

Identifying Themes of Entrepreneurial Strategy of New Ventures in International Markets Entry

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Abstract—The study aim is to identify themes of entrepreneurial strategy of new venture in international markets entry. In the study, using qualitative research methods, a sample consist of five new ventures in central state of Iran studied. Interview technique was used for data collection. The data analysis results showed that the identification of new ventures entrepreneurial strategy in international markets entry by industrial managers consists of identifying opportunities, managing uncertainty, capabilities discovery, and customer discovery and channel discovery which have been approved by various studies.

Index Terms—Entrepreneurial strategy, international strategy, new ventures.

I. INTRODUCTION

These days, international trade development is known as an important strategy for growth of many new ventures and SME industries. Since without succeed in international markets, they can't survive in small and saturated markets [1], [2].

In today's economy network, the business environment is complex, dynamic and more competitive than before [3]. Entrepreneurs facing a series of strategic decisions in business process as an example, decision to start a new venture, decision to organize new management team, decision to focus on particular part of market and decision to supply financial resources. The decisions are a set of entrepreneurial strategies that will greatly affect the success of the firm [4]. Considering that effective entrepreneurship in emerging market is a strategic process, so for strategic management it would be hard to achieve in emerging markets without entrepreneurial orientation; hence with combining strategic and entrepreneurial perspectives, we propose entrepreneurial strategy elements for sustainable development of entrepreneurial channels for implementing internal (ability) and external (customers) creative discoveries [5].

Another issue highlighted the importance of entrepreneurial strategy is to make the new company's internationalization, and it is nothing but problems related to the each of the firm's internationalization approaches. Adopting an economic approach to internationalization of firm is beneficial but process aspects of internationalization

are ignored. Process approach considers the aspect, but as the economic approach condors the individual's strategic choices, so it wouldn't be useful in understanding strategic changes, particularly where the entrepreneurs plays the main roles [6]. Since the entrepreneurs are the main variables in the internationalization of new economic activities, hence for creating the most values, the entrepreneurial company's should have a strategic function which requires combining of strategic and entrepreneurial thoughts [7]. Entrepreneurial strategy is a milestone in internationalization of new ventures, and identifying its themes is the ultimate goal of this research.

Among the best and fastest strategies in this path is defining strategies used by companies that have taken steps in this field.

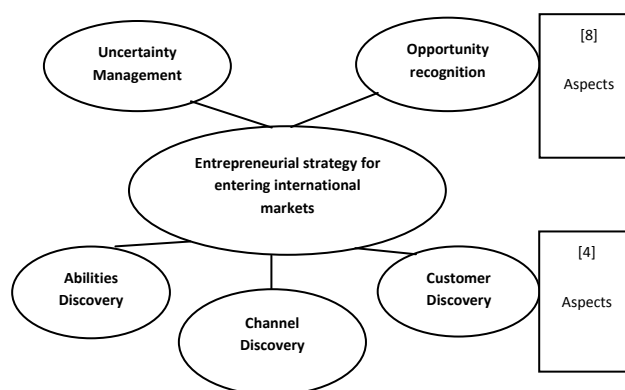


Fig. 1. The conceptual model [4], [8].

II. CONCEPTUAL FRAMEWORK

Although the primary conceptual model with strategic entrepreneurship issue have emerged before [9], [10], but modern models should be developed and adopted fields in proposed model should be analyzed in identical [11]. Reference [9] set six dimensions at the center of strategic entrepreneurship including: innovation (creativity and executive ideas), networks (providing access to resources), internationalization (rapid adaptation and development), organizational learning (knowledge transfer and resource development), growth (success stimulation and changes) and top management team (effective selection and strategy implementation insurance). Activity in these fields can be connected to the strategic and entrepreneurial category. The dimensions have been modified by [12]. And include: network and external coalition, resources and organizational learning, innovation and internationalization. While the two models have some similarities which means both focus on

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networks and growth, [12] model has more emphasis on resources, qualifications and capabilities and also seek to manage strengthening the strategic aspects of the model. However, these models have made a little change in aspects of entrepreneurial or exploratory model and raise questions about suitability of the frames [11]. Meanwhile, with regard to the new field of new company's internationalization, the studies haven't noticed any approach which includes factors affecting the formation of entrepreneurial strategies in internationalization of new companies. Therefore, the reviews the existing literature, it also identify the affecting factors of entrepreneurial strategy in internationalization of start-ups economic activities. Thus, the aim of the study was to identify themes of entrepreneurial strategy in internationalization of new ventures. Due to lack of theoretical components, the theoretical frameworks of constituent components are as follows.

III. SAMPLING TYPE AND METHOD AND SAMPLE SIZE

The research is a functional survey and its research method is qualitative. The method of sampling is purposeful, and due to the fact that the aim of the study is to benefit from the enriched and informed sample, purposeful criterion sampling strategy was considered. The companies in this study were selected on the basis that: a) are involved in one of the international activities. B) In first 42 months of its life cycle (42 months after establishment and payments); have expanded its activities and operations into foreign (or international) markets. In the study, sampling continued until theoretical saturation. And for this purpose face to face interviews with five companies' managers and board of directors have been conducted.

IV. DATA ANALYSIS METHOD AND STAGES

In the research, a qualitative content analysis was used to analyze data. Reference [13] defined qualitative content analysis as a procedure used in order to interpret the content of texts which taken from the interviews, using a systematic processes of coding and identifying patterns and themes with original issues.

A. Phase 1

At this stage, based on the principles and theoretical literature of the research, the most important factors and indicators in entering the international markets were identified and extracted. Then a questionnaire with 8 open questions designed and purposeful randomly provided for samples. The purpose of the open questions in the survey questionnaire, identifying factors and affective indicators in relation to each question on the view of interviewees.

B. Phase 2: Reliability

Questions which form the basis of the interviews has been confirmed by experts of the field include university professors and administrators who are active in exports. To increase reliability, eliminating potential ambiguities in the questions and assurance of the accuracy of the respondents answers, three approaches were used to enhance the participation of the interviewees including: a) key detail b)

citation c) transparency.

C. Phase 3: Data Analysis

For data analysis two open and close coding method were used. In open coding, the goal is describing reports and information taken from interview in concepts. And in key coding, classifications and themes of variables which obtained as a result of open coding are reviewed and distinctive.

TABLE I: THEMES OF ENTREPRENEURIAL STRATEGY OF NEW VENTURES IN INTERNATIONAL MARKET ENTRY

Theme	Aspect	Execution
Opportunity discovery process	-Innovation	New marketing, competitive advantage, new products, competitive product development, data collection systems, human resources, internal and external information resources, competitive advantage (focus), competitive advantage (differentiation), social networks (family), the social network (colleagues, clients or suppliers), providing the raw material, social networks (family, friends), the volume of exports
	-Resource control	
Uncertainty management process	-Growth of small scales -Focus strategy -Flexibility -Legitimacy	Capital growth, prospective, risk-taking, market segmentation, taking action, the competitive volume
Ability discovery process	-Openness	Information about competitors, competitors' information access, export targets, International Development, international activities, satisfaction with export development, international negotiations, international contracts, orders, randomness, awareness of international opportunities through the channel, reaction to the market information and, opportunities, reflecting the results of ongoing activities in abroad, competition policy, regulatory involvement in export activities, attend international exhibitions, teamwork, Company goals effects on the Executives decisions,
	-Effectiveness	
Customer discovery process	-Trust -Credit	Search for information, marketing research, new customer relationships development, identify potential customers / distributors, customer satisfaction, trust to received information, customer maintaining, feedback
Channel discovery process	-Autonomy -Experience	Member contributions, participation in the international development of managers and employees, the employees' problem solving venture, employee awareness, awareness, awareness of opportunities, Experience in the field of internationalization of the company or its owners experience seeking foreign partners to understand internal rivals (knowledge), knowledge of global competitors.

D. Phase 4: Findings

After content analysis of collected interviews data, the sub and main criteria were identified and extracted (or exploited). After extracting the indicators obtained from interviews and integrating them with indicators taken from

research literature and integrating matches and eliminating duplicates, finally 12 criteria and 58 sub-criteria were obtained.

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