Paper V

A Born Global Company’s Way to Growth


Earlier version was Published in the Research on Technology, Innovation and Marketing Management 2007-2008, edited by Sven Åke Hörte (2009), Centre for Technology, Innovation and Marketing Management and further developed 2011.
Abstract

In this paper, a Born Global company is studied, with the aim of investigating how it has developed from 1990 to 2007. Which growth stages can we identify over time? Which factors influence these stages? The method used is the case study and the information was gathered through interviews and secondary data.

For the theoretical approach, I have used the indicative ‘stages’ of the growth/life-cycle models by Churchill and Lewis (1987) and Smallbone and Wyer (2006), a framework focusing on international growth, international market strategy, international entrepreneurship and culture and international organisation.

The Rubber Company was studied from 1990 to 2007, which suggests that three CEOs have been in charge of the company; the founder, external CEO I and CEO II. The company’s development and expansion over the study period were followed and related to the stages of growth/life-cycle model and theoretical framework. The stages analysed are the Entrepreneurial stage (1990–1999), the Expansion stage (2000–2004) and the Industrial stage (2005–).

The three CEOs took part in different stages, which affect firm development. The Rubber Company is still growing and very entrepreneurial, over time lifting its development curve to new levels. Market strategy has changed from distributors to subsidiaries. Unknown global segments have been developed. Critical incidents over time have been the founder’s way of acting during the second stage in relation to CEO I, who came from a much larger company with a strong support staff. In combination with the fact that the founder was still the owner and had the power, this did not make it easy to change the company to a new stage of development. He also did not have the experience of working in a smaller company. CEO II already had a close relation with the founder and thus he was more quickly accepted. During the Industrial stage, the new investor supported the firm’s strong development.

The ongoing Entrepreneurial stage on the business development curve indicates even faster growth for the Rubber Company. For that situation, entrepreneurship strategies must be more open, decentralised and teamwork-oriented. Another management style is later required to lead and expand the company. Since 2005, the company has been in the Industrial stage; i.e. expanding even faster in the global market. A value-added pricing concept has been developed. The company’s external focus on customers and relations is very important. CEO II suggests that traditional multinationals have too much of an internal focus.

The learning process in the Rubber Company has been present from inception, but the firm has how become more professionalised through international workshops. For the culture and vision, it is important to agree on the internal values of the company all over the world – the “Company Way” of doing business. Entrepreneurship strategies have changed from an entrepreneur
deciding in most cases to a more coaching style of leadership. New owners have now invested in the company and capital for expansion is available.

The most interesting question is how the Rubber Company grows over time and how management continuously manages to shift the life-cycle curve to new levels. A Born Global company grows and develops in its special way according to the prevailing theory. However, when it is growing, it is more and more like a traditional company but still with an extreme entrepreneurial focus, in some cases because of the founder.

**Keywords:** Internationalisation, Born Global, Entrepreneurial and Expansion, and Industrial Stages, Market Strategy, Growth, Value-Added pricing
A Born Global Company’s Way to Growth
A study of a growing company over 17 years

Introduction

For many years, the normal way to internationalise was gradually according to Johanson and Vahlne (1977). Further, many regulations made it difficult to internationalise, especially for SMEs (small and medium-sized enterprises). In smaller countries such as Sweden, many larger companies have been very good at internationalisation because they have had to go abroad to find markets for their expansion. Around 1990, we first saw smaller companies with niche products internationalise. This development increased after 1995 when Sweden joined the European Union.

Over the past 10 to 15 years, the phenomenon of Born Globals has been highlighted in many studies. These firms adopt a global approach right from inception or very shortly thereafter. This behaviour challenges the traditional models of internationalisation that suggest developing in a slow and gradual manner with regard to geographical markets and market entry modes. It has been found in earlier papers that ongoing globalisation has made it easier to affect Born Global strategies. Still, active entrepreneurs see global opportunities and implement global strategies using their personal networks. An indication of recent globalisation is that currently about 245,000 Indian people are answering phones from all over the world in call centres (Friedman, 2006).

An increasing interest has been shown in the international development of Born Global firms (Andersson, 2000; Bell, 1995, Holmlund and Kock, 1998). The early internationalisation of companies was a successful strategy for some SMEs (Madsen and Servais, 1997), but for some researchers the theoretical point of departure is the criticism of the Uppsala internationalisation model and other stage models (Bilkey and Tesar, 1977; Cavusgil, 1980; Czinkota, 1982; Reid, 1981) for being overly deterministic (Bell, 1995; Reid, 1981; Turnbull, 1987; Melin, 1992). Firms developed in accordance with the models and many individuals had no other strategic choices. Other studies have shown that entrepreneurs choose to internationalise their firms much faster and to go global soon after their inception (Rennie, 1993; Knight and Cavusgil, 1996; Madsen and Servais, 1997). For these entrepreneurs, a global strategy is the most natural strategy, while most other entrepreneurs should choose another strategy.

Autio (2005) compares the theoretical dimensions and logic between PTI (Process Theory of Internationalisation) companies and International New Ventures (INVs; another name for Born Globals) building on Oviatt and McDougall (1994) and Johanson and Vahlne (1977, 1990). The underlying theories of PTIs are behavioural theory and the theory of the growth of the firm and for INVs entrepreneurship, the resource-based view of the firm and governance theories. The scope for PTIs is the internationalisation process, but for INVs it is more the initiation of internationalisation and an early internationalisation process. The internationalisation strategic posture for PTIs is reactive, namely reacting to unsolicited export orders, whereas for INVs it is more proactive and opportunity seeking (Autio, 2005).

The nature of opportunity for PTIs is market demand and for INVs it is supply push. The firm objective for PTIs is survival through long-term profitability, whereas for INVs it is value creation and growth. Value-creating assets for PTIs are concentrated in the domestic country and for INVs value creation is based on cross-border resource combinations. The relationship
between individual and firm knowledge for PTI companies is firm experience, which supersedes individual experience. This is contrary to INVs, which focus on individual experience and entrepreneurial vision to drive international commitment decisions. In INVs, the entrepreneur takes the decisions, whereas in PTIs the firm’s decision-making system is responsible (Autio, 2005).

In competition situations, PTI companies act against local players in foreign markets, while INVs act against global players. How important is the management’s pre-firm experience of the different types of companies? For INVs, it is the crucial factor for early and rapid internationalisation, but for PTIs it is not so important because of the firm’s collective experience superseding individual experience. PTIs take small internationalisation steps compared with INVs’ mostly large steps. There is also a different result from the effects of rapid market change. INVs speed up their internationalisation because of the need to move fast in order to seize opportunities, whereas PTIs slow internationalisation down because of the rapid obsolescence of the firm’s knowledge. The quality of resources is more important for INVs than for PTIs, who have larger resources. For INVs, value-creating resources are more dispersed across national borders compared with PTIs, which are more concentrated in the domestic base. For INVs, internationalisation is necessary for the growth and survival of the company. Growth forces PTI companies to internationalise, but by internationalising late, they are more likely to survive (Autio, 2005).

Born Global companies develop very quickly in different markets in order to survive. They must expand into markets before competitors understand that they will be gaining competition. Companies, even Born Globals, usually develop first in the domestic market, but most Born Global companies have a clear intention to growth directly in the global market. Born Global companies develop rapidly (Wictor, 2006a). The entrepreneur’s vision to develop the company changes over time. What happens in different growth stages? Which factors influencing these growth stages can be identified? Some Born Global companies have now been in business for many years. What has happened to them? Have they developed as other older companies or have they followed another pattern? Which factors have influenced the company’s development? This suggests that there is a gap to fill by studying a company over time to find out the influencing factors of different growth stages compared with life-cycle theory.

The aim of this study is thus to investigate how a Born Global company has developed from 1990 to 2007. Which growth stages can be identified over time? Which factors influence these stages? I have chosen to work with international growth, the international market strategy, international entrepreneurship and culture and the international organisation in accordance with what other researchers have found as important factors.

This paper is a case study about a Rubber Company that has successfully internationalised over the studied period. I start with an introduction concerning the inception and internationalisation of Born Globals. For these companies, it is a question of survival to go international and to rapidly expand into many countries. This is not in accordance with the stage model developed by Johanson and Vahlne (1977).

In the theoretical framework, I use theory to handle the internationalisation process concerning the international growth and growth models, international entrepreneurship and culture and international organisation. This framework is then used in analysing the case study in the analysis.
Theoretical Framework

The framework has been structured to more easily follow the development of the company over the study period and to explain the company’s development according to the aim of the paper. It starts by discussing theory, treating the first research question concerning which growth stages we can identify over time and then which factors influence these stages. Earlier research has pointed out these factors, i.e. international growth, international market strategy, and international entrepreneurship and culture and international organisation, as important to understand international growth. I use these factors as a structure for my work in this paper.

International Growth

When you study Born Global companies, it is also important to study networks. According to Oviatt and McDougall (1994), Bell (1995) and Covielo and Munro (1997), you have to study networks and networking to understand a company’s speedy internationalisation. Etemad (1999) suggests that a short product development cycle is necessary to expand into as many markets as possible during a short time. Therefore, the situation requires new strategies, alliances and networks to manage. Further, Spence (2003) finds that networks are important when you internationalise.

For Born Global companies working in niche markets, the early internationalisation process is because of changes in the environment (Nummela et al., 2003; Knight, 2001; Fletcher, 2000). Furthermore, through reinforced competition, they have reduced possibilities to control their own development (Nummela et al., 2003). For most companies, the internationalisation process is a question of rapidly establishing new markets in order to survive.

According to Hoy et al. (1992), growth is created by persistent entrepreneurial activity. Kolvereid and Bullvag (1996) developed a conceptual model of growth for entrepreneurial organisations. This also emphasises growth’s relation to an individual’s entrepreneurial action. Klofsten (1992) also stresses the individual/entrepreneur’s significance for early organisations’ development and growth. One “conventional wisdom” has been that in order to grow a company the founder must leave. This is not in line with Willard et al. (1992), however, who find that no significant differences between founder-managed and non-founder-managed companies in terms of growth.

Wiklund (1996) studies different theoretical perspectives in research on firm growth. He discusses four different perspectives:

- The resource based perspective; i.e. the resources integrated in the company,
- The life-cycle perspective; i.e. “environment, strategy and structure are aligned with each other and appear in a limited number of configurations” (p. 5), which makes it possible to follow and analyse the company’s development,
- The strategic adaption perspective; i.e. companies that choose a strategy in line with the environment will succeed better, and
- The motivation perspective; i.e. many company leaders have not only growth for their company as a goal but also other ambitions. Therefore, motivation will be central and together with cognitive ability it will influence the direction and intensity of action, and how these perspectives can be integrated.

In Achtenhagen et al.’s (2009) study, they point out that most studies of growth focus on the question of why firms grow to identify the antecedents of growth. To study growth as a process is rare. Only a few studies have assessed the process of growth. Achtenhagen et al. (2009) suggest
that these are connected to changes or challenges that companies’ have to handle when they are growing. They also suggest that there is a gap between scholarly interest and entrepreneurial practice, and that more focus in research should be on what happens in practice. They suggest as an example that entrepreneurial growth aspiration and decision-making are known to influence business growth. For Achtenhagen et al. (2009), growth is a heterogeneous process and internal development that create an increase in company value. To measure growth only by the number of employees is too simplified. A conclusion of their study is that all relevant actors need to take into consideration “business growth”.

Hanks et al. (1993) study growth stage configurations in high-technology organisations. They focus on a comparison of life-cycle stage models and what the different stages are characterised of. A common pattern has the following stages: start-up, expansion, consolidation, diversification and decline.

To understand a company’s positive growth, Cardoze et al.’s (1995) model can also be used. The first step of normal growth starts with conception and gestation, while the next involves assembling resources when you activate the vision. When you have the resources, you are in a position of reaching/exploring interesting niches in terms of products and market segments. You are then in an attaching position to expand. Then, a process with replicating and modification starts with, for example, new customer segments. The last process generates growth, both product-market growth and internal growth.

Another interesting approach is to study the decision-making and leadership styles over different growth stages (Kedia et al., 2002). Global companies need transformational leadership as part of international strategies. According to Shin (1997), the team can be a “competitive edge” in expanding the business over time.

A model to explain a company’s development and growth is the so-called “organisational approach” by Gibb and Davies (1990), which focuses on different development stages in the life-cycle. They suggest that since a product faces a life-cycle, the business must do it, too. Churchill and Lewis (1987) developed a five-stage model in which each stage connects to enterprise factors and management factors that change over time as the firm develops. An application developed by Smallbone and Wyer (2006) shows how a company follows that graph. This model highlights the pivotal management roles and activities played by the owner-manager in the start-up and survival stages of the company at a time when a simple organisation structure and informal management process dominate.

For this study, I have chosen to compare Smallbone and Wyer’s (2006, p. 107) model of the company’s life-cycle. The model is very established and well known, because you can follow the company’s process of development over different stages and compare these stages with those of the model. Another strength of the model is that it has developed underlying information that characterises the different stages of growth, which can easily be compared with the studied Rubber Company.

Smallbone and Wyer (2006) developed a framework with five stages (Figure 1). Their business life-cycle model is divided into two parts: the organisational form and indicative challenges and hurdles. These two parts include the following stages: start-up, survival/development, growth, maturity and decline. I concentrate on the first three stages in this paper.
A Born Global Company’s Way to Growth

<p>| Time |</p>
<table>
<thead>
<tr>
<th>Sales revenue</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Business Life-cycle</th>
<th>Start-up</th>
<th>Survival/Development</th>
<th>Growth</th>
<th>Maturity</th>
<th>Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational form</td>
<td>Owner-manager is the business</td>
<td>Simple structure; pivotal role of owner-manager; informal management process</td>
<td>More formal organisation structure: need to delegate functional activities</td>
<td>Lines of authority consolidated in functional form</td>
<td>Possible Retrenchment or replacement of functional line staff</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indicative challenges and hurdles</th>
<th>Need to identify market and attract customers</th>
<th>Need to consolidate customer base</th>
<th>Owner-manager willingness to relinquish areas of control</th>
<th>Investment of time/resources in marketing efforts (seeking alternative markets)</th>
<th>Need for extension strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cash flow difficulties</td>
<td>Establishing sound financial foundations</td>
<td>Attracting better quality staff</td>
<td>Control of expenditure and costs</td>
<td>Shrinkage of operational activities, possibly with accompanying high overheads</td>
</tr>
</tbody>
</table>

Figure 1: Growth/life-cycle model proposed by Smallbone and Wyer (2006).

In the first stage, the organisational form is simple and the owner-manager of the firm is left to identify its markets and attract customers. In this stage, it is a problem to finance the business when you are expanding. As a start-up company, you have to fight for your survival.

In the second stage, the survival and development stage, the organisational form is still a simple structure, the role of the owner-manager is pivotal and the management process is informal. The company is now in need of consolidation so that it can establish a good and sound financial situation.
In the third stage, growth, there is a demand for a formal organisational structure and a need to delegate. The owner-manager is interested in relinquishing some areas of control. The company wants to attract more qualified staff. It is also important to understand what the competitors stand for and to find expansion capital to be able to grow the company. As a complement to Smallbone and Wyer’s (2006) model, Churchill and Lewis’s (1983) model focuses on five stages: a) existence, b) survival, c) success, d) take-off and e) resource maturity. The company starts its real growth development at the beginning of the success stage. Compared with Smallbone and Wyer’s model and their growth stage, Churchill and Lewis’s model better shows the growth development in the stages of success and take-off.

Churchill and Lewis (1983) also focus on what happens to the growth within the company:

1. Growth through creativity
2. Growth through direction
3. Growth through delegation
4. Growth through coordination
5. Growth through collaboration

Management style changes over time:

<table>
<thead>
<tr>
<th>Growth Stage</th>
<th>Existence</th>
<th>Direct supervision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth Stage</td>
<td>Survival</td>
<td>Supervised supervision</td>
</tr>
<tr>
<td>Growth Stage</td>
<td>Success</td>
<td>Disengagement</td>
</tr>
<tr>
<td>III-D</td>
<td></td>
<td>Functional</td>
</tr>
<tr>
<td>Growth Stage</td>
<td>Success Growth</td>
<td></td>
</tr>
<tr>
<td>III-G</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth Stage</td>
<td>Take-off</td>
<td></td>
</tr>
<tr>
<td>IV</td>
<td>Resource Maturity</td>
<td></td>
</tr>
<tr>
<td>V</td>
<td></td>
<td>Line and staff</td>
</tr>
</tbody>
</table>

Critical incidents appear in the company’s development and you can see ‘epochs’ in these companies. Therefore, different crisis types have been defined. These include 1) Crisis of leadership, 2) Crisis of autonomy (who is acceptable for the founder to lead and who can develop it further), 3) Crisis of control (delegation and control) and 4) Crisis of red tape (better coordination through formal systems and the organisation has to be organised in another way because it is now too large). This model builds on Churchill and Lewis (1983, pp. 3–4) and Lindqvist et al. (2011). This may be an interesting background to understand what happens within the company.

Another complementary model is that of Gabrielson et al. (2004), which has three stages: establishment, international phase and global phase. They separate out ‘Born International’, which is between establishment and the international phase. Further, when a company goes directly from establishment to the global phase, it is a Born Global. Born Global companies do not “have the time to proceed according to the conventional stage theory model pattern” (ibid., 593). Establishment in the above model can be connected with Rasmussen et al.’s (2001) model for the founding of Born Global companies with a pre-organisation, the founder and the organisation in focus.

Hashai and Almor (2004) study gradually internationalising knowledge-intensive Born Global firms. They use three stages:
Stage I; exports via agents/distributors, no internationalised value-adding activities, enter physically close foreign markets.

Stage II; establishment of green-field subsidiaries, internationalised value-adding activities through marketing, enlarge market share in physically close foreign markets.

Stage III: Mergers and acquisitions, production and R&D, Enter physically distant foreign markets (and continue sales to physically close markets) (ibid., p. 469).

From the beginning of internationalisation, the company locates all value-adding activities at home to avoid the investments and fixed costs associated with foreign operation. In the second stage, the company will be engaged in establishing wholly own subsidiaries. “On average, the first subsidiary is established after seven years” (ibid., p. 477). In this stage, there is a need for more managerial expertise but it is still not as complex as M&A. The volumes are expected to grow in stage II to the major markets targeted. In the third stage, both production and R&D can be internationalised. Managers in this stage are expected to gain enough experience of international activities to go on with foreign investments. Sales are expected to increase during this stage (ibid.). According to Hashai and Almor (2004, p. 471), “the internationalization of value-adding activities is therefore expected to confirm to the pattern of internationalization identified by Johanson and Vahlne (1977)”. In other words, production and R&D will be internationalised as the final activities.

Gabrielsson et al. (2008) describe another model with three phases:

Introductory phase 1
The founder and other creative people are the main resource in the company. In many companies, the founding team or founder has done a pre-phase work building on their earlier working experiences. A selected channel strategy and networking approach are important. Normally, the firm stays for three years in this phase. Gabrielsson et al. (2008) suggest that entrepreneurial learning is connected with the ”identification and exploitation of opportunities” building market-related intelligence. Critical situations for leaving this phase are if the founder has international experiences supporting rapid organisational learning or if the firm has managed to “establish a proactive learning environment both within and outside the company. A Born Global entering phase 2 will often find itself operating in a global or potentially global industry” (pp. 395–396).

Growth and resource accumulation phase 2
Gabrielsson et al. (2008) claim that Born Globals use their partners and networks to learn to do business. A lack of resources in the firm is compensated to position itself in relevant networks, both formal and informal. ”Success in this phase hinges to a large extent on the product/service itself and on the ability of the Born Global to place it on the market” (ibid., p. 396). The time spent in this phase is three to five years. Global market players secure their leadership through consolidating brands and networks and developing new products. Global niche orientation or the uniqueness of their products gives them the possibility to price their products at a high profit margin. An important question is “how long and to what extent should they stay in the network of the large global market player? In other words, what is the break-out strategy that will lead to their own development?” (ibid., p. 396).

Break-out phase 3
In this phase, the Born Global company has to decide a break-out strategy based on experiences from global customers. The company has to plan a global market positioning of its own. A global
vision and commitment are important to become a successful Born Global. The development in phase 3 depends on the strategies decided in phase 2. The firm may need additional resources to go on. If the firm has a unique product or service, it can use self-generated resources or ask the financial markets (Gabrielsson et al., 2008).

Gabrielsson et al. (2008) also suggest that if the firm does not break out it will not distinguish from the traditional pathway of commitment. They also believe that “the founder and its global vision at inception are the key factors” (p. 400). After break-out, the company faces new challenges but these are no longer important because the company has joined the ranks of global players.

In light of the foregoing, there is a gap in the literature with few studies concerning the stages for a special company and in different industries over time. Most studies question the stage models such as by Johanson and Vahlne (1977, 1990) compared with rapidly growing companies such as Born Globals and their growth stages.

International Organisation
According to Smallbone and Wyer (2006), the entrepreneur is the heartbeat of the business from the start. He decides. During the company’s expansion growth stage, survival is the main goal. The structure of the company is simple. The entrepreneur has a pivotal role. The management process is very informal. In the growth stage, there is a more formal organisation structure and a need to delegate functional activities. In this stage, it is important to improve the knowledge of staff. At the same time, it is important for the entrepreneur to relinquish certain areas to other people.

Rialp et al. (2005, p. 162) find that “the organizational capability perspective could constitute one of the most promising theoretical frameworks from which you may explain and interpret not only the emergence of early internationalizing firms but also its further development in the form of rapid and sustained international growth”. Feeser and Willard (1990) propose that larger teams may better enable firm growth. Larger teams could provide members with a deeper depth of skills and experiences. They also find a positive relationship between founding size and performance.

International Entrepreneurship and Culture
Entrepreneurs are motivated individuals, but how do they think when they work in a Born Global company? In order to stay ahead in development, strategic thinking becomes important to understand the internationalisation process. In this, it is crucial to think in terms of building knowledge according to Johanson and Vahlne (1977) and to hereby also create a learning process.

According to Halila and Horte (2006), entrepreneurs have a strong vision to which they are strongly committed to implementing. The entrepreneur opens new markets and develops new organisational forms. Daily et al. (2002, p. 402) suggest that “entrepreneurial firm leaders may operate under less severe constraints enabling them to more directly impact firm outcomes as performance”. McDougall et al. (2003) find that entrepreneurial teams’ work experiences and strategies are higher in INVs compared with domestic ones.

Andersson (1996) discusses the entrepreneur’s action in the decision process in the company. He suggests that the entrepreneur has a special capacity to know which possibilities are feasible and how these can be evaluated as information from technical, marketing conditions and institutional
characteristics. He further indicates that since many informational sources are widely distributed throughout the world, entrepreneurship can also be divided into entrepreneurial teams. The company's internationalisation strategies have earlier focused mostly on the market and increased sales, but as pointed out by McDougall and Oviatt (2000), it is a question of creating higher value. This is also found in the definition of international entrepreneurship by McDougall and Oviatt (2000, p. 903), which incorporates Covin and Slevin's (1989) three dimensions of an entrepreneurial orientation but has been adjusted to a more international business situation:

“International entrepreneurship is a combination of innovative, proactive and risk-seeking behaviour that crosses national borders and is intended to create value in organizations”.

This definition has been developed further. Shane and Venkataraman (2000, p. 218) propose the following definition: “Examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited”. Oviatt and McDougall (2005, p. 540) develop their definition after taking Weick (1995) into consideration and his process of enactment;

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

“Creating value” is today very important because of even stronger global competition. To be able to be profitable, you must focus on the customer’s possibilities to make more money on products and services (Wictor, 2006b).

The entrepreneur is important to study when studying Born Global companies’ development. What happens internally in the company’s organisation and what is the entrepreneurial role in the internationalisation process? In this study, I have also designated “an external CEO” as an international entrepreneur who most clearly has contributed to shaping the internationalisation of the company. Andersson (2001) points out several studies, both from Sweden and abroad, which have shown the importance of the entrepreneur and private individuals for the emergence of fast growing companies. He further discusses the entrepreneur’s role in the organisation and entrepreneurship’s importance for growth.

According to Andersson’s (1996, p. 69) model of the company’s internationalisation from an entrepreneurial perspective, the entrepreneur influences the process and can over time acquire impressions from his surroundings in macro, meso and micro companies in order to affect the process and the individuals in the organisation. Decision-making and the transferring of knowledge are important factors in the strategic process and learning becomes important for Born Global companies, which need rapid expansion.

An interesting school in this regard is “The Entrepreneurial School”, which is characterised by “a strategy formation as a visionary process” (Mintzberg et al., 1998, p. 5). The central vision for this school is representative of the mental process created by the entrepreneur in his head. This vision should be considered both as an inspiration and a reason for what has to be done, which is in the form of a “red thread” about how to reach the goal. The vision is not directly formulated in words, but can be seen as a picture or a map. This can then be adjusted to the entrepreneur’s own experience. His strategies have become both intentional in their entirety in the rough direction and appear in detail in order to adjust to this rough direction. This creates a form of “vision” for the entrepreneur’s strategic thinking, according to Mintzberg et al. (1998). McClelland (1961) considers that the achievement motive is central for the entrepreneur. The
personal satisfaction of accomplishing the task is more important than the personal reward: “The motivation was not merely profit, but also the desire to establish a private dynasty, the will to conquer in a competitive battle, and the joy of creating” (p. 11). You can see the definition of the international entrepreneur of McDougall and Oviatt (2000, p. 903) as still applicable for Born Global companies.

Lumpkin and Dess (1996) focus on the entrepreneurial orientation towards performance and the important factors for this, such as autonomy, innovativeness, risk-taking, proactiveness and competitive aggressiveness when establishing new markets: “The essential act of entrepreneurship is new entry. New entry can be accomplished by entering new or established markets with new or existing goods and services” (p. 136). Entrepreneurial orientation can be linked to the processes, practices and decision-making styles managers use when acting entrepreneurially. Lumpkin and Dess (1996, p. 140) define autonomy as “the independent action of an individual or a team in bringing forth an idea or a vision and carrying it through to completion”. Innovativeness, they state (p. 142), “reflects a firm’s tendency to engage in and support new ideas, novelty, experimentation, and create processes that may result in new products, services, or technological processes”. Risk-taking is defined as the degree to which managers are willing to make large and risky resource commitments, i.e., those which have a reasonable chance of costly failures” (Miller and Friesen, 1978, p. 923). Their notion of proactiveness builds on Venkatraman (1989), “who suggested that pro-activeness refers to processes aimed at anticipating and acting on future needs by seeking new opportunities which may or may not be related to the present line of operations, introduction of new products and brands ahead of competition, strategically eliminating operations which are in the mature or declining stages of life cycle” (ibid., p. 949). The last factor is competitive aggressiveness, or “a firm’s propensity to directly and intensely challenge its competitors to achieve entry or improve position, that is, to outperform industry rivals in the market place” (Lumpkin and Dess, 1996, p. 148).

Frishammar and Andersson (2009) focus on three of these factors, namely innovativeness, risk-taking and proactiveness, and find a positive relation between proactiveness and international performance. Individuals’ importance concerning who they are (characteristics, tastes and abilities) and their knowledge levels and social networks are important for the company’s development. Proactiveness has also been found to be important by Oviatt and McDougall (1994, 2005).

In Born Global companies, a strong founder’s vision generates a strong culture. This culture is used to govern the company. The entrepreneur’s leadership is thus very important in developing the company.

Transformational leadership is when a leader inspires staff to share a vision, empowers them to achieve the vision and provides the resources needed to develop the staff’s potential. The leader serves as a role model in the organisation (Smith et al., 2004). For a charismatic leader, it is important to inspire the staff by building their commitment to a shared vision and values (Conger and Kanungo, 1998).

Bass (1996) indicates that transformational leaders are tolerant to an employee’s mistakes. Leaders are open to new ideas and involve the staff in finding solutions to different problems. This is important for company growth and gives the individual the possibility to create new learning situations and to develop. Communication is used in a two-way model. Smith et al.
(2004) suggest that transformational leadership is suitable for a dynamic environment in which employees are encouraged to take the initiative, responsibility and risk.

Block (2003) concludes that leadership creates an environment in which organisational changes happen more easily and the organisational culture, as a contextual factor, forms a specific leadership. In addition, leaders use the organisational culture as a tool to affect change. Further, Block (2003, p. 329) suggests that “leadership and organizational culture represent two realities of organizational life that are closely intertwined”.

International Market Strategy
The development of new technology in communication and logistics, globalisation of market demand and market strategies has all been important over the past two decades (Levitt, 1983). This has also created new conditions for smaller companies. However, a lot of problems remain, such as language, culture and different types of market channels in different countries (Andersson, 2000). For innovative companies, Spender (1989) suggests that niche markets can be developed.

According to many researchers, it is natural to first target the domestic market (Lindmark et al., 1994) and then internationalise gradually to culturally similar nearby countries. Johanson and Vahlne’s (1977, 1990) model starts from the point that the company has no organised exports and so gradually establishes new markets through agents/distributors, before the establishment of subsidiaries and after that overseas production (Johanson and Wiedersheim-Paul, 1975). Owing to the decrease in customs controls and Sweden’s entry into the Common Market, the conditions for many companies, especially Born Globals, have influenced growth. Companies that have unique products that address niche markets can use this strategy to succeed (Andersson and Wictor, 2003).

Rennie (1993) finds that management look on the world as one marketplace. Entrepreneurs apply leading-edge technology either in manufacturing or in the way they do business. Kuivalainen et al. (2010, p. 149) find that “excellent investment expertise, connections with venture capitalists and good financial management are important capabilities for a small firm with growth aspirations” looking at the global market.
Analytical Model

The framework can be summarised in Figure 2 and combined with the stages in the case study.

Figure 2: How the entrepreneur affects growth development compared with the stages used in the case study (own construction).

The entrepreneur in this figure has considerable experience of the market, different strategies, international business and culture and international organisations. Owing to this and his dominating position, he influences the organisation within the company. His entrepreneurship and willingness to act in accordance with changes in the environment affect his way of setting strategies, influencing company culture and building the organisation. This then suggests that he affects the development of the company when it is growing internationally. Company growth will over time affect the entrepreneur's decisions for the company.

The model in Figure 2 can be seen as a bridge between Smallbone and Wyer’s (2006) model and the different stages in the case study. In the Entrepreneurial stage, the entrepreneur has a dominant role. He sits in all positions in the management team and he might form the organisation with a defined organisational chart.

The Expansion stage takes place while building up the international organisation, international entrepreneurship, internal company culture and international market strategy. During the
Entrepreneurial and Expansion stages, the company grows and prepares for the larger growth expansion in the Industrial growth stage. With professional management and enough financial capital, internal or external, the growth intention can improve. Although there are no definite borders between one stage and another, the model can still be useful for making comparisons. Figure 2 is used in the analysis to understand the Rubber Company.

Methods
Data were collected through a case study during two research projects at Halmstad University from 2001 to 2007. In the projects, I have been working together with Professor Svante Andersson at Halmstad University. He started his research on the Rubber Company in the late 1990s. I have had the opportunity to use some of his research information from 1999, namely his information together with the interviews cover the time from inception. Please find dates for the interviews in attachment 1. The company can be used for longitudinal studies over 17 years. According to Davidsson and Wiklund (2006), there is a need for longitudinal research on firm growth. Many studies have been based on secondary data. The Rubber Company is by definition a Born Global company. A Born Global company is still a rare phenomenon. The interviews in the projects were carried out during the years; 2001, 2003, 2004, 2005 and 2007.

A qualitative method (interviews) is interesting to be able to pick up details that are important to new phenomena in society. Being able to study the Rubber Company over so many years makes it very interesting. According to Rialp et al. (2005, p. 163), “a more rigorous and insightful application of the case study approach, with primarily explanatory purposes but even in a purely explanatory way, may result in the identification of totally unexpected evidence fostering newer and more sophisticated interpretations of the phenomenon”.

For the study, I used secondary data and information from Svante Andersson’s earlier studies of the company as well as interviews. Three different CEOs have worked for the company during this period. The conception “international entrepreneur” is used in the theoretical framework. I used different entrepreneurial periods as a base to define the different developmental stages in the company. What has happened, how have the different CEOs acted over time and have they worked with strategies? Interviews were carried out with the founder (two interviews), CEO I (one interview) and CEO II (three interviews) and these were complemented with secondary data. The goal was to find deep information about the development of the company, its business development and its establishment in markets. The red thread to focus on was changes in its development over time. Information that is difficult to reach through a quantitative questionnaire can be gathered through interviews. Diverse information is of interest to see the variety of the company’s development and to analyse it according to the aim. Yin (1994) suggests that the most important part of choosing a company is the potential with which it can contribute.

Case Study
The Rubber Company
The Rubber Company is a knowledge-based company manufacturing multi-diameter rubber seals for cables and pipes. From the beginning in 1990, it was decided that the world should be its market. The founder has always had a strong vision and a special way of market establishment. The firm’s goal was to work through distributors with very close relations to the company in Sweden. It has now begun to leave this model for a focus on firm-owned subsidiaries and a stronger demand on profitability. The created culture and values are central for the whole
company, but they were written in 1994 when the company had only 15 employees. The formed values, its guiding principles, were based on how the company worked when it started. “It is better to own one market than to own a factory” (Founder, 2003-11-04). Sales turnover in Sweden has never been over 18%, max. 20% at a time.

**Business Concept**

“"The Rubber Company should develop, manufacture and sell Multi diameter based rubber seals for cables and pipes, which pass through clearly-defined constructions, where the importance of the protection towards fire, gas, water and electromagnetic disturbances is focused. The world should be our market” (Andersson, 1999). This has permeated the company over the study period and its values.

**The Product**

The product is protected by a patent. The manufacturing process is an important part of achieving a competitive product. The rubber mixture is strategically important. According to the guiding principles, the company only works with the core business. The logistics department has an important role in the company (Andersson, 1999). The company chooses its suppliers carefully. The product core competence is to be found at head office. The founder says, “We do not outsource the core competence we have in-house”.

From 2005, CEO II agreed a new and stronger price model. The company aims to market the product to be able to save the customer money. However, purchases must be cut by 25% over three years. This suggests cutting purchase prices and increasing selling prices (so-called value-based pricing) (CEO II, 2007-04-12).

**Company growth over time**

![Figure 3: Rubber's Profitable Growth, 1990–2009 according to CEO II](image-url)
A Born Global Company’s Way to Growth

The Company Way
The Company Way is an approach that should permeate the whole business. It is a strong vision that governs, with the mission to sell solutions. The concept is what customers need. Employees must understand their roles and tasks in the company. They must also understand who they are and live for their own vision in accordance with the company’s. Furthermore, they must understand each other’s roles and know the company’s concept. Thinking in growth should permeate the whole organisation. The Rubber Company’s Core Values 2007 are Market Creators, Satisfaction, Trust, Locally Global, Flexible, Profitable, Simplicity and Rapid Growth. This suggests a company culture with a vision of the future according to expansion, growth and profitability.

Market Strategy
From the beginning, the Rubber Company saw the world as its market. The Nordic countries and the UK were important export markets because of the offshore market as a customer segment. The Rubber Company found its international distributors in different ways through exhibitions and through the founder’s network. Distributors should concentrate on only a few products. The Rubber Company looked for non-established companies with entrepreneurial thinking. Some agents were enrolled on a provisional basis. The main way for the company is to have distributors, owing to the importance of a small stock to be able to support the market with a valid service (Andersson, 1999).

Internationalisation has been established “as rings in the water” (Founder, 2003-11-04). In 1998, the Rubber Company reached 50 representatives in 70 markets. The company has established 10 new markets a year. In 1999, 85% of turnover was exported. In general, the market strategy over time has mostly been to work with distributors. Only if problems suddenly emerged was the Rubber Company interested in starting a subsidiary. However, owing to problems with the distributor in the US, the Rubber Company had to start a subsidiary. The sold volume there was now 25% of the turnover. In Germany, it had to take over the distributor because of a change of generations. Still, the founder suggests that “all honour to distributors but they do not have the same drive as our own people”.

A Swedish salesperson travelled for a year in the Middle East and after that it was natural to establish a subsidiary office there. The same thing happened in China. However, there was nothing to build on so it was natural to start a subsidiary in Shanghai. China is becoming an important market. Still in 2003, it was not the primary goal to have subsidiaries abroad. All markets are represented in global market meetings.

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>Established (year)</th>
<th>Subsidiary</th>
<th>Established (year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dubai</td>
<td>2000 Greenfield</td>
<td>Spain</td>
<td>2002 Greenfield/distributor</td>
</tr>
<tr>
<td>China</td>
<td>2000 Greenfield</td>
<td>Korea</td>
<td>2004</td>
</tr>
<tr>
<td>Finland</td>
<td>2001</td>
<td>UK</td>
<td>2005</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>2001 Assets/Liabilities/distributor</td>
<td>Germany</td>
<td>2005</td>
</tr>
<tr>
<td>US</td>
<td>2001</td>
<td>India</td>
<td>2005</td>
</tr>
<tr>
<td>Brazil</td>
<td>2002 Greenfield</td>
<td>Japan</td>
<td>2007</td>
</tr>
</tbody>
</table>

Figure 3: Establishment of Subsidiaries over time

Starting up subsidiaries abroad is a question of financing. In Southeast Asia, it works better with subsidiaries. When the firm started in Singapore, they asked customers to list all possible companies. The Rubber Company chose a small company with two people driving their business

213
from a bedroom. Choosing such a company shocked many locals. “A Rubber distributor may have a maximum of five products” (Founder, 2003-11-04). Many market establishments were carried out rapidly and were a central question for the Rubber Company’s survival. The founder’s network was very important in this process. The first three years were very important in this process, according to CEO II.

Today, the Rubber Company controls 80% of sales through 12 owned subsidiaries and a network of more than 40 distributors (sold to 75 markets). Since 2004, the company has been back on the growth track, as shown below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>300 MSEK</td>
<td>14%</td>
</tr>
<tr>
<td>2005</td>
<td>378 MSEK</td>
<td>26%</td>
</tr>
<tr>
<td>2006</td>
<td>550 MSEK</td>
<td>46% (Organic 31%)</td>
</tr>
<tr>
<td>2007</td>
<td>735 MSEK</td>
<td>32%</td>
</tr>
</tbody>
</table>

**Market Establishing in the US**

In the US market, which in 2007 was the Rubber Company’s largest market outside Sweden, the sales did not develop according to expectations. During 1997–1998, the Rubber Company bought 50% of the shares in the distributor’s company. The rest of the shares were bought in 2001. At that time, the company had about 22 employees and a turnover of five million USD. In the past year, the Rubber Company has worked to develop the distributor’s knowledge level and develop its customers to achieve a more growth-oriented strategy. The growth potential should be developed to the level of Europe. The company is working in areas such as Marine, Oil & Gas (Onshore/Offshore), Industry (OEM, Construction) and Telecommunications. It hopes to develop the US company’s growth potential in the coming years. In 2005, the US and Germany were its largest markets.

**Owner Structure**

From the beginning, the founder was the main owner with 70% of the capital stock. There has been no interest in floating. The founder suggests that "there could only be one captain on the boat. Furthermore, the company is governed by quarterly reports. The long-range planning will partly be lost” (Founder, 2003-11-04). The firm is now recruiting a professional board with more external members. “Important values for the new board are external image and industrial knowledge, i.e. as a professional sounding board” (CEO I, 2001-04-03).

Over time, the board has given the company many new ideas concerning growth, marketing and control. It has been important to have different knowledge on the board. Not all board members can be entrepreneurs. “The board is important as a sounding board” (Founder, 2003-11-04). In 2006, the Rubber Company was sold to an investment company dominated by a well-known investor in Sweden. “He runs the board by: a) asking questions, b) sharing his experiences with the company and c) he has an extensive network” (CEO II, 2007-04-07). The founder now only works on the board. He plays some role in the forum for development. They meet four times a year.

**Different Stages in the Company’s Development**

Traditional multinational companies are, according to CEO II, companies focusing on one market at a time. The Rubber Company saw the world as its market from the beginning. The company has a Darwinist perspective and does not slide into a “fat and happy syndrome” (CEO II, 2005-07-11).
Stage I - Entrepreneurial Stage (1990–99)
The founder has been the driving force. Directly after he completed upper secondary school, he started to work for a company in the neighbourhood. They also manufactured rubber seals. First, he worked with market tasks and after 12 years he was asked to take over as CEO of the company. Five years later, he asked the owners if he could buy the company. They did not want to sell and a conflict developed. He then quit. He wanted to start something of his own and in 1990 together with his sister and two other people he formed the Rubber Company. The company was started in a garage, but he still had the ambition to reach the world market (Andersson, 1999; Lövstål, 2001).

<table>
<thead>
<tr>
<th>Entrepreneurial Stage</th>
<th>Expansion Stage</th>
<th>Industrial Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial personnel and the founder</td>
<td>Turnover 0–22 MEUR</td>
<td>Turnover 26–33 MEUR</td>
</tr>
<tr>
<td>Turnover 26–33 MEUR</td>
<td>Turnover 41 MEUR</td>
<td>61 MEUR 71 MEUR</td>
</tr>
<tr>
<td>Internationalisation</td>
<td>70% turnover in Europe</td>
<td>Professional management hired</td>
</tr>
<tr>
<td>Lean development</td>
<td>The founder tries to leave the company</td>
<td>Professional board appointed</td>
</tr>
<tr>
<td>Focus on distributors</td>
<td>Internal focus</td>
<td>External focus</td>
</tr>
<tr>
<td>Few subsidiaries</td>
<td>Each market operates very much its own market</td>
<td>Expansion through subsidiaries</td>
</tr>
<tr>
<td></td>
<td>Important people in and out</td>
<td>No quick customers – find loyal customers and keep them</td>
</tr>
<tr>
<td></td>
<td>Need for new owners</td>
<td>“Assurance” to the customer for secure and good deliveries on time</td>
</tr>
<tr>
<td></td>
<td>Low times of depression</td>
<td>Resources for expansion available</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New global segments</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Need to recruit new staff for expansion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Claims for dividend</td>
</tr>
</tbody>
</table>

Figure 4: The Rubber Company’s Entrepreneurial Stages

From the beginning, the most important factors were never giving up, improving and self-belief. Stay on the “red thread” and not questioning development was very important. “To give up does not exist in my head and to be motivated is a question of personality and obstinacy. Challenges are like having fun. It is a contest instinct, which I have in myself, but I have never been interested in sports. This is another form of contest. My parents were important role models for me. My father did not own anything, but I have grown up in a hard-working environment. This has formed a driving force” (Founder, 2003-11-04).

CEO II suggests that the founder was very smart in seeing early situations, i.e. to have intuition, to build relations with different people and to be unafraid. It was a tough time when the company started in the garage and when the first fire tests were done in the founder’s garden. After one year, they moved to the building of today. The original products are still the core products. During the foundation period, they had regular meetings and a production had to be established. It took nearly two years from the start. The first exhibition they took part in was in
Stavanger in Norway. “The first order was drawn as a sketch on a table napkin in a restaurant” (Founder, 2003-11-04).

The contrast with later development is great. In 1993, representatives from Germany visited Sweden. The next year, representatives from 25 countries participated in a meeting. The Rubber Company employed a Chinese person living and educated in Sweden. The same year, a person from Syria was employed who had an education from Turkey. This person spoke Arabic, and another person from Chile had come to Sweden as an immigrant who was unemployed. This person is now the plant manager in Dubai. The recruited personnel have different cultural backgrounds. The Rubber Company has four offices in Shanghai. The Rubber Company had, in 2003, subsidiaries in Europe, the US, Australia, and South America.

In 1994, the executives for the Rubber Company found that growth and profitability were not developing as fast as they wished. At that time, it had 15 employees with a turnover of about three MEUR. The executives estimated the total market to about 10 MEUR at that time. They found that the product could be used in many different areas. The Rubber Company re-segmented the market and new selling arguments were adjusted for these different segments. The following seven guiding principles were defined, which should permeate the Rubber Company’s daily and long-range activities: a) it is better to own a market than a factory, b) each customer must feel unique, c) the customer must trust us, d) the world is our market, e) we are alert and flexible, f) we save money for our customer and g) we think, act and answer simply.

For the market, it is important to work with good examples. Furthermore, it is financially important to have a healthy base in the domestic market. “The Rubber Company has an explicit philosophy to see the mother company, the distributors, agents and subsidiaries as one organisation” (CEO I, 2001-04-03). Heavy demands are placed on distributors and agents to manage their markets. The Swedish organisation should give these overseas organisations strong support. According to the founder, the development of the Rubber Company was not satisfactory in 1994, and so the management decided to improve market development and to find new areas for its products.

For the first eight years, the Rubber Company used distributors in different markets about 80% of the time. The founder opened about 10 markets a year during this period. During 1997–2000, there was a gradual change to subsidiaries and a new strategy. The company needs to control and expand into different markets. The use of local distributors as market channels, in 2007, changed to only 20% and 80% is now sold through subsidiaries, according to CEO II.

**Leadership and Internal Organisation**

The organisation is flat to emphasise a team feeling. Only 20% of the staff work in the manufacturing department. Much money is put into personnel-promoting activities and education. The Rubber Company has employed several colleagues with the required foreign backgrounds and invested in open spaces as offices, which are simple to reorganise. The CEO and management sit together. In the centre, there is a meeting place for exchanging information (Andersson, 1999).

According to the founder, it is important to arrange a team that works well together. It must be fun to work and be a good example. “Symbolic leadership is important to 90% and the performance should be 10%, so this is a very instructive example. A failure is also something to learn from. Still, you must be able to analyse what went wrong and how to avoid it next time” (Founder, 2003-11-04).
Different people with different cultural backgrounds should be represented in teams to increase the dynamics in the organisation. The Rubber Company’s team thinking does not divide the staff into different levels. That would create barriers and an ineffective organisation. “In an organisation like ours, it is important to take decisions on your own without passing through many other people” (Founder, 2004-06-22).

Recruiting is carried out based on formal qualifications, but mainly after individual characteristics. If recruitment is unsuccessful, one tries to solve it through dialogue (Andersson, 1999). Employees must have the right mindsets to manage their tasks. Knowledge can be built over time, but it is difficult to change how a person thinks. The person employing should hire a person that is even better than them. “Recruiting is very personal, and is a question of social competence and being accepted in the team. It is also about personal integrity to say both, yes and no. All leaders must be sensitive. The Rubber Company works with agreements in different countries. It is important to have agreements or local regulations may be used and that could cost a lot of money. If you have problems with employees, you must act in an early stage of the situation” (Founder, 2004-06-22).

The organisation abroad is governed by financial goals. Still, it is hard to motivate everyone in an organisation. Special meetings are arranged around the world. These are complemented with daily contact by mail and phone calls. Central for the founder has been an organisation with different types of people as monitors, entrepreneurs and others.

Importance of Networking

The founder wanted to benefit from the business relations he had created in his previous job. He made some miscalculations, but he managed in spite of that. “I had to buy new glasses, because I had gotten a wrong picture of the market” (Founder, 2003-11-04). Still these networks, both locally and internationally, were good in other ways, as banking, manufacturers and so on. Many international distributors were found through exhibitions and through the founder’s network.

CEO I also suggested that management made much use of their networks. Many issues could be solved through the sounding board. In some cases, distance was a problem. The executives in different countries needed someone to talk to. In situations concerning recruitment, you have to be very careful. Questions about salary have to be solved.

It is in advanced building constructions where the Rubber Company has strong knowledge. Although it is complicated to work internationally with different partners, because of the strong network built by the Rubber Company, most situations can be managed. Here, it has an enormous strength. The company offers local service and local distribution and in that way hopes to be effective in the market.

“One a job in Russia should be done at the communication centre, the customer was in Japan and the main contractor was stationed in Norway. We could handle all three in one day by controlling all three actors on the same day. We were in this situation very effective” (Founder, 2003-11-04). The founder has always been a networking person. Today, he works privately with an investing strategy for acquisitions concerning real estate property, works of art and so on.

Stage II - Expansion Stage, CEO I (2000–04)

CEO I was an executive from the autumn of 2000. He started his career at a Swedish company in the tobacco industry as business controller. During his time at that company, he worked in
Switzerland for three years. He then joined another big company in the floor manufacturing industry. At the beginning of 1994, he was responsible for a division with a turnover of 2.8 billion SEK and 2000 employees. This business was highly internationalised (85%). For Sweden, this is a big company, albeit small in the world market. During his time there, he also worked in Germany. In both companies, he worked with international marketing. When the company was reconstructed, he left to join the Rubber Company.

CEO I suggests that he has a different management style compared with the founder. He is used to working with a team that is more qualified. He has also worked a lot with qualified systems and one task for him in the Rubber Company will be to implement better control systems. For him, it has been a change to go from a larger company to a smaller company. In a smaller and even more international company, it is important to have creativity and to find a connection between the technical product and the market.

He works to govern the business from 4Cs: a) Customer in focus; to add value that the customer wants, b) Creativity and innovation; it must be acceptable to have ideas in the organisation, c) Continuous improvements, “kaizen”; to do it a little better next time, and d) Clarity and openness, different views must be encouraged by the management, but should be built on the Rubber Company’s vision.

Between 2000 and 2004, the company was affected by the depression in Sweden and the founders had too much internal focus. CEO II suggested a change in market strategy to owning more subsidiaries around 2000 in order to be able to expand the company.

**Leadership and Internal Organisation**

The company invests a lot into training for all staff several times a year in order to create an innovative and creative environment. Management must be good examples for the organisation in general: “One does not read what you are writing, but how we do it” (CEO I, 2001-04-03).

**Stage III - Industrial Stage, CEO II (2005– )**

CEO II comes from the south of Sweden and he was born in 1971. Earlier, his father held a high rank in the Swedish Air Force and he was the son of a farmer. His mother was a homemaker. His brother works for GM in the US. He has a mechanical engineering education from Sweden, completed with studies in business and finance in the US. The education in the US is more related to individual performance, which suggests more stimulation and involvement. For those stimulated and want to invest effort in their studies, this is good. That is also good for the group. He received a scholarship in tennis to study. After these exams, he completed an IMD in marketing in Switzerland and other courses abroad.

He has worked internationally since he began his career. His first job was for a Swedish chemistry company in the Surface Material division. He worked as a business controller with environmental analysis and business intelligence. After that, he started as a trainee with the possibility to take part in the management team’s work. He had to work about 80 hours a week for two years, but this knowledge was very important. Later on, he was stationed in the US with a subsidiary with 100 shops. In 2000, he left the company because of weak management and because he had lost his passion. The head office also moved to London for tax reasons. The firm also missed important acquisitions and alliances, thus losing three to four strategic years of development. Still, the main problem was the lack of conformity between the owners, board and management. Two years later, the company was no longer profitable.
A Born Global Company’s Way to Growth

In 2000, CEO II was contacted by the previous CEO of the chemistry company in the Surface Material division. He was working on the board of a company in the south of Sweden owned by the founder of the Rubber Company. The turnover at that time was 18 million SEK and the company was working within the radio frequency technique. It was a development company. CEO II was asked to become the CEO for this company. He developed it and the turnover developed to 100 million SEK. In 2003, the company was sold to a bigger company. CEO II was asked to stay for 24 months, but left after 12. He then took a half-year vacation. During that time, he was a member of the Rubber Company’s board.

Building the company for four years was hard work, especially changing it from an introverted to an extroverted concept. In the end, the company was selling to 45 markets with 97% of its turnover outside Scandinavia. This was a challenge, according to CEO II. During the autumn of 2004, he agreed to join the Rubber Company after some persuasion from the founder. He received the responsibility for all subsidiaries, all free distributors, segments, marketing and “communications”, which was 70% of the employees in the group.

His time at the radio frequency technique company was interesting and useful, including building a trademark and market positioning, running exhibitions, maintaining different contacts and building a sales organisation. From this company, he has recruited two people: one for the market side and one as plant manager. During his vacation time, they worked for another big company.

New Market Strategies according to Growth

During recent years, the Rubber Company has changed more and more to work with subsidiaries. It started this conversion when distributors became self-conceited and were not interested in expanding. Some distributors were not ready to invest in a way that satisfied the founder. This created a weak changing situation. The Rubber Company has a possibility to reach a margin of 20–30%, but this would cost 7–8% of the margin in the short run. From 1997–98, the Rubber Company started to take over distributors and established in China, the Middle East and Dubai. The greatest change in market strategy was in 2000, when the company converted two area managers to local managers for subsidiaries. They also had 5–10 years of culture and language knowledge from Sweden. These managers knew the Rubber concept from Sweden. CEO II notes that the company is market-driven.

The strategy is now to work with subsidiaries to be able to trigger growth harder and to work with how they do it. The new concept includes “where and who” they sell to. Where do the industrial structure, customer structure, customer needs and requirements all stand? What products are they selling and how? Selling efforts must be more strictly arranged. The way of selling was launched in Shanghai in June 2005. The company chose to invest in the market with the best possibilities for profit. It remains a European-focused company, but management is more and more interested in China, in the US and Asia. In minor markets, the Rubber Company still intends to work with distributors. It will develop more subsidiaries and choose segments and customers. It is more difficult to generate high growth.

“Our main threat is our own complacency to just sit with one’s arms folded and if you sit in the management team and push for elaborated control then you will not have any development. Rather move the goals and you will have a triggering organisation” (CEO II, 2007-04-12).

CEO II uses his and the chairman’s networks to find the most important core recruits for the organisation. For CEO II, different networks have to be useful or he does not participate in them. The new owner and new board are used considerably by the Rubber Company.
Changes since 2005

From 2005, when CEO II began, until today, the goal has been to expand by selecting loyal customers. Therefore, a new person with vast industrial knowledge was chosen as chairman of the board. The Rubber Company of today has regional resources. It is important to develop new market segments in sectors such as energy and oil/gas. For this purpose, it is important to choose the right customers for long relationships. The multi-diameter is still the core product. A goal is also to double profitability. Investors want to see the Rubber Company grow so that its value can increase. However, a problem today is that employees are highly occupied. The Rubber Company has an extreme external focus compared with traditional multinational companies. “The Rubber Company is not a traditional multinational company. We are still rebellious and action is still more important than planning. In a company like the Rubber Company, you live and die together with the customer” (CEO II, 2007-04-12).

Leadership style has changed over time. The founder was an entrepreneur, whereas CEO II tries to use the strength of the colleagues. He wants them to try different tasks and to grow from a vision perspective. “My greatest strength is not to start new projects; my greatest strength is to see the strengths in other people and to emphasise them and to emphasise the people around me and to lead through others” (CEO II, 2007-04-12). Still, the founder is unique in his way of establishing new markets, as in Dubai, which has been very successful. During 2005–2007, the founder and ownership were bought out, which was very important to the Rubber Company. Another important event was the acquisition of the German company and the increased level of profitability.

The internal organisation has changed from a local Swedish one to a global organisation. Today, employees must act globally in their ways of thinking. The company now has 13 subsidiaries. The last company was started in February 2007 in Japan. Owing to the long tenures of employees in the organisation, CEO II works to decentralise the decisions so that he should not be a bottleneck himself. The organisation should not only be executing tasks, but also developing. It must all the time be questioning its ways of working and decentralise more. “The great difference now compared with earlier is that I work to move decisions as far into the organisation as possible” (CEO II, 2007-04-12).

To be effective in the market, the company has organised a Global Sales Team, which meets four times a year and is organised in different workshops, so that employees can learn from each other (knowledge transfer) and tie the business together (team building). It is also important to build trust through decentralisation, which is important for the organisation and affects development. According to CEO II (2007-04-12), “In 2005 we decided to move salespeople from good to great. As well as the workshops, they also have to work in groups in the evenings. At the end of the week, we finish with a written test. They must reach 6–10 points or at least 5.5. Those who did not reach five points ended in a process to discuss if they should be allowed to stay or not. All over five points were developable. The most interesting group were graded nine points.”
Figure 5: The Rubber Company’s development during 1990–2007 according to CEO II.

The Rubber Company acts in the left-hand side of Figure 5, i.e. the entrepreneurial part. The progressive part of the graph shifts over time. The company is in a market-creating process. That also creates new possibilities for staff.

Growth of the Rubber Company

The Rubber Company’s growth rate is 100% per year in Asia. The organisation will, in the near future, have a responsible person in North and South America, one for Europe and one for Asia. To develop this is a journey over 18–36 months. The Rubber Company is on its way to segment the regions. The Asian executive has been recruited and the US executive has taken over South America, too. The executive for Europe still has to be recruited.

What is unique for the Rubber Company today? Its entrepreneurial way of thinking is still very strong. The Rubber Way of thinking, a visionary way of thinking, is the headline for the development. CEO II also suggests that there is a difference compared with traditional multinational companies, which are bigger, less dynamic and have a more unwritten internal focus according to the policies for governance.

CEO II also suggests that the founder’s personality has dominated the way of developing the company. This development has also been led by the market situation. From 2005 to 2007, the organisation played a more important role in transferring its knowledge, for example in workshops. The founder’s characteristics earlier influenced the company’s development but environmental factors have always been of importance to its development.

“Many decisions concerning the business concept are governed centrally but executed locally” (CEO II, 2007-04-12), as in many multinational companies. Communication in the organisation is through the Global Sales Team and the rest of the organisation once a year. Over the year, very
open communication is used. The same subjects are used continuously so no misunderstandings should arise.

**Leadership and Internal Organisation**

The company today is described as very market-driven. In 2005, it formulated a revised “The Rubber Way” of how to behave in different situations. The goal for staff is to be able to handle coaching and the one managing should be able to coach. There is a need for the right leadership conditions.

The chairman of the board plays an important role. CEO II is responsible for management education because the company has no HR function. These tasks are decentralised. The education level of today varies, but more employees with higher educational levels are being recruited. Still, they must be a driven person.

CEO II suggests that there has been a clear personnel policy, but that it has not been well documented. For managing people, the fundamental understanding must be around coaching, tactics and strategic development. The recruiting questions are highly interesting for the CEO. “In the management team, we have developed a model for people who fit into different teams. Many times you emphasise an old CV, he may have improved in his way of working. It is the same situation with a football team; you must choose those players who can develop the team. That gives performance. In connection to performance, you have to point out the process goals that result in exaggerated performance claims. They press the staff too and make them feel insecure on how they reach the goal. We break them down to understandable goals. When we do it, we also will reach the company’s goals” (CEO II, 2005-07-11). These activities will lead to growth, which is the owner’s ultimate goal. Therefore, it is important to define what actions and executions represent.

In 2005, CEO II suggested that the subsidiaries should be optimally governed. They have not been mentally led. He therefore developed a Global Sales Team. It is the participants’ mission to understand each other’s roles and the Rubber Company’s concept. The image of the Rubber Company in China must be the same as it is in other countries: “The treatment you receive in the US, you should also recognise in the UK or in China. The spirit you feel here is in accordance with our core values” (CEO II, 2007-04-12). This message is conveyed at meetings and in training sessions. For the company, this is “the Rubber Way” and is characterised by a strong vision, working internationally, the mission to sell “solutions” and understanding customers’ needs. To fulfil the Rubber Way, we must be able to trust our staff. It is important that proposals come from the organisation and that they execute them.

It is a challenge ensuring that staff believe in the goals. Therefore, it is important to work with informal agreements with a focus on the tasks and lifestyle analysis at all times when developing teams. For CEO II, not only career is important. It is also a question of work/life balance. A well-paid job is not enough. His family is very important. He has only worked in rapidly growing companies. It is tough to work in them. He has a strong incentive for freedom. It’s a part of the family’s situation to be independent. “I want to be with and together with my children. You have another type of equality of opportunity between women and men today” (CEO II, 2007-04-12).

**Analysis**

In the analysis, I use the structure of the framework and the analytical model in Figure 2 to assess the different stages of growth in the case study. The information is gathered in attachment 2.
A Born Global Company’s Way to Growth

The Entrepreneurial Stage (1990–1999); starts with the foundation period, 1990–1994. From the very beginning, the company aimed for internationalisation. The founder was the entrepreneur with vast networks. According to Oviatt and McDougall (1994), Bell (1995) and Coviello and Munro (1997), this should enable the company to internationalise rapidly. The company focuses on keeping its core competence in house. The founder claims, “We do not outsource the core competence we have in-house” (Andersson, 1999). This entrepreneurial stage is very much in accordance with the start-up stage of Smallbone and Wyer’s (2006) model, except that the company has no cash flow issues.

A Born Global company has low resources but must still manage complex situations, such as establishing in a short space of time in many countries with different cultures and situations compared with the domestic market. This suggests a higher demand for competence by management and by individuals (attachment 3). According to Autio (2005), Born Globals have an early internationalisation process. For this reason, the entrepreneur is most important in such companies and has a more proactive and opportunity-seeking attitude with a focus on individual experience and entrepreneurial vision (Autio, 2005). The entrepreneur needs a strong network, built from earlier experiences working with internationalisation in other companies. Normally, it is a question of survival to establish many markets over time (Autio, 2005). For a Born Global company, it is not of interest to grow in Europe if the market and network contacts are in Australia. Born Globals have a global concept from inception.

International Organisation
The organisation is centralised and flat. The founder decides much. The entrepreneur develops new organisational forms (Halila and Horte, 2006). The organisation has to be developed over time as the company grows. He also has an important role in knowledge transfer. The management process is informal, according to Smallbone and Wyer (2006).

International Entrepreneurship and Culture
The entrepreneur is a visionary person with a global business concept. He does the job himself and makes all the decisions. This is in accordance with Halila and Horte (2006). For them, the entrepreneur also opens new markets. Networking is important in this stage. A special culture is built. Immigrants may be used in different countries. Strategic recruiting is used in some cases. The entrepreneur is an entrepreneurial decision-maker. “Giving up does not exist in my head and to be motivated is a question of personality and obstinacy and I have grown up in a hard-working environment” (Founder, 2003-11-04). In accordance with Kolvereid and Bullvag (1996), leadership and culture has a personality-dominated way of leading the company.

International Market Strategy
The entrepreneur has a special market strategy and internationalisation has been done “as rings in the water” (Founder, 2003-11-04). He works in markets, as Rennie (1993) finds, because the world is one marketplace. The company has to develop rapidly to survive. “It is better to own one market than to own a factory” (Founder, 2003-11-04). The Rubber Company works in a niche market. According to Nummela et al. (2003), Knight (2001) and Fletcher (2000), the internationalisation process occurs because of changes in the environment; thus, it has to be earlier focused for Born Global companies. The internationalisation process is important to survive (Nummela et al., 2003). During this period and to 1999, the company used mainly distributors to sell. Some were immigrants who had returned to their home countries. During 1997 to 1998, the Rubber Company started to take over distributors to more easily develop markets (CEO II). According to the Founder (2003-11-04), “All honour to distributors, but they do not have the same drive as our own people”. “A Rubber distributor may have a maximum of
five products” (Founder, 2003-11-04). The strategy has been to use distributors and not subsidiaries if the distributor is doing his job properly. This is in accordance with Smallbone and Wyer’s (2006) model for the start-up and survival/development stages. According to Etemad (1999), you need to expand into as many markets as possible in a short space of time. According to Johanson and Vahlne (1997), this is not a situation for companies developing gradually. For the Rubber Company, this was done through loans at the beginning and later on by self-financing.

**International Growth**

The company is improving its sales growth but it is still not good enough.

![Figure 6: Net Turnover and Operating Result (MSEK) according to Andersson (2001) and adjusted for 1999.](image)

During this stage of development, the company still expands into many new markets through self-financing. According to Smallbone and Wyer (2006), this is in accordance with the survival/development stage, namely to “establish a sound financial foundation”. The founder is working in the market according to his strategy. His vision is very strong and is a “red thread” over how he will reach his goal, according to Mintzberg et al. (1998). He uses distributors, in some cases immigrants, to build new markets. Owing to the self-financing concept, expansion had to be controlled. In 1994, the founder noticed that the firm had seen market potential in a much too narrow way. Thus, they began to explore other market segments and sales started to improve.

In this stage of development, it is much more like a Born Global company (Andersson and Wictor, 2003; Madsen and Servais, 1997) compared with the models of Johanson and Vahlne (1977) in that firms expand mostly through distributors and not subsidiaries. According to the
The Expansion Stage (2000–2004): the company still developed and expanded during 2000–2004, but expansion slowed. It was a time of depression, especially in the computer industry in Sweden. Over 70% of the turnover is in Europe. During this period, CEO I was recruited from a big company in the south of Sweden. CEO I left the company at the end of 2004 and CEO II joined. He had built up another small company also owned by the founder. In this stage, the company is in the survival/development stage but still with a founder operating and governing the company as “the business”. Identifying markets and attracting customers was an ongoing process.

Born Global companies have to remain in the growth stage to be able to establish a larger market by developing market segments for the product (attachment 3). Therefore, according to Autio (2005), the management’s pre-firm experience from different companies is a crucial factor for early and rapid internationalisation. Autio (2005) suggests that Born Globals act against global players in contrast to companies that act against local players in foreign markets. The vision and culture are important to develop the company in the growth stage. The environment is extremely important to follow for the entrepreneur to make adjustments accordingly. Companies have strong and clear international market strategies compared with more traditional companies that have strong domestic markets as a financial base. Recruiting is very important in the expansion stage; “Recruiting is very personal, and is a question of social competence and being accepted in the team. It is also about personal integrity to say both, yes and no. All leaders must be sensitive. The Rubber Company works with agreements in different countries. It is important to have agreements or local regulations may be used and that could cost a lot of money. If you have problems with employees, you must act in an early stage of the situation” (Founder, 2004-06-22).

International Organisation
The organisation is still centralised. The founder sees it as one organisation “The Rubber Company has an explicit philosophy to see the mother company, the distributors, agents and subsidiaries as one organisation” (CEO I, 2001-04-03). We can also see from the growth stage of Smallbone and Wyer’s (2006) model that it is time for the founder to step aside for a more decentralised organisation.

International Entrepreneurship and Culture
Still, the founder is deciding. CEO I used another management style from a bigger company and a more qualified middle management. Management recruit personnel together with an external recruiting team. According to Smallbone and Wyer’s (2006) model and their survival/development stage, the management process is still very informal, but CEO I is used to working in a well-functioning and structured organisation and therefore he does not fit in. The development of the company may therefore be affected by his thinking of structure, which is not very good for the entrepreneurial culture in the company. However, according to CEO I, management must be role models for the organisation: “One does not read what you are writing, but how we do it” (CEO I, 2001-04-03).

International Market Strategy
From 2000, the market strategy was finally established to expand as much as possible through subsidiaries. There is a need for new owners. Still, self-financing is used. This is much like Johanson and Vahlne (1977) and their view of establishing a company over time.
International Growth
At the beginning, the growth level is still very good, but in 2003 there is a stagnation and drop in sales. The company needs to find a new way. The founder made some miscalculations and says; “I had to buy new glasses, because I had gotten a wrong picture of the market” (Founder, 2003-11-04). In this stage, we can see both the survival/development and growth stages in accordance with Smallbone and Wyer’s (2006) model. All parts of the survival characteristics are still there, but the company grows.

Distributors suffer from “fat and happy” syndrome and are not interested in expansion. The process of establishing subsidiaries starts. During this stage, we have a hybrid situation with a Born Global company growing with a strongly involved founder, but which needs to work with subsidiaries to develop the market in accordance with Johanson and Vahlne (1997). The founder wants to leave. There is a need for new owners. The company has an internal focus. Each market is very much operating on its own. Important people in the organisation are coming and going.

The Industrial Stage (2005–); During 2005–2007, the founder leaves more and more of the governance to CEO II and the organisation is more formalised and tries to attract more qualified staff (Smallbone and Wyer, 2006). The Rubber Company is partly sold to an investor. In 2006, the remainder of the shares are sold to the investment company. Professional management is hired with an external perspective. A new period of expansion starts, and turnover and investment increase. The Rubber Way, as a culture, is more formally addressed and a Global Sales Team is organised. According to Shin (1997), the team should be seen as a competitive edge for expanding the business. The image, for example, of the Rubber Company in China must be the same as it is in other countries (CEO II, 2007). Execution should be very local and not “governed from the top level” as it is in many other companies. This is in accordance with the growth stage in Smallbone and Wyer’s (2006) model, namely to delegate functional activities.

Customers are focused on and long-term relations are given priority. New global segments are developed. There is still a need to define and consolidate the customer base. Resources for expansion are available. The organisation is even more organised for expansion. The chairman of the board and CEO II are working intensively with strategic recruitment. The new investors claim dividends. Now, we can see a clear situation. According to Smallbone and Wyer (2006), the company is still consolidating its customer base and building a more formal but creative and knowledge-based organisation. The leadership delegates tasks and responsibility to other people in the organisation. The possibilities are also better now to attract new investment capital, which is in line with the growth stage of Smallbone and Wyer (2006). CEO II suggests that there is a difference compared with traditional multinational companies, which are bigger, less dynamic and have a more unwritten internal focus according to the policies for governance. The situation is still very entrepreneurial.

International Organisation
The new ownership from 2006 is important for the firm’s development. It is now 100% owned by a Swedish investment company. A professional organisation and middle management are in place. The organisation is decentralised. This is in accordance with the growth stage in Smallbone and Wyer’s (2006) model. Workshops and the Global Sales Team are important parts in developing the organisation worldwide. Rialp et al. (2005) find that the organisational capability perspective can explain not only early internationalisation, but also rapid growth. Feeser and Willard (1990) find that larger teams could provide members with a deeper depth of skills and experiences. According to Bass (1996), transformational leaders are tolerant to employee’s mistakes, which is important in situations of decentralisation and for staff finding solutions to
different problems. It also gives possibilities to create new learning situations. According to Smith et al. (2004), the leader serves as a role model in the organisation.

The organisation in Born Global companies becomes more decentralised and flat over time in comparison to more traditional companies (attachment 3). This organisation should over time be both executing tasks and working with developing and decentralising. According to CEO II (2007-04-12), “The great difference now compared with earlier is that I work to move the decisions as far into the organisation as possible”.

In Born Global companies, knowledge has to be strongly transferred to the organisation by the entrepreneur to develop the company and build the culture. Building global sales teams is even more important in Born Global companies because of their lower financial strength. Strategic recruitment in Born Globals is very important because every person is important in an organisation constantly internationalising. “In the management team, we have developed a model for people who fit in the different teams. Many times you emphasise an old CV, he may have improved in his way of working (CEO II, 2005-07-11). Although a firm’s experiences are important, individual knowledge is more important in Born Globals, according to Auto (2005). Traditional companies have recruited for a domestic market from the beginning, so they stand with another type of organisation. Born Global companies have a strong external focus because of the survival motivation. Traditional companies have a more internal focus over time.

The leader in a Born Global company is a source of inspiration for the organisation. He is also very dynamic: “Our main threat is our own complacency to just sit with one’s arms folded and if you sit in the management team and push for elaborated control then you will not have any development. Rather move the goals and you will have a triggering organisation” (CEO II, 2007-04-12).

International Entrepreneurship and Culture
The company has now changed to an “organisationally” led development, according to CEO II. From the beginning, the characteristics of the entrepreneur strongly influenced the organisation. According to Shin (1997), a team can be “a competitive edge in expanding” the company. Leadership is now even more visionary and global. CEO II coaches and builds teams through open communication. A charismatic leader should inspire staff by building their commitment to the shared vision and values in accordance with Conger and Kanungo (1998). Smith et al. (2004) suggest that dynamic leadership should encourage staff to use their own initiative. “The Rubber Company is not a traditional multinational company. We are still rebellious and action is still more important than planning. In a company like the Rubber Company, you live and die together with the customer” (CEO II, 2007-04-12).

The organisation has developed to a more professional level, so networking is less important for CEO II. The Rubber Way of doing business is an important part of the Rubber Company’s culture and image: “The treatment you receive in the US, you should also recognise in the UK or in China. The spirit you feel here is in accordance with our core values” (CEO II, 2007-04-12). According to Block (2003), leadership creates an environment in which changes happen more easily and the organisational culture can be used as a tool to affect change. The Rubber Way of doing things was republished as a new document in 2005. Subsidiaries are driven by local execution in different countries. CEO II (2007) points out: “My greatest strength is not to start new projects; my greatest strength is to see the strengths in other people and to emphasise them and to emphasise the people around me and to lead through others” (CEO II, 2007-04-12).
The chairman of the board and CEO handle recruitment, which is in accordance with attracting more qualified staff in Smallbone and Wyer’s (2006) growth stage. The CEO says of the chairman: “He runs the board by: a) asking questions, b) sharing his experiences with the company and c) he has an extensive network that I have not viewed before” (CEO II, 2007-04-07). This is in line with Kuivalainen et al. (2010, p. 149), who find that “excellent investment expertise, connections with venture capitalists and good financial management are important capabilities for a small firm with growth aspirations” looking at the global market. Through these stages, the culture has been proactive and performance-oriented in line with Lumpkin and Dess (1996) and Frishammar and Andersson (2009).

International Market Strategy
Subsidiaries are now the main stream for expansion and distributors are used for smaller markets. External financing is now more available. The company is more like a multinational and more in line with the last stages of Johanson and Vahlne’s (1977) model. Still, the company has not lost its entrepreneurial spirit.

International Growth
The company’s growth rate has reached a far higher level. External financing is no problem thanks to the new investor. Market expansion is more and more global. Professional management is hired and a professional board is appointed. The company goes from an internal focus to an external focus. Expansion is now carried out through subsidiaries in the global market. A new concept is defined; “No quick customers; find loyal customers and keep them”. This is in accordance with the survival/development stage in Smallbone and Wyer (2006). The expansion can be industrialised. There is a need to recruit new staff for the expansion. They must fit into new roles with higher demands. For the growth stage, more qualified staff are needed (Smallbone and Wyer, 2006).

Compared with Smallbone and Wyer’s (2006) model, the Rubber Company is over time lifting its growth curve to a new level. When a Born Global company grows further, the demand for a more professional organisation increases and the entrepreneur has to exchange some important people. It develops a more formal organisation with a stronger demand for competence and a wider understanding. This is in line with Smallbone and Wyer (2006). If the company is in the growing stage and has a CEO coaching it, there will still be an entrepreneurial atmosphere.

In general, the stages used in this study can be compared with those of Churchill and Lewis (1983). The success disengagement/success growth in their Stage III is connected to the Expansion Stage in this study. Further, their Stage IV, take-off, can be seen as our Industrial Stage. Gabrielsson et al. (2004) also propose three stages: Establishment, Born International and Global. Lindqvist et al. (2011) define different types of crises. Their ‘Crisis of red tape’ can be well connected to our Expansion Stage and Industrial Stage. Further, ‘Crisis of autonomy’ and ‘Crisis of control’ occur during the Expansion Stage, i.e. who is acceptable for the founder to lead and develop the company further. In other words, the delegation and control is much more developed during the Industrial Stage. If we compare the stages in this study with those of Hashai and Almor (2004), we can see that stage I in this study is part of their stages I and II. The Rubber Company is finally opening subsidiaries after 10 years. Volumes grow and the Rubber Company is entering more markets with subsidiaries of its own. The third stage according to Hashai and Almor (2004) should be through M&A and with local production and R&D at this stage. The Rubber Company has kept its production and R&D in Sweden in order to control its core manufacturing quality and control its patents.
In relation to the phases of Gabrielsson et al. (2008), there are connections between stage I and phase 1, stage II and phase 2 and stage III and phase 3. Still, these cannot be compared exactly because of the different sample industries used. The Rubber Company has been self-financing for many years and that may have delayed achieving the last stage. Organisational learning has especially improved during the last stage and has become more systematised.

Comments on the stages over time and important factors influencing development

From the very beginning, the entrepreneur's global vision and global thinking have influenced the firm’s activities and culture. Conger and Kanungo (1998) find that for a charismatic leader it is important to inspire the organisation through a shared vision and values. For the market and for growth development, we can also see some trends, such as changing from distributors to subsidiaries.

After establishing markets using scarce resources and when distributors were suffering from the “fat and happy syndrome” (CEO II, 2005-07-11), the Rubber Company used subsidiaries to increase growth and control the market.

Johanson and Vahlne’s (1977) stage model could not be used to assess the Rubber Company’s development because of its rapid development in establishing new markets all over the world and the use of immigrants for some of those markets. Further, the firm did not start subsidiaries until it observed problems with its distributors. This was also a way of overcoming language and cultural barriers. Still, there was knowledge transfer to the company’s organisation. In this case, we can see connections to Johanson and Vahlne’s (1977) view of how a company develops its knowledge about different countries, but in another way. The founder had a lot of knowledge from former jobs. That was also the situation for CEO I and CEO II. Then, individuals were strategically recruited to fit the expanding company. When the company had reached a certain level in the global market, a Global Sales Team was established in order to transfer knowledge and to secure the same image of the company in different markets. In the past five years, the Rubber Company has established a new organisation for different regions. Over time, the market with distributors, agents and subsidiaries will be seen as a complete organisation with a strong support from the mother company’s staff in Sweden.

The company is market-driven. Even after 17 years, CEO II suggests that it is not a traditional company because it is still very entrepreneurial. During the Industrial stage, CEO II improved the entrepreneurial team building and used it as an important platform for global organisation. Entrepreneurial teams’ work experiences and strategies were found by McDougall et al. (2003) to be important in INVs. The new investor has invested capital so that the company can grow further.

There have been three entrepreneurs during the different stages: the founder and the two external CEOs. They have all had international experience and strong driving forces and have all aimed to permeate the whole organisation with a strong vision, culture and an entrepreneurial atmosphere. Decentralisation has always been important as a part of the growth strategy for entrepreneurs. Teams are often used in companies. According to Feeser and Willard (1990), larger teams can create growth because they can provide a deeper depth of skills and experiences. The founder’s personal networks in Rubber have always been very important but he has changed to more business networks over time. During the Industrial stage, the need for personal networks was less important because the organisation was more developed. During the last stage, teams were developed further and the organisation was professionalised. The Global Sales Team, the way they work with workshops and image questions to learn from each other, transferring knowledge and treating customers in the same way all over the world help keep the entrepreneurial way of working. This makes them go on growing.
The founder started with symbolic leadership as a role model in combination with charismatic leadership and a decentralised organisation, which was developed even more especially during the Industrial stage. This is in line with Smith et al. (2004), who suggest that transformational leadership inspires the leader to focus on employees to share his vision and to empower the organisation and develop their potential. The entrepreneur is the role model for his organisation. According to Conger and Kanungo (1998), for the charismatic leader it is important to inspire staff through building their commitment to the shared vision and values. Over the stages, strategic recruiting was a core part of the growth strategies of the company.

During the Entrepreneurial stage, the company’s values and culture were developed as well as its way of working. A written manual was created of what the company stands for and how it should act. Core competence in manufacturing could not be outsourced. It must be kept in-house as a main strategy. Since the new investor has taken over, board meetings have been more professional and the chairman influences many situations such as core recruiting.

Management style has changed over the different stages with a founder developing and controlling the business in a creative environment during the start-up and survival/development stages, but still with an empowered organisation. The founder used direct and supervised supervision. In the growth stage, management style was more functional but it is becoming more and more divisional.

During the Entrepreneurial and Expansion stages, the founder was the main influence on development even though CEO I was the operative executive. The founder had problems finding a suitable CEO because CEO I did not stay for long, but this in line with the crisis of autonomy according to Churchill and Lewis (1983). During the Expansion stage, subsidiaries were preferred to distributors. CEO I tried to build new control systems. The critical incident during this stage was to convince the founder that there was a need to work in a different way. However, the founder was not ready to decentralise the real power to CEO I. Further, CEO I had expectations of a stronger supporting staff because he came from a larger organization. CEO II had a developed relation already from the start so that the founder knew what he stood for and that he was used to working in a small company.

During the Industrial stage, expansion was increased and the management style changed from direct and supervised supervision to a more functional coaching and an even more empowering leadership style in close connection with the characteristics of the different stages of Churchill and Lewis (1983).

Conclusions and Future Research

The aim of this paper was to investigate how a Born Global company has developed from 1990 to 2007. Which growth stages can be identified over time? Which factors influence these stages? The Rubber Company has developed over the study period according to different entrepreneurships, strategies and growth stages. Owing to the high entrepreneurial capabilities in the company, it is still growing rapidly. The curve in Figure 5 shifts higher according to the improvement in the segmentation of the market, changes in organisation and management, new market pricing models, such as the value-added price model, and the new financial strength, which also suggests better possibilities for investment in new markets and subsidiaries. There is still an ongoing entrepreneurial stage in the business development curve, which indicates an even faster growth for the Rubber Company in the future. For that situation, the entrepreneurship and
strategies must be more open, decentralised and teamwork-oriented, according to CEO II and in accordance with the growth stage of Smallbone and Wyer (2006).

In the following three different stages, we can see the company’s development clearly and explore which factors influence them. Smallbone and Wyer’s (2006) model describes the Rubber Company’s development to some extent.

Stage I: We have a visionary entrepreneur and founder with a clear international market strategy, namely opening new markets through distributors. For him, it is important to network (Oviatt and McDougall (1994), Bell (1995) and Coviello and Munro (1997)) and form a company culture in accordance with his vision (Mintzberg et al., 1998). Over time, he expands the firm through self-financing. The organisation is centralised. In this stage, the Rubber Company is more like a Born Global company than in accordance with the Uppsala model by Johanson and Vahlne (1977, 1990).

Stage II: Distributors start to be “fat and happy”, i.e. self-conceited, so the founder and CEO I focus more and more on subsidiaries. Still, the organisation is very centralised. The founder wants to leave the company. CEO I does not fit in well and so he leaves for another job. In this stage, we have a “hybrid” situation expanding as a Born Global company, but with organisation more as a company according to Johanson and Vahlne (1977, 1990), with a structure and learning from different markets.

Stage III: Expansion is now industrialised with global subsidiaries and an external focus. The company is sold during this period and the founder leaves. New decisions for expansion are taken. A value-added pricing model is implemented to create value in the organisation (McDougall and Oviatt, 2000).

The management team is now “the competitive edge in expanding” according to Shin (1997), with coaching from CEO II and organisational-led development as part of the new management culture. The company culture is organised to be even stronger. The organisation is decentralised but still very entrepreneurial. Subsidiaries are driven by the local management in accordance with the growth stage in Smallbone and Wyer’s (2006) model. The three-phase model of Gabrielsson et al. (2008) can also be used here. The stages have to be adjusted to the specific development of the Rubber Company. The company’s strong financial situation may have delayed the improved growth rate during stage II.

Managing the company is professionalised in many ways; the board, management, staff and strategic recruiting is in focus by the chairman of the board and management when expanding the company. In the growth stage, there is a need to delegate and to attract more qualified staff, which is accordance with Smallbone and Wyer’s (2006) model. For the first time, there are external claims for dividends that have to be focused on by the board and management.

Under the different stages of development, an entrepreneur’s management style changes, which is required to lead and to expand the company. When you change leadership style from a more deciding and direct supervision to a coaching way, it is necessary to have a charismatic leader who inspires staff by building their commitment to the shared vision and values (Conger and Kanungo, 1998). The company’s external focus on customers and relations is important. CEO II suggests that traditional multinational companies have too much internal focus compared with the Rubber Company’s external focus.
Entrepreneurs change over time. The founder had to decide in most situations at inception. However, CEO I had another background from a bigger company. He was used to a strong internal support network and thus was not in a position to act in his own way. The founder was still deciding. After some development problems in 2002–2003, CEO II came in to develop the company. He also has had the founder’s trust because of his previous job as CEO in another company owned by the founder. For CEO II, building strong internationalised and competent entrepreneurial teams is important for knowledge transfer, i.e. the Global Sales Team and the use of workshops where different people transfer their knowledge to others.

Market strategy has changed from using distributors to building subsidiaries. New global segments have been focused on over time. In the Industrial stage, the company established in many markets for many years. The organisation was trained to handle the global situation and this increased expansion. This made it possible for CEO II to expand and penetrate markets and to develop new concepts, such as the value-added pricing concept. Further, the firms changed from a centralised to a decentralised organisation and leadership from a founder to a coaching CEO II. This is in accordance with Smallbone and Wyer’s (2006) growth stage. The process of changing CEOs from an inception stage to a new situation with external investors and an external CEO is complex, but an important change over time. This change is well known in many expanding family-owned companies. Still, the entrepreneur needs to control the organisation.

In the company, there has been a learning process over time. It has had to learn to be able to support the executive management in its aim to expand and develop the company in establishing many new markets. For the entrepreneur, it is constantly important to learn, adapt and adjust to new information in a changing global environment. Block (2003) suggests that leadership creates an environment in which changes happen more easily and organisational culture can be used as a tool to affect change. This is important for Born Global companies.

For the Rubber Company, the learning process has been present from inception, but during recent years it has become more professionalised through international workshops. Here, we can find connections to Johanson and Vahlne (1977, 1990) and their interest in learning as an important part of the internationalisation process. However, the Born Global company still does it in another way because of changes in the environment, such as globalisation and communication (Andersson and Wictor, 2003). Today, it is natural to use global sales teams and workshops and to work according to the company culture.

In the company, there has always been a special culture connected to the entrepreneurial vision. In 2005, the Rubber Way of doing business was improved and it became a “red thread” for everybody in the company. This suggests that the vision of the company influenced the culture very strongly and affected every person in the organisation. This is in accordance with Mintzberg et al. (1998).

Smallbone and Wyer’s (2006) model describes a company’s development well at an aggregated level, but for the Rubber Company there was a mixture of the survival/development and growth stages. One reason is that the company is very much at the beginning of the growth stage and is very entrepreneurial in its behaviour. The company has found a level of structure to fit with its entrepreneurial culture, which is important for its development. That is the reason why the lifecycle curve shifts to new levels. The model is good to explain a company’s growth, but it has to be used with care. A combination of factors can explain the development.
A Born Global Company's Way to Growth

The main result of this paper is in accordance with the findings of Oviatt and McDougall (1994) and Autio (2005) even though the Rubber Company has a more complex situation compared with a traditional company in accordance with Johanson and Vahlne (1977, 1990). Many factors in its situation are known through the research in this field.

Another contribution of this paper is that it is an interesting study over 17 years of a Born Global company. Further, the Rubber Company’s growth has been discussed in accordance with Smallbone and Wyer’s (2006) model, which indicates distinct stages and influencing factors. In accordance with Churchill and Lewis (1983), this company also follows the stage model and critical situations between the stages in the company’s development of management styles. The entrepreneurial behaviour of the company manages to shift the curve to new levels and keeps the company at an early stage of growing, according to Smallbone and Wyer (2006). According to CEO II, the firm now has a more external focus, which is more like the strategies of Born Global companies and less in accordance with the Uppsala model (Johanson and Vahlne, 1977, 1990).

During this study, it has been interesting to follow the company’s growth from a small “entrepreneurial” company to a “larger” company that is still very entrepreneurial. When will it reach the level of a more traditional company? The company has to balance customers’ needs for the company’s product and competitors in the market. As long as the company keeps growing and is still very entrepreneurial, it will manage to shift the life-cycle curve and maintain rapid growth.

Using the life-cycle approach, we have proposed a model that can help explain what happens in the company and why it is growing. We can also see how its leadership has to change over time to different stages of development as well as other structural changes. This offers an analytical way to generalise from the model complemented with other knowledge.

Theoretical implications

The most interesting observation has been the shifting in the life-cycle curve. This indicates an entrepreneurial behaviour with a visionary entrepreneur and market development with a clear international market strategy and a value-added pricing model. The company’s external focus is strong in relation to traditional companies.

When we compare the stages of the Rubber Company with those in Smallbone and Wyer’s (2006) model, the interface between survival/development and growth is less clear because the company is still in a very entrepreneurial situation. Over the stages, the organisation has changed from centralised to decentralised and the leadership style has changed from deciding to a more coaching style. In stage III, the management and organisation became more professionalised and team-oriented.

From inception, the company has been a typical Born Global company (Madsen and Servais, 1997; Andersson and Wictor, 2003; Oviatt and McDougall, 1994). Born Global companies have to stay in the growth stage to establish larger markets. In line with Autio (2005), a crucial factor for these companies is the management’s pre-firm experience from previous employment. He also suggests that these companies act against global players in contrast to traditional companies, according Johanson and Vahlne (1977, 1990), which act against local players in foreign markets. Born Global companies have entrepreneurial management and a strong global vision and company culture, which are important factors for keeping the company in the growth stage. More traditional companies work with a strong domestic market as a financial base.
Practical implications
The practical contribution of this paper can be used as guidance for the management teams in companies that want to expand their markets into other countries as well as for teaching in universities and other higher education institutions. Many companies are still very domestic-oriented. They can learn much from a company such as the Rubber Company concerning market establishment, internal organisation and leadership, and building company culture. Understanding the vision and its importance for the company is another thing.

This paper in combination with the value chain paper gives traditional and start-up companies with a global niche product a lot of valuable information. It offers management a global perspective on a company’s growth possibilities and the obstacles to success. For future research, it would be interesting to study the company after five to 10 years and to interview the founder about his expectations.

Acknowledgements
This article is part of the research project “International Leadership in SMEs” at Halmstad University. The author wants to thank “KK-stiftelsen” (The Knowledge Foundation) and Halmstad University for financial support. To make internationalisation understandable, Johanson and Vahlne (1977, 1990) and their work has been important for studying the development of Born Globals. Researchers in the Born Global field have worked hard to explain the phenomenon. Many have studied the field such as Rennie (1993), Knight and Cavusgil (1996), Madsen and Servais (1997) and Oviatt and McDougal (1994). Researchers supporting Johanson and Vahlne’s Uppsala School still state that “it is only a question of time”.
References


Bass, B.M. (1996). New paradigm of leadership: an inquiry into transformational leadership


A Born Global Company’s Way to Growth


Attachment 1

Dates of the interviews carried out throughout the study:

Founder  2003-11-04
2004-06-22
CEO I  2001-04-03
CEO II  2005-07-11
2007-04-12

Attachment 2

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved growth 1996–99</td>
<td>Founder’s strategy for the market</td>
<td>Centralised and flat</td>
<td>A visionary Entrepreneur</td>
<td></td>
</tr>
<tr>
<td>Self-financing</td>
<td>Distributors and immigrants</td>
<td>Founder decides</td>
<td>Networking is important</td>
<td></td>
</tr>
<tr>
<td>Opening new markets</td>
<td></td>
<td>Transferring knowledge</td>
<td>Culture is built – a personality-dominated way of leading the company</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Strategic recruiting in some cases</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved growth 2003 sales drop</td>
<td>Implementing the strategy with subsidiaries</td>
<td>The founder wants to leave</td>
<td>Founder deciding</td>
<td></td>
</tr>
<tr>
<td>Distributers “fat and happy”, i.e. self-conceited</td>
<td>Need for new owners</td>
<td>Internal focus</td>
<td>CEO I used to another</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Important people are coming and going</td>
<td>management style</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Still centralised organisation</td>
<td>and a more qualified middle management</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Recruiting through external team</td>
<td></td>
</tr>
<tr>
<td>Stage III – the Industrial Stage (2005–)</td>
<td>Expanding turnover</td>
<td>Focus on the customer increased</td>
<td>Partly sold to an investor – the founder is leaving gradually</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>--------------------</td>
<td>---------------------------------</td>
<td>-------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Investors claim for dividend</td>
<td></td>
<td>Resources for expansion</td>
<td>Professional management hired</td>
<td></td>
</tr>
<tr>
<td>Professional board</td>
<td></td>
<td>No quick customers – loyal customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>External focus</td>
<td></td>
<td>Value-added pricing model in the market</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expansion through global subsidiaries – the mainstream</td>
<td></td>
<td>Expansion industrialised</td>
<td>External perspective</td>
<td></td>
</tr>
<tr>
<td>External financing available</td>
<td></td>
<td>New global segments are developed</td>
<td>Decentralisation – not governed from the top</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Organised for expansion</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Strategic recruitment in focus – the chairman and CEO II operate</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Recruiting new staff for expansion and higher demands</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2006 the company 100% owned by a Swedish investment company</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Subsidiaries are driven by local execution</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Organisational-led development</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Team is “the competitive edge in expanding” the company</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>CEO II is coaching the company</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The Rubber Way of doing business is even more important – new document 2005</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Team-building</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Management is even more working with a global vision</td>
<td></td>
</tr>
</tbody>
</table>
A Born Global Company’s Way to Growth

Attachment 3

Important differences – a comparison between Born Globals and more traditional companies according to Johanson and Vahlne (1977, 1990)

<table>
<thead>
<tr>
<th></th>
<th>Born Globals</th>
<th>Johanson and Vahlne</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneur</td>
<td>In focus</td>
<td>Not in focus</td>
<td>Focusing on the BG*</td>
</tr>
<tr>
<td>Networking</td>
<td>Extremely important</td>
<td>Important</td>
<td>Focusing on the BG</td>
</tr>
<tr>
<td>Rapid establishment to many markets</td>
<td>Very important</td>
<td>Not important owing to domestic market</td>
<td>Focusing on the BG</td>
</tr>
<tr>
<td>Question of survival</td>
<td>Yes</td>
<td>No</td>
<td>Focusing on the BG</td>
</tr>
<tr>
<td>Market</td>
<td>Global</td>
<td>International</td>
<td></td>
</tr>
<tr>
<td>Life-cycle curve</td>
<td>Manage to stay in the growth stage longer</td>
<td>Normal relation</td>
<td>Focusing on the BG</td>
</tr>
<tr>
<td>Self-financing</td>
<td>Depends on type of company and on which growth stage</td>
<td>Normal</td>
<td></td>
</tr>
<tr>
<td>Vision</td>
<td>Very important and part of the culture</td>
<td>The staff abroad are more important</td>
<td>Focusing on the BG</td>
</tr>
<tr>
<td>Culture</td>
<td>A question of survival</td>
<td>Important</td>
<td></td>
</tr>
<tr>
<td>Distributors</td>
<td>Used from start as a way of expanding into different markets</td>
<td>Expansion over a longer time – more financial strength in the company</td>
<td></td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>Important when to grow after some years</td>
<td>Important if the company can afford it</td>
<td></td>
</tr>
<tr>
<td>Importance of the US market</td>
<td>Very important</td>
<td>Important</td>
<td></td>
</tr>
<tr>
<td>International market strategy</td>
<td>Clear strategy – important to be rapidly expanding into many markets</td>
<td>Strong domestic market; thus, less important</td>
<td>Focusing on the BG</td>
</tr>
<tr>
<td>Environment</td>
<td>Very important</td>
<td>Important</td>
<td>Focusing on the BG</td>
</tr>
<tr>
<td>Organisation at the beginning</td>
<td>Centralised and flat. The founder is deciding. Has to be more international and fit complicated situations.</td>
<td>About the same as BG but is more local</td>
<td></td>
</tr>
<tr>
<td>Knowledge transfer</td>
<td>Especially important in Born Globals</td>
<td>Important</td>
<td>Focusing on the BG</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>--------------------------------------</td>
<td>-----------</td>
<td>--------------------</td>
</tr>
<tr>
<td>A global concept</td>
<td>From inception</td>
<td>Mainly domestic</td>
<td>Focusing on the BG</td>
</tr>
<tr>
<td>The fat and happy syndrome</td>
<td>Raises in BGs but has a stronger negative impact because of a weaker financial situation</td>
<td>Raises in traditional companies, too</td>
<td></td>
</tr>
<tr>
<td>Organisation over time</td>
<td>Decentralised and flat. More formalised with improved middle management. Even more strengthened</td>
<td>Decentralised but more hierarchy. Improves in traditional companies, too</td>
<td></td>
</tr>
<tr>
<td>Global Sales Team</td>
<td>Even more important in smaller companies with less financial strength</td>
<td>Important</td>
<td></td>
</tr>
<tr>
<td>Strategic recruitment</td>
<td>Very important when the company increases turnover</td>
<td>Owing to earlier recruitment – “we have some employees”</td>
<td>Focusing on the BG</td>
</tr>
<tr>
<td>Dynamic</td>
<td>Have to stay dynamic to keep up with competitors due because of a weaker financial situation</td>
<td>Owing to a strong financial situation in the domestic market, do not need to be so dynamic</td>
<td>Focusing on the BG</td>
</tr>
<tr>
<td>Focus on the market</td>
<td>Strong external focus even after some years</td>
<td>Increasing internal focus</td>
<td>Focusing on the BG</td>
</tr>
<tr>
<td>The leader</td>
<td>Must inspire the organisation</td>
<td>Could be but is not always an inspirer</td>
<td>Focusing on the BG</td>
</tr>
</tbody>
</table>

*Focusing on the BG= in relation to the column ‘Johanson and Vahlne’ for example the entrepreneur is much more focused on the Born Global company.*