

Born Global Firms in Developing Economies: The Case of Malaysia

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Abstract: The far-reaching effects of globalization and advanced communications technologies have helped engender the phenomenon of early internationalization, often referring to so called "Born Global firms". However, research in this area has been limited largely to firms from developed and advanced economies. There is a need to investigate Born Globals in emerging markets and developing economies. This paper conducted exploratory case study to investigate the major drivers of early and rapid internationalization leading to early international performance of firms in Malaysia.

Key words: *Born Globals; International entrepreneurial orientation; International entrepreneurship; Internationalization; Developing countries, Malaysia.*

INTRODUCTION

Malaysia located in Southeast Asia and benefited from political stability, high level physical infrastructure, multilingual and multicultural workforce. Malaysia has positioned itself as the world's top 20 trading nations (FMM Directory, 2005). Malaysia as a developing country and new industrialized economy has been experiencing the transitional economy from agriculture to the new industrialized market economy. The profile of Malaysia's export has been changed from a leading exporter of commodities in early 1960s to the exporter of wide range of high value added products. This transformation is primarily supported by the New Economic Model and 10th Malaysian Plan which according to Prime Minister Dato' Sri Mohd Najib (2011), Small and Medium Enterprises (SMEs) are potentially the key contributors to the success of these initiatives.

According to the Bank Negara of Malaysia, the total number of business establishments in Malaysia was 523,132 firms as of 2006. Out of this total, 518,996 firms are SMEs which represent 99.2 % of total business establishments in Malaysia. SMEs sectors that are exporting Malaysian products are the manufacturing, service and agriculture sector with 57.6 %, 40.6 % and 1.8% respectively. Malaysian top export markets are Singapore (13.3%), China (12.5), Japan (10%), USA (9.5%), Thailand (5.3%), Hong Kong (5.1%), Korea (3.8%), Australia (3.8%), India (3.3%), Netherlands (3.2%) and remainder 29.7% is rest of the world (MATRADE, 2010). The above statistics as well as national level policies such as Third Industrial Masterplan (IMP3), New Economic Model and 10th Malaysian Plan show extensive support toward the SMEs and the enhancement of Malaysia's economy potentially rely on SME international trade (Zizah, Entekin & Scott-Ladd, 2010).

However, the total contribution of SMEs to the overall exports is less than 16.6% (Bank Negara Malaysia, 2006). Being a newly industrialized country, Malaysia currently relies on Multinational Enterprises (MNEs) to export. This discovery has sparked the authors to investigate the major drivers of early and rapid internationalization.

Besides that, research on early internationalization of Born Globals has been limited to the advanced economy and developed countries (Thai & Chong, 2008) and still there is a lack of investigation of Born Global firms in developing countries as well as lack of cohesive framework on these firms that internationalize from early inception (Weerawardena, Mort, Liesch & Knight, 2007). Thus, this paper aim to explore the factors that contribute to the early and rapid internationalization as well as performance of firm in foreign market through the lens of network approach and dynamic capability view of competitive strategy.

Practical implications that will be drawn from this result are offered to entrepreneurs, business owners, and top management of SMEs who have yet to internationalize and/or aim to perform in foreign markets as well as policy makers. This study provides new knowledge and important insights that will benefit SMEs in the context of accelerated internationalization in new industrialized and developing countries such as Malaysia.

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Review of Literature:

Various perspectives have been used to explain the behavior of firms in internationalization. Uppsala Model (Johanson & Vahlne, 1977) & Innovation Model (Bilkey & Tesar, 1977) are two well known traditional schools of research that elaborate on internationalization as an incremental process.

The Uppsala Model emphasizes on series of stages that accumulate market knowledge and commitment over time. According to this view firms start international activities from geographically close markets, which have similarities in language, culture, policies and political systems. In accordance to this, firms enhance its foreign market knowledge gradually by slow expansion with low risk and indirect exporting such as through international distributors.

As for the Innovation Model which is similar to the Uppsala Model, it is also considered as the incremental approach to internationalization. The Innovation Model emphasizes on gradual stages and the slowness of learning on acquisition of relevant knowledge, experience and resources (Bilkey & Tesar, 1977).

Due to the lack of international market knowledge and uncertainty of successive decision in foreign market, both of these traditional models suggest that firms need to go through the incremental stages to gain market knowledge and commitment to go for internationalization.

However, there are some arguments that incremental models of internationalization are too deterministic and the internationalization process of firms are highly individualistic, situation specific and contingent on resource availability at the time opportunity presented itself (Reid, 1983). Oviatt and McDougall (1994), Bell (1995), Knight and Cavusgil (1996) and Madsen and Servais (1997) are among the scholars who present a strong empirical criticism and have highlight the emergence of International New Ventures (INV) approach as unique challenge for incremental models. According to Oviatt and McDougall, (1994) INVs which have been termed as Born Global are resource constrain and young in age and usually small in size. Born Global target markets among most volatile and have little or no experience in any markets (Oviatt & McDougall, 1994). Nonetheless, they internationalize rapidly after inception and enter several markets far away simultaneously which is inconsistent with the attitude behavior of Uppsala school of thought that assume, firms become international long after serving the local market (Johanson & Vahlne, 1977). Hence, as highlighted by scholars such as Knight and Cavusgil (2005) Born Global does not follow the theories of incremental firm internationalization. However, this does not mean that establishment of traditional theories are wrong, it is still applicable to some extent in some industries and firms (Oviatt & McDougall, 1994).

Opposed to the incremental theories which are not applicable to explain the behavior of Born Global, Bell (1995) has made a call for network approach for better understanding of Born Global. Rasmussen, Madsen, & Evangelisa (2001) believe that network relationship play the critical role in Born Global internationalization. According to this theory, international network and interpersonal relationships that shape the behavior of firms to internationalize is the result of the business and social networks rather than through the process of internalization (Malhotra, Agarwal, & Ulgado, 2003).

Early internationalization and superior performance in foreign market are among the main features of Born Global that is derived from critical knowledge and information about foreign markets. This information and knowledge which gives competitive advantage is obtained through miscellaneous network linkage with foreign distributors, traders and alliance partners, local and foreign agencies (Weerawardena et al, 2007). Such relations provide invaluable source of knowledge regarding opportunities exploitation and international business entry which are unobtainable with an absent of these linkages (Knight & Cavusgil 2009). Chetty and Blankenburg-Holm (2000), Sharma and Blomstermo (2003), Loane and Bell (2006), Mort and Weerawardena (2006), Coviello and Cox (2006), Coviello (2006), Zhou, Wu and Luo (2007) are among the scholars that use the network approach to further support their research of Born Global.

Besides the network approach, Resource Based View (RBV) and Capability view are widely used by researchers in the Born Global literature (Yeoh , 2000; Yeoh , 2004; Rialp & Rialp, 2006; Weerawardena et al. , 2007; Karra, Phillips & Tracey, 2008; Di Gregorio, Musteen & Thomas, 2008). According to RBV view, firms act differently in the same industry due to their differences in possessing resources (Barney, 1986). However, The emergence of the Born Global also challenge RBV due to Born Global's nature as a resource poor, small in size and young in age but internationalize from inception (Oviatt & McDougall, 2005; Knight & Cavusgil, 2004). It is also being criticized that this perspective is paying little attention to the mechanisms that contribute to the firm's competitive advantage (Priem & Butler, 2000). RBV is more applicable for MNEs rather than SMEs because traditionally only large firms can afford the resources to engage international market.

Capability view in contrast to the RBV, focus on the role of capabilities rather than resources in explaining the ability to achieve organizational goals. The key factors that differentiate the capability view from RBV is entrepreneurial owner/managers' ability to develop organizational routines (Mort & Weerawardena, 2006). Capability view suggests that in order to identify opportunities, the firms need to develop new capabilities and respond in a timely manner (Eisenhardt & Martin, 2000, Nelson & Winter, 1982). Dynamic capabilities view which is derived from capability view, focus on the role of capabilities rather than resources in explaining the ability to achieve organizational goals. Dynamic capabilities reflect a firm's capacity to reconfigure its

capabilities to adapt to its environment to achieve superior performance in any market firm decides to operate (Sapienza et al. 2006; Nelson & Winter, 1982).

McDougall, Oviatt and Shrader (2003) argue that Born Globals can be distinguished from firms that focus on domestic market by their placing more emphasis on strategic weapons such as innovative differentiation, quality of service and marketing compared to traditional firms. Born Globals tend to be formed by entrepreneurs with strong orientation toward international market (Cavusgil & Knight, 2009). Born Global firms as entrepreneurial firms that see the world as their market place and often involving international marketing skills (Cavusgil & Knight, 2009). Strong international entrepreneurial orientation, strong differentiation strategy and strong marketing capabilities are associated with superior international performance in Born Global firms (Hartsfield, Johansen & Knight, 2008).

Di Gregorio, Musteen, and Thomas (2008) argued that majority of Born Global firms emerge due to the entrepreneur opportunities seeking behavior in regards to the resources and markets across the border. Zhou, Wu and Luo (2007) described three dimensions of entrepreneurial orientation of Born Global as innovative, proactive and risk taking. He found that pro-activeness is the most influential entrepreneur behavior in accumulating international market knowledge followed by innovativeness and risk taking in comparison to traditional firms that international market knowledge emerge from incremental accumulating of experience in foreign market.

Weerawardena et al. (2007) argued that a set of dynamic capabilities that built and nurtured by entrepreneur oriented founders / managers assist firms in developing knowledge intensive products leads to early internationalization of firms. They have argued that the issue of why some Born Globals were able to internationalize from inception while others concentrate on domestic market, is highly depends on entrepreneur behavior characteristics.

Freeman, Edwards and Schroder (2006) found that the main factors influencing early internationalization of Born Global firms are international vision of the founders, desire to be the international market leaders, identifying specific international opportunities and the possession of international contacts and sales leads. The competitive advantage for them is that it makes it possible to quickly grab opportunities, utilize first mover advantage and move fast in multiple international markets.

Networks provide an in depth understanding and intensive knowledge of foreign market (like demand, design, prices, delivery schedules, channels etc.) for small businesses like Born Global firms. Apart from that, network provides access to foreign markets, access to information about foreign trade fairs, and training opportunities, and access to supplier credit.

The importance of networks becomes apparent when the resource constraints and limitations that many Born Global faced are taken into consideration (Chetty & Stangal, 2009). Chetty and Stangal (2009) study reveals that firms with limited network relationships have incremental internationalization and innovation but those with diverse network relationships have radical internationalization and innovation.

Born Global firm make use of networking to overcome inherent weaknesses such as firm's size and lack of resources to gain entrance to global markets (Laanti, Gabrielsson & Gabrielsson, 2007). Network relations drives Born Global firms to access to complementary social, technical and commercial resources in R&D, technology, production, marketing and distribution areas that would take individual companies years to accumulate on their own (Laanti et al., 2007). Freeman et al. (2006) have identified the constraints that smaller Born Global firms faced as lack of economies of scale, lack of resources and aversion to risk taking. They found that commitment of senior management, range of alliances and collaborative partnerships, using unique technology provides complete advantage that leads to rapid growth internationally (Freeman et al., 2006).

Moen et al. (2004) studied on the entry forms and market selection and his findings reveal that firms choose market, based on the choices available through network relationship. Chetty (2003) highlighted that networks enable firms to overcome the constraints of limited financial and human resources and lack of knowledge of the new markets. Business networks also enable firms to proceed faster with their international growth instead of a gradual stages process.

Knight, Madsen and Servais (2004) findings reveal that marketing competencies appear to be crucial to Born Global international performance. Marketing competencies implies skillful handling of product adaptation and the marketing planning process, control of marketing activities, prowess in differentiating the product (knowledge development, R&D, innovativeness, and a general emphasis on the product), as well as being highly effective in pricing, advertising, and distribution. The ability of firms to gather this information, manage it and use it to implement marketing competencies was found as the main key to the international success of these Born Global firms. McDougall et al. (2003) argue that Born Global can be distinguished from firms that focus on domestic market by emphasis more on strategic weapons such as innovative differentiation, quality of service and marketing compared to traditional firms, this finding has been consistence with Osman, Ramayah and Nasuridin (2001) that relationship marketing as a variable of marketing competence, differentiating Born Global and incremental exporters.

Method:

This is a case study approach. The in-depth interview was conducted twice with an overall time of 5 hours and 30 minutes. Relevance rather than representativeness was the key selection criteria to choose this case for this study (Mort & Weerawardena, 2006). Besides that this case was fit with the boundary of Born Global operational definition of Knight and Cavusgil (1996) which is exporting with the first three years of inception and at least 25% of sales income derived from exporting.

The firm which participated in this case study is a Malaysian firm and located in Kuala Lumpur and was established in the year of 2007. The firm is specialized in light weight construction materials. Their target export market primarily was UAE and is currently expanding to the whole Middle East countries. Founder has completed his Bachelor Degree in a US based university in UAE and worked part time in a trading firm based in Dubai, UAE that imported products from Asia to UAE to be distributed throughout the Middle East countries.

The founder returned to Malaysia in 2007 after graduating and formed a company that only specialized in construction materials with its own unique brand name due to the construction boom in the Middle East, especially in UAE. Due to his knowledge and experience about this industry, he has catered the firm's product package to a niche target market that requires light construction materials that gives flexibility on earth quake tremors and having the ability to be built fast. The reason behind this as mentioned by the founder was due to the constant earth quakes in the areas and shortage of housings in the Middle East.

The research problem which gives guidance to collect the data for this study is "What are the major drivers of early and rapid internationalization which leads to international performance of Born Global firms in newly industrialized and developing country such as Malaysia?" This research problem will be addressed by focusing on the research questions mentioned below:

RQ1. What is the Born Global characteristics in venturing to foreign markets?

RQ2. What constraints of Malaysian Born Global firm face when entering to foreign market?

RQ3. How does network ties overcome constraints and enable Born Global to exploit opportunity in foreign market?

RQ4. How does a network tie enable marketing competencies of firm to gain superior performance in foreign market?

Findings:

This section presents opinions of this case study's founder in regards to his firm's characteristics and behavior in venturing to international market, followed by constraints and limitation of his firm to go international and how network ties overcome these constraints. Finally, role of marketing competencies through network ties as a competitive advantage to gain superior performance in international market.

RQ1. What is the Born Global characteristics in venturing to foreign markets?

One the key characteristics of Born Global firms are adaptability, flexibility and actively looking for new market opportunities. As of the firm in this case of study highlighted by founder that "*sometimes our customers require some alternative products, if we have product A, but they require product B, we need to find the information within Malaysia or within the boundaries of Asia because the cost will be cheaper then we will provide the quotation, and that needs to be done fast and efficient.*"

Founder mentioned that one the reason of success was their hard work throughout the early stage of the firm's establishment. There were times that they start work at 8 am until 2 am in the morning to benefit from both markets' (Asia and Middle East) opening hours. He has mentioned that "*we always try to recruit young managers with aggressive attitudes and give them a sales target to achieve and if they are able to achieve it, we reward them accordingly.*"

The question in regards to culture, the founder answered "*you can always read so much but you actually need to experience it firsthand in order to fully understand the culture. We need to understand the reaction of our customers whenever we are negotiating; are they particular about the pricing, standards, delivery time and payment terms. So in order to know more, we need to talk and experience more with the customers; how do they accept foreign companies such as ours to supply them the products that they need because there are always other countries which would have similar products. So what makes us different is the key. Understanding culture is very important to establish some sort of credibility and trust between us and the customers.*"

He has highlighted that his stay in Dubai and his working experience helped to gain experience about Middle Eastern culture in terms of negotiation skills and attitude. Quoted from him, "*It is a motivation to have a more proactive role to know the culture because we may accept it as our own culture that it is not such a big deal but for people from another country will be an insult, for example. We need to be very sensitive about it on how we conduct business deals with Middle Eastern customers. They will talk in a very friendly way but still in a very formal way. For us, when we are friendly, we usually don't say hi or hello. So this has to be constantly reminded and adapted within the firm to know how to respond to the customers' situation.*"

RQ2. What constraints of Malaysian Born Global firm face when entering to foreign market?

Born Global, as rapid internationalizing firm facing lack of financial, human and tangible resources that characterize most new businesses (Knight & Cavusgil, 2004). Similarly in our case, the founder highlighted that their main constraints was financial facilities where the firm does not have the cash flow to pay upfront to suppliers and is highly dependent on the financial remittance from the customers. In the initial stage, the firm is not able to access banking facilities due to the bank's policy that requires a minimum three years of financial statements, audit reports and tax payment slips that the firm lacks of.

Besides that, their firm cannot afford the cost of marketing in a consistent manner; conduct market research, participating in exhibitions, developing products, courier samples to prospective customers and travel expenses to meet customers regularly before and after selling the products. There is also no budget to register in B to B portals such as Alibaba.com that requires the firm to pay a high annual subscription that can potentially give credibility to the firm and gives the ability to get in touch with more customers and widen the scope of their market that the firm is currently in. It is a good start to build trust and establish a business relationship with potential customers. However, entering to any new export market definitely has its own risks.

In terms of resources, the firm does not have enough manpower to handle sales and after sales service. They do not have any specialized manpower within the firm. There is also culture barrier and way of communication. As it has highlighted by founder *"In Asia, if you want to attract the customer's trust, you need to regularly meet them at the bar and have a drinking session and provide some sort of entertainment such as karaoke (interactive entertainment). However, in the Middle East, due to religious perspective, this kind of treatment is not acceptable and gives a negative impact on trust between the companies."*

In sum, the above functions are critical to the firm and it needs to overcome in order to be able to gain superior performance and internationalize from early inception. However, these constraints can be overcome through close contact and relationship with network partners (Mort & Weerawardena, 2006) in local and foreign market.

RQ3. How does network ties overcome constraints and enable Born Global to exploit opportunity in foreign market?

Knowledge and information about export market plays a crucial role for success (Zahra, Ireland, & Hitt, 2000; Oviatt & McDougall, 2005). The importance of networks becomes apparent when the resource constraints and limitations that many Born Global face are taken into consideration (Chetty & Stangal, 2009).

Network ties come in different forms, varying from relationship with customers, suppliers to governmental agencies. In this case, this firm is specialized in trading construction materials and requires certain specialists' expertise. Therefore, what the firm did was to rely on manufacturer's resources. For example, in order to design and build the building and see what kind of materials needed, the firm needed a specialized employee and specialized software to use such as AutoCad which is costly. The firm utilized the manufacturer's service to provide the overall layout, design and calculation. This translates as lower risk for the firm to provide wrong calculations when the quotation is given to the customers. As for human resources, the founder highlighted, *"We gain benefits from the manufacturer's engineers and technicians who will advice on the construction materials and design alternatives in 3D design which makes it easier for the customers to analyze and easier referencing. Manufactures are willing to assist us because their reputation is also on the line and we are promoting their products. Therefore, they are willing to do this and they will absorb that cost."* This case positioned itself as an intermediary, preferable to deal with individual customers while at the same time the manufacturers prefer to deal with the firm because they purchase in big quantities and acts as the central hub to handle the inquiries, marketing, sales and services of the export market. Therefore, the manufacturer has more time to focus on the manufacturing's operations. The question about how they secure their position as intermediaries was replied that firm deal with more manufacturers and let their suppliers knows that if they are not taken care of, there are always possibility to switch to other competitors. Therefore manufacturers are happy to deal with the firm in order to bring more customers, customers are equally happy since the firm has positioned itself as a one stop center for light weight construction materials. Besides that, this firm provide mixed containers of different products but manufacturers normally having Minimum Order Quantity (MOQ) for export.

The question about financial assistance and aid was illustrated that after a certain time of establishing relationship and mutual trust with manufactures, the firm could get a good rate on pricing and there are credit terms from manufacturers from 30 to 90 days which they can benefit for market expansion. This is their competitive advantage to overcome their constraints through their network ties with suppliers.

Latest information on pricing strategy, suitability of the advertisement, packaging, promotion materials and import duty is from customers or buyers in foreign market. The founder has emphasized that all of these information are very important for market analysis, *"In terms of pricing, we would request for quotes from several suppliers based not only in Malaysia but in neighboring countries as well. And if we could, we get the target price from the customer or we try to find our competitors in that target market and try to get their distribution price in order to make the price more competitive and to make it a win-win situation for us as well as the customer."*

In regards to marketing expenses constraints, the founder emphasized that Malaysia External Trade Development Corporation (MATRADE) is the best marketing facilitator among major government agencies that assists new firms for export activities.

“They subsidize export cost, for example exhibition booth which can be RM 12,000 – RM15,000 if we as an individual company. But when we go in a group through MATRADE, it will only cost RM,5000 – RM6,000. They will absorb the remainder cost. For example, if there is a construction exhibition in Saudi Arabia or Miami USA, all we need to do is to clip our business card on the brochure and prepare some samples and courier it to MATRADE’s representative in that country and we are not required to open a separate booth or be physically there. For certain time, depending on the exhibition, MATRADE will reimburse 50% of the accommodation and international travel cost except for domestic flights and partial reimbursements for promotional materials such as brochures and flyers specifically for export promotions. Anything that has got to do with export incentives, MATRADE is the best choice.”

As it highlighted in the interview, the founder studied UAE and worked part time in a trading firm which imported products from Asia to UAE and distributed throughout UAE as well as to major Middle Eastern countries.

In order to overcome the constraints, network relationship with different parties has been highlighted as being important in literature (Chetty & Blankenburg-Holm,2000 ;Sharma & Blomstermo, 2000; Loane & Bell, 2006; Mort & Weerawardena, 2006; Coviello & Cox,2006; Coviello,2006; Zhou et al., 2007). The firm studied here stated that, *“When we are present in the target country, sooner or later they will know who are the main distributors of related products through friends in that industry, sometimes through meetings and drinking sessions with local suppliers, distributors and their associates would join as well. They would come from different backgrounds and industries and sometimes they would provide information about different opportunities in different markets and they would occasionally introduce their customers and other referrals which make it more reliable. Sometimes through the exhibition we will find some customers and distributors or will get the information through the people who stop by at our booth. Sometimes manufacturers would have certain events and gatherings where the distributors, main customers and managers were invited and makes it the best time to build network and get to know potential people who can provide useful information about potential customer, market and industry.”*

Export country’s chamber of commerce is also highlighted in this firm as one the critical source of information to access information about the main importer of certain products.

“We contacted the international chamber of commerce of the host country to get information who are the main importers of certain products and who are the main player in that specific country for specific products and industry.”

In regards to the constraints of risk, the founder highlighted that, *“Entering to any export market always involve risks, but there are always ways to minimize it. We don’t physically open the branch in new export target market. We minimize the risk of market penetration and selling to the market by joining with reliable distributor or agent within the target export market together with a guarantee of payment (Letter of Credit).”*

RQ4. How does a network tie enable marketing competencies of firm to gain superior performance in foreign market?

It is clear that information and knowledge which is provided by firm’s network partners assist firms to gain marketing competencies in export market. The founder in this case stated that, *“Tied relations within the network can help to make our price competitive and to further refine our pricing strategy. Through the information from customers and distributors, we get to know that there are specialized newspapers and magazines that mainly focus on different construction materials available inside the export market at the same time we are able to find out the current construction products in the market and get to know who the main competitors are. Our marketing promotions is only drafted on our end, but the finalized version is always needed to be pre-approved by our distributors in the export market; we need to consider on their unique culture, beliefs and acceptance on the wordings and lay out of the advertisement. It may be acceptable for us as Malaysians, but it can have an opposite effect in the Middle East. We utilize our distributors by providing the advertisement and sharing the cost of publishing through those designated magazines and newspapers; the advertisement is translated to their local language, thus providing a win-win situation for both parties. The information that is provided by our customers and suppliers creates our competitive advantage. When we know who are the manufacturers and competitors by looking at the products and services that they offer, then we can create and tailor what we can provide to our prospective and current customers, because at the end of the day, we still need to compete with them. This creates our competencies.”*

In sum, information from networks is not the only method that gives the firm its competitive advantage but by fully utilizing the resources from their networks, it gives them competitive edge to venture foreign markets faster. As stated by the founder, *“Most of the time the customers not only need the construction material products, but certain expertise as well. We have the expertise readily available from our suppliers and can assist our customers within a week. When the product arrives at their port of destination, we can travel to our*

customer's country to provide the assistance needed which automatically translates to competitive advantage for our firm. This is our competency to market our products better and faster than our competitor."

Discussion and Conclusion:

The research problem which gives guidance for this study was "What are the major drivers of early and rapid internationalization which leads to international performance of Born Global firms in new industrialized and developing country such as Malaysia?"

This study did a case study on one exemplar Born Global firm that has ventured to foreign market nearly immediately after inception. The criterion of choosing this firm as an example is in accordance to the definition of Knight and Cavusgil (2004).

Findings to the research problem guided by four research question on what are the barriers of Born Global firm in Malaysia in the early stage and how network ties with different parties are able to assist them to overcome those constraints and gain competitiveness in foreign market. Beside that, what are the characteristics of Born Global firm in Malaysia which gives the ability to export from early stage of establishment and having superior performance in foreign market.

We have found that characteristics of this exemplar case study as one of the Born Global firms in Malaysia are: visionary behavior that see the foreign market place as it own target market, market oriented behavior, risk taker behavior as continuously looking for any new market opportunity, innovative behavior in finding any way to enter to foreign market, proactive behavior refers to aggressiveness and hardworking to pursue ventures and forward looking to the future and international experience of founder studied and worked part time in the relevant industry. Besides that, learning orientation behavior which is continuously learning negotiation skills and understanding culture of target countries and finding new ways of doing business have been highlighted as characteristics of this case study.

The constraints findings for the firm are financial facilities, human resource specialists, marketing aid are overcome through network ties with local body and agencies such as MATRADE, manufactures, suppliers, customers and distributors in foreign market, family and friends.

Network ties provide knowledge of foreign market which may take years for the firm to obtain and without such relations, there is highly reluctance for the firm to enter to export market. Having network ties decrease the uncertainty of market environment and the risk of market entry as well as marketing competencies has been emphasized as crucial to this case exemplar success.

Role of knowledge extracted through network ties from suppliers, distributors, customers, family and friends as well as relying on the resources to leap frog the process of internationalization and early penetration to the foreign market has been highlighted as extraordinary. These give them the source of competitive advantage for seeking and exploiting new opportunities in the export market.

According to Hartsfield, Johansen and Knight (2008) and as highlighted in this case study, Born Globals follows differentiation strategy that require strong marketing competencies in order to customize their products and fit to the demand of target market. Therefore, knowledge which is extracted through network ties from customers, suppliers and government agencies, family and friends can provide marketing competitiveness in terms of practicing effective marketing procedure, price strategy, localized advertisement and suitability of packaging.

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