THE BORN GLOBAL FIRMS IN BRAZIL AND THE ROLE OF EXPORT-PROMOTION PROGRAMS

EMPRESAS BORN GLOBAL NO BRASIL E O PAPEL DOS PROGRAMAS DE APOIO À EXPORTAÇÃO
EMPRESAS BORN GLOBAL EN BRASIL Y EL PAPEL DE LOS PROGRAMAS DE APOYO A LA EXPORTACIÓN

MARCELO ANDRÉ MACHADO
PhD
Universidade do Vale do Rio dos Sinos - Brasil
mmachado@unisinos.br

VIVIANE BISCOFF
PhD
Universidade do Vale do Taquari - Brasil
bischoff@univates.br

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ABSTRACT
This paper aimed to analyze the internal and external drivers of the Born Global phenomenon in the case of four Brazilian SMEs from the leather-footwear industry to identify the role of the state-sponsored programs in the fast internationalization of those firms. We conducted a multiple case study with four SMEs firms: Francesca Giobbi, LeatherTec, Gueto Ecodesign and Best Footwear and Components. The domain of unique intangible assets, the niche markets and the international orientation of the founders were the main internal drivers identified and related to the firms’ fast internationalization. We noticed that the founders have knowledge about export promotion programs, but this external driver had no impact on their firm’s internationalization speed and performance. This fact leads to the idea that the strong executive’s international orientation could be associated with the knowledge about official support programs, but it does not mean that they are going to use them.

Keywords: SME Internationalization. Born Global Firms. State Support Programs.

RESUMO
Este artigo teve como objetivo analisar os drivers internos e externos de empresas Born Global com as características de quatro pequenas empresas brasileiras da indústria coureiro-calçadista para identificar o papel dos programas oficiais de apoio na rápida internacionalização dessas empresas. Para tanto, foi realizado um estudo de casos múltiplos com quatro PMEs: Francesca Giobbi, LeatherTec, Gueto Ecodesign e Best Calçados e Componentes. O domínio de ativos intangíveis e únicos, a atuação em nichos de mercado e a orientação internacional dos fundadores foram os principais drivers internos relacionados à rápida internacionalização das empresas. Percebeu-se que os fundadores das 04 PMEs têm conhecimento sobre programas de promoção de exportações, mas esse driver externo não teve impacto na velocidade e no desempenho de internacionalização das empresas. Esse reforça a ideia de que a orientação internacional do executivo está associada ao conhecimento sobre programas oficiais de apoio, mas isso não significaria o seu uso e impacto na velocidade da internacionalização.

1. INTRODUCTION

In recent years, some studies point to the fact that the gradual internationalization process of companies in incremental fashion has lost its explanatory power (CHANDRA; STYLES; WILKINSON, 2012; KNIGHT; CAVUSGILL, 1996; 2005; MOEN; SERVAIS, 2002). In general, most studies on the fast internationalization subject points to the existence of these born global firms in developed countries (KNIGHT; CAVUSGIL, 2004; MOEN; SERVAIS, 2002; OVIATT; MCDOUGALL, 1994; RENNIE, 1993). However, taking into account the Brazilian trade liberalization from the 1990’s as well as the consolidation of economic blocks such as MERCOSUR, there was a significant increase in the participation of Brazilian companies in international trade. Thus, it is feasible the existence of this phenomenon also in emerging countries like Brazil.

Dib, Rocha and Silva (2010) say that the born global (BG) phenomenon is not limited to specific countries. However, companies in countries with small domestic markets are more likely to become BG compared to companies in countries with a large domestic market. Thus, there is clear lack of information on the phenomenon of rapid internationalization in less developed countries with a large domestic market (HAGEN; ZUCHELA, 2014; KYVIK et al., 2013; RIALP et al., 2005; ZHANG et al., 2009).

The born global studies pointed out that the drivers of this phenomenon are related to internal features of these SMEs of fast internationalization like founders characteristics (FREEMAN; CAVUSGIL, 2007; JANTUNEN et al., 2008; KYVIK et al., 2013; KNIGHT; CAVUSGIL, 2004; MADSEN, 2013) and the firms (HAGEN; ZUCHELA, 2014; KNIGHT; CAVUSGIL, 1996; 2005; LOANE; BELL, 2006; RIALP et al., 2005). On the other hand, there is a theoretical consensus that the BG firms are context dependent, that means as a consequence of external features observed after the 90’s (MADSEN, 2013; RIALP et al., 2005) like the globalization of markets and the advances promoted by the information technology (AUTIO, 2005; DIB et al., 2010; MOEN, 2002; OVIATT; MCDOUGALL, 1994).

As an external driver associated of all kinds of internationalization process, it is possible to infer that government support toward the increase in exports would bring reflections on the pace of internationalization process and the international performance of SMEs companies (CRICK; CZINKOTA, 1995; CZINKOTA, 2012; GENÇTÜRK; KOTABE, 2001; LEONIDOU et al.; WILKINSON; BROUGHTERS, 2000). However, there is a feeling that the official programs, designed for large companies with a strong presence in the domestic market, do not seem suitable for the demands of small enterprises with rapid international growth. This argument is further supported by several researchers studying the rapid internationalization of SMEs firms (FREEMAN et al., 2010; KNIGHT; CAVUSGIL, 2005; MOEN, 2002; PLA-BARBER; ESCRIBA-ESTEVE, 2006).

Thus, the increased internationalization speed of the SME firms could pose a major challenge to policy makers both in relation to providing a timely manner of assistance and in relation to the nature of the support provided. So, the policies designed to improve the internationalization of small businesses require fundamental reconsideration to better meet the real needs in support of born global firms. Czinkota (2000, p. 318) posed this question on this matter: “are the export support programs at a crossroads or a dead end?”

Palabras clave: Internacionalización de pequeñas empresas. Empresas Born Global. Programas de Apoyo a la Internacionalización.
This paper aimed to understand the role of official export support programs as an external driver to the rapid internationalization of four SME cases from a developing economy. In order to achieve this we first connected the internal and external drivers that explain the accelerated internationalization to the case of four Brazilian SMEs from the leather-footwear industry: Francesca Giobbi, LeatherTec, Gueto Ecodesign, and Best Footwear and Components. These four cases were found in a traditional world class industry in the Brazilian exports: the leather-footwear industry. Brazil has the world’s second largest number of cattle and is the second largest leather producer (http://www.cicb.org.br, retrieved on December 1st, 2015). Similarly, even with China producing two-thirds of the world’s shoes, Brazil is the third largest producer in the world of footwear (http://www.abicalçados.com.br, retrieved on December 1st, 2015).

The main purpose of this paper relies on the need to identify whether the export promotion programs can perform an important role as a driver of the fast internationalization of SMEs firms from developing economies. In doing so, it would be possible for many governments of those countries to develop better programs in order to accelerate and improve the internationalization of their SMEs firms.

2. LITERATURE REVIEW

The phenomenon of born global companies emerged as an important theme of scientific research in the field of firm’s internationalization in the early 90’s (OVIATT; MCDougall, 1994; Rennie, 1993; Rialp et al., 2005). Ganitsky (1989), a study of Israeli companies, drew attention to a group of organizations that were established specifically to meet external markets, which he called “innate exporters”.

Other researchers such as Oviatt and McDougall (1994, p. 49) point out some common characteristics that bring together this particular type of company, defining them as “organizations that, since inception, seeks to derive significant competitive advantage from the use of resources and sale outputs in multiple markets”. The proposed definition of this new phenomenon approaches the proposition of Knight (1997): “born global is defined as a company which, from or near its founding, or next to this, seeks to derive a substantial portion of its revenue from the sale of its products in international markets.”

But the term "born global" was coined as a result of a survey conducted by the Australian Manufacturing Council consultants in 1993, which investigated the reasons for the strong growth of Australian exports in the 90’s. They drew attention to a group of young small businesses that achieved great success seeking niche markets internationally and not only in the domestic market (MCKINSEY; CO., 1993; RENNIE, 1993).

According to several studies on the subject of born global, among the factors driving the growth of this phenomenon are: (1) the new market conditions, (2) technological development in the production, transportation and communication, (3) the growing importance of alliances and global networks, and (4) the executives level of knowledge about international entrepreneurship (Autio, 2005; Madsen, 2013; Moen, 2002; Rialp et al., 2005; Zahra, 2005).

2.1 Internal drivers linked to the rapid internationalization

One of the key elements researched in accelerated internationalization, even considered an antecedent to this phenomenon, is the international orientation of the executives of these companies (Knight, 1997; Knight; CAVUSGIL, 1996, 2004; MOEN; SERVAIS, 2002; Nummela et al., 2004; Zahra, 2005). Knowledge and experience in foreign markets, which have been treated in many studies about BG as international entrepreneurial orientation, are significant antecedents of the performance and behavior of these SMEs in foreign markets (Knight; CAVUSGIL, 2004, 2005; Rialp et al., 2005). Nummela et al. (2005) conducted an empirical test with 123 Finnish information technology companies which sought to identify the orientation for international growth. For the authors, the orientation of international growth becomes a precondition for a born global company, particularly in knowledge-intensive companies (Aspelund; Moen, 2012; Rialp et al., 2005).

What is clear from the review of studies, trying to understand the internal factors of BG companies is the attention given by the researchers to characterize the entrepreneur who founded these companies (Aspelund; Moen, 2012; Zhang et al., 2009). The characteristics of the founders of BG, stated in Table 1, can affect a greater or lesser degree of internationalization of a firm and its rhythm.
Table 1: Internal drivers related to BG

<table>
<thead>
<tr>
<th>Founders features</th>
<th>Studies</th>
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<tbody>
<tr>
<td>Education abroad</td>
<td>Bloodgood et al. (1996), Oviatt and McDougall (1995), Weerawardena et al. (2007), and Zucchela et al. (2007)</td>
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<tr>
<th>Firms features</th>
<th>Studies</th>
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However, it’s necessary to take into account that some features or antecedents of BG phenomenon are associated with the company itself. The domain of unique and intangible assets that BG companies have, in comparison to the gradual internationalization companies, emerged as a key distinguishing feature of this type of company, according to Rialp et al. (2005), which sought to integrate 10 years of research on the theme.

In addition, the growing role of the niche markets seemed to accelerate the internationalization process of SMEs companies that provide specialized or customized products, according to some studies (JOHNSON, 2004; KNIGHT; CAVUSGIL, 2005; ZAHRA, 2005). At the same time, the domain of unique assets and the ongoing globalization of the markets are strongly associated with a BG behavior (MADSEN, 2013; RIALP et al., 2005).

2.2 External drivers linked to the rapid internationalization

On the other hand, it’s important to take into account that the BG phenomenon is contemporary as a manifestation of post 90’s market conditions (MADSEN, 2013; RIALP et al., 2005). Thus, the globalization of markets and the information technology advances in internationalized industries (AUTIO, 2005; DIB et al., 2010; MOEN, 2002) and in industries that compete for unique assets (OVIATT; MCDougall, 1994) promoted the emergence of the rapid internationalization of SMEs.

In general, the situation of the domestic and international markets and the floating exchange rate interfere in the decision by foreign markets. It is expected that an unfavorable situation in the domestic market stimulates SMEs firms to export (KNIGHT et al., 2004; MOEN, 2002). The Table 2 summarizes the main internal and external features related to the BG phenomenon.

Table 2: External features related to BG

<table>
<thead>
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<th>Features</th>
<th>Studies</th>
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</table>
One important external driver to the firm internationalization has been studied for the past decades: the export assistance programs. However, even if a direct relationship in the international performance of companies has not been evidenced, many studies indicate that this factor interferes in the knowledge and internationalization strategies of companies (GENÇTÜRK; KOTABE, 2001; GILLESPIE; RIDDLE, 2004; LEONIDOU et al., 2011). However, there is little or no study linking export support programs as an external driver related to the born global phenomenon (FAROQUE; TAKAHASHI, 2012).

2.3 Export Assistance Programs

Programs and official activities to promote exports are mostly divided into two forms (GENÇTÜRK; KOTABE, 2001; KOTABE; CZINKOTA, 1992): (1) export services programs – that comprises seminars for potential exporters, advice to exporters, manuals on "how to export" and export financing and, (2) market development programs – that can be understood as programs aimed to disseminate information about potential buyers, to help participation in international fairs, and for market analysis.

The official export assistance can also vary depending on whether the intention is to provide objective or experiential knowledge. Programs that provide objective knowledge are typically those like "how to export" seminars and workshops. The programs leading experiential knowledge are meetings with importers, international fairs, trade missions and export financing (CRICK; CZINKOTA, 1995; GENÇTÜRK; KOTABE, 2001; SINGER; CZINKOTA, 1994).

However, on the effectiveness of some export support programs, there is a causal model that emerges from the literature and links services that promote and support exports to the international performance of the companies that use them (FRANCIS; COLLINS-DODD, 2004; GILLESPIE; RIDDLE, 2004; LEONIDOU et al., 2011). Table 3 attempts to align the type of export programs with its impact on export firm behavior, according to the literature.

<table>
<thead>
<tr>
<th>Type of program</th>
<th>Type of knowledge</th>
<th>Support provided</th>
<th>International experience</th>
<th>Program impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export services</td>
<td>Objective knowledge</td>
<td>- Export seminars</td>
<td>Less experienced exporters</td>
<td>Few impact of export performance.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Export advising</td>
<td></td>
<td>Significant impact on export proclivity.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- &quot;How to export&quot; handbooks</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>- Export financing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Matchmaking with importers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- International fairs</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>- Trade missions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Export financing</td>
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</table>

According to Shamsuddoha and Ali (2006), the use of export promotion programs and the impact on the export performance of a company is mediated by export knowledge. Indeed, Lages and Montgomery (2004) also identified a significant and positive relationship between the use of export support programs and the firm performance. However, in their study of Portuguese exporters, the researchers found that the greatest impact of the use of official export assistance programs takes on increased experience and knowledge of executives of the companies surveyed.

3. METHOD

In order to accomplish the purpose of this study, we understood that a case study would be the most suitable strategy due its flexibility on data collection process, and, at the same time, allows changes during the research process (EISENHARDT; GRAEBNER, 2007). The methodological approach of the case study is the most appropriate for understanding a complex and recent phenomenon where the internal and external variables interact in the rapid internationalization process (DANIK; KOWALIK, 2013; RIALP et al., 2005). We choose a multiple case
3.1 Cases selection to the born global criteria

The cases selection was the critical phase of this study because they must represent cases where the theoretical interest would be more evident than in others, consistent with the recommendation of choice of the “extreme cases” (EISENHARDT, 1989). Therefore, we carried out an intensive research on the Brazilian shoe manufacturers associations to identify SMEs firms that met the criteria of a born global company. This task led us to the cases of Francesca Giobbi, LeatherTec, Gueto Ecodesign, and Best Footwear and Components. Eisenhardt (1989) recommends 4 to 12 cases to this type of research in order to avoid overload during the analysis.

The first criteria that distinguish a BG firm for a non-BG, identified in studies of the rapid internationalization of companies, is the short time between its establishment and the year of the first entry of the company in foreign markets (KNIGHT; CAVUSGIL, 1996; MADSEN, 2013; OVIATT; MCDOUGALL, 1994). Some studies conducted have adopted the year 1970 as a starting point to identify a global company born (KNIGHT, 1997; KNIGHT; CAVUSGIL, 2004; 2005; MOEN; SERVAIS, 2002).

However, the year 1990 appears in the literature as a "watershed" for the emergence of BG phenomenon (ANDERSSON; WICTOR, 2003; MADSEN, 2013; Rialp et al., 2005). In four SMEs studied this criterion was identified. In other words, all firms started their activities since 1990. It is believed that the year 1990 (MADSEN, 2013; MOEN, 2002; MOEN; SERVAIS, 2002; RIALP et al., 2005) is the best period to identify a greater frequency of BG firms, including the case of Brazilian BG (DIB et al., 2010).

To categorize a born global SME, frequently used is the percentage of revenue that comes from its international activity (ANDERSSON; WICTOR, 2003; CHETTY; CAMPBELL-HUNT, 2004; MOEN, 2002). An amount greater than 25% from international activities emerges as a consensus value in BG studies (KNIGHT; CAVUSGIL, 2004, 2005; DIB et al., 2010; MADSEN, 2013; RIALP et al., 2005). The four cases, Francesca Giobbi (40%), LeatherTec (75%), Gueto Ecodesign (95%), and Best (100%) have a higher percentage than most of the studies about BG firms recommended.

To sort a born global firm, surveys point to a period of up to three years between its establishment and its first entry into foreign markets (ASPELUND; MOEN, 2010; KNIGHT; CAVUSGIL, 2004; KUIVALAINEN et al., 2007; MADSEN, 2013). In the SMEs studied, Francesca Giobbi began its international activity two years after its founding, LeatherTec, and Best began immediately from the beginning of its activities and Gueto after three years.

Another element featuring a BG firm is the number of overseas markets reached. Many BG studies found that the overseas markets reached being greater than two in more than one continent (KNIGHT; CAVUSGIL, 2005; MADSEN, 2013; MOEN; SERVAIS, 2002). The four selected cases operate in various overseas markets, and are pread over more than one continent. Francesca Giobbi exports to six countries in four different continents, LeatherTec to twelve countries in three continents, Best exports to five countries in two continents and Gueto exports to eight countries in three continents.

Table 4 - Convergence to the born global firm criteria

<table>
<thead>
<tr>
<th>BG criteria</th>
<th>Francesca Giobbi</th>
<th>LeatherTec</th>
<th>Gueto Ecodesign</th>
<th>Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of foundation</td>
<td>2003</td>
<td>2005</td>
<td>2001</td>
<td>1990</td>
</tr>
<tr>
<td>Begin of international activity</td>
<td>Up to 02 years of foundation</td>
<td>Since its foundation</td>
<td>Up to 03 years of foundation</td>
<td>Since its foundation</td>
</tr>
<tr>
<td>Revenue from foreign markets</td>
<td>40%</td>
<td>75%</td>
<td>95%</td>
<td>100%</td>
</tr>
<tr>
<td>Markets</td>
<td>06 countries in 04 continents</td>
<td>12 countries in 03 continents</td>
<td>08 countries in 03 continents</td>
<td>05 countries in 02 continents</td>
</tr>
<tr>
<td>Company size</td>
<td>Small</td>
<td>Small</td>
<td>Small</td>
<td>Small</td>
</tr>
<tr>
<td>Theoric convergence</td>
<td>Convergent</td>
<td>Convergent</td>
<td>Convergent</td>
<td>Convergent</td>
</tr>
</tbody>
</table>
Several studies identified that the born global phenomenon is associated with firms with less than 200 employees and annual sales up to US$ 100 million (CHETTY; CAMPBELL-HUNT, 2004; KNIGHT; CAVUSGIL 1996, 2004, 2005; MADSEN, 2013; RIALP et al., 2005). Adopting the SME firm criteria found in several BG studies, the four cases would be classified as small businesses. Table 4 shows, in a summary way, the suitability of the selected cases with the criteria for a BG firm found in the theoretical review.

3.2 Data collection and analysis

For data collection, multiple sources of evidence have been accessed, in order to allow triangulation of data (YIN, 2001). Thus, in-depth interviews were conducted with the founders of each firm for approximately 3 hours. Additionally, observations and secondary data like document analysis of the internationalization process records were applied. The document analysis sought textual evidence to reveal the fast internationalization as well as the knowledge and use of support programs by the SME companies studied. The full methodological trajectory of this study can be seen in Figure 1.

![Figure 1: Methodological trajectory of the study](image)

(1) First round of interviews.
(2) Second round of interviews.

All the data obtained in the interviews and in the documents were analyzed using the technique of content analysis. The analysis categories were defined previously and were formed by two internal drivers related to the founders and two related to the firms. There was only one external driver investigated that was represented by the knowledge and use of export support programs (Table 5). This procedure allowed the data organization and analysis of the cases (KOLBE; BURNETT, 1991). After the content analysis, the second round of in-depth interviews with the four SMEs founders was conducted. The purpose here was to validate the findings of the first round of data collection and analysis.

<table>
<thead>
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<th>Table 5: External features related to BG</th>
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<tr>
<td><strong>Constructs</strong></td>
</tr>
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(Continued)
4. CASES ANALYSIS

4.1 Francesca Giobbi

The Francesca Giobbi firm takes its name and is identified with the history of its founder, a Brazilian designer of Italian descent. The designer Francesca Giobbi lived in Italy until the age of 18 years old, where she earned a degree in architecture. For 10 years she worked in sales and distribution of major brands in the luxury world, such as Versace, Gucci, and Prada. When she returned to Brazil in 2000, Francesca Giobbi started her own brand intended solely for the national market. The company began operations in June 2003, with 22 employees, producing an average of 15 pairs of shoes per day. They were handcrafted, because this is a valued attribute in the luxury shoe market niche. All models were designed personally by Francesca Giobbi. In 2005, the company began to allocate part of the production to export, with the first destination Italy after a participation in White fair in Milan.

Francesca Giobbi arrived quickly to 40% of the production for exportation, having success in Japan, Italy, France, USA, Saudi Arabia and The United Arab Emirates. In March 2007, the company opened a commercial space on the T-Square gallery in Tokyo. In late 2007 there was an opening of a store in New York. Francesca Giobbi remembered that there are rich people in every country in the world, but the preference is for markets that concentrate many of these people in a small space. As a designer, "this can be seen by our participation in fairs. It is unlikely to see one Francesca Giobbi footwear exposed at a fair in a developing country, except Brazil."

Despite all initial success, the designer decided to close down the company's activities in 2010 due to being "physically and mentally" exhausted. Francesca came back working as a creative director for major luxury brands. However, in 2012, the stylist resumed production of her brand with an exclusive store in São Paulo and expects to sell in overseas markets.

4.2 LeatherTec

LeatherTec began operations in April 2005, in the state of Rio Grande do Sul, Brazil. It was founded by an executive with extensive experience in the export of hides and who worked for footwear industries, especially for a large multinational athletic shoe company. LeatherTec started its activities directed to the export market from the experience and contacts of its founder. The company benefits and markets bovine fur and cowhides screen printed, carpet and upholstery sewn by hand. More than 75% of its production is directed at foreign markets, especially to the Netherlands and the USA. The company also exports to Germany, Argentina, Austria, Canada, Spain, France, England, and Uruguay.

LeatherTec's products are targeted to high-income consumers as a decorative element and upholstery coverings. The company uses the personal contacts of its founder to carry out overseas sales. LeatherTec's founder believes that the relationship with importers, the development of customized leathers and the high-quality products

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are critical to the success of the company abroad. For the creator of the company, “meet specific demands and understand the market language” contribute to achieving good business. For him, the firm differentiation is in the dyeing technology, screen printing and sewing of handmade decorative items.

4.3 Gueto Ecodesign

The Gueto Ecodesign was established in 2001 by two executives focused on providing design services for the leather-footwear industry. The initial idea was to produce different designs for different types of leather wastes. Gueto designers created two leather waste environmentally friendly products: the puff “Miss Gana” and the chair “Miss Gana”.

They started to sell those products at a shop in State of Rio Grande do Sul because the lack of experience in sales. The idea was to sell the product to the domestic market, but that is not what happened. After six months, the Gueto’s founders received the visit of a Brazilian agent who worked for an American company which sought to identify differentiated products. After a long conversation among the executives and the agent, Gueto made its first export to the US market in 2004.

Currently, the company exports about 95% of its production and its main markets are the United States, France, Germany, Portugal and Canada. The company sells its products in the US market through a network of stores and, in Europe, through small shops network that operates with direct sales. Gueto seeks to build a relationship with its potential buyers abroad, bringing them to see the production system in Brazil and to verify the product quality. According to one executive interviewed, “the quality of the product with different design attribute is very important, otherwise the company loses credibility in the international market”.

4.4 Best Footwear and Components

The Best Footwear and Components was founded in 1990 and began operations in the state of Rio Grande do Sul, Brazil, exporting uppers to the countries Sweden and Norway. In 1998, it started exporting to the Germany and the Netherlands. Currently, it exports its entire production.

The small company, which has 40 employees, was created to fill a very specific niche market, which is the manufacturing, on-demand, uppers for safety shoes. The company has always exported 100% of its products and performs direct export. This is justified by the company as a vocation of its founders and the opportunities they saw in foreign markets. Best produces uppers for a specific business niche: safety shoes.

The company’s founders and its current administration have more than thirty years of experience in the leather and shoe area. All companies where managers worked were exporters, in whole or in part. Therefore, one of the main factors in the company’s decision to engage in foreign markets was the previous experience of the founders and managers, as well as an international opportunity.

The company’s main operating market is Europe. The company reacts positively to international opportunities. The main manager said “that as in any business, emerging opportunity, with profitability, with our experience and knowledge, will surely interest the company.” Company executives also highlighted that exports are easier than operating in the domestic market, “despite the lack of government support to this activity”.

5. INTERNAL DRIVERS OF THE RAPID INTERNATIONALIZATION

The domain of unique assets was found as one of the most important features of born global firm in the literature (RIALP et al., 2005). In the case of Francesca Giobbi, the development of a specific design of high luxury shoes and the brand value associated with its creator, contribute to this theoretical convergence to a BG company. In LeatherTec, the mastery and development of dyeing technology, screen printing and handcrafted fashion skins for decoration seem to indicate this convergence.

For Best executives, the great intangible asset is in the production technology, on-demand, to uppers for safety shoes. As for Gueto Ecodesign, the application and development of specific design of innovative products made from leather-footwear industry wastes support the convergence of this rapid internationalization driver. These elements suggest that the intangible and unique active domain are a reflection of higher technical expertise of the
founders of BG companies, which is aligned with the discovery of Dib et al. (2010), also in the context of Brazilian SMEs firms.

On the other hand, the international orientation of the founders of a BG firm is the element that maybe the genesis of this type of SME, almost a prerequisite to this status and with obvious impacts on its international performance (FREEMAN et al., 2010; JANTUNEN et al., 2008; KYVIK et al., 2013; JOHNSON, 2004; KNIGHT; CAVUSGIL, 2004; NUMMELA et al., 2005). According to the founders’ speech of the four companies, the category "our market is the world" emerged as a consensus, that is, executives made no distinction between the domestic market and the international market.

Perhaps an explanation for the strong international orientation demonstrated by the executives of the SMEs studied can be related to international calling characteristics of the leather-footwear industry itself. This possibility is clear in the Francesca Giobbi’s speech: "There is no more Brazilian or international market. With one click of a button you can buy a shoe made anywhere in the world with all kinds of prices, styles and brands".

Two other significant antecedents of a BG firm, presented in the international orientation construct, are the international experience previous to the creation of the firm (WEERAWARDENA et al., 2007; ZHANG et al., 2009) and the education abroad (OVIATT; MCDOUGALL, 1995; WEERAWARDENA et al., 2007; ZUCCHELA et al., 2007). In the case of Francesca Giobbi, analyzing the life story of its founder, this was clear because its founder lived for 10 years abroad developing luxury products for many global brands.

In the case of LeatherTec’s founder, the association is embodied in the extensive professional experience built before the creation of the company. His experience was linked to international activities in large companies in the same segment studied and the frequent business trips abroad for more than fifteen years. At Best Components, the partners and founders already had previous experience in a large footwear company, mainly in export markets. But for the executives of Gueto, only the international travels could explain the low risk perception about external market and the propensity to conduct business abroad, Dib et al. (2010) found in a study with Brazilian software firms that founder education and experience abroad were not related to the born global phenomenon.

Moreover, the growing role of niche markets and high demand for specialized or customized products is also named as a determinant of the performance of rapid internationalization firms (KNIGHT; CAVUSGIL, 1996; ZUCCHELA et al., 2007). It is precisely at this point that we found the greatest convergence of the four cases with the BG literature. When analyzing the products developed by Francesca Giobbi and her concern for brand positioning, the niche of female high-end luxury footwear clearly emerges.

Table 6: The internal drivers of BG internationalization related to the cases

<table>
<thead>
<tr>
<th>Drivers</th>
<th>Francesca Giobbi</th>
<th>LeatherTec</th>
<th>Gueto</th>
<th>Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>International orientation (Founders)</td>
<td>Related: &quot;There is no more Brazilian or international market. You can buy a shoe made anywhere with all kinds of prices, styles and brands&quot;.</td>
<td>Related: &quot;Our market is the world&quot;.</td>
<td>Related: &quot;My market is any market&quot;.</td>
<td>Related: &quot;Any business opportunity, with profitability, will surely interest the company.&quot;</td>
</tr>
<tr>
<td>International experience (Founders)</td>
<td>Related: More than 10 years abroad, working for luxury shoes brands.</td>
<td>Related: More than 15 years working for a large multinational shoe company.</td>
<td>Partially related: Several travels to visit fairs and companies abroad.</td>
<td>Related: More than 30 years of previous experience in shoes exportation.</td>
</tr>
<tr>
<td>Niche focus (Firm)</td>
<td>Related: &quot;Our footwear was made for luxury consumers in developed countries&quot;.</td>
<td>Related: &quot;We develop carpets skins for high-income consumers, no matter how strange or small it may be a customer demand&quot;.</td>
<td>Related: &quot;We saw an innovative way to use waste from the footwear industry and sell it to high value costumers&quot;.</td>
<td>Related: &quot;We sell uppers specific for safety shoes&quot;.</td>
</tr>
</tbody>
</table>

(Continued)
(Conclusion)

<table>
<thead>
<tr>
<th>Drivers</th>
<th>Francesca Giobbi</th>
<th>LeatherTec</th>
<th>Gueto</th>
<th>Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domain of unique assets (Firm)</td>
<td>Related: The luxury shoes and the brand value are associated with its creator.</td>
<td>Related: &quot;Our goal is to meet specific demands in dyeing technology, screen printing and sewing of handmade decorative items&quot;.</td>
<td>Related: &quot;The quality of our product with our different design attribute is the key&quot;.</td>
<td>Related: “Our technology allow us to supply high quality uppers on-demand basis for safety shoes. I believe we are the only one in the world&quot;.</td>
</tr>
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</table>

For LeatherTec, the development of carpets skins for decoration, aimed at high-income consumers and meeting the specific requirements of customers abroad, also points to a focused action to niche markets. According to the LeatherTec founder, the attention to specific requests for few customers in decoration market is a main company focus. The manager showed the company’s concern in serving niche markets with specific customer demands when he said: "Never say no, no matter how strange or small it may be a customer demand".

In the case of Gueto Ecodesign, the development of innovative product design using waste from the footwear industry put the company in touch with a niche market for innovative decorative elements and high image value. For Best, the simple fact that it is practically the only supplier of on-demand leathers for safety shoe upper is itself a niche unexplored by other companies.

6. SUPPORT PROGRAMS AS AN EXTERNAL DRIVER: SOME PROPOSITIONS

While some researchers believe that the BG phenomenon is the most common in high-tech sectors (CRICK; JONES, 2000; MADSEN, 2013), there is a belief that internationalized industries (AUTIO, 2005; DIB et al., 2010; MOEN, 2002) and in industries that compete for unique assets (OVIATT; MCDOUGALL, 1994) the emergence of the rapid internationalization of SMEs is more frequent. In general, this seems to be the case of the four SME firms studied. All are located in a footwear cluster in southern Brazil, where the leather-footwear industry has emerged for decades as one of the most export-oriented region (FORTE; MOREIRA, 2007).

But regarding the role of government in supporting the rapid internationalization of SMEs, all founders surveyed reported that their companies have internationalized rapidly, regardless of the use of specific export support programs, even though they know them fairly well. Perhaps here lies the most important result of this study: the strong international orientation of the BG founders revealed the knowledge about the government support programs, but it didn’t mean the use of them. Thus, one should consider the possibility that BG managers know very well the programs to support exportations, but it does not mean that there is an impact on internationalization pace and performance.

The assumption here could be that the company size is not the key element for the use of state-sponsored export programs, unlike the findings of some studies (LEONIDOU et al., 2011; SHAMSUDDOHA; ALI, 2006). The high level of knowledge and commitment to export activities of the BG founders could justify that some exports programs are unnecessary for them according to the findings of some studies (FRANCIS; COLLINS-DODD, 2004; GENÇTÜRK; KOTABE, 2001).

In other words, we can argue that the decision to use or not use a specific nation export-promotion program, by a founder of a born global firm, couldn’t depend on the lack of resources that a SME faces, but could depend more on the international knowledge and orientation found in the founders of a BG firm (KYVIK et al., 2013; MOEN; SERVAIS, 2002; RIALP et al., 2005; ZAHRA, 2005).

For the Francesca Giobbi founder, the only program used was one that support brand building, offered by the Brazilian Export and Investment Promotion Agency (APEC). According to the executive, this program was not critical to her decision and the pace of firm internationalization. The Francesca Giobbi’s executive points to a greater need for support and guidance for those most committed to foreign markets. Yet, when considering the discontinuation of the company for a period of time, it is clear that a support program that would help in management of small aggressive international business could have avoided this disruption.
The executives of Gueto Ecodesign had benefited from a program of technological incubators, through a university. However, the program was not built to support the international operations of SMEs firms. According to the managers, the program helped the company in the beginning of his career, and especially with regard to business management. To the executive of the Gueto, there was a greater need for support in the development of foreign markets. As the executives mentioned in the interviews, their products were "bought" by foreign customers and not "sold". This finding reinforces the arguments of Knight and Cavusgil (2005), when they say that support for BG companies requires a new set of export programs focused more on training on internationalization strategies. Therefore, the search for expert advice on foreign trade is a clear example of official intervention in the growth of international business (Crick; Jones, 2000).

The founder of LeatherTec stated that the financing of exports, both after and before shipment period, is the most relevant support program for the internationalization of their business. However, he said that it could only obtain funds from private institutions, having unequal access to financial support for international operations in comparison to the large well-established companies. As stated by the LeatherTec's manager, "For the most banks, I'm just a small business looking for money".

Table 7: The role of state support programs related to the cases

<table>
<thead>
<tr>
<th>Drivers</th>
<th>Francesca Giobbi</th>
<th>LeatherTec</th>
<th>Gueto</th>
<th>Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export programs</td>
<td>Partially related: Use of brand building support from APEX. But: &quot;When I got physically and mentally exhausted, I had to consider the discontinuation of the firm. I had no support&quot;.</td>
<td>Not related: &quot;When I needed money, I was just another small business looking for money&quot;.</td>
<td>Partially related: &quot;We started the firm in a technological incubator. But the program was not built to export. Our products were bought by foreign customers, without any official support.&quot;</td>
<td>Not related: &quot;The state support for our internationalization was inefficient, ridiculous and even pathetic&quot;.</td>
</tr>
</tbody>
</table>

Oviatt and McDougall (1995) realized that funding was an important driver to stimulate the internationalization of SMEs business. To Gabrielsson, Sasi, and Darling (2004), BG companies, due to their resource constraints and the need imposed by the rapid internationalization, need more funding for activities abroad. Also, Freeman et. al. (2006) found that lack of funds is a significant constraint to fast internationalization.

For one of the founders of Best, government support for internationalization is inefficient, "ridiculous and even pathetic." According to all four founders of the BG firms surveyed, the traditional support programs are targeted to successful large companies with a long history of international performance.

Finally, to summarize the discussions about the role of support programs as external driver of rapid internationalization, Table 7 seeks to connect the findings of the four cases.

The findings discussed here can allow us to build some theoretical propositions. according to Czinkota (2012), as result of his studies at Georgetown University indicate, the national export assistance should, at first, recognize managers’ commitment level and knowledge toward exports. Only after that, would it be possible to determine what program could fit better to the exporters needs.

In the same way, Shamsuddoha and Ali (2006) found that the impact of export promotion programs on export performance is mediated by export knowledge. Lages and Montgomery (2004) also found that the impact of the use of official export assistance programs has to take into account the executives experience and knowledge. These arguments together with the findings of this study, allow us to elaborate a first proposition:

**Proposition 1 – The efficacy of state support programs, as an external factor of BG firms, will depend on internal factors such international experience of the founders.**

According to the findings of these four cases, the previous experience and the international orientation represented a driver to accelerate the internationalization process of SMEs. This argument could pose even a consensus in the BG theoretical field (Jantunen et al., 2008; Kyvik et al., 2013; Knight; Cavusgil, 2004;
NUMELLA et al., 2005; OVIATT; MCDougall, 1995; ZAHRA, 2005). Thus, one could argue that official support programs would be an external factor that would help the SMEs internationalization speed, mainly if it was designed to support experiential knowledge instead of objective knowledge to the managers of those firms (FAROUQUE; TAKAHASHI, 2012; LOANE; BELL, 2006). Therefore, we can formulate a second theoretical proposition:

**Proposition 2: The state sponsored programs that provide experiential knowledge will accelerate the internationalization process of SMEs.**

On the other hand, it was clear that the expected result of export support programs in the speed of internationalization of small and medium-sized enterprises is associated with the knowledge by governments that there are managers of BG with a great experience in international business (MADSEN, 2013; OVIATT; MCDougall, 1995; ZAHRA, 2005; ZHANG et al., 2009). Thus, it would be prudent for policy makers to hear these SMEs success case managers in building new support programs. This argument leads us to another proposition:

**Proposition 3: The programs supporting the rapid internationalization of small and medium-sized firms in specific market niches are linked to the ability of governments to consider the unique characteristics of those firms.**

In the Figure 2 we propose a model, even still requiring of empirical validation, positioning the official support programs as an external factor in dialogue with internal factors of a BG firm. This consideration is expected to improve the international orientation and experience of SMEs managers and to produce reflexes in the SME’s internationalization process and performance.

**Figure 2:** The official support programs as driver of SME rapid internationalization.

7. CONCLUSION AND FURTHER RESEARCH

Several implications for theoretical and managerial field can be drawn from the results of this study. One is the simple fact of the existence of born global firms in emerging countries with a large domestic market like Brazil, contrary, even if precariously, to some theoretical and empirical convictions. Thus, we argued that BG companies can be found even in mature industries such as leather and footwear (ANDERSSON; WICTOR, 2003; FREEMAN; CAVUSGIL, 2007; MOEN; SERVAIS, 2002).

However, one of the central elements of this paper was to investigate whether the official support is present in the rapid internationalization of Brazilian SMEs through four cases of BG companies in the Brazilian leather-footwear industry. In this sense, there was a significant contribution with regard to the role of government-sponsored assistance in the accelerated internationalization of Brazilian SMEs. The results discussed show that the founders of the four BG firms didn’t see any relationship between the fast internationalization of their companies and the use of national export-promotion program.
On the one hand, the four cases showed that the choice for niche markets, the domain of unique assets and the founder’s international orientation are related to internal and external factors of a BG firm (FREEMAN et al., 2010; KNIGHT; CAVUSGIL, 2005; MOEN, 2002; RIALP et al., 2005). As well, it would be appropriate for official programs to support the fast internationalization to dialogue with these factors.

According to the results found in the four cases, the public tools for the rapid internationalization of SMEs could represent an external accelerator of this process if it is customized to act on several fronts, respecting some points as:

- Validate the existence of born global firms in the emerging markets like Brazil, comprising the features of this phenomenon;
- Understand the internal drivers that encourages SME firms to accelerate their internationalization like previous experience and international orientation of the founders, the domain of unique assets and focus on niche markets;
- Adjust the programs to those characteristics so that they may impact not only on the speed of internationalization, but above all, in the international performance of BG firm.

In general, there is an urgent academic and managerial call to the export support programs to be more effective, which would result in a positive impact on international performance of companies using those tools with a smaller commitment of scarce public resources (GILLESPIE; RIDDLE, 2004; LEONIDOU et al., 2011; SHAMSUDDOHA; ALI, 2006). Therefore, understanding the specific characteristics of a BG company would help the government of a country in saving resources because it would be driving efforts for a different kind of SME firm. So, the passage of a small BG company for a large global company would be shortened, which would bring significant returns for the whole country.

Based on the findings of this study such as the BG firm possession of a set of unique assets and the strong international orientation of its founder, we argue that national state-promotion programs should be directed to identify the presence of these assets in a born global firm and strengthen them to become more attractive in foreign markets. At the same time, those programs should offer financial support to create and deliver the unique value proposition of a BG firm abroad. This suggestion is consistent with the findings of Leonidou et. al. (2011). For them, the state sponsored programs had strong influence on organization resources and capabilities that will ensure export performance.

Born global companies are, according to Rennie (1993), an extreme example of the importance of small and medium enterprises to export growth of a country. In Brazil, specifically, more than 18,000 companies exported in 2014. About 75% of those were SMEs enterprises. However, in the U.S., the SMEs accounted for only 4% of the US$ 225 billion exports, in 2014 (http://www.mdic.gov.br, retrieved on December 1st, 2015). In this sense, the development of official support policies designed specifically for these new types of companies will help SMEs to consolidate and grow in international markets.

Thus, as shown in the four cases studied, the support programs are well known by the managers of BG companies, but may not be used because they don’t fit to the needs of these companies. Moen (2002) points out that, in most cases, the official programs of export support are dedicated to businesses that are starting their exports, and who already have a solid position in the domestic market where they have worked for a long time. This seems to be the case of Brazil, where many export programs date back half a century.

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