

СВІТОВЕ ГОСПОДАРСТВО І МІЖНАРОДНІ ЕКОНОМІЧНІ ВІДНОСИНИ

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FACTORS FAVORING THE FORMATION OF BORN GLOBAL

Enterprises «born global» also called international new venture or early start up have recently become the subject of interest of many researchers. Scientists are trying to understand the phenomenon of such companies and determine what contributed to their huge success. Recently, a lot of research has been done on born global companies. Born global are companies that from the beginning or almost from the beginning of their existence derive a significant part of the revenue from sales on foreign markets [Cavusgil, Knight, 2004]. Born global enterprises base their competitive advantage on extensive coordination of many organizational abilities, without geographical restrictions. They have the ability to search for appropriate resources around the world and sell goods and services elsewhere [Baronchelli, Cassia, 2008]. Specific resources, including innovation, pro activity, risk resistance, global vision, knowledge and experience of international management create a competitive advantage on global market [Blanke-Ławniczak, 2012, p. 22].

The purpose of this article is to present the factors that promote internationalization of born global. There are several basic factors that promote internationalization of born global. First of all, it is the development of communication technologies that accelerates the international flow of information and reduces their costs (e.g. e-mail, cell phones). Thanks to this, even small enterprises contact suppliers and customers around the world and quickly acquire knowledge of foreign markets, efficiently implementing international operations. The Internet is particularly conducive to the emergence and development of born global. The existence of niche markets with an international and global reach is growing, especially in highly developed countries. This means an increase in demand for specialized goods and services, which are often standardized.

Another factor is the globalization of technology through joint research and development activities, international technology transfers, unifying education in technical sciences and business (e.g. as part of e-learning) that allows small businesses access to innovation, technology and knowledge.

The flexibility of small enterprises in their activities on foreign markets has a positive impact on the creation of new born global companies and their development. Shortening product life cycles, rapid changes in customer needs require fast response times, efficient adaptation to international expectations and trends. Flexibility in connection with innovation favors born global in implementing market strategies, often aggressive ones.

Innovative technological processes (e.g. using microprocessors) enabling the production of complicated, unusual components and custom finished products in small batches and their individual adaptation to the diverse requirements of recipients are also conducive to the development of born global. Specialized small enterprises can thus achieve a high level of international competitiveness. The last factor is the functioning of global networks of connections between national and international distributors, suppliers and sub-suppliers, final buyers, etc. By entering the network – the company has the opportunity to create beneficial long-term ties with partners, even when it is small and has no international experience.

The development channels of born global companies can be ordered using a scheme that has been developed based on the development of IT industry companies, e.g. Opera:

- The occurrence of international corporations as system integrators, offering a number of implementations of services and network system projects suited to the client's needs.
- Corporate outsourcing of production and service to born global companies.
- Distribution of products and services of born global companies through international corporations.
- Static and dynamic networking.
- Internet infrastructure enabling distribution as well as contact and interaction with the client.
- A combination of two or more of the above factors.

The development channels for born global companies are shown in Figure 1.

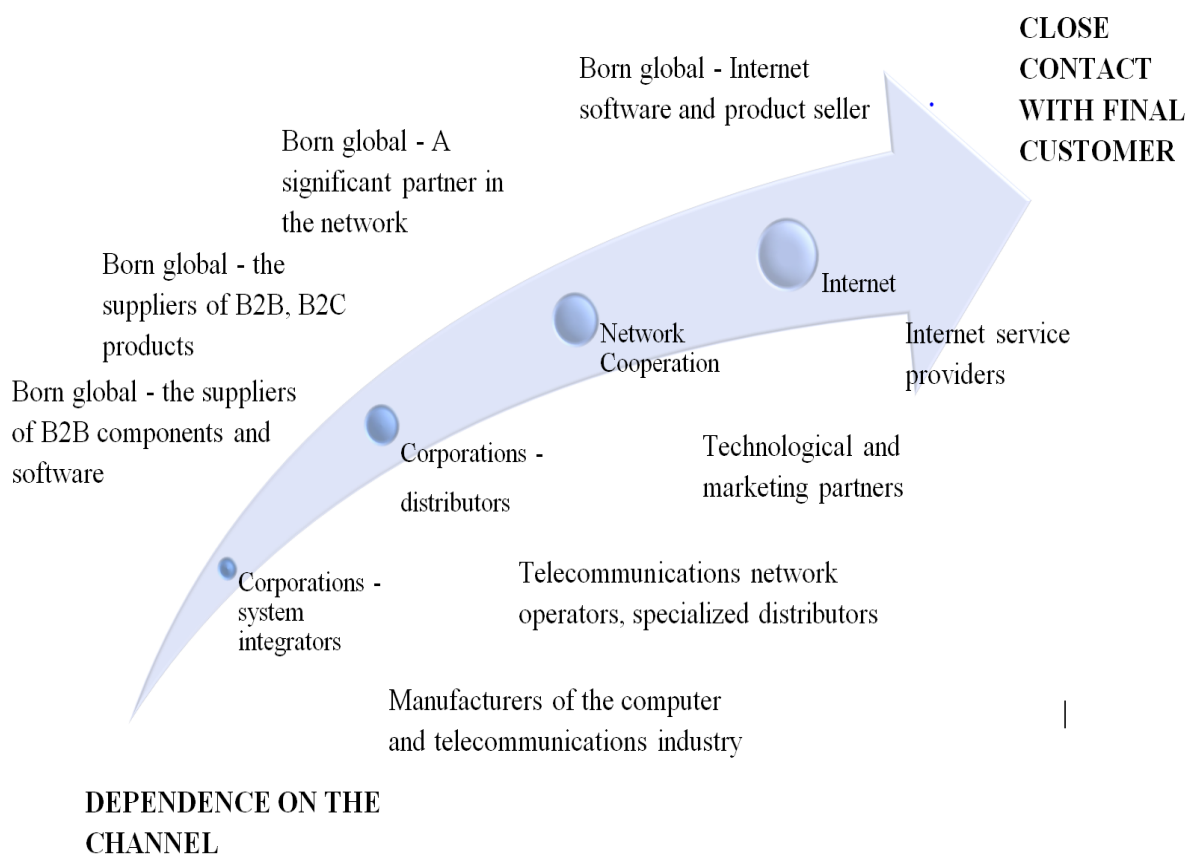


Figure 1. Development channels of born global companies

Source: Own study based on: [Gabrielsson, Kirpalani, 2004]

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