>	<i>Country of study</i>	<i>Findings</i>
Melen and Nordman (2008)	Empirical (case)	Sweden	The study explores which internationalisation modes born global firms use during their initial and continued internationalisation. The study suggests that integrating knowledge-based internationalisation process theory and international entrepreneurship research can enhance the understanding of born global firms' continued internationalisation.
Rialp-Criado et al. (2009)	Conceptual (Literature Review)	N/A	Establishes theoretical relationships among born global, entrepreneurship and strategic management discipline; and shows born global strategy formulation process. This study develops five theoretical propositions.
Freeman et al. (2009)	Conceptual (Literature Review)	N/A	Establishes a theoretical model of rapid knowledge development for understanding the interrelationships of trust and inter-organisational codependency. Three theoretical perspectives are studied, the resource-based view, the knowledge-based view and the network perspective. The study develops seven propositions.
Chang-xing and Hai-yan (2009)	Empirical	China	The paper finds that the drivers of born globals rapid internationalisation are entrepreneurship-specific factor, network-specific factor and business-specific factor.