

Some Fundamental Issues in International Entrepreneurship

PATRICIA P. MCDOUGALL
Kelley School of Business
Indiana University
1309 E. Tenth Street
Bloomington, IN 47405-1701
Phone: (812) 855-7873
E-mail: mcdougal@indiana.edu

BENJAMIN M. OVIATT
Department of Management
P.O. Box 4014
College of Business Administration
Georgia State University
Atlanta, GA 30302-4014
Phone: (404) 651-3021
Fax: (404) 651-2804
E-mail: BenOviatt@gsu.edu

Submitted to:

Entrepreneurship Theory & Practice

July 2003

Some Fundamental Issues in International Entrepreneurship

Abstract

This paper explores four fundamental issues that deserve additional attention from scholars interested in international entrepreneurship. First, a reformulated definition of international entrepreneurship is presented that is consistent with the recent definition of entrepreneurship proposed by Shane and Venkataraman (2000). Second, several theoretical models and frameworks useful to the further development of international entrepreneurship are explored. Third, the important role of network theory is highlighted. Fourth, learning theory and knowledge management are shown to be core issues for international entrepreneurship scholars. The paper concludes with a call for international business and entrepreneurship scholars to produce more joint research.

Some Fundamental Issues in International Entrepreneurship

According to Zahra and George (2002) the term “international entrepreneurship” first appeared in a short article by Morrow (1988). It highlighted recent technological advances and cultural awareness that appeared to open previously untapped foreign markets to new ventures. Soon after that McDougall’s (1989) empirical study comparing domestic and international new ventures paved the way for academic study in international entrepreneurship. Building on popular business press interest in rapid internationalization (e.g., Brokaw, 1990; *The Economist*, 1992, 1993; Gupta, 1989, Mamis, 1989), Oviatt and McDougall (1994) provided a theoretical base for the study of international new ventures, which they defined as business organizations “that, from inception, [seek] to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries” (p. 49). Thus, international entrepreneurship began with an interest in new ventures.

As additional studies were conducted and articles published, interest in the arena increased, and the field of international entrepreneurship broadened from its early studies of new venture internationalization theory. For example, insightful studies on national culture (McGrath & MacMillan 1992; Thomas & Mueller, 2000), alliances and cooperative strategies (Steensma, Marino, Weaver, & Dickson, 2000; Li and Atuahene-Gima, 2001), small and medium sized company internationalization (Lu & Beamish, 2001), top management teams (Reuber & Fischer, 1997), entry modes (Zacharakis, 1997), cognition (Mitchell, Smith, Seawright & Morse, 2000), country profiles (Busenitz, Gomez, & Spencer, 2000), corporate entrepreneurship (Birkinshaw, 1997), exporting (Bilkey & Tesar, 1977), knowledge management (Kuemmerle, 2002), venture financing (Roure, Keeley & Keller, 1992), and technological learning (Zahra, Ireland & Hitt, 2000) have all helped move the field forward. Reflective of the multi-disciplinary nature of both

entrepreneurship and international business, researchers have drawn upon theories and frameworks from international business, entrepreneurship, anthropology, economics, psychology, finance, marketing, and sociology. It is clear that the domain of international entrepreneurship is rich in opportunity. Because the field is broad, there are many interesting research questions to be explored, and many existing theories may be beneficially employed. Opportunities for both multidisciplinary and multi-country collaboration are clear.

The importance of the field also has been signaled by the appearance of special issues and forums on international entrepreneurship in various journals, such as *Entrepreneurship Theory & Practice* in 1996 and *Academy of Management Journal* in 2000. *Journal of Business Venturing* regularly publishes articles in the area. *Journal of International Business Studies* has established an editorial area for international entrepreneurship, and the *Journal of International Entrepreneurship* was recently launched. Both the Kauffman Foundation and the Strategic Management Society have sponsored edited volumes that included reviews of international entrepreneurship literature and research issues (McDougall & Oviatt, 1997; Zahra & George, 2002). Academic meetings focused on international entrepreneurship are held on multiple continents, and doctoral student consortia on the topic have emerged. In summary, academic interest in international entrepreneurship is strong.

We wish to highlight here four broad issues that we believe are fundamental to the study of international entrepreneurship. How these issues are resolved affects the research that most every scholar of international entrepreneurship conducts. The first of these fundamentals is the definition of international entrepreneurship. The definition is jointly influenced by the two distinct traditions from which the arena of inquiry emerges—entrepreneurship and international business—and both continue to evolve. Second, theoretical frameworks and models that guide

international entrepreneurship research are considered, and refinements are suggested. Third, for international entrepreneurs, networks and cooperation are believed by some scholars to be essential to successful new venture operations. Applications of network theory in international entrepreneurship are reviewed. Finally, organizational learning and knowledge management are fundamental to successful entrepreneurship in an international environment. What we currently know about these issues is discussed and some ideas for further development are highlighted.

Definitions of International Entrepreneurship

International business scholars Wright and Ricks (1994) highlighted international entrepreneurship as a newly emerging research direction, and it became clear the arena included (1) comparisons of entrepreneurial behavior in multiple countries and cultures as well as (2) organization behavior that extends across national borders and is entrepreneurial. While these foci have remained over time, the definition of “international entrepreneurship” has moved from a very broad one, which avoided prematurely proscribing important nascent interests (Giamartino, McDougall, & Bird, 1993), to excluding nonprofit and government organizations to be consistent with the commonly accepted definition of “international business” (McDougall & Oviatt, 1997). However, to be consistent with the interests of entrepreneurship scholars in such issues as social entrepreneurship, that exclusion was eliminated:

International entrepreneurship is a combination of innovative, proactive, and risk-seeking behavior that crosses national borders and is intended to create value in organizations. (McDougall & Oviatt, 2000).

Individual, group, and organizational levels of behavior and academic study are included. Thus, international entrepreneurship has evolved from a focus on new ventures to include corporate entrepreneurship (Birkenshaw, 1997; Zahra, Ireland, and Hitt, 2000; Zahra & George, 2002).

The definition of entrepreneurship, however, is a matter of continued debate. As a result, the meaning of entrepreneurship continues to evolve. The idea that entrepreneurship is a combination of innovative, proactive, and risk-seeking behavior finds its origins in strategic management literature (e.g., Covin & Slevin, 1989; Miller, 1983), but those are not the only entrepreneurial dimensions that scholars have identified. Lumpkin and Dess (1996) highlighted a variety of “entrepreneurial orientation” dimensions and distinguished them from the definition of entrepreneurship itself, which they equated with new entry, or the act of launching a new venture.

Venkataraman (1997) and Shane and Venkataraman (2000) maintain, however, that the creation of new organizations, while possible, is not a defining condition (cf., Gartner, 1988). Opportunities may be sold to others, for example. Thus, they define the study of entrepreneurship as the,

“examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited” (Shane & Venkataraman, 2000, p. 218).

The authors emphasize that entrepreneurship has two parts, (1) opportunities, and (2) individuals who strive to take advantage of them. We agree with these observations, but Shane and Venkataraman’s (2000) definition has been criticized for depicting opportunities as being “objective phenomena” that go beyond subjective recognition by people influenced by their social milieu (Baker, Gedajlovic, & Lubatkin, 2003). We believe the issue is resolved by noting that opportunities may be enacted (Weick, 1995) as well as discovered. That is, people act and then interpret what their actions have created, and sometimes those creations are economic opportunities. Shane (2000), for example, described how eight new venture opportunities were created from different applications of a single technology. The patented technology, called

three-dimensional printing, deposited multiple layers of material in a complex manner to produce a component. The proposed applications varied from creating architectural models to manufacturing pharmaceuticals; four entrepreneurial efforts had failed by the time the article was written, and four companies survived. The inventors of the technology did not discover any of the eight applications, and while the entrepreneurs may have discovered the technology, it was their idiosyncratic interpretations of its capabilities that appeared to create the opportunity. While Shane (2000) terms it a process of discovery, it seems very much like what Weick (1995) describes as enactment. Thus, we adopt the following definition:

International entrepreneurship is the discovery, enactment, evaluation, and exploitation of opportunities—across national borders—to create future goods and services.

It follows, therefore, that the scholarly field of international entrepreneurship examines and compares—across national borders—how, by whom, and with what effects those opportunities are acted upon.

As we noted, the international entrepreneurship arena includes both the study of entrepreneurial activities that cross national borders and the comparison of domestic entrepreneurial activities in multiple countries. However, the remainder of the current paper focuses exclusively on the former due to the authors' interests and knowledge and an effort to confine this work to a journal-length paper.

Theoretical Models and Frameworks

The sine qua non of an established academic area of interest is a fully delineated theory on which it is based, through which outcomes may be explained, and by which propositions and empirical research are motivated. At this time, no complete and well supported theory of cross-

border entrepreneurial behavior exists, but important steps toward delineating a complete theory have been published.

Business enterprises evolved from mid-nineteenth-century independent units of production and units of distribution into large, integrated, and diversified, multinational corporations in the early twentieth century (Chandler, 1986). While new technologies such as railroads, steamships, and the telegraph were essential to that evolution, the entrepreneurial ingredient was the unprecedented appearance of salaried managers who could form and run large administrative hierarchies that for the first time in history combined production with distribution and marketing activities on a large scale. By the mid twentieth century such institutions were well established. Thus, some past cross-border entrepreneurial behavior and outcomes can be explained, but more recent issues, such as accelerated internationalization, require alternative theoretical approaches.

The process of firm internationalization following World War II was described by Vernon (1966) as the product cycle. The concept explained a then frequently observed pattern of domestic product development, followed by exporting, and then by foreign production. Firm behavior in the early stages of the product cycle was entrepreneurial in its discovery and international exploitation of novel goods. However, Vernon (1979) later noted that international development eventually made the product cycle less and less relevant. Therefore, explanations for twenty-first century international entrepreneurship remain elusive.

Stopford and Wells' (1972) research on the organizational structures and processes of large multinational corporations described an evolution in organizational forms. To the degree that managers initiated and continue to initiate new forms for managing transnational commerce

(Ghoshal & Bartlett, 1997), international entrepreneurship continues. However, the work of these scholars is not so much a theory as a rich and valuable description of their observations.

Perhaps the model of firm internationalization most familiar to entrepreneurship scholars is the Uppsala model. Based on their studies of Swedish manufacturing firms, Johanson and Vahlne's (1977) showed initial internationalization activities were targeted to psychically close markets and used the less committed modes of entry, such as exporting. Johanson and Vahlne (1977) explained that the firm learned and increased its foreign market knowledge over time primarily through experience, and only then did it increase its foreign market commitments and later expand to more psychically distant markets. Despite weaknesses (Andersen 1993), the Uppsala model has provided an attractive explanation for the traditional incremental internationalization of firms over time (Johanson & Vahlne, 1990; OECD, 1997).

Not all firm internationalization is of the traditional incremental type, however. In the current environment there exists much regional and global integration of trade and production (UNCTAD, 2001), and accelerating technological changes both enable and facilitate more rapid internationalization among firms. In particular, researchers have carefully detailed cases of new venture firms that have skipped incremental stages and/or have been international virtually from inception (McDougall, Shane, & Oviatt, 1994). The ventures engaged in early internationalization have been referred to as international new ventures (McDougall et al., 1994); born globals (Knight & Cavusgil, 1996; Madsen & Servais, 1997), infant multinationals (Lindqvist, 1991), instant internationals (Preece, Miles, & Baetz, 1999), and global start-ups (Oviatt & McDougall, 1994), with no clear definitional differences between the choice of terms. These ventures are defined as,

“a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries” (Oviatt & McDougall, 1994, p. 49).

Born globals and international new ventures are the terms most frequently used in the academic literature. The driving forces and facilitating factors that produced the accelerated internationalization of new ventures, as well as small and medium size entrepreneurial firms, are discussed by Knight and Cavusgil (1996), Madsen and Servais (1997) and Oviatt and McDougall (1999). Research studies have included ventures from all regions of the world, and while the samples have been dominated by technology-based ventures, there are examples from other industries as well. A recent literature review of research on such firms is presented by Rialp-Criado, Rialp-Criado, and Knight (2003).

Oviatt and McDougall (1994) established the elements of a theory of international new ventures. Such firms are said to own certain valuable assets, to use alliances and network structures to control a relatively large percentage of vital assets, and to have a unique resource that provides a sustainable advantage and is transferable to a foreign location. However, those static elements contained no description of the dynamic process by which international new ventures formed. Oviatt and McDougall (1999) identified some important parts of such a process theory. The foundation was rapidly changing computer, communication, and transportation technology, and the primary building blocks were the political economy, industry conditions, firm effects, and the management team. These ideas, however, need further development. For example, no attempt has been made that we know about to combine the static and dynamic concepts. Moreover, none of these ideas has been subjected to rigorous empirical tests. The importance of conducting such tests is highlighted by the fact that some research has shown alliances may not be employed by international new ventures as often as predicted by the

static elements believed to explain the existence of international new ventures (Shrader, 2001; Shrader, Oviatt, & McDougall, 2000).

Recently, Zahra and George (2002) highlighted the cross-border entrepreneurial activity of established corporations, and proposed a model of forces that influence the degree, speed, and geographic scope of corporate international entrepreneurship. They hypothesized that the political and economic environment and an organization's strategy moderate the effect of organizational factors, such as the management team and firm resources, on international entrepreneurial behavior and competitive advantage. Their model, however, represents one of a variety of possible moderating, mediating, and interacting models using the variables they introduce (Lumpkin & Dess, 1996), and it does not provide an exhaustive list of possible important forces at work. Thus, much empirical work is needed to test Zahra and George's (2002) ideas.

In summary, while traditional incremental firm internationalization is still often observed, both international business and entrepreneurship scholars have successfully challenged the assumption that it is universal and established that an important group of firms enjoy quite accelerated internationalization (e.g., Turnbull, 1987; Hedlund & Kverneland, 1985; Brush, 1992; Jolly, Alahunta, and Jeannet, 1992; Andersen, 1993; Rennie, 1993; Oviatt & McDougall, 1994; McDougall, et al., 1994; Bell, 1995; Coviello and Munro, 1995, 1997; Roberts & Senturia, 1996; Knight & Cavusgil, 1996; Bloodgood, Sapienza, & Almeida, 1996; Madsen & Servais, 1997; Petersen and Pedersen, 1997; Burgel & Murray, 2000; McAuley, 1999; Autio, Sapienza, & Almeida, 2000; Autio & Sapienza, 2000; Madsen, Rasmussen & Servais, 2000; Shrader et al., 2000; Zahra, Ireland & Hitt, 2000; Bell and McNaughton, 2000; Crick & Jones, 2000; Aspelund & Moen, 2001; Larimo, 2001; Moen, 2002; Moen and Servais, 2002). We cite this

incomplete list of 29 publications for the purpose of encouraging the academic community to build on and extend this work and to not continue simply challenging the Uppsala model. Even scholars who originated the Uppsala model have accepted the challenge. In a recent article, Johanson & Vahlne conclude that,

we have a situation where old models of internationalization processes are still applied quite fruitfully at the same time as a number of studies have suggested that there is a need for new and network-based models of internationalization. We think it might be worthwhile to reconcile and even integrate the two approaches” (2003: 84).

Johanson and Vahlne (2003) provide the bare outline of a proposed integration that uses the interplay of experiential learning and resource commitment in organizations as its driving mechanism. These are, of course, concepts from the traditional Uppsala model, but they combine them with a new focus on network relationships involving customers and suppliers. They hypothesize that firms learn and benefit from such relationships and, therefore, make increasing commitments to them. Those relationships, in turn, sometimes lead them to enter foreign markets, at times incrementally and at times quite rapidly. However, Johanson and Vahlne (2003) draw the unexpected conclusion that with a network-based model foreign entry and expansion are no longer the most interesting scholarly issues. Rather, how customer and supplier relationships are established and developed are the key research questions. Such a conclusion about the power of networks from these scholars strongly indicates a need for further development of the model and empirical testing.

Network Theory

Networking is a powerful tool for the entrepreneur (Dubini & Aldrich, 1991), and network analysis has been a powerful framework for international entrepreneurship researchers. Firms use their networks to gain access to resources, to improve their strategic positions, to

control transaction costs, to learn new skills, to gain legitimacy, and to cope positively with rapid technological changes (Alvarez & Barney, 2001; Bonaccorsi, 1992; Hitt & Ireland, 2000; Das & Teng, 1998; Gulati, 1995).

Networks emphasize reciprocity norms, personal relationships, reputation, and trust (Larson, 1992). The entrepreneur's network represents social capital that is intangible and idiosyncratic, and it appreciates through repeated interactions that help build trust (Coleman, 1990). Trust is the basic element that determines the solidity of the network link (Dubini & Aldrich, 1991). When an entrepreneur draws upon a network contact in an exchange, thereby making use of his/her social capital, a debt is incurred for which there is expected reciprocity.

As noted previously, Johanson and Vahlne's (2003) network model calls specifically upon international entrepreneurship researchers to integrate network theory into existing theories of firm internationalization. Earlier calls to draw upon network theory in international entrepreneurship were made by several researchers (Oviatt & McDougall, 1994; Bell, 1995, Coviello & Munro, 1995, 1997). Separate from the study of international entrepreneurship, scholars in both international business (e.g., Johanson and Mattsson, 1988; Ghoshal & Bartlett, 1991; Axelsson & Easton, 1992; Forsgren, 1989) and entrepreneurship (e.g., Aldrich & Zimmer, 1986; Larson & Starr, 1993) previously recognized the importance of network research to their fields of study.

One of the four elements of Oviatt and McDougall's (1994) new venture internationalization theory is "alternative governance structures." They posit that because international new ventures lack sufficient resources to control many assets through ownership, they must rely on alternative means of control. They point to the network structure as one of the new ventures' most powerful resource-conserving alternatives to internalization. The network

exchange structure offers the typically financially constrained entrepreneurial firm a critical leveraging opportunity whereby resources can be gained without incurring the capital investments of vertical integration. The entrepreneurial firm is, thereby, provided a way to maximize its adaptability to its environment (Larson, 1992).

Focusing primarily on the personal and extended networks of the entrepreneur and his/her management team, several studies challenging traditional models of internationalization have drawn upon network theory. For example, the findings of Bell's (1995) comparative study of export behavior among entrepreneurial software firms in Finland, Ireland, and Norway led Bell to the conclusion that the network approach was a better explanation of the internationalization process of these firms. McDougall et al., (1994) explained that networks helped founders of international new ventures, or born-globals, to identify international business opportunities, and those networks appeared to have more influence on the founders' country choices than did their psychic distance. Oviatt and McDougall (1995) identified strong international business networks as one of the seven most important characteristics of successful global start-ups. Servias and Rasmussen (2000) found that networks were important to the majority of the Danish firms in their study, although Rasmussen, Madsen & Evangelista's (2001) case studies of five Danish and Australia born-globals did not find support for the importance of the founder's network. Finally, much of Coviello and Munro's international entrepreneurship research has used network theory to examine international market development and marketing-related activities within international markets. Based on the findings of their study of the internationalization processes of New Zealand software firms, Coviello and Munro (1995) noted:

Our understanding of the internationalization processes of entrepreneurial firms is enriched when we expand the analysis beyond the individual firm's

actions and address the impact of a firm's role and position within a network of relationships. From this perspective, foreign market selection and entry initiatives emanate from opportunities created through network contacts, rather than solely from the strategic decisions of managers in the firm. ...it is not surprising that the observed patterns of international market growth for entrepreneurial high-technology firms differ from the processes of the larger manufacturing firms outlined in the literature. Their relatively rapid and dispersed involvement in foreign markets creates the impression of being random and somewhat irrational, when in fact the span of activities can be linked to opportunities emerging from a network of relationships. (p. 58)

While much of the international entrepreneurship research using network theory has focused on the personal and extended networks of the entrepreneur/entrepreneurial team, there is also an important body of work that focuses on organizational networks. Viewing the multinational corporation as an interorganizational network, Birkinshaw's (1997) corporate entrepreneurship study builds a conceptual framework for examining the initiatives of the subsidiaries of multinational corporations. Hara and Kanai's (1994) study of strategic alliances between a Japanese company and three Silicon Valley companies proposes the "network of networks mode" in which a key company or person has the role of creating a global network of local networks.

The role of governments in fostering networks has been examined by several researchers. As discussed by McNaughton and Bell (1999), several countries have made government funding available for relationship brokers to encourage networks that promote growth and internationalization. Cooke and Morgan, (1993, 1994) highlight the role of government agencies and business associations in promoting networks in their studies of successful regional economies.

In summary, network analysis represents a powerful framework for the international entrepreneurship researcher. Networks help entrepreneurs identify international opportunities,

establish credibility, provide access to critical resources including knowledge, and often lead to strategic alliances and other cooperative strategies.

Learning Theory and Knowledge Management

The need to acquire local market knowledge is a key tenet of internationalization. Thus, scholars have recognized the importance of organizational learning for entering or expanding in the international marketplace (e.g., Andersen, 1993; Barkema & Vermeulen, 1998; Erramilli, 1991; Inkpen & Beamish, 1997; Luo, 1997; Lord & Ranft, 2000; Zahra, Ireland, & Hitt, 2000). Learning was a primary element of Johanson and Vahlne's (1977) original internationalization model and is likewise a primary element of their recently presented business network model of internationalization (Johanson & Vahlne, 2003).

Organizational learning is defined by Autio et al. as "the process of assimilating new knowledge into the organization's knowledge base" (2000: 911), and Huber notes that "an organization learns if any of its units acquires knowledge that it recognizes as potentially useful to the organization" (1991: 271). Thus, much of the growing body of research on knowledge management is closely related to learning theory. The management of knowledge is particularly challenging in cross-national settings where different cultures, corporate governance systems, time zones, and languages are involved (Kummerle, 2002).

For entrepreneurial firms competing in international markets, the learning process is critical in helping firms overcome their liabilities of foreignness (Hymer, 1976; Inkpen & Beamish, 1997; Zaheer, 1995), as much of this liability relates to the foreign firm's lack of local market knowledge (Lord and Ranft, 2000). In addition, learning is critical to the entrepreneurial firm competing internationally because knowledge is often the most critical asset of the firm and is its primary basis of achieving competitive advantage. The importance of learning theory, and

the related study of knowledge management, is well illustrated in the case studies of international new ventures (Kuemmerle, 2002; McDougall et al., 1994; Simões & Dominginhos, 2001). To compete successfully in the international arena, these ventures must effectively manage the learning process so as to build knowledge stocks and create new knowledge.

One of the most compelling international entrepreneurship studies using learning theory is that of Autio et al. (2000) in which they introduce the concept of “learning advantages of newness.” Using panel data from the Finnish electronics industry, they concluded,

“as firms get older, they develop learning impediments that hamper their ability to successfully grow in new environments and that the relative flexibility of newer firms allows them to rapidly learn the competencies necessary to pursue continued growth in foreign markets” (2000: 919).

As the field of international entrepreneurship positions itself as a distinctive field of study, the “learning advantages of newness” represents a distinct concept that is core to the area. It represents a counterpoint to the widely accepted concept that there is a “liability of newness” for young organizations (Stinchcombe, 1965). Thus, the learning advantages of newness deserve additional empirical testing and conceptual development so that both the advantages and liabilities of young firm age can be understood and compared.

Another noteworthy study is Zahra et al. (2000). Using mail survey data from 321 new ventures, Zahra et al. (2000) examined how these ventures used the technological learning gained through internationalization. Specifically, the study examined the effects of international expansion on a firm’s technological learning. International expansion was measured by international diversity and mode of market entry. The study also examined the effects of this learning on the firm’s financial performance. The results showed a strong positive relationship between international diversity and the breadth, depth, and speed of a new venture’s

technological learning. The mode of international entry also was related to technological learning, and learning, in turn, had a positive performance impact.

In conclusion, there is rich opportunity for the use of learning theory in studies concerning knowledge management, international diversification, international expansion, alliances, and networks (Barkema & Vermeulen, 1998; Khanna, Gulati, & Nohria, 1998; Zahra et al., 2000; Bresman, Birkinshaw, & Nobel, 1999). Each of these areas of study is important to the advancement of knowledge within international entrepreneurship.

Conclusion

The field of international entrepreneurship is rich with possibility and opportunity, and the full extent of its scope is undefined (Acs, Dana, & Jones, 2003). As the field moves from infancy to what appears will be a high level of growth, there are interesting research questions that will surely be asked and investigated. We believe the preceding exploration of four fundamental issues highlights some especially fruitful areas for scholarly research.

As we reviewed articles for this paper, it was noteworthy to us that the authors of the majority of the multi-authored articles were either exclusively international business scholars or entrepreneurship scholars. Articles that have authors from both disciplines are unusual. International entrepreneurship researchers have embraced the notion of multi-country research teams and excellent examples of scholarly work have resulted; we believe disciplinary diversity would be just as beneficial. As the role of the entrepreneur is increasingly being explored in international business journals and the internationalization of the entrepreneurial firm appears in traditional entrepreneurship journals, we encourage the formation of research teams composed of entrepreneurship and international business scholars. Too often, international entrepreneurship articles appearing in entrepreneurship journals demonstrate a lack of knowledge of international

business theories and research. Likewise, international entrepreneurship articles appearing in international business journals demonstrate a need for greater understanding of the scholarly work in entrepreneurship. Although both entrepreneurship and international business are multidisciplinary, there appears to have been limited research collaboration between entrepreneurship and international business scholars. The increased comingling of entrepreneurship and international business scholars that is evident at research conferences is encouraging. As entrepreneurship scholars extend their networks to include international business scholars, and vice versa, we hope that collaborative research projects will be launched that consider the fundamental issues highlighted in this paper.

References

- Acs, Z., Dana, L-P., Jones, M. (2003). Toward new horizons: The internationalization of entrepreneurship. *Journal of International Entrepreneurship*, 1: 5-12.
- Aldrich, H. & Zimmer, C. (1986). Entrepreneurship through social networks. In D.L. Sexton & R.W. Smilor (eds.), *The Art and Science of Entrepreneurship*, Cambridge, MA: Ballinger, 3-23.
- Alvarez, S.A. & Barney, J.B. (2001). How entrepreneurial firms can benefit from alliances with large partners. *Academy of Management Executive*, 15: 139-148.
- Andersen, O. (1993). On the internationalization process of firms: A critical analysis. *Journal of International Business Studies*, 24: 209-231.
- Aspelund, A. & Moen, Ø. (2001). A generation perspective on small firms' internationalization from traditional exporters and flexible specialists to born globals. In C.N. Axinn & P. Matthyssens (eds.), *Reassessing the Internationalization of the Firm*, (*Advances in International Marketing*, 11), 197-225, Amsterdam: JAI/Elsevier Inc.
- Autio, E. & Sapienza, H.J. (2000). Comparing process and born global perspectives in the international growth of technology-based new firms. *Frontiers of Entrepreneurship Research*, Center for Entrepreneurial Studies, Babson College, 413-424.
- Autio, E., Sapienza, H.J., & Almeida, J.G. (2000). Effects of age at entry, knowledge intensity, and imitability on international growth. *Academy of Management Journal*, 43: 909-924.
- Axelsson, B. & Easton, G. (Eds.) (1992) *Industrial Networks: A New View of Reality*, London: Routledge.
- Baker, T., Gedajlovic, E. & Lubatkin, M. (2003). The Global Entrepreneurship Mosaic: A Framework for Fitting the Piece Together. Unpublished Manuscript.
- Barkema, H.G. & Vermeulen, F. (1998). International expansion through start-up or acquisition: A learning perspective. *Academy of Management Journal*, 41: 7-26.
- Bell, J. (1995). The internationalisation of small computer software firms—A further challenge to “stage” theories. *European Journal of Marketing*, 29 (8): 60-75.
- Bell, J. & McNaughton, R. (2000). Born global firms: A challenge to public policy in support of internationalization. In J. Pels & D.W. Stewart (eds.) *Marketing in a Global Economy*, conference proceedings in CD-ROM, Buenos Aires, Argentina: American Marketing Association, 176-185.
- Bilkey, W.J. & Tesar, G. (1977). The export behavior of smaller-sized Wisconsin manufacturing firms. *Journal of International Business Studies*, 8: 93-98.

- Birkinshaw, J. (1997) Entrepreneurship in multinational corporations: The characteristics of subsidiary initiatives. *Strategic Management Journal*, 18: 207-229.
- Bloodgood, J., Sapienza, H. J., & Almeida, J. G. (1996). The internationalization of new high-potential U.S. ventures: Antecedents and outcomes. *Entrepreneurship Theory and Practice*, 20: 61-76.
- Bonaccorsi, A. (1992). On the relationship between firm size and export intensity. *Journal of International Business Studies*, 4: 605-635.
- Bresman, H., Birkinshaw, J., Nobel, R. (1999). Knowledge transfer in international acquisitions. *Journal of International Business Studies*, 30: 439-462.
- Brokaw, L. 1990. Foreign affairs. *Inc.* (Nov.): 92-104.
- Brush, C.G. (1992). Factors Motivating Small Companies to Internationalize: The Effect of Firm Age. Unpublished doctoral dissertation. Boston University.
- Burgel, O. & Murray, G.C. (2000). The international market entry choices of start-up companies in high-technology industries. *Journal of International Marketing*, 8: 33-62.
- Busenitz, L.W., Gomez, C. & Spencer, J.W. (2000). Country institutional profiles: Unlocking entrepreneurial phenomena. *Academy of Management Journal*, 43 (5): 994-1003.
- Chandler, A. D. (1986). The evolution of modern global competition. In M. E. Porter (ed.), *Competition in Global Industries*, 405-448, Boston: Harvard Business School Press.
- Coleman, J.S. (1990). *Foundations of Social Theory*. Cambridge, MA: The Belknap Press of Harvard University.
- Cooke, P. & Morgan, K. (1993). The network paradigm: New departures in corporate and regional development. *Environment and Planning D: Society and Space*, 11: 543-564.
- Cooke, P. & Morgan, K. (1994). The regional innovation center in Baden-Wurttemberg. *International Journal of Technology Management*, 9: 394-429.
- Coviello, N.E. & Munro, H.J. (1995). Growing the entrepreneurial firm: Networking for international market development. *European Journal of Marketing*, 29: 49-61.
- Coviello, N.E., & Munro, H.J. (1997). Network relationships and the internationalisation process of small software firms. *International Business Review*, 6: 361-386.
- Covin, J.G. & Slevin, D.P. (1989). Strategic management of small firms in hostile and benign environments. *Strategic Management Journal*, 10: 75-87.

- Crick, D. & Jones, M.V. (2000). Small high-technology firms and international high-technology markets. *Journal of International Marketing*, 8: 63-85.
- Das, T.K. & Teng, B.S. (1998). Resource and risk management in the strategic alliance making process. *Journal of Management*, 24: 21-42.
- Dubini, P. & Aldrich, H. (1991). Personal and extended networks are central to the entrepreneurial process. *Journal of Business Venturing*, 6: 305-313.
- Economist, The.* (1992). Go West, young firm. May 9:88-89.
- Economist, The* (1993). America's little fellows surge ahead, July 3:59-60.
- Erramilli, M.K. (1991). The experience factor in foreign market entry behavior of service firms. *Journal of International Business Studies*, 22: 479-501.
- Forsgren, M. (1989). Foreign acquisitions: Internationalization or network dependency. In S.T. Cavusgil (ed.), *Advances in International Marketing*, Greenwich: JAI Press, 3: 121-139.
- Gartner, W.B. (1988). Who is the entrepreneurs? Is the wrong question. *American Journal of Small Business*, 12: 11-32.
- Giamartino, G.A., McDougall, P.P., & Bird, B.J. (1993). International entrepreneurship: The state of the field. *Entrepreneurship Theory and Practice*, 18: 37-41.
- Ghoshal, S. & Bartlett, C.A. (1991). The multinational corporation as an interorganization network. *Academy of Management Review*, 15: 603-625.
- Ghoshal, S. & Bartlett, C. A, 1997. *The Individualized Corporation*. New York: HarperCollins Publishers.
- Gulati, R. (1995). Social structure and alliance formation patterns: A longitudinal analysis. *Administrative Science Quarterly*, 40: 619-52.
- Gupta, U., 1989. Small firms aren't waiting to grow up to go global. *The Wall Street Journal*. December 5: B2.
- Hara, G. & Kanai, T. (1994). Entrepreneurial networks across oceans to promote international strategic alliances for small business. *Journal of Business Venturing*, 9: 489-507.
- Hedlund, G. & Kverneland A. (1985). Are strategies for foreign markets changing? The case of Swedish investment in Japan. *International Studies of Management and Organization*, 15(2) 41-59.

- Hitt, M.A. & Ireland, R.D. (2000). The intersection of entrepreneurship and strategic management research. In D.L. Sexton and H. Landstrom, (eds.), *The Blackwell Handbook of Entrepreneurship*, Oxford: Blackwell Publishers Ltd., 45-63.
- Khanna, T., Gulati, R., & Nohria, N. (1998). The dynamics of learning alliances: Competition, cooperation and relative scope. *Strategic Management Journal*, 19: 193-210.
- Huber, G.P. (1991). Organizational learning: An examination of the contributing processes and the literatures. *Organization Science*, 2: 88-115.
- Hymer, S.H. (1976). *The International Operations of National Firms*. Cambridge, MA: MIT Press.
- Inkpen, A.C. & Beamish, P.W. (1997). Knowledge bargaining power and the instability of international joint ventures. *Academy of Management Review*, 22: 177-202.
- Johanson, J. & Vahlne, J.-E. (1977). The internationalization process of the firm: A model of knowledge development and increasing foreign market commitment. *Journal of International Business Studies*, 4:20-29.
- Johanson, J. & Mattsson, L.-G. (1988). Internationalization in industrial systems—A network approach. In N. Hood and J.-E Vahlne, Croom Helm (eds.), *Strategies in Global Competition*, London, 287-314.
- Johanson, J. and Vahlne, J.-E. (1990). The mechanism of internationalization. *International Marketing Review*, 7: 11-24.
- Johanson, J. & Vahlne, J.-E. (2003). Business relationship learning and commitment in the internationalization process. *Journal of International Entrepreneurship*, 1: 83-101.
- Jolly, V.K., Alahunta, M., and Jeannet, J.-P. (1992). Challenging the incumbents: How high technology start-ups compete globally. *Journal of Strategic Change*, 1:71-82.
- Knight, G. G. & Cavusgil, S. T. (1996). The born global firm: A challenge to traditional internationalization theory. *Advances in International Marketing*, 8: 11-26.
- Kuemmerle, W. (2002). Home base and knowledge management in international ventures, *Journal of Business Venturing*, 17: 99-122.
- Larimo, J. (2001). Internationalization of SMEs—Two case studies of Finnish born global firms. Paper presented at the CIMaR Annual Conference in Sydney, Australia.
- Larson, A. (1992). Network dyads in entrepreneurial settings: A study of the governance of exchange relationships. *Administrative Science Quarterly*, 37: 76-104.

- Larson, A. & Starr, J.A. (1993) A network model of organization formation. *Entrepreneurship Theory & Practice*, 1993, 5-15.
- Li, H. & Atuahene-Gima, K. (2001) Product innovation strategy and the performance of new technology ventures in China. *Academy of Management Journal*, 44: 1123-1134.
- Lindqvist, M. (1991). Infant multinationals: The internationalization of young, technology-based Swedish firms. Unpublished doctoral dissertation, Stockholm School of Economics, Stockholm.
- Lindqvist, M. (1988). Internationalization of small technology-based firms: Three illustrative case studies on Swedish firms. Stockholm School of Economics Research Paper 88/15.
- Lord, M.D. & Ranft, A.L. (2000) Organizational learning about new international markets: Exploring the internal transfer of local market knowledge. *Journal of International Business Studies*, 31: 573-589.
- Lu, J.W. & Beamish, P.W. (2001). The internationalization and performance of SMEs. *Strategic Management Journal*, 22: 565-586.
- Lumpkin, G. & Dess, G. (1996) Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21: 135-72.
- Luo, Y. (1997). Partner selection and venturing success: The case of joint ventures with firms in the People's Republic of China. *Organizational Science*, 8: 648-662.
- Madsen, T.K. & Servais, P. (1997). The internationalization of born globals: An evolutionary process. *International Business Review*, 6: 61-583.
- Madsen, T.K., Rasmussen, E.S., & Servais, P. (2000). Differences and similarities between born globals and other types of exporters. In A. Yaprak & J. Tutek (eds.) *Globalization, The Multinational Firm, and Emerging Economies*, (*Advances in International Marketing*, 10), Amsterdam: JAI/Elsevier Inc., 247-265.
- Mamis, R.A. (1989). Global start-up. *Inc.*, Aug.: 38-47.
- McAuley, A. (1999). Entrepreneurial instant exporters in the Scottish arts and craft sector. *Journal of International Marketing*, 7: 67-82.
- McDougall, P.P. & Oviatt, B.M. (1997) International entrepreneurship literature in the 1990s and directions for future research. In D. L. Sexton & R. W. Smilor (eds.), *Entrepreneurship 2000*, 291-320, Chicago: Upstart Publishing.
- McDougall, P.P. (1989). International versus domestic entrepreneurship: New venture strategic behavior and industry structure. *Journal of Business Venturing*, 4: 387-399.

- McDougall, P.P., Shane, S. & Oviatt, B.M. (1994). Explaining the formation of international new ventures: The limits of theories from international business research. *Journal of Business Venturing*, 9: 469-487.
- McDougall, P.P. & Oviatt, B.M. (2000). International entrepreneurship: The intersection of two research paths. *Academy of Management Journal*, 43: 902-908.
- McGrath, R.G. & MacMillan, I.C. (1992). More like each other than anyone else? A cross-cultural study of entrepreneurial perceptions. *Journal of Business Venturing*, 7: 419-429.
- McNaughton, R.B. & Bell, J.D. (1999). Brokering networks of small firms. In R. Wright (Ed.), *Research in Global Strategic Management*, 63-84. Stamford, CT: JAI Press.
- Miller, D. (1983) The correlates of entrepreneurship in three types of firms. *Management Science*, 29: 770-791.
- Mitchell, R.K., Smith, B., Seawright, K., & Morse, E.A. (2000). Cross-cultural cognitions and venture creation decision. *Academy of Management Journal*, 43: 974-993.
- Moen, Ø. (2002). The born globals: A new generation of small European exporters. *International Marketing Review*, 19: 156-175.
- Moen, Ø. & Servais, P. (2002). Born global or gradual global? Examining the export behavior of small and medium-sized enterprises. *Journal of International Marketing*, 10: 49-72.
- Morrow, J.F. (1988). International entrepreneurship: A new growth opportunity. *New Management*, 3: 59-61.
- Organization for Economic Co-operation and Development (OECD). (1997). *Globalisation and Small and Medium Enterprises*. Paris: OECD.
- Oviatt, B.M. & McDougall, P.P. (1994). Toward a theory of international new ventures. *Journal of International Business Studies*, 25(1): 45-64.
- Oviatt, B. M., & McDougall, P. P. (1999). A framework for understanding accelerated international entrepreneurship. In R. Wright (Ed.), *Research in Global Strategic Management*, 23-40. Stamford, CT: JAI Press.
- Petersen, B. & Pedersen, T. (1997). Twenty years after—support and critique of the Uppsala internationalization model. In I. Björkman & M. Forsgren (eds.), *The Nature of the International Firm*. Copenhagen: Copenhagen Business School Press.
- Preece, S. B., Miles, G., & Baetz, M. C., (1999). Explaining the international intensity and global diversity of early-stage technology-based firms. *Journal of Business Venturing*, 14: 259-281.

- Rasmussen, E.S., Madsen, T.K., & Evangelista, F. (2001) The founding of the born global company in Denmark and Australia: Sensemaking and networking. *Asia Pacific Journal of Marketing and Logistics*, 13: 75-107.
- Rialp-Criado, A., Rialp-Criado, J. & Knight, G.A. (2002). The phenomenon of international new ventures, global start-ups, and born-globals: What do we know after a decade (1993-2002) of exhaustive scientific inquiry? Working-paper # 2002/11. Dep. d'Economia de l'Empresa, Universitat Autònoma de Barcelona, Bellaterra (Barcelona), Spain.
- Rennie, M. (1993). Global competitiveness: Born global. *McKinsey Quarterly*, 4: 45-52.
- Reuber, A.R., and E. Fischer, (1997). The influence of the management team's international experience on the internationalization behavior of SMEs. *Journal of International Business Studies*, 28(4): 807-825.
- Roberts, E.B. & Senturia, T.A. (1996). Globalizing the emerging high-technology company. *Industrial Marketing Management*, 25: 491-506.
- Roure, J.B., Keeley, R., & Keller, T. (1992). Venture capital strategies in Europe and the U.S. Adapting to the 1990's. In N.C. Churchill et al. (eds.) *Frontiers of Entrepreneurship Research*. Babson Park, MA: Babson College, 345-359.
- Servias, P. & Rasmussen, E.S. (2000). Different types of international new ventures. Paper presented at the Academy of International Business Annual Meeting, Phoenix, AZ.
- Shane, S. 2000. Prior knowledge and the discovery of entrepreneurial opportunities. *Organizational Science*, 11: 448-469.
- Shane, S. & Venkataraman, S. (2000) The promise of entrepreneurship as a field of research. *Academy of Management Review*, 25: 217-26.
- Shrader, R.C., Oviatt, B.M., & McDougall, P.P. 2000, How new ventures exploit trade-offs among international risk factors: Lessons for the accelerated internationalization of the 21st century. *Academy of Management Journal*, 43: 1227-1248.
- Shrader, R.C. (2001). Collaboration and performance in foreign markets: The case of young high-technology manufacturing firms. *Academy of Management Journal*, 44: 45-60.
- Simões, V.C. & Dominginhos, P.M. (2001). Portuguese born globals: An exploratory study. Paper presented at the 27th EIBA Conference, Paris, France.
- Steensma, K., Marino, L., Weaver, M., & Dickson, P. (2000) The influence of national culture in the formation of technology alliances by entrepreneurial firms. *Academy of Management Journal*, 43: 951-973.

- Stinchcombe, A. L. 1965. Social structure and organizations. In J. G. March (Ed.), *Handbook of Organizations*, 142-193, Chicago: Rand McNally.
- Stopford, J. & Wells, L.T. (1972) *Managing the Multinational Enterprise*, New York: Basic.
- Thomas, A.S. & Mueller, S.L. (2000). A case for comparative entrepreneurship: Assessing the relevance of culture. *Journal of International Business Studies*, 31: 287-301.
- Turnbull, P.W. (1987) A challenge to the stages theory of the internationalization process. In P.J. Rosson & S.D. Reids (eds.) *Managing Export Entry and Expansion*, New York: Praeger.
- United Nations Conference on Trade and Development (UNCTAD). (2001). *World Investment Report*, New York: UNCTAD.
- Venkataraman, S. (1997) The distinctive domain of entrepreneurship research. In J.A. Katz (ed.) *Advances in Entrepreneurship, Firm Emergence and Growth*, vol. 3. Greenwich, CN: JAI Press, 119-138.
- Vernon, R. (1966). International investment and international trade in the product cycle. *Quarterly Journal of Economics*, 80: 190-207.
- Vernon, R. 1979. The product cycle hypothesis in a new international environment. *Oxford Bulletin of Economics and Statistics*. 41 255-268.
- Weick, K. E. 1995. *Sensemaking in Organizations*. Thousand Oaks: Sage Publications.
- Wright, R.W. and Ricks, D. A. (1994). Trends in international business research: Twenty-five years later. *Journal of International Business Studies*, 25: 687-701.
- Zacharakis, A.L. (1997) Entrepreneurial entry into foreign markets: A transaction cost perspective. *Entrepreneurship Theory and Practice*, 21: 23-39.
- Zaheer, S. (1995) Overcoming the liability of foreignness. *Academy of Management Journal* , 38: 341-363.
- Zahra, S.A. & George, G. (2002). International entrepreneurship: The current status of the field and future research agenda. In M.A. Hitt, R.D. Ireland, S.M. Camp, & D.L. Sexton, *Strategic Entrepreneurship: Creating a New Mindset*, Oxford: Blackwell Publishers.
- Zahra, S.A. Ireland, R.D., and Hitt, M.A. (2000). International expansion by new venture firms: International diversity, mode of market entry, technological learning and performance. *Academy of Management Journal*, 43: 925-950.