BORN GLOBAL VERSUS GRADUAL INTERNATIONALISATION STRATEGIES: A MULTIPLE CASE STUDY OF KNOWLEDGE-INTENSIVE SERVICES

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1. INTRODUCTION

La Globalisation, technological development and new prospects for global growth beyond national borders have forced many companies to diversify internationally. Services have been among the fastest growing sectors in recent years.

In this paper we focus on knowledge-intensive services (KIS). Their importance lies in the fact that they are one of the most dynamic activities in the service sector in most industrialised countries, mainly due to the major changes occurring in the structures of production and organisation and the expanding ties and interconnections between economic activities (Strambach, 2001). Moreover, they play an important role in innovation systems and have become a category of special interest due to the positive externalities they generate, their global competitive nature and their role in driving productivity growth, as they are considered as being among the most innovative in the economy (Desmarchelier et al., 2013). Specifically, we focus on KIS firms in Southern Spain (Andalusia), as it is the region with the greatest number of such firms operating after Madrid and Catalonia (García-Manjón, 2008). In particular, we study renewable energy and consultancy firms, as these have the largest presence in the region of study according to Muñoz-Guarasa (dir.) et al. (2013).

Internationalisation allows these types of companies to increase production, take advantage of economies of scale, reduce labour costs and product prices, and improve market position, among other advantages. Therefore, the more that firms embrace internationalisation, the higher the level of exports and the greater the positive effects for both the entrepreneur and the economy. Companies tend to internationalise through either a gradual (Johanson & Vahlne, 1977) or an accelerated process. Those that achieve the latter are known as Born Globals and are characterised by starting their international expansion immediately or within three years of their founding (Knight et al., 2004) and by generating at least 10% of total sales in foreign countries (Crick, 2009). In particular, KIS firms tend to have accelerated internationalisation behaviour (Martos-Martínez & Muñoz-Guarasa, 2020); however, many of them internationalise gradually. Therefore, we ask: how can KIS firms internationalise and why do some KIS firms internationalise gradually and others in an accelerated way?.

The main objective of this paper is to learn "how" KIS can become international and "why" some KIS internationalise gradually and others in an accelerated manner, as there is no previous research that sheds light on the conversion of KIS into Born Globals. This work will contribute to the literature by adding a set of propositions that will serve as a guide for those KIS that want to become Born Global and for those that have been going through a gradual internationalisation process and wish to accelerate it. Therefore, the main contribution of this paper is to provide the keys for KIS firms to internationalise, which has not been studied so far. Thus, this paper adds new knowledge to the existing literature.

In this work we have conducted a case study analysis that focuses on four KIS companies (two Born Globals and two non-Born Globals). We began by conducting personal, semi-structured and recorded interviews at the offices of the companies with the founders or those responsible for internationalisation. We then coded the data and analysed the cases individually and comparatively, which led us to obtain the results and make the propositions. This protocol has also allowed us to add rigor, reliability and validity to the research.

The structure of the paper will be as follows: after the introduction, section 2 provides a theoretical framework that outlines the strategies that companies must implement in order to have dynamic capabilities and be able to internationalise. Section 3 contains the methodology and data. Section 4 presents the results. Section 5 contains the propositions and discussions. Finally, the conclusions are given in section 6.

2. OBJECTIVES: THEORETICAL BACKGROUND

KIS companies have their own resources and capabilities, such as: 1) organisational resources that convert the information acquired from the market into knowledge, which involves providing personalised services with high added value for customers; and 2) the ability to innovate in the product, process or organisation and transfer all the knowledge to the company and to create networks between the members of the company and customers, suppliers and other companies, which improves decision making. KIS are characterised by initiating a rapid internationalisation process derived from the mentality and capacity of the founders.

Thus, our starting point is the Theory of Resources and Capabilities, as these can influence the pace of internationalisation of the company. The theory is also considered as a guideline for a company's export activities, as it deals with the origins of competitive advantage (Ledesma-Chavez et al., 2020). However, this theory has turned out to be static and does not consider changes in the environment. Subsequently, the Dynamic Capabilities Model has emerged in which firm managers "integrate, build and reconfigure internal and external competencies to address rapidly changing environments," (Teece et al., 1997:516). As such, firms need dynamic capabilities, i.e. assets, processes and structures that enable them to identify and seize new opportunities and renew their resource base, the use of which becomes indispensable to compete in international environments (Jiang et al., 2020). Therefore, for firms to internationalise they need to have dynamic capabilities, which translate into competitive advantages.

Depending on whether or not a firm acquires dynamic capabilities before starting the internationalisation process, it may follow a gradual or an accelerated internationalisation process. The gradual model focuses on stage-based internationalisation, in which firms first target countries that are physically and culturally closer and then proceed to countries further away. In this way, they reduce uncertainty and expand their investment at each stage (Johanson & Vahlne, 1977). The accelerated internationalisation model focuses on Born Globals, which are characterised by internationalisation within three years of their founding (Knight et al., 2004), generating at least 10% of total sales in foreign countries (Crick, 2009) and being proactive, innovative and competitive (Etemad, 2019).

Whether KIS follow a gradual or accelerated internationalisation process will therefore depend on whether they are able to implement strategies to turn their specific resources and capabilities into dynamic ones and thereby obtain valuable dynamic capabilities that are not easily duplicated by other firms. However, no model has been found that includes the keys for KIS to become Born Globals. Thus, this paper complements the existing literature by seeking to test our theoretical framework in the context of the knowledge-intensive services sector. This is based on the assumption that for firms to be international they need to have dynamic capabilities. To do so, they must follow international market orientation strategies (IMOS), international network orientation strategies (INOS) and international entrepreneurship orientation strategies (IEOS). To establish whether the firm has achieved these dynamic capabilities, we look for the existence of intellectual capital: human (HC), relational (RC) and technological (TC) (Martos-Martínez & Muñoz-Guarasa, 2020).

Intellectual capital comes from the Intellectus Model (Bueno et al., 2008), which originated as a practical tool to identify and measure intangible assets that add value to organisations. Therefore, if KIS firms have achieved dynamic capabilities (intangible assets) favourable to the internationalisation process, these will be included in human, relational and technological capital.

The international orientation strategies to be followed by KIS companies to achieve dynamic capabilities are as follows:

2.1. International Market Orientation Strategies (IMOS)

These are customer-centric, coordinated and planned with the organisation-wide market plan, and are externally focused (Jansson et al., 2017). According to Daengs & Soemantri (2020), the main objective of market orientation is to provide greater value to the consumer based on knowledge derived from customer and competitor analysis, whereby this knowledge is acquired and distributed among the elements of the organisation.

Therefore, through the IMOS, objective knowledge of the foreign market is obtained (e.g. through market research), as well as knowledge derived from the experience of the founder and/or export manager as a result of having participated in previous internationalisation processes (e.g. knowledge of customers, markets, etc.). This allows him/her to adapt the product to the needs, tastes and demands of potential customers.

2.2. International Network Orientation Strategies (INOS)

These are strategies that focus on the creation of international networks. Companies can successfully internationalise by building and nurturing meaningful positions in these foreign networks (Sanyal et al. 2020). Both social networks (attendance at international trade fairs, conferences, foreign promotion agencies, participation in research, etc.) and business networks (customers, business services, other competing firms, etc.) contribute to recognising international business opportunities and provide a means of access to new and different types of information and ideas (Wilkinson & Young, 2005) and allow firms to gain new resources (increased knowledge).

2.3. International Entrepreneurship Orientation Strategies (IEOS)

These focus on the entrepreneurial and innovative spirit of the founder. Entrepreneurship represents the creative and innovative capacity and is the basis for pursuing opportunities for success (Daengs & Soemantri, 2020). Zahoor & Lew (2021) suggest that innovation propensity, risk attitude and proactivity affect progress in the early stages of firm growth. Following IEOS becomes a conduit for the firm to gain competitive advantages, as innovative behaviour enables it to introduce new products/services and capabilities ahead of competitors (Dias et al., 2021).

Therefore, the founder must possess the following characteristics: (1) autonomy: the independence and freedom to give birth to an idea and see it through to the end, (2) innovativeness: the tendency to undertake and support new ideas and creative processes that can lead to new services, (3) proactivity: a forward-looking perspective that accompanies an innovative activity, which enables the person to see new means and ends ahead of others, (4) proclivity: the tendency to enter foreign markets, which is associated with a person's values, and (5) competitive aggressiveness: the propensity to achieve entry into the international market by challenging competitors (Kreiser et al., 2002) .

Next, we turn to intellectual capital (human, relational and technological), which we use to ascertain the dynamic capabilities obtained by the company after having carried out the aforementioned internationally orientated strategies:

2.4. Human Capital (HC)

Human capital includes the skills, experiences, attitudes and abilities of an organisation's employees (Zakery & Saremi, 2020), as well as representing what individuals and groups in the organisation know and their ability to learn and share that knowledge with others for the benefit of the organisation (Kidwell et al., 2020). It should be emphasised that human capital with dynamic capabilities better understands global opportunities and establishes more effective ties to take advantage of such opportunities, which can be part of the organisational culture of the company.

2.5. Relational Capital (RC)

Firms need to achieve network capabilities to build relationships in foreign markets (Sanyal et al., 2020). According to Ivanova & Torkkeli (2013), network capabilities are defined as the ability of entrepreneurs and managers to develop, manage and maintain relationships with key partners such as suppliers, customers and competitors and to manage interactions with them effectively. Therefore, whether the firm has achieved dynamic network capabilities can be measured by its relational capital (RC), which refers to the invaluable relationships existing within an organisation between individuals and external groups in the form of social capital, and especially outside the organisation in the form of customer-company relationships, as well as networks (Zakery & Saremi, 2020).

2.6. Technological Capital (TC)

A firm has technological capital (TC) if the staff has technical and managerial technological competences, which consist of knowing how to conceive, deploy and exploit TC to support and improve the organisation and coordinate activities (Gulati et al., 2012), as well as if it has an innovative or entrepreneurial culture, which indicates the degree of proactivity of firms in the sector in exploring new opportunities (Menguc & Auh, 2006). According to Bendak et al. (2020), innovative and rapid responses to changes in the environment are very important for any organisation, and the type of business culture contributes to the existence of each type of innovation.

In summary, in this paper we will propose the keys that lead KIS firms to internationalise. Thus, we will check, using real cases of internationalization, whether the companies carry out international strategies: IMOS (objective and experiential knowledge of the international market), INOS (network of international contacts) and IEOS (offer innovative products and characteristics of the founder), and we will learn the dynamic capabilities imbedded in the intellectual capital: HC (values, aptitudes and attitudes of human capital, organisational learning, organisational culture), RC (expand the network and maintain it over time) and TC (technical and management skills and innovative culture).

3. METHODOLOGY AND DATA

The methodology selected to apply the above theoretical framework is the case study, which will allow us to explore the differences between the cases and examine the KIS Born Global phenomenon in the real-world setting and with fewer contraints than in a survey or experimental design, permitting us to obtain empirical evidence to understand the similarities and differences between the cases. To this end, we will use a set of qualitative tools. Through this study we aim to achieve a replication of the theory (Yin, 2003) and to empirically test the causes and the process of development of the KIS Born Global phenomenon as a whole and not in partial units, which adds a holistic feel. Thus, through this inductive method we have obtained a logical result that has been translated into a set of propositions.

The case study as a methodology applied to scientific research related to the company's strategic decisions is increasingly accepted, as access to direct information is fundamental, given that understanding change in organisations requires a type of analysis that cannot be carried out with sufficient depth through the study of a large number of observations (Monge, 2010). Thus, the case study is one of the most appropriate methods for learning from the reality of a situation, in which it is necessary to explain complex causal relationships and generate theories or accept exploratory or explanatory theoretical positions, among others (Villareal & Landeta, 2007).

The literature does not offer a clear recommendation on the number of cases needed for qualitative research. However, Eisenhardt (1989) suggests a minimum of four cases, arguing that more than ten cases are difficult to handle due to the growing complexity of the data. Several studies follow the proposal to study four cases, such as Urbano *et al*. (2011), who explain what and how different socio-cultural factors influence the emergence and development of transnational entrepreneurship in Catalonia.

For the selection of companies, we used information from the Trade Promotion Agency of Andalusia (EXTENDA) concerning KIS Born Global companies. Initially, we included in a database those companies that internationalised. We also differentiate the following phases:

- First, we included those KIS that internationalised within three years of their creation (Born Global) and those that needed a longer period to start this process (non-Born Global). The next selection criterion was that the turnover was at least 10% abroad, as shown by Crick (2009).

– Second, we selected the cases. For this, we followed Yan & Gray (1994), who state that two will suffice. Thus, we chose two from the renewable energy sector (one Born Global and one non-Born Global) and two from the consulting sector (one Born Global and one non-Born Global).

The following companies have been selected (see Table 1):

TABLE 1. *Selected companies*

	GP Tech	Clever	Prodiel	S.I.C.I. Dominus
Activity	Renewable energy	Consulting	Renewable energy	Consulting
Location	Seville	Seville	Seville	Granada
Year of creation	2002	2004	1994	1995
Year of internationalisation	2004	2007	2013	2004
% sales in foreign country	15%	12%	50%	10%
Number of employees	100	185	890	90
Countries to which it exports	Italy, USA, Chile, Puerto Rico, Brazil	Argentina, Chile, Peru, Brazil, Colombia, Uruguay, Honduras, Mexico, Panama and USA	Chile, Mexico	Iraq, Turkey, Dominican Republic, Bolivia, Caiman Islands, Asia, Romania and Bulgaria

Source: prepared by authors

The starting point was to prepare a data sheet (see Table 2), which allowed us to establish a protocol for the analysis of the cases. In the data collection phase, we applied the concept of data triangulation (documentary evidence, interviews, direct observation and recording). Thus, the interviews were personal, semi-structured, open-ended and recorded at the company's premises. A questionnaire was followed during the interviews.

TABLE 2. *Data sheet of the analysis of cases of internationalised KIS*

Purpose of the research	Analyse "how" and "why" KIS can carry out an accelerated internationalisation process, that is, become Born Global or not.
Methodology	The study of four multiple comparative cases of a holistic nature.
Unit of analysis	KIS companies whose date of internationalisation occurred between 2003 and 2013 and whose internationalisation occurred within three years of their creation or in more than three years.
Geographical scope	Southern Spain
Sphere	Internationalised KIS companies
Type of sample	Logical and theoretical sample
Case studies	GP Tech and Clever (Born Globals), Prodiel and S.I.C.I. Dominus (non-Born-Globals)
Methods of evidence collection	Document review (documentation and files). Conducting in-depth interviews: open, semi-structured and face-to-face. Direct observation. Use of physical, technological and cultural resources.
Information sources	Internal: documentation (memorandums, reports and internal studies), files (web pages, presentation files, image and sound files), in-depth interviews, questionnaires, real physical context. External: specialized publications, databases (ICEX–The Spanish Institute for Foreign Trade; EXTENDA–Trade Promotion Agency of Andalusia; chambers of commerce), reports of official bodies and media.
Key informants	Founders/managers/those responsible for the area of internationalisation of the company and other areas.
Fieldwork	2015 - 2016, in which the following interviews were conducted: GP Tech: 29 January 2016 at 11am. Head of strategic planning, Mº José Muniz. Clever: 18 January 2016 at 4pm. Director of Strategy and Development, Alejandro Jos. Prodiel: 28 January 2016 at 1pm. General Manager, Miguel Somé. S.I.C.I Dominus: 16 December 2015 at 12pm. Responsible for internationalisation area, Leonardo González.

Source: prepared by authors

4. RESULTS

First, we carried out an individual analysis of each of the cases, which we have summarised in the tables below, in which we have included the most important results:

GP Tech (Born Global)

General characteristics: *GP Tech* provides services focused on solar and wind energy grid integration, as well as grid stability and energy transport.

History: In 2002, three professors from the University of Seville created this company to develop solutions in the renewable energy sector. The company has developed from a very moderate turnover of 100,000€ to reach 30,000,000€ as a result of internationalisation.

Internationalisation process: In 2004 they decided to start the internationalisation process based on the following competitive advantages:

- They had highly qualified partners, knowledge in the sector and were entrepreneurs.
- They had a flexible model and innovative services and culture.
- 70% of the human capital were graduates or engineers.
- The whole organisation was involved in international business activities.
- They developed a process of prior knowledge of the Latin American market.
- They used the services of foreign promotion agencies (EXTENDA and ICEX) to familiarise themselves with the foreign market and to create a network.

Clever (Born Global)

General characteristics: Clever provides management consultancy services, technological services, labour management and subcontracting.

History: In 2004, it was created as a spin-off. The general manager (Fernando Gutiérrez) was an executive at *Sadiel* (an information technology company) with national and international experience. A year after its creation, the business development manager (Alejandro Jos) joined the company, with international experience at the firm *Abengoa* (Sweden, United States and Mexico).

Internationalisation process: In 2007, a corporate client in Spain offered them a business opportunity in Chile, and Clever, without having a signed contract, decided to launch in that country. Although Alejandro Jos acknowledged the possible mistake of setting up a subsidiary in haste, he also indicated that it helped the firm to create competitive advantages in terms of loyalty, commitment and trust with current and future clients in Latin America.

In 2009, *Clever* set up a subsidiary in Argentina. According to Jos, the decision to go to Latin America, and specifically Chile, was "first of all, because Spanish corporate clients were located in that country".

Prodiel (Non-Born Global)

General characteristics: *Prodiel* works for sustainability and safety through integrated products and solutions in engineering, development, construction and maintenance.

History: It was founded in 1994 as an electrical installation company. In 2008 it expanded its business activity to renewable energies. In 2012 it aimed to boost its international presence. To achieve this, according to Miguel Somé, they had "an incentive for internationalisation, a Global Grant for Innovation-Technology 2007-2013".

Internationalisation process: In 2013 they started the internationalisation process due to the economic crisis in Spain and in the energy sector. The company's sales forecast was in a critical state (dropping from 30 to 7 million euros).

Stages of internationalisation:

- 1st: arrival of the new general manager, Miguel Somé, and director of the business development line, Álvaro García de la Borbolla.

- 2nd: entry into Chile with its main customer in Spain, *Endesa* (which dominates around 90% of the Spanish electricity market). To operate in that market with *Endesa,* they needed approval as a supplier in that country, but that took eight months from the time they made contact until the offer was made. From that moment on, they decided to look for other customers and this allowed them to find new contacts and develop new networks.

- 3rd: they signed their first international contract in Chile with a company other than *Endesa*. According to Miguel Somé, "this pro-cess was unsuccessful and involved a very high learning cost", accepting "that qualified human capital was the key to international success". Likewise, "we did not apply all the human resources necessary to carry out the project".

S.I.C.I. Dominus (Non-Born Global)

General characteristics: Comprehensive consultancy company, specialising in human resources and training, project development and monitoring, European programme subsidies.

History: In 1995 it was created to provide training courses for the unemployed, as well as national consultancy "assistance to obtain funds, mostly European, for Spanish public or private entities" (according to Leonardo González). The firm was dedicated to managing national projects and others coming from Brussels. Subsequently, they applied for new funds and recognised new opportunities in international projects with the transmission of grants to third governments through tenders. Through alliances and agreements with a Belgian company with Spanish capital, they entered the foreign market.

Internationalisation process: Two stages can be distinguished:

-1st: it began in 2004 with the detection of new opportunities in the international market. They carried out market research, looked for proximity to Europe, and opted for Romania and Bul-garia. It took between 2 and 3 years to start the international process. They did this through an alliance with a Belgian com-pany with Spanish capital. According to Leonardo González "there was a demand in the EU for management and advice on European funds".

-2nd: the team had greater international knowledge due to the learning process they had undergone in the previous stage. Alliances with new entities increased, networks were expanded, since "we cannot participate in international projects alone", says Leonardo González.

Second, we analyse the results in terms of the strategies: IMOS, INOS and IEOS and the intellectual capital: HC, RC and TC:

<u>*IMOS*</u>

The two Born Globals carried out foreign market research right from their creation. On the other hand, the non-Born Globals did not initially undertake such studies. More specifically:

- *Prodiel*: they carried out the internationalisation plan due to the fall in sales in the domestic market, which took place 19 years after their creation.
- *S.I.C.I. Dominus*: the international market study began nine years after the company was founded.

In terms of the experiential knowledge of the founder or manager in other internationalisation processes, the Born Globals exhibit the following:

- GP Tech: did not have experiential knowledge but they "were very skilled because the company was created by university professors who had worked on different international projects".
- *Clever*: had experience in the Latin American market due to the international expansion projects of other companies (*Abengoa*).

The founders of the two non-Born Globals had no previous experience in internationalisation.

<u>*INOS*</u>

From the beginning, the Born Globals had contacts with foreign trade promotion agencies (EXTENDA, ICEX), attended international trade fairs and participated in conferences. On the other hand, the non-Born Globals only began making contacts with foreign promotion agencies years after their creation (19 years for *Prodiel* and 9 years for *SICI Dominus*).

The Born Globals created business networks before starting the internationalisation process.

- GP Tech: "our main client in Spain proposed that we carry out international operations from the moment we were created".
- Clever: "we had contacts because we had previously worked in other internationalised companies. In addition, client companies in Spain that had subsidiaries in Latin America asked us for services there".

The non-Born Global companies did not create business networks during the first three years of their creation, although these were necessary to start their international expansion:

- *Prodiel: "the main contact overseas was Endesa".* They used this contact 19 years after the firm's creation.
- S.I.C.I. Dominus: "it was the alliance with a Belgian company that allowed us to go abroad", 19 years after its creation.

<u>*IEOS*</u>

The founders of the Born Globals wanted to be international from the outset. Thus, they possessed the proposed characteristics (autonomy, innovative capacity, proactivity, proclivity and competitive aggressiveness). The founders of the non-Born Globals did not intend to be international from the outset. However, market circumstances led them to internationalise in later years.

The Born Global companies offered innovative services from the beginning and were aware of their importance for internationalisation:

- GP Tech: “for example, intellectual protection has given us a competitive advantage to put our knowledge to good use and add value to clients”.

- Clever: “for example, the innovative services we offer through our global network”.

The non-Born Globals did not see providing innovative services as an advantage abroad that would facilitate the internationalisation process.

HC

The human capital of the Born Global companies contained skills, aptitudes and attitudes that favoured the internationalisation process:

- GP Tech: “all human resources were actively involved in the internationalisation process”. The skills were in place before the start of the process.

- *Clever:* human resources were actively involved in the internationalisation process during the first three years since its creation. *“We work in a perfectly integrated network of networks”.*

The human capital of the non-Born Globals did not have capacities, skills and aptitudes favourable to the internationalisation process:

- Prodiel: “we paid a high price in our first international experience by not employing sufficient human resources”.

- S.I.CI. Dominus: “the human capital has suffered a learning cost from its own experience in the internationalisation process”.

The Born Globals had a learning and organisational culture favourable to internationalisation from their inception. More specifically:

- GP Tech: “the organisation is integrated in the four business lines, this being the driving force for the internationalisation process”.
- Clever: “organisational learning is very important to work in the network and to form part of our own organisational culture”.

The non-Born Globals did not have a learning and organisational culture favourable to the internationalisation process.

RC

The Born Globals created and nurtured social and business relationships within the first three years of their creation. Specifically:

- GP Tech: since its foundation, the company carried out strategies to expand the international business network. For example, “collective and independent missions were very important for the creation of new international social networks”.
- Clever: the social networks obtained before starting the internationalisation process “helped us in the search for new networks in the Latin American market”.

The non-Born Global companies did not have the capacity to create new international business networks before going international.

TC

The Born Global firms obtained technical and managerial technology skills within the first three years of their creation. Specifically:

- GP Tech: “since the beginning of the company we have used the reporting and information management activity, the on-line customer, information and document management system”.
- Clever: “we have worked with the client through a large platform where most of the services we provide are remote. Thus, the platform is the core of the work and is the company's own”.

The non-Born Globals used technical and management skills once the internationalisation process was underway.

The Born Globals exhibited a culture of innovation from their inception, which favoured their internationalisation:

- GP Tech: “we have used our innovative culture, which we have created since the foundation of the company and which is integrated in the four business lines, all of which has favoured internationalisation”.
- Clever: “we have used our innovative culture to better adapt to the international customer”.

The non-Born Globals companies did not exhibit a culture of innovation before launching the internationalisation process.

5. DISCUSSION AND PROPOSITIONS

In accordance with the case studies and the results obtained, we put forward the following propositions, which answer the initial questions of this research on "how" and "why" some KIS are Born Global and others are not. Thus, for KIS companies to become international they must follow the following propositions, which are composed of the IMOS, INOS and IEOS strategies. If they wish to become Born Globals, they must follow these propositions during the first three years after their creation.

Propositions included in the IMOS:

Proposition 1: Have objective knowledge of the market and the country where it intends to start the internationalisation process.

Proposition 2: The founder possesses experiential knowledge from having participated in previous internationalisation processes or is highly trained.

These propositions are in line with research that positively links international market orientation and the rapid process of business internationalisation. Thus, for Amadasun & Mutezo (2022), companies with objective market knowledge can detect market desires, tastes and preferences and build relationships to proactively satisfy customers. Likewise, De Cock *et al*. (2021) indicate that the founders' backgrounds and beliefs (driven by their international experience) affect strategic decisions related to the management of their key resources and their capabilities to successfully internationalise.

<u>*Propositions included in the INOS:*</u>

Proposition 3: Establish an international social network (foreign trade agencies, attendance at trade fairs, conferences or participation in research, publications and scientific media, etc.).

Proposition 4: Create an international business network (clients, business services, suppliers, competitors, partners, etc.).

These propositions turn out to be of importance for obtaining an optimal inter-firm environment and creating an international networking context. Our results are in line with studies that highlight the importance of networking for international success, for example, through attendance at international trade fairs (Shih and Yang, 2019; Silva *et al*., 2022).

<u>*Propositions included in the IEOS:*</u>

Proposition 5: The founder demonstrates a spirit of autonomy, innovation, proactivity, proclivity and competitive aggressiveness towards the international market.

Proposition 6: The company provides innovative services.

These propositions are related to research highlighting the importance of international entrepreneurship orientation strategies. For example, Gull *et al*. (2021) show that entrepreneurial orientation provides a solid basis for interpreting the international performance of Born Globals. In addition, entrepreneurial characteristics influence the decision and pace of internationalisation, especially for Born Global firms (Paul & Rosado-Serrano, 2019). Among the above characteristics is innovative behaviour, which transmits to the entire firm and allows it to achieve the competitive advantages necessary for internationalisation, as it enables it to offer new products and capabilities before competitors (Zahoor & Lew, 2021).

For KIS companies to internationalise they must carry out the above strategies of international orientation and have dynamic capabilities, which are developed through the human, network and technological capital of the company. Thus, if KIS companies want to internationalise they should also follow the propositions below and if they want to be Born Globals, they should do so during the first three years of their existence:

Propositions related to HC

Proposition 7: Develop favourable values, attitudes, skills and capabilities directed towards the internationalisation process.

Proposition 8: Follow organisational learning.

Proposition 9: Have an organisational culture.

These propositions are in line with research on the values, attitudes and capabilities of human capital conducive to the internationalisation process. For example, Bužavaité and Korsakiené (2022) reveal that the use of the knowledge and skills of the board of directors is a mediating role that links human capital and the internationalisation performance of Lithuanian SMEs. Also, the organisational culture of rapidly internationalising firms characterised by continuous employee learning is positively related to their proclivity to internationalisation (Kumar & Sharma, 2018).

Propositions related to RC:

Proposition 10: Use previously created international social relationships to create new ones and maintain them over time.

Proposition 11: Put previously established international business relationships to use in developing new ones and maintain them over time.

These propositions are related to various studies that show the relevance of maintaining international networks. For example, Tiwari & Korneliussen (2022) assert that the ability of entrepreneurs to nurture and retain their existing networks is an essential dynamic capability for business internationalisation. Similarly, research by Sanyal *et al*. (2020) relates the ability of founders and/or managers to forge relationships with customers and other organisations in international markets, which helps the firm to leverage its resources for internationalisation.

Propositions related to TC:

Proposition 12: Employ technological management techniques.

Proposition 13: Have a culture of innovation.

These propositions are related to the results obtained in research on technological capital and internationalisation. For example, technological knowledge, according to Bhattcharya *et al*. (2021), can become a main driver of internationalisation for emerging market firms. Thus, managers need to upgrade their technological knowledge, as according to their results a 1 unit increase in technological knowledge increases internationalisation by 0.18 units. Innovation goes hand in hand with technology. Companies with an innovative culture place a high value on seeking opportunities and are more open to exploring new resources, breaking existing norms and creating new products and/or services to improve their performance (Kumar & Sharma, 2018).

After reviewing the few papers related to KIS Born Globals, we include some recent ones. From the Born Global perspective, Martin *et al*. (2020) analyse the phases that these companies go through from their inception to more mature stages in the foreign market. Others such as Jiang *et al*. (2020) in a review (167 articles) add relevance to the role of the founder in achieving strategies and pursuing accelerated internationalisation. Braga *et al*. (2018) have conducted a survey of Portuguese knowledge-intensive services firms to explore the effects of knowledge, cooperation and innovation on internationalisation, but how these variables may push KIS to become Born Global is not predicted. Muñoz-Guarasa and Fischer (2020) have studied the characteristics and capabilities of both KIS Born Globals and KIS non-Born Globals, but not the strategies and intellectual capital required to become Born Global. Another internationalisation study, that of Korsakien and Tvaronavičiené (2012), compares Lithuanian and Norwegian SMEs by exploring the main reasons and barriers that restrict the internationalisation process. Therefore, current research does not shed much light on the keys that KIS need to follow to become Born Global.

Our contribution is threefold. First, we have learned how KIS companies internationalise and why some do so gradually and others in an accelerated manner. Second, we have studied the internationalisation process of KIS Born Globals and KIS non-Born Globals on the basis of real cases. Third, we have added a set of key propositions to facilitate business internationalisation. With this research we have responded to the need expressed by various authors to conduct studies on KIS Born Global firms (e.g. Paul & Rosado-Serrano, 2019 and Hult *et al.*, 2020). All of this complements the existing literature and provides important new insights.

5.1. Limitations and further research

Given these developments, we must be cautious in interpreting the results and recognise their limitations. Although in-depth qualitative case-based research is useful for understanding the background to a complex phenomenon, it is important to be aware that the number of cases studied is small. Nevertheless, there are numerous studies that effectively use a small number of cases for analysis.

A future research effort would be to study other cases of companies located in different countries to see if our results are confirmed in other geographical areas. Researchers should also include other types of knowledge-intensive services, such as computer services. This research could be extended by using mixed methods, and could also be complemented by adding qualitative comparative analysis (QCA).

6. CONCLUSIONS

KIS firms can internationalise if they have dynamic capabilities. To achieve this, they must follow internationally oriented strategies focused on: having objective knowledge of the international market and ensuring that the founder or head of internationalisation has experience of having participated in previous internationalisation processes (IMOS); establishing a network that is both social (e.g. attendance at trade fairs, participation in conferences) and business oriented (e.g. customers) (INOS); and having a founder or manager who wants to internationalise from the creation of the company and that the firm offers innovative services (IEOS).

The resulting dynamic capabilities based on knowledge, networking and innovation enable KIS companies to internationalise, and must be developed through the human, relational and technological capital. In this way, the personnel will obtain the values, skills and attitudes favourable to the internationalisation process, as well as having the learning and organisational culture needed to confront the dynamism of the foreign market (HC); they will be able to expand and nurture international relationships over time (RC); and there will be a culture of innovation and technological management (TC).

In order for KIS companies to become Born Globals, they must follow the above strategies within the first three years of their existence. In this way, they will be able to have dynamic capabilities that will allow them to internationalise in an accelerated manner and become Born Globals. Conversely, companies that do not follow the above strategies within three years of their creation will not have the key capabilities required to internationalise in an accelerated way, and they will therefore be limited to following a gradual internationalisation process.

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