

Sekliuckiene, Jurgita

Article

International Entrepreneurship: Linking Entrepreneurial Motivation, Orientation and Network Relationship

Amfiteatru Economic Journal

Provided in Cooperation with:

The Bucharest University of Economic Studies

Suggested Citation: Sekliuckiene, Jurgita (2015) : International Entrepreneurship: Linking Entrepreneurial Motivation, Orientation and Network Relationship, Amfiteatru Economic Journal, ISSN 2247-9104, The Bucharest University of Economic Studies, Bucharest, Vol. 17, Iss. 38, pp. 327-341

This Version is available at:

<https://hdl.handle.net/10419/168919>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



<http://creativecommons.org/licenses/by/4.0/>

INTERNATIONAL ENTREPRENEURSHIP: LINKING ENTREPRENEURIAL MOTIVATION, ORIENTATION AND NETWORK RELATIONSHIP

Jurgita Sekliuckiene*

Kaunas University of Technology, Lithuania

Please cite this article as:

Sekliuckiene, J., 2015. International Entrepreneurship: Linking Entrepreneurial Motivation, Orientation and Network Relationship. *Amfiteatru Economic*, 17(38), pp. 327-341

Abstract

The paper analyses the importance of collaboration and networks in international entrepreneurship by distinguishing entrepreneurial small and medium firms (SMEs). SMEs, which characterized by fast internationalisation of their activity from the very beginning of the establishment despite limited resources, knowledge, international experience, are called born global. Such firms distinguish in entrepreneurial orientation, innovativeness, orientation towards niches, competitiveness and proactiveness towards international opportunities. The paper argues that the accelerator of entrepreneurial SMEs is their being in networks. Active interaction with customers, suppliers and external partners is inseparable from entrepreneurial orientation in pursuing for new possibilities in the market. The empirical data have been obtained from internationalized Lithuanian high-tech firms operating in the information technology sector. The paper presents motives, which determined the involvement of entrepreneurial SMEs into international markets, characteristics of entrepreneurial orientation as well as peculiarities of network relationship in Lithuania, a small Central and Eastern European country. The empirical evidence suggests that necessity to create national and international network relationships is the determinant success aspect of international expansion. The performed research extends the scope of international entrepreneurship research in emerging CEE countries.

Keywords: international entrepreneurship, entrepreneurial orientation, entrepreneurial motivation, network, born global, information technology (IT) industry.

JEL Classification: L14, L26, M13, M16

Introduction

In the latter years researches on international entrepreneurship rapidly grew in number; they involved studies of the firms, which started their international activity from the beginning of their establishment, had clear strategic vision, entrepreneurial orientation (Jones,

* Corresponding author, **Jurgita Sekliuckiene** – jurgita.sekliuckiene@ktu.lt

Coviello, and Tang, 2011; Keupp and Gassmann, 2009; Kiss, Danis, and Cavusgil, 2012). These firms, which are often entrepreneurial, small and high-tech oriented, tend to adopt a global market vision from the beginning of their activities and embark on rapid internationalisation through exportation or any other entry mode, thus skipping some stages of the traditional internationalisation process (Cannone and Ughetto, 2014). Such firms are called born global and usually distinguish entrepreneurial orientation and performance, ability to act internationally, and the influence of networks to them. The past study shows growing scholarly interest in internationalisation of born global firms. Several studies are focused on key sources of fast internationalisation of firms by naming knowledge and international networking as key drivers of fast activities (Oviatt and McDougall, 2005); rapid internationalisation process of born global firms, models, and barriers (Sheppard and McNaughton, 2011; Kontinen and Ojala, 2012); network influence upon the internationalisation of born global (Andersson and Wictor, 2003; Zhou, Wu and Luo, 2007; Vasilchenko and Morrish, 2011); entrepreneurship impact on network processes (Slotte-Kock and Coviello, 2010). The accelerated international expansion process, and the form that it takes on, may encompass elements of the entrepreneurs' traits, of the networks to which they are connected, of the domestic environment and of a firm's business activities (Cannone and Ughetto, 2014). The researchers are focused on entrepreneurial characteristics of born global firms from Nordic countries, Israel, USA, China and India (Luostarinen and Gabrielsson, 2006; Almor, 2000, Zhou, Wu and Luo, 2007, Kim, Basu, Naidu and Cavusgil, 2011). Though there are the researches, which pursue to disclose aspects of networks or features of entrepreneurial SMEs and international entrepreneurship in general; however, they are fragmentary, and still the integrated paradigm combining different approaches to the scientific problem is missing. Thus this research pursues to complete the gap of international entrepreneurship knowledge in order to identify coherences of entrepreneurial orientation and being in networks as this contributes to more successful penetration into foreign markets and commitments for new markets. The empirical research contributes to researches of international entrepreneurship, the object of which is technology based firms in one of emerging CEE countries – Lithuania. Although scholarly interest in entrepreneurship in emerging economies has grown in the last decade and several theoretical or empirical works in the area exist (e.g. Bruton, Ahlstrom and Obloj, 2008; Manev and Manolova, 2010; Yang and Li, 2008); they typically focus on limited geographical regions and are exclusively focused on either international business or entrepreneurship problems (Kiss, Danis, and Cavusgil, 2012).

The scientific problem could be defined as the following questions: can networks enhance international entrepreneurship of born global? What coherence of international orientation is with collaboration in networks? The aim of the paper – is to explore entrepreneurship motivation and orientation of Lithuanian born global information technology firms, their penetration into networks as well as influence of networks upon international entrepreneurship. The paper presents the conceptual framework, which shows the cohesion of international entrepreneurial orientation and collaboration in networks. Due to the limited research on the topic, the systematic and comparative literature analysis as well as empirical approach by applying a series of interviews with entrepreneurs was performed. This paper makes a contribution to international entrepreneurship literature, and especially in understanding how network relationship fosters the entrepreneurship across national borders. It adds the contribution by providing new data from Lithuania as emerging economy. This research may be useful to SMEs reaching for a more successful penetration

to foreign markets. Also it could help managers and entrepreneurs to understand the role of networking in the internationalisation's decision-making processes.

The paper is structured in several sections as follows. We begin by providing literature review and theoretical framework. Next section of the paper presents research methodology and limitations. Third section provides empirical research results. The final section provides concluding remarks, discussion and directions for further research.

1. Theoretical background

Born global phenomenon

Studies of international entrepreneurship involve two directions of researches in broad sense: the behaviour of international entrepreneurial actors (organizations, groups or individuals) and another direction, which focuses on the comparative analysis of entrepreneurship in different national contexts (Kiss, Danis and Cavusgil, 2012). Aspects of organizational entrepreneurship are most often disclosed in analysing the internationalisation of small – medium sized firms. Limitation of resources and experience as well as the possible risk to organization are the key factors disturbing the entrepreneurial internationalisation of SMEs. In spite of this, the number of born global within SMEs is constantly increasing, these firms are successful in penetration to international markets, and their main characteristic is a rapid internationalisation to foreign markets. Mainela, Pernu and Puhakka (2011) point out that entrepreneurship can be defined as process determining the creation of a new business by using available resources and international networks of a firm. In order that business would be able to react to the time challenges, it is important that features of an entrepreneurial organization, i.e. innovative, proactive, tolerating changes and subject to risk, learning, able to solve problematic situations, fostering team and group work culture, would manifest. Entrepreneurial firms getting involved into international activity pursue to explore their unique abilities such as proactivity, innovativeness (Hartsfield, Johansen and Knight, 2008). Within the last 20 years, a number of traditional SMEs have accelerated their international activities by investing in distant countries despite limited market knowledge, limited organizational resources, limited use of business and social networks, and limited international experience of the entrepreneurs (Kalinic and Forza, 2012). There are a lot of firms, which started their activities in international markets from the very beginning after the establishment, and these were called High Technology Start-Ups, International New Ventures, and International Entrepreneurs. However, it is noticed that most of the researchers analysing the performance of these firms describe them as Born Global firms (Knight and Cavusgil, 2004; Rialp, Rialp and Knight, 2005; Gabrielsson *et. al.*, 2008). According to Hagen, Zucchella, Cerchiello and De Giovanni (2012), the increasing number of dynamic firms, which penetrate into international markets after a short period of their establishment, entering many foreign countries and lay under obligation to those countries, is noticed. Such firms export their production up to 25% to the foreign markets (Andersson and Wictor, 2004). As Luostarinen and Gabrielsson (2006) highlight, at the beginning of their activities born global firms sell up to 50% of their production outside their countries. In comparison with traditional firms, born global firms are more specialised and niche oriented with unique, innovative products that are either more custom made or more standardised (Dib, Rocha and Silva, 2010; Freeman *et. al.*, 2012). They target a narrow customer segment, which might be geographically distributed (Aspelund and Moen, 2010). In addition, born global firms achieve good results by acting

in networks. Born global firms are flexible, competitive and observe entrepreneurship opportunities in the global market. Speed of the penetration into foreign markets also play crucial role. Oviatt and McDougall (2005) stated that entrepreneurial internationalisation speed is enabled by technology, motivated by competition, mediated by the entrepreneur's perceptions and moderated by the knowledge intensity of the opportunity and a firm's international networks.

Entrepreneurial orientation and networks

Born global firms usually are very entrepreneurial. International entrepreneurship of these firms is associated with international oriented and experience, proactive, risk – taking behaviour that crosses national border, level of technical and know-how knowledge (Dib, Rocha and Silva, 2010; Hartsfield, Johansen and Knight, 2008). Zhang, Tansuhaj and McCullough, (2009) point out that entrepreneurship help to achieve higher results in international markets and can be one of essential factors determining the emergence of born global firms. As Oviatt and McDougall (2005) as well as Thai and Chong (2008) state, entrepreneurship in born global firms manifests through autonomy, innovativeness, networking, taking risk, proactivity and competitive aggressiveness. Zhang, Tansuhaj and McCullough (2009) as well as Osman and Roudini (2012) distinguished the following features of entrepreneurship in born global firms: innovativeness, networking, and international marketing, taking risk, international experience and learning. The firm's entrepreneurial orientation contributes to its ability to create processes, practices and decision making activities that are linked with successful entrance to foreign markets (Knight and Cavusgil, 2004; Roudini and Osman, 2012). The managers of firms that follow an international entrepreneurial orientation stress the importance of having a proactive and innovative approach to operating in international markets. Entrepreneurial orientation is the situation in which new goods, services, raw materials, markets and organizing methods can be introduced through the formation of new means, ends, or means-ends relationships (Eckhardt and Shane, 2003, Shane and Venkataraman, 2000). The leadership and identification of possibilities in new markets becomes the inseparable feature of an entrepreneur. Opportunity recognition and exploitation in international contexts are also regarded as fundamental to the international entrepreneurship field (Dimitratos, Plakoyiannaki, Pitsoulaki and Tüselmann, 2010). This orientation in foreign environments supports a firm's awareness of key strategic initiatives that enable international success (Knight and Cavusgil, 2004). Referring to Cannone and Ughetto (2014) not only entrepreneurial orientation but also network relationships built up by the entrepreneur are key drivers for both early internationalisation and the scope of international expansion.

In the perspective of network theories, internationalisation is associated with a creation of new networks and grounded on theories of dependency of social exchanges and resources based view (Johanson and Vahlne, 2003). Relationships among participants in network appear because of the aim to exchange valuable resources, and this interface continues until it is beneficial for both of the parties. When the network is already established, firms share among them all the works what means a dependency on each other (Sasi and Arenius, 2008). Gilchrist (2009) states that network is a movement and share of ideas, information about foreign markets, knowledge, practice and experience, as well as exchanges among members aiming at common interest of creating added value in a particular field. According to a provided definition, three key network elements may be exhibited: a common aim of the participants, relations, and operations in the network. The network of born global firms

comprises of relations among firms and external members (such as customers, suppliers, business agents, competitors, universities, and other players), who could have an ability to propose something in exchange of something to other members of the network (Hite and Hesterly, 2001; Zhou, Wu and Luo, 2007). In addition, for the use of social networks, born global firms are able to master global market information and effectively apply it to the business expansion. (Oviatt and McDougall, 1995; Freeman and Cavusgil, 2007; Hartsfield, Johansen and Knight, 2008; Schulz, Borghoff and Kraus, 2009). Access to international personal and business networks has an influence on an entrepreneur's ability to acquire external resources to use for the development, production and launching of a product (Loane et al., 2007). Born global company may mobilize resources through external relationships to pursue its goals (Johansson, 2005). Entrepreneurial firms are situated in a network of existing and to be formed relations with important upstream (suppliers, parent company), downstream (distributors, customers) and horizontal actors (competitors, alliances, universities). These relations derive characteristics from the resource requirements of the company and as such also influence the growth of the firm in two important respects. Firstly by way of influencing the identification of opportunities, and secondly by influencing how the opportunities are acted upon and realized (Johansson, 2005). Cannone and Ughetto (2014) highlight that networks help entrepreneurs create strategic alliances or cooperation agreements with other partners and to enhance their credibility on foreign markets. Figure 1 pictures the framework, which discloses the coherence between entrepreneurial orientation and network relationship of born globals. The framework is designed by the authors referring to insights of Möller and Halinen (1999); Oviatt and McDougall (2005) and Johansson (2005).

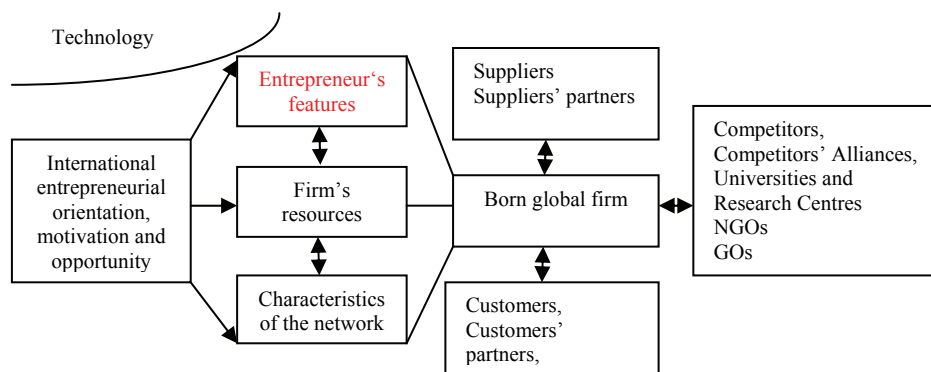


Figure no. 1: Theoretical framework

Network theory stresses that networks help the firm overcome any resource constraints that they encounter; also provides better access to resources and international opportunities, and international network relationships reduce risk while entering foreign markets. Network is essential for a born global firm in overcoming any resource constraints that it encounters (Kocak and Abimbola, 2009). In the initial stages, born global firms leverage their networks to generate organizational skills and competencies, including technological capabilities (Cavusgil and Knight, 2009). Network relationships also generate the social capital that provides a better access to resources and international opportunities and the means by which to overcome the liabilities of newness and foreignness (Kocak and Abimbola, 2009). Therefore, after entrepreneurial internationalisation is well underway,

managerial focus shifts to developing human resources to support further growth. Subsequently, the firm turns its emphasis to building its client and distribution base. For entrepreneurial SMEs networks are critical for generating social capital and provide for the acquisition, mobilization, and development of the needed resources (Cavusgil and Knight, 2009).

2. Methodology

Considering that the emphasis on born global phenomenon as well as networking in researches on international entrepreneurship requires the complex approach; as well as the scientific problem is on frontiers of knowledge; not many researches are available; thus the approach of exploratory research using interview method was chosen. The research has been performed in one of emerging CEE countries – Lithuania by interviewing the firms of IT sector. This research is the part of large-volume research in analysing the internationalisation of Lithuanian IT born global firms and strategic decisions of firms' activity. The aim of the research was to identify main characteristics and coherences of entrepreneurial SMEs motivation, entrepreneurial orientation and network relationship. The list of variables was formed based on in-depth international entrepreneurship literature studies described earlier. The following research questions (RQ) have been formed:

RQ1: to identify the motivation of SMEs to be involved in international activities. The following exploratory variables were explored: external push and pull factors, affecting the beginning of international activities (foreign markets, home market size, risk diversification, competition, institutional factors, IT spread and other specific factors).

RQ2: to describe main characteristics of entrepreneurial orientation. The research criteria were investigated: features of a manager – entrepreneur (leadership, experience in foreign markets, proactiveness, ability to take risky decisions and other features); entrepreneurial features of SMEs (speed of internationalization, responsiveness to change, innovativeness, proactiveness, orientation to high-technology).

RQ3: to highlight the network relationship. The research criteria were investigated: profile of main partners, the external linkages among horizontal, upstream and downstream actors, sustainability of collaborations, scale and scope of the networks, partner finding methods, benefits of being involved in networks and barriers to networking.

On the ground of Lithuanian Statistics Department (2013) 2185 firms belonged to Lithuanian IT sector in 2012. Small and medium sized firms were the predominant ones in IT sector and comprise around 84% of all IT firms. IT firms are united by Infobalt Lithuania Association, which is a locally and internationally recognized representative of Lithuanian IT industry. Based on the data of the association, around 150 Lithuanian IT firms are exporting on a regular basis. Other firms are limited to the local market or export their production to foreign markets occasionally.

The research sample was 28 firms (E1, E2, E3, ..., E28) that were selected from Infobalt Lithuania database, accepted to be surveyed by using an interview. The following criteria for choosing respondents for qualitative research have been selected: 1) the company should be involved in international activities; 2) income derived from foreign markets includes more than 25 % (see Table 1). The semi – structured questionnaire has been developed and content analysis has been made. SMEs entrepreneurs or individuals from

management teams took place in an hour-long semi-structured interview. The interviewer asked a series of questions and respondents could answer, comment and explain their opinion. The survey was carried out in April – May 2013.

Table no. 1: Sample characteristics

Company	Number of employees in Lithuanian SMEs company / number of employees in foreign subsidiaries	Year of establishment	The beginning of international activities	Sales in foreign markets, approx. (%)
E 1	10/0	2009	2009	70 %
E 2	80/30	2005	2005	90 %
E 3	5/7	2008	2008	50 %
E 4	41/22	2008	2009	60 %
E 5	25/15	2003	2003	75 %
E 6	25/0	2009	2010	70 %
E 7	50/0	2000	2002	65 %
E 8	56/20	2002	2003	90 %
E 9	30/2	2005	2007	100 %
E 10	8/0	1991	1995	70 %
E 11	30/8	2007	2009	80 %
E 12	29/0	1997	2000	65 %
E 13	23/0	2003	2005	50 %
E 14	55/50	1996	1996	70 %
E 15	3/4	2011	2011	70 %
E 16	4/0	2012	2012	30 %
E 17	3/0	2008	2011	55 %
E 18	6/1	2004	2005	65 %
E 19	4/0	2003	2004	70 %
E 20	14/0	2001	2001	70 %
E 21	30/0	2004	2007	80 %
E 22	7/1	2002	2008	25 %
E 23	80/2	2005	2006	30 %
E 24	4/4	2007	2008	90%
E 25	10/0	2012	2012	100 %
E 26	210/0	2002	2002	60 %
E 27	78/32	1998	2001	50 %
E 28	65/0	1995	1995	95 %

One of the limitations of this research is the sample, which is not representative for the population, but it is significant if compared to IT firms that started their international activities in the first three years from their establishment. Some of interviewed firms were not actively involved in other international networks and it is another limitation for the research.

3. Results

RQ1: to identify the motivation of entrepreneurial SMEs that has impact on involvement of the born global firms in international activities. Managers of the SMEs firms that took part in the research have pointed out that they work in the markets of European countries, USA, Asia, and Africa. Information technology services are mainly exported to USA, Latvian, and German markets. These markets are attractive for Lithuanian IT firms due to diversification of the business risk, protection from national currency depreciation, opportunities of involvement in international networks by offering an innovative product, which is being created by the cluster of Lithuanian IT firms.

Main motives which push born global firms to act quickly in international markets are risk distribution and small Lithuanian market. One respondent said: *"In Lithuania there was no market, which can be oriented for service"*. Another added: *"Lithuanian market is too small for us"*. Results showed that external factors do not have significant impact on the beginning of international activity and entrepreneurship of Lithuanian born global IT firms. The significant impact on firms has information technology spread, which contributes to accelerating firm's presence in the foreign markets, their ability to compete with much larger firms. One respondent commented: *"Technologies change rapidly, thus internationally recognized certification and constant development of high-tech products help us to maintain the competitive advantage"*. Company's decision making is strongly influenced by the international environment. The beginning of the international activities of the firm partially is driven by increasing competition in the international market. The respondents mentioned that accelerating development of information technologies leads to greater support of non-financial public institutions, and as a result firms are learning on their own more often (Sekliuckiene and Maciulskaitė, 2013). An accelerating pace of information technologies predisposes born global IT sector firms to connect to networks. However, collaboration with partners, formation of networks influences firms' strategic decisions partially. Despite that, respondents approved that networking and cooperation with partners for Lithuanian born global IT sector firms provide valuable knowledge and make it easy to start-up internationally, predispose joint-ventures start-up.

RQ2: to describe main characteristics of entrepreneurial orientation of SMEs in IT industry. Entrepreneurship, knowledge and abilities of born global's managers makes the greatest influence upon the beginning of internationalisation of firms. The respondents pointed out that *"the manager has to be the team leader and take risk for possible dangers"*, *"<...> has always be able to anticipate several steps forward, to concentrate employees for mutual aim and to orient towards constant precedence, to be able to insight future prognoses as well as to predict what will be necessary for consumers in future"*. The possession of the vision was named as the essential factor in developing rapid internationalisation (*"Possession of vision, insight and intuition helped me to achieve the success of the company in Lithuanian and foreign markets"*). Other features necessary for an entrepreneur were named as follows: communicativeness, team formation and flexibility in indefinite situations'. The respondents' answers illustrate this: *"manager's relations in the international activity as well as available recommendations are very important"*, *"<...> to begin business I got very much due to my contacts and relations from previous years when I was wage-earner"*, *"<...> not only the ability to form the team but also contacts, the manager's ability to communicate, to form relationships, to maintain them can lead the firm to success"*, *"<...> the manager must remain flexible and be able to adjust to different"*

circumstances and conditions as in working with international markets the changing conditions of environment is constant state”.

The most part of interviewed Lithuanian IT sector firms entered international market immediately. These firms have entrepreneurial characteristics: the ability to respond rapidly to changing customer needs and environmental factors, ability to take risky decisions, interest in future forecasts. Results of the study shows that in several firms the income from international markets is almost 100%, and these firms are solely oriented to foreign markets. Firm's innovativeness and uniqueness of the service being provided influence entrepreneurial internationalisation a bit more than manager's features. The premise that IT firms constantly develop their present or create new services is possible; their provided services distinguish in their oneness and can effectively compete in foreign markets. The beginning of international activity of born global firms in Lithuanian IT sector is determined by knowledge and abilities of other employees at the firm though not as strongly as manager's entrepreneurship. The firm's available financial resources, international experience of employees were as accelerators for the beginning of internationalisation only for the part of the firms (15 out of 28 firms). Lithuanian IT SMEs more often take risk though they do not have the experience of international activity and they function proactively.

During the research the following characteristics of entrepreneurship have become evident: ability to adjust to situations, innovativeness: „<...> often foreign clients astonish us what not always is pleasant, e.g., they do not want to pay the money for the work done; thus, if the firm is not able to balance in different situations, it will face difficulties in surviving, especially in Eastern markets”, „<...> the firm has to be innovative and to be able to work both during the successful period and when we face economical crisis. I think that we are successful in doing this as during the crisis we succeeded to enlarge our profit on the contrary than for others. Thus the ability to adjust and react to the changes is very important for any firm, especially the one that functions internationally”.

The basis for the competitive advantage of innovative IT firms – is possessed knowledge and technological skills, which are hard to copy as well as the experience in creating new products. Development and exploitation of technologies are the main challenge emerging for firms during internationalisation of high-technology firms. It is also the possibility to develop the activity more aggressively, to constantly react to competitors' actions: „<...> only continuous observation of environment can determine creation of new products as when you observe environment you see what the market lacks, how it would be possible to fill the gap rapidly”, „it is necessary not to forget that around us there a lot of competitors; thus the firm has to act fast both in local and international markets”. Technological abilities, participation in networks and collaboration with other firms warrant successful development and effectiveness of innovations. Thus Lithuanian IT SMEs pursue to create a competitive product and value in co-creation with customers and competitors.

RQ3: to assess the external relations and the role of network in born global firms entrepreneurial activities. Research results revealed that born global IT firms collaborate with various national and international organizations. Most of the firms (25 out of 28) stated collaboration with foreign partners: “Our main partners are foreign firms. And we have lots of benefits from the cooperation with them”. Managers of the surveyed firms noted about cooperation with Lithuanian firms (17 out of 28): “Cooperation with Lithuanian firms helps to compete. Also we are cooperating with institutions like

Lithuanian Business Support Agency, Enterprise Lithuania". Representatives of IT firms have confirmed the close cooperation and co-creation with customers (13 out of 28): *"Our customers are our partners, since cooperation with them improves our quality of services provided", "<...> clients help us to figure out pros and cons of the services provided in the most efficient way"* (Sekliuckiene and Maciulskaite, 2013). However, less than half firms (12 out of 28) cooperate with universities; though highlight the benefits of such horizontal cooperation: *"We are taking various projects in collaboration with universities, and it brings benefits to the company, students and university. One of our main partners is Kaunas University of Technology with an innovative platform, start-up space and variety of technological solutions and services"*. It should be stated that institutional entrepreneurial ecosystem plays important role in fostering entrepreneurship. Enterprise Lithuania is one of institutions which provides business support (by finding investors, providing trainings and consultations), organizes specialized events, affiliates search engines and promotes the development of new entrepreneurial firms. More active involvement of the SMEs in the activities provided by business supporting institutions could accelerate firms' international activities. Investment may be the gate opener to the international markets because trade channels can be formed through the new partner network and using their experience, specific knowledge of the market. The managers mentioned that *"in the partner search database the provided information allows to select the firms easier and faster to whom might be able to cooperate"*, *"<...>the best way for us to find foreign partners we might collaborate with is through the partner search database provided by Association of Lithuanian Chambers of Commerce, Enterprise Lithuania, Start-up Lithuania"*.

A part of Lithuanian born global IT sector firms is looking for partners in international exhibitions, fairs and conferences. However most popular partner finding method of SMEs firms is Internet (16 out of 28) and the recommendations of friends and acquaintances (16 out of 28). The surveyed managers of IT firms noted, that *"first of all, we are looking for partners we could collaborate with; then, we are searching for contacts of those firms on Internet, and finally, we are trying to make acquaintance of them"*, *"When I want to collaborate with someone, I ask my colleagues and friends for recommendations or necessary contacts, and only then I begin to search for it through other channels"*. The analysis of the study showed that majority of the surveyed firms participate in the association Infobalt Lithuania activities, however in other international networks participate only 15 out of 28 surveyed subjects, and just 3-7 firms are usually running in the network. The few firms are involved in business network with 14-15 firms: upstream actors (suppliers), downstream actors (distributors, customers) and horizontal actors (competitors). Firms adapt and align their networks to gain the resources they need to ensure successful emergence and growth. Therefore collaboration with strong foreign firms is substantial. Strong partner which actively participate in an international network provides the access to necessary resources, skills and competencies. Such activities which are being developed between network partners were identified: knowledge sharing (26 out of 28), experience (21 out of 28), creation and production of innovative products (14 out of 28), consolidation in the foreign markets (13 out of 28), research and development activities (7 out of 28), costs sharing (2 out of 28). The respondents mentioned: *"While collaborating, not only we transfer our knowledge to partners, but also we get a lot of information from them which is useful for our activity"*, *"We often arrange meetings where we are able to share our knowledge with partners because that is a way to improve firm performance"*, *"In order to avoid mistakes that were done by us or by our partners, it is important to*

share the experience". Respondents confirmed that synergy of network promotes and stimulates innovation, which is very important in order to maintain a competitive advantage in the local and foreign markets: *"In cooperation with business firms we gain experience which is applied in reality. Our position in the foreign markets is consolidated by the network"*, „<...> acting in networks let us to get useful information from professionals of different fields as well as to share our ideas with them". However there are some barriers for networking which influence development of business and social networks.

The barriers for internationalization are differently classified by various scholars by distinguishing internal and external ones. The interviewed managers have highlighted that cultural attitudes are main barriers that influence the development of international networks and social capital. Communication disturbance because of unclear information or information abundance have been named as main barriers by most respondents (*„Information abundance and communication barriers may result in reduction of relationships with partners; although the information may be of a high importance, because of the large amount of information it is not always read on time"*). At the beginning of international business activities many firms confront with language barrier described as follows: *„As soon as we began to collaborate with foreign partners, we faced a language barrier as it was quite difficult to understand the accent of employees"*, „<...> at the early beginning, employees were not good at spoken English and it was not so easy to communicate with partners face to face". Finally, the collaboration is not enhanced because of unobtainable tasks and results that are planned with partners, and steady adjustments to the partners.

Concluding, we can state that internationalisation of Lithuanian born global information technology firms is determined by push and pull environment factors and entrepreneurial firm's behaviour, and IT spread plays important role because of the sector specifics. Entrepreneur's features, firm's proactiveness and innovativeness help to recognize entrepreneurial opportunity across national boundaries, leverage organizational resources and create network relationships.

Conclusions and discussion

This research aimed to contribute researches on international entrepreneurship by disclosing the importance of networks when SMEs internationalize their activity. The phenomenon of born global firms is the complex phenomenon in terms of scope and scale and other variables; however, it is more and more applied in practice by naming it as start-up internationalizing from its inception. The suggested theoretical framework involves entrepreneurial orientation, which enables entrepreneurial opportunity and networks relations. The framework as benchmark, which shows that relationships in a network, is the essential driver both in early entrepreneurial internationalisation and in expanding volumes of international operations. The presented model could be elaborated in further theoretical researches in order to disclose network dynamics, which may offer a better perspective for understanding how entrepreneurs adapt their behaviours and strategies in rapidly changing environments. Understanding these issues requires more research on the structural aspects (e.g., tie strength, density, size) of entrepreneurial networks; this can be one of directions of the further research.

The research has confirmed that entrepreneurial features of the manager and organization contribute to entrepreneurial star-up survival and activity development. Vision, flexibility, ability to adapt in an indefinite situation as well as formation of a team becomes very important. The research has confirmed that proactiveness towards international opportunities; risk attitude and innovativeness are the most important features of entrepreneurial firms. Proactiveness towards opportunities draws from active interaction with customers and other external partners. The accelerator of internationalisation becomes the effect of network and partnership support between born global firms and their partners. Universities, as partner's, innovation centres or start – up spaces work like platforms for new entrepreneurial firms, providing them with support, knowledge and infrastructure. The part of the surveyed firms usually has the network of 14-15 national and international business firms, upstream, downstream and horizontal actors. It is important to have a strong partner which could access to new partners in networks and provided necessary resources for the development of new products seeking the growth and the development of Lithuanian born global company. The company's position in international markets is strengthened by network with different institutions, international associations. It also enhances cooperation between firms, development and implementation of new projects, customer search; provides an opportunity to share knowledge and experiences, and to learn from the partners. However, Lithuanian firms do not use partnerships sufficiently; certain part of them is not integrated into international networks and not sufficiently uses the partnership of business – science institutions. Lithuanian IT born globals should strengthen that activity, be more active participant of entrepreneurial ecosystem of the country. Infrastructure and ecosystem play crucial role in fostering networking and entrepreneurship. Institutional factors are closely linked to an economy's entrepreneurial performance (Gupta, Yayla, Sikdar and Cha, 2012). In addition regulatory environment effects on entrepreneurial development, especially in Eastern Europe developing economies (Manolova, Eunni and Gyoshev, 2008). However, Lithuanian government and universities started to promote entrepreneurial star-up activities only few years ago. Lithuanian government has been making significant efforts to increase the competitiveness of small and medium firms through its business agencies, startups accelerators, events (such as “Startup Lithuania Roadshow 2014”, “Startup Weekend” and “Startup Sauna”), which aim at supporting entrepreneurs' internationalisation efforts. These events encourage young entrepreneurs quickly start international activities. Work experience in Lithuanian subsidiaries of Barclays, Western Union, and IBM, might be as an accelerator of entrepreneurship in the nearest future. Highly qualified employees with work and network experience in multinationals might start to run their own SMEs business. This finding suggests a necessity of further research. Future research might cover entrepreneurial ecosystem issue, as new forms of entrepreneurial firms require supporting instruments. Multiple case analysis in order to determine dynamic indicators of networks when entrepreneurial firms function in networks could be the direction of further researches when pursuing for activity effectiveness. In order to determine the influence of networks upon international entrepreneurship by comparing different emerging CEE countries comparative researches of entrepreneurial orientation and networks can also be one more possibility to expand the research.

References

- Andersson, S. and Victor, I., 2004. Innovative internationalisation in new firms: Born globals—the Swedish case. *Journal of International Entrepreneurship*, 1(3), pp.249-276.
- Aspelund, A. and Moen, C.F., 2012. International new venture and governance structures – are international entrepreneurs strategic or entrepreneurial? *Journal of Management and Governance*, 16, pp.125-146.
- Bruton, G.D., Ahlstrom, D. and Obloj, K., 2008. Entrepreneurship in emerging economies: Where are we today and where should the research go in the future. *Entrepreneurship Theory and Practice*, 32(1), pp.1-14.
- Cannone, G. and Ughetto, E., 2014. Born globals: a cross-country survey on high-tech start-ups. *International Business Review*, 23(1), pp.272-283.
- Cavusgil, S.T. and Knight, G., 2009. *Born Global Firms: A New International Firm*. New York: Business Expert Press.
- Dib, L.A., Rocha, A. and Silva, J.F., 2010. The internationalisation process of Brazilian software firms and the born global phenomenon: Examining firm, network, and entrepreneur variables. *Journal of International Entrepreneurship*, 8(3), pp.233-253.
- Dimitratos, P., Plakoyiannaki, E., Pitsoulaki, A. and Tüselmann, H.J., 2010. The global smaller firm in international entrepreneurship, *International Business Review*, 19(6), pp.589-606.
- Eckhardt, J.T. and Scott, A. 2003. Opportunities and Entrepreneurship. *Journal of Management*, 29(3), pp.333-349.
- Freeman, S., Hutchings, K., and Chetty S., 2012. Born Global and Culturally Proximate Markets. *Management International Review*, 52, pp.425-460.
- Freeman, S., and Cavusgil, S.T., 2007. Toward a Typology of Commitment States among Managers of Born-Global Firms: A Study of Accelerated Internationalisation. *Journal of International Marketing*, 15(4), pp.1-40.
- Gabrielsson, M., Kirpalani, V.H.M., Dimitratos, P., Solberg, C.A. and Zucchella, A., 2008. Born globals: Propositions to help advance the theory. *International Business Review*, 17(4), pp.385-401.
- Gilchrist, A., 2009. *The well-connected community: a networking approach to community development*. 2nd ed. Bristol: The Policy Press.
- Gupta, V.K., Yayla, A.A., Sikdar, A. and Cha, M.S., 2012. Institutional environment for entrepreneurship: evidence from the developmental states of South Korea and United Arab Emirates. *Journal of Developmental Entrepreneurship*, 17(3), pp.1-21.
- Hagen, B., Zucchella, A., Cerchiello, P., and De Giovanni, N., 2012. International Strategy and Performance – Clustering Strategic Types of SME's. *International Business Review*, 21(3), pp.369-382.
- Hartsfield, S., Johansen, D. and Knight, G. 2008. Entrepreneurial Orientation, Strategy and Marketing Capabilities in the Performance of Born Global Firms. *International Business: Research, Teaching and Practice*, 2(1), pp.12-38.
- Hite, J.M. and Hesterly, W.S., 2001. The evolution of firm networks: From emergence to early growth of the firm. *Strategic Management Journal*, 22(3), pp.275-286.

- Johanson, J. and Vahlne, J.E., 2003. Business Relationship Learning and Commitment in the Internationalisation Process. *Journal of International Entrepreneurship*, 1(1), pp.83-101.
- Johansson, J., 2005. Networking the knowledge-based entrepreneurial firm. [pdf] Project: KEINS –Knowledge-Based Entrepreneurship: Innovation, Networks and Systems. Available at: <http://www.kites.unibocconi.it/wps/allegatiCTP/December2005_WP1_7a.pdf> [Accessed 5 November 2014].
- Jones, M.V., Coviello, N., and Tang, Y., 2011. International entrepreneurship research (1989-2009): a domain ontology and thematic analysis. *Journal of Business Venturing*, 26(6), pp.632-659.
- Kalinic, I. and Forza, C., 2012. Rapid internationalisation of traditional SMEs: between gradualist models and born globals. *International Business Review*, 21(4), pp.694-707.
- Keupp, M.M. and Gassmann, O., 2009. The past and the future of international entrepreneurship: A review and suggestions for developing the field. *Journal of Management*, 35, pp.600-633.
- Kiss, A., Danis, W. and Cavusgil, S.T., 2012. International Entrepreneurship in Emerging Economies: A Critical Review and Research Agenda. *Journal of Business Venturing*, 27(2), pp.266-290.
- Kim, D., Basu, C., Naidu, G.M. and Cavusgil, E., 2011. What Makes Born-Globals Innovative? A Customer Relationship Perspective. *Journal of Business Research*, 64(8), pp.879-886.
- Knight, G.A. and Cavusgil S.T., 2009. *Born Global Firms: A New International Firm*. New York: Business Expert Press.
- Knight, G.A. and Cavusgil, S.T., 2004. Inovation, Organizational Capabilities and the Born-Global Firm. *Journal of International Business Studies*, 35(2), pp.124-141.
- Kocak, A. and Abimbola, T., 2009. The effects of entrepreneurial marketing on born global performance. *International Marketing Review*, 26(4), pp.439-452.
- Kontinen, T. and Ojala, A., 2012. Internationalisation pathways among family-owned SMEs. *International Marketing Review*, 29(5), pp.496-518.
- Luostarinen, R. and Gabrielsson, M., 2006. Globalization and marketing strategies of born globals in SMOPECs. *Thunderbird International Business Review*, 48(6), pp.773–801.
- Mainela, T., Pernu, E. and Puhakka, V., 2011. The development of a high-tech international new venture as a process of acting: A study of the lifespan of a venture in software business. *Journal of Small Business and Firm Development*, 18 (3), pp.430-456.
- Manev, I.M. and Manolova, T.S., 2010. Entrepreneurship in Transitional Economies: Review and Integration of Two Decades of Research. *Journal of Developmental Entrepreneurship*, 15 (1), pp.69-99.
- Manolova, T.S., Eunni, R.V. and Gyoshev, B.S., 2008. Institutional environments for entrepreneurship: evidence from emerging economies in Eastern Europe. *Entrepreneurship Theory and Practice*, 32 (1), pp.203-218.
- Möller, K. and Halinen, A., 1999. Business Relationships and Networks: Managerial Challenge of Network Era. *Industrial marketing management*, 28(5), pp.413-427.

- Oviatt, B. and McDougall, P., 2005. Defining international entrepreneurship and modeling the speed of internationalisation. *Entrepreneurship Theory and Practice*, 29(5), pp.537-554.
- Rialp, A., Rialp, J., and Knight, G.A., 2005. The phenomenon of early internationalizing firms: What do we know after a decade (1993–2003) of scientific inquiry? *International Business Review*, 14, pp.147–166.
- Roudini, A. and Osman, M.H., 2012. The Role of International Entrepreneurship Capability on International Performance in Born Global Firms. *iBusiness*, 4, pp.126-135.
- Sasi, V. and Arenius, P., 2008. International new ventures and social networks: Advantage or liability? *European Management Journal*, 26, pp.400-411.
- Schulz, A., Borghoff, T. and Kraus, S., 2009. International entrepreneurship: towards a theory of SME internationalisation. *International Journal of Business and Economics*, 9(1), pp.1-12.
- Sekliuckiene, J. and Maciulskaitė, S., 2013. Internationalisation decision of a born global: the case of information technology firms. *Social Sciences*, 2(80), pp.17-26.
- Shane, S. and Venkataraman, S., 2000. The promise of entrepreneurship as a field of research. *Academy of Management Review*, 26(1), pp.217-226.
- Sheppard, M. and McNaughton R. 2012. Born global and born-again global firms: a comparison of internationalisation patterns. In: M. Gabrielsson and V.H. Manek Kirpalani eds., 2012. *Handbook of Research on Born Globals*, Edward Elgar Publishing, Cheltenham and Northampton, MA, pp.46-56.
- Slotte-Kock S. and Coviello N., 2010. Entrepreneurship research on network processes: A review and ways forward. *Entrepreneurship Theory and Practice*, 34(1), pp.31–57.
- Statistics Lithuania. 2013. *Information technologies in Lithuania*. Vilnius: Statistics Lithuania
- Thai, M.T.T. and Chong, L.C., 2008. Born-global: the case of four Vietnamese SMEs. *Journal of international entrepreneurship*, 6, pp.72-100.
- Vasilchenko, E., and Morrish, S., 2011. The Role of Entrepreneurial Networks in the Exploration and Exploitation of Internationalisation Opportunities by Information and Communication Technology Firms. *Journal of International Marketing*, 19(4), pp.88-105.
- Yang, J.Y. and Li, J.T., 2008. The development of entrepreneurship in China. *Asia Pacific Journal of Management*, 25, pp.335–359.
- Zhou, L., Wu, W.P. and Luo, X., 2007. Internationalisation and the performance of born-global SMEs: The mediating role of social networks. *Journal of International Business Studies*, 38(4), pp.673-690.
- Zhang, M., Tansuhaj, P. and McCullough, J., 2009. International entrepreneurial capability: The measurement and a comparison between born global firms and traditional exporters in China. *Journal of International Entrepreneurship*, 7, pp.292-322.