

Growth and internationalization of fast growing firms*

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The purpose of this article is to identify the factors positively and negatively affecting the growth of companies in the foreign markets and internationalization. We examined and constructed in this paper a complex set of those factors which help and impede the growth on foreign markets of fast growing enterprises and their internationalization. Moreover, we contributed to the research of fast growing firms, adding more insight into the specificity of Polish enterprises. Due to the aim of the research, a qualitative multiple case study approach was applied based on the sample of 19 companies which were examined with semi-structured direct interviews. The findings should prove useful for academics, firms and governments.

Key words: international growth, internationalization, international enterprise (JEL: F20)

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1. Introduction

The internationalisation of enterprises and the importance of this process for the economic development and growth of such enterprises in the local and international perspective is a widely discussed subject, both in economic and management theory and in business practice. The globalization of the world economy and the opening of the Polish economy to foreign markets have made this topic very important also for Polish enterprises. Intensification of this phenomenon is accompanied by many studies and many of its aspects have been thoroughly examined, mainly by the theories of strategic management, internationalization theories, theories of enterprise and theories of growth. Moreover, issues of companies' growth both nationally and internationally are explored on the one hand by researchers attempting to identify the determinants of the growth of enterprises providing above-average performance and increase rates, often referred to as fast growing companies, and on the other hand by the research about born globals. There are still missing unambiguous guidelines from the side of theory, which would allow to answer the question which factors have a particular impact on the market success of companies in foreign markets, particularly referring to fast growing companies. The literature, however, concentrates on particular factors of firms' growth in the local and international perspective or eventually on a group of factors (Keen/Etemad 2012; Davidsson et al. 2009; Shepherd/Wiklund, 2009). There is missing a complex view on the problem of the factors influencing enterprises' growth, especially in the international perspective and with regard to internationalization, which we will try to fill and in doing so contribute to the array of knowledge in this field. Therefore, the research question of this paper is: what factors have a particular positive impact on the growth of fast growing Polish enterprises on the foreign markets and their internationalization and which factors constitute a particular barrier to this process. The purpose of this article is therefore to identify the factors positively and negatively affecting the rapid growth and internationalization of fast growing Polish companies in the foreign markets and to compare these groups of factors with each other. Internationalization is understood here as commencing foreign sales in any form on international markets. In the case of fast growing firms we see that internationalization is a consequence of rapid growth and the increase of the competitiveness of the firm. Growth is understood as an increase of sales, the increase of market share, increase of a firm's assets or the increase of a firm's own capital or a combination of the above mentioned elements. For the analysis, we have chosen the group of internationalized fast growing firms because the research of the most successful companies gives the chance to identify the most important factors responsible for their success, especially as it is known that the internationalization can be the driving force of a firm's success.

The first part of the paper provides an overview of contemporary theory and research on the factors that are essential for the growth of companies and their

limitations. The attention is also drawn to the European competition rules, which constitute a possible factor contributing to, or impeding, the growth and development of enterprises. In the following sections the research methodology is presented, together with a description of the study and the obtained research results. The last part of the work is devoted to the conclusions, discussion, and desired further directions of research.

2. Theoretical background

Because there are missing in the literature studies which directly identify the critical factors influencing or impeding the growth of fast growing enterprises on foreign markets, the theoretical background of the considerations in this paper will be based on the literature on firms' international growth factors and factors of the market success of born globals. Although born globals are different from the fast growing companies, they exhibit many similarities to them, and part of the born globals companies belong also to the group of fast growing firms. Storey (1994) identified three categories of factors that affect the likelihood that a company will enter on the path of rapid growth, namely: human resource capabilities, strategic factors and the firm's characteristics. The first group, considered by many researchers as key (Andersson/Wictor 2003) refers to the capacity of human resources, in particular the skills and characteristics of the founder and leader of the company. The higher the human resource capabilities, the greater the likelihood that the company will enter on the path of accelerated growth (Bates 1990; Bruederl et al. 1992). Human resources can affect the growth of enterprises through the adoption of an entrepreneurial orientation. This is defined in three dimensions: innovative and proactive behaviour and the willingness to take risk (Mateev/Anastasov 2010). The impact of the entrepreneurial orientation on the performance of companies, and their growth also on international markets has been confirmed by many researchers (Lumpkin/Dess 1996, 2001; Wiklund/Shepherd 2005; Wiklund/Pätzel/Shepherd 2009). Moreno/Casillas (2008) confirmed in addition that the entrepreneurial orientation affects not only the growth of the company but also its internationalization strategies. They indicate that one of the dimensions of entrepreneurial orientation, namely the tendency for innovation, has the greatest impact on the expansion strategy of the company also on international markets. It supports the development of product-technology through strategic behaviour that is reflected in the increase of the company's growth.

The second group identified by Storey (1994) refers to strategic factors. It encompasses setting relevant strategic objectives, choosing an appropriate market definition and business model, defining strategy (Sliwinski 2011), and in addition unique skills, competences and knowledge (Obłój 2007; Sliwinski 2012), innovative strategies (Obłój 2003, 2007; Eisenhardt/Sull 2001), and the adequa-

cy of the strategy to the environment and its internal cohesion (Urbanowska - Sojkin 2013).

The third group identified by Storey (1994) consists of the characteristics of companies, including, among others, technological factors, the legal form of the company, its size, location or its relationships with other companies. Many studies have shown that advanced technology, as well as a focus on knowledge in enterprises (Eisenhardt/Santos 2002; Gupta/Govindarajan 2000), lead in the scale of economies to the increase of employment, increase of companies' sales, as well as the creation of new and innovative products and services (Licht/Nerlinger 1998) and as a result the rapid growth of such enterprises. This was confirmed by Audretsch (1995) or Almus, Engel and Nerlinger (1999) proving that companies operating in technology-intensive industries show increased growth potential. Agarwal (1998) found also evidence that these types of businesses have a higher chance for survival.

The researchers showed also that the legal form of a company affects its growth. For example, the choice of a form of a limited liability company contributes to a higher growth rate than the choice of a form which imposes the liability with private capital on the founder (Stiglitz/Weiss 1981), because entrepreneurs who chose the form of a limited liability company engaged in more risky projects, giving, however, higher rates of return – which result in the greater growth (Harhoff et al. 1998; Storey 1994).

Another subgroup of features characteristic for companies and influencing growth is the close links with external companies. Those external companies can provide additional expertise, capital or relationships with customers or suppliers (Variyam/Kraybill 1992; Aldrich et al. 1990) and therefore can expedite the firm's growth in foreign markets (Oliveira/Fortunato 2006). Regarding another factor, the location of businesses, research indicates that companies located in rural areas are experiencing higher growth than companies located in urban areas, despite the fact that the companies in agglomerations have access to better infrastructure than in rural areas and access to higher educated human resources (Storey 1994; North/Smallbone 1995; Simon 2009). Many researchers also believe that the size of the company constitutes one of the most important growth factors (Storey 1994; Davidsson et al. 2002; Delmar et al. 2003). Bigsten and Gebreyesus (2007) confirmed, however, that the volume of production companies is inversely related to their growth. With regard to the issue of internationalization, Knight, Madsen, and Servais (2008) showed that age and size, as well as limited resources are no longer an obstacle in making early internationalization.

Some studies point to a directly proportional relationship between innovation and companies' growth (Almus et al. 1999; Almus/Nerlinger 1999; Coad/Rao 2008; Autio et al. 2007). On this basis, many scholars recognize that innovation is the key factor for the growth of companies. Coad and Rao (2008) have further

observed that innovation is particularly important for companies with fast growth. Coad and Rao (2010) also found evidence that companies are willing to increase spending on research and development (R&D) after overcoming a positive shock of accelerated growth. Other researchers indicate as well that the growth rates of firms are positively correlated with the intensity of research (Del Monte and Papagni (2003) and Adamou and Sasidharan (2007) argue that R&D is a key determinant of accelerated growth, regardless of the industry). However, the significant impact of innovation on the firms' growth was not confirmed by every group of researchers (Brouwer/Kleinknecht/Reijnen 1993; Corsino/Gabriele 2011).

Various studies have identified the success factors of born globals on the international markets. Because born globals sometimes belong to the fast growing firms, they constitute also a useful background and theoretical reference point. Identified factors that support the success of born globals on international markets are:

- a) global vision (Duliniec 2011; Karra/Phillips 2004) or global awareness (Jarosiński 2013),
- b) the marketing competences (Moen 2000; Knight/Madsen/Servais 2008; Jarosiński 2013; Knight et al. 2004),
- c) the networks of cooperation with foreign partners (Duliniec 2011; Karra/Phillips 2004; Kudina/Yip/Barkema 2008; Jarosiński 2003),
- d) high quality and product differentiation (Moen 2000; Knight/Madsen/Servais 2008; Jarosiński 2013),
- e) knowledge and education (Daszkiewicz 2004; Jarosiński 2013),
- f) lack of fear of internationalization (Kudina/Yip/Barkema 2008; Jarosiński 2013),
- g) intercultural competences (Duliniec 2011; Karra/Phillips 2004),
- h) hiring local managers (Kudina/Yip/Barkema 2008; Jarosiński 2013)
- i) international entrepreneurship, understood as the special ability of noticing and using international opportunities (Duliniec 2011; Karra/Phillips 2004)
- j) access to capital (Moen 2000)
- k) maintaining the control over the company while using external financing (Moen 2000).

It should be noted that the last two factors Moen (2000) considered as particularly important in early internationalized companies. Duliniec (2011) in turn draws the attention to companies in high-tech industries, especially operating in niche markets, quoting after Fan and Phan (2007) that the growth of such businesses in

foreign markets depends to a high degree on industry-specific knowledge, which allows successful dealing with foreigners to avoid problems arising from the cultural distance. In traditional industries more important is the knowledge of foreign markets, such as the socio-cultural factors in these markets.

3. Antitrust law – a factor contributing to internationalization or a barrier

Analysing the factors influencing the growth of Polish enterprises on foreign markets and the barriers of internationalization, it is worth paying attention to the problem of protecting the competition and related antitrust laws arising out of the Competition policy of the European Union. The activities of the European Union, as well as individual member states, resulting from caring for the protection of competition in the common market, may, in fact, in some situations, constitute a factor that is conducive to the enterprises' growth in foreign markets, and sometimes, on the contrary, may restrict the possibilities of internationalization.

The rules of competition are addressed both to the member states and to companies. Article 107 TFEU prohibits, in whatever form, any aid granted by a member state or from public resources to a company which by favouring certain undertakings or certain branches of production would interfere with competition or threaten to distort competition. Provisions for enterprises include a general prohibition of cartels contained in Article 101 of the Treaty on the Functioning of the European Union (TFEU), and the prohibition of the abuse of a dominant position on the market contained in Art. 102 TFEU and Council Regulation No 139/ 2004 on the control of concentrations between undertakings. These provisions refer to situations threatening the competition, for example to businesses large or strong enough to be able to restrict competition through collusion with other companies, or through various strategies used by them.

In some cases, competition policy can be a factor contributing to the growth of businesses in foreign markets. When a company holds a dominant position on the domestic market, some of its competitive strategies can be regarded as incompatible with competition law (Fornalczyk 2007). Internationalization can, from this point of view, then become a safe growth strategy. For example, when the merger of a Polish competitor or partner will not be possible because of the resulting increase of the dominant position of the merging parties on the Polish market, a merger with a foreign company may be allowed, because e.g. of the extension of the relevant market (adding a territory of another state), so that the merging companies would not have a dominant position on it. The situation could look similarly with alliances (cartels, collusion) or with any marketing and distribution strategies that on the domestic market can be regarded as an abuse of a dominant position and after expanding to a new foreign market and extension of the relevant market, can be regarded as a typical strategy of raising the competitiveness of a company.

Competition policy may, however, in some situations also be seen as a barrier or impediment to internationalization. For example, the prohibition of state subsidies prevents certain types of state aid, which could prove to be beneficial for overcoming identified barriers to the internationalization of the companies. While there is a *de minimis* rule and programmes to support small and medium-sized enterprises, it seems that in the case of the internationalization of enterprises from less developed economies, such exceptions may not be sufficient in terms of the support (needed) to start and grow their business in foreign markets.

It should be taken into account that the international nature of the competition policy and the fact of the bilateral and multilateral cooperation of the EU with other countries in the field of the protection of competition, causes that some internationalization strategies may prove to be incompatible with the rules of competition, even though from the point of view of companies they may seem to be necessary in order to enhance their international competitiveness. Companies must therefore adjust their actions to internationalization or growth in foreign markets to existing antitrust laws, which can be regarded in certain situations as a strong barrier to the internationalization.

4. Research methods

The purpose of the research was understanding which factors have the real influence on a firms's growth on international markets and the internationalization itself. We try to investigate what is the reason that two seemingly similar firms do not achieve comparable market performance in the international dimension. Acquiring answers to this question should allow to identify the factors contributing to the internationalization and growth in international markets and barriers that hinder them. For this reason the qualitative research method, which provides useful in-depth findings, giving a good understanding of the behavior of firms (Reiner et al. 2008) was chosen. We have selected a multiple case study approach from an array of qualitative methods, which according to Yin (2003), is the most suitable research method for theory testing, as well as for potential theory development (Eisenhardt 1989; Merriam 1998). This method allows to explore and draw conclusions referring to a larger group of companies, which took place in this case, and allowed a complex coverage of the subject and an identification of those factors that have the greatest impact on the researched phenomenon. Thanks to conducted semi-structured direct interviews it was possible to interact directly with the respondent and obtain from the respondent accurate information about the factors which had the greatest impact on the studied phenomenon. Direct interview allowed to identify by asking the more in depth questions the factors that the respondent would not determine alone. Moreover, it was also possible to eliminate the situations where some questions would be unclear to the respondent, which would result in a lack of cognitive responses received. This study is a part of a larger research project about the international

competitiveness of Polish fast growing, highly innovative and internationalized companies, having their headquarters in Poland (Sliwinski 2011).

The fast growing Polish companies chosen for the study were selected with a purposeful sampling technique (Merriam 1998; Patton 1990; LeCompte/Preissle 1993; Maxwell 2005) from two rankings of the fast growing Polish companies – "Gazelle of Business" performed by "Puls Biznesu" (a business newspaper), and "Cheetahs of Business" performed by SKOK, a (financial institution group) both of which constitute a reliable preselection source of the Polish fast growing firms. Moreover, the companies were selected from the group of firms which received an award in the "Polish Product of the Future" or in a prestigious foreign contest for innovative high technology products like e.g. the EEP AWARD Environmental Innovation for Europe. The chosen companies had to meet at least three of the following four criteria:

- a. significant growth of turnover in excess of a minimum of 500% within 10 years,
- b. already conducting foreign sales,
- c. continued growth in turnover for the period of at least 10 years,
- d. being a Polish enterprise i.e. having their headquarters based in Poland.

Some of the selected companies exceeded the threshold turnover already within 3 years. The minimum, fivefold increase of turnover within 10 years referred to the net sales values, taking into account inflation and therefore excluding the inflation from the growth value. Choosing the above presented criteria allowed to realize the idea of the research, which was to gather highly innovative enterprises with above average growth, looking at them from a particular branch perspective, which have already started in any form to sell their own products or services abroad – and to analyse their internationalization. The presumption was that this kind of enterprises are supposed to reveal more advanced internationalization strategies than the average Polish company. The research was carried out in the year 2009.

A pool of 104 companies was selected, out of which, finally, 32 participated in the research. After the interview stage, two companies were excluded because they had not fulfilled the requirements to fit in with the definition of (being a purely) Polish enterprise. The next 11 companies were excluded because they had not reported exports in the last 3 years, which only turned out during the interviews. The companies were taken from different branches and different regions of Poland.

Research was conducted using the direct interview method (Maxwell 2005) and a semi-structured interview (Nikodemska-Wołowik 2008) based on a prepared questionnaire. The interviews were conducted with CEOs or members of the company's Board of Directors. The adoption of this form of research had a sig-

nificant impact on the quality of their responses and also allowed to get full answers to the questions that were given.

In this paper we analyse the responses of the surveyed companies on the following three questions:

- a.1.1 Which factors were the most conducive to the internationalization of the company?
- a.1.2 Which factors have to the greatest extent determined the growth in foreign markets?
- a.1.3 What was the most difficult in the process of internationalization?

The first question identified the factors which facilitate the most the internationalization of enterprises' business activity. The second question identified the factors which have the greatest impact on the growth of sales and companies in the international markets. The third question identified the main barriers in the process of the internationalization of the surveyed enterprises. The respondents, who were the managers of the investigated companies, in answering the questions indicated one or more factors, and some respondents abstained from responses indicating that e.g. it was too early yet to indicate the most significant barriers or factors supporting growth in foreign markets. Two questions were aimed at obtaining the subjective opinions of the aforementioned individuals in the individual companies, illustrating their adopted attitudes, and priorities used in reality in the surveyed companies. Both questions were completely open, giving the respondent an opportunity to present a response from his/her point of view. During the interview the laddering technique was used (Reynolds/Gutman 1979, 1984, 1988), which helped to deepen the answers. All questions were formulated in a way which did not suggest certain answers should be given, nor were they presented in a positive or negative context.

5. Characteristics of the researched companies

The research project referred only to Polish companies, which meant that these companies had to have their headquarters on the Polish territory. All of the surveyed companies were in the form of a partnership, either a stock partnership or a limited liability company. Only three of them are listed on the Warsaw Stock Exchange. Only five of the surveyed companies were family businesses, others were not. The interviewed managers were mostly the co-owners or the sole owners of the company.

The studied companies operate in the following industries: chemical – 1 company, business&technology consulting – 1, IT – 2, medical equipment – 3, pharmaceutical distribution – 1, debt recovery – 1, production of machinery and equipment (including appliances) – 2, production of steel products – 3, production of ships – 1, production of transport vehicles – 1, production of computer servers – 1, production of leather articles – 1, production of real time systems –

1. Within the researched companies there are 16 manufacturing firms, 2 service firms, and 1 company of wholesale trade. The studied companies varied in size: 63% were SMEs (5% micro, 32% small, 26% middle) according to the European Union's definition of SMEs and 37% belonged to large enterprises.

Table 1: International sales markets of studied companies.

Source: Author's own research

Continent	Countries – foreign markets	Number of firms
European Union	Austria, Belgium, Bulgaria, Czech Republic, Dania, Estonia, Finland, Germany, Greece, Hungary, Ireland, Italy, Lithuania, Latvia, Netherlands, Norway, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, U.K.,	19
Rest of Europe	Belarus, Croatia, Island, Malta, Moldova, Serbia, Ukraine, Turkey	9
Asia	Armenia, Azerbaijan, China, Georgia, India, Indonesia, Israel, Kazakhstan, Korea, Malaysia, Mongolia, Russia, Vietnam, United Arab Emirates	10
North America	U.S.A.	2
Latin America	Mexico, Argentina	1
Africa	Egypt, Libya, Algeria, Morocco, Ghana, Togo, Ivory Coast	3

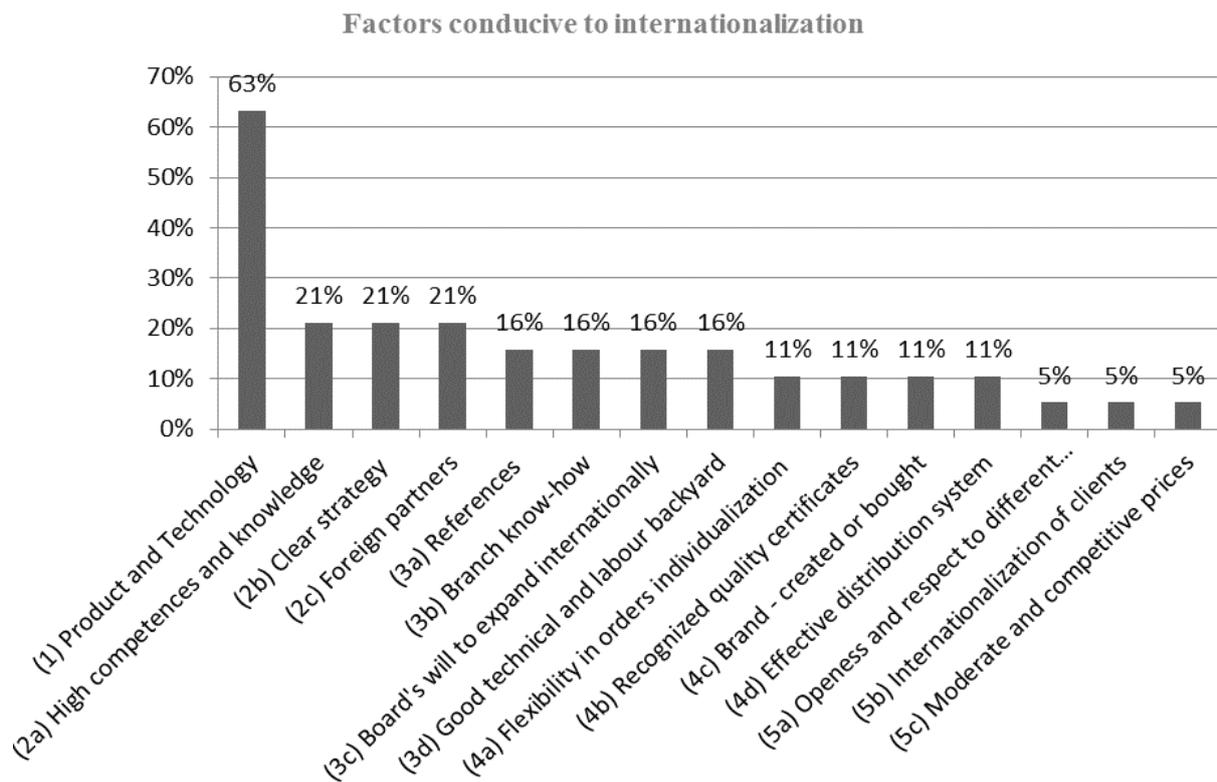
6. Findings

The purpose of this article was to identify those factors that positively and negatively affect the growth of Polish fast growing companies in the foreign markets and their internationalization and to compare these groups of factors with each other. To the question: "Which factors were the most conducive to the internationalization of the company?" the responses were as follows. The most important factor from the point of view of being conducive to the (parameters of) internationalization recognized by the surveyed companies was their product, in terms of its utility, quality and innovation (63 % of the surveyed enterprises). Under the term "product" the companies understood not only the final product offered to the customers, but also the technology that the product was made with and owes its quality and innovativeness. The term "product" also encompasses high competencies of employees directly involved in the production due to which this product was made. However, a number of the companies studied (21%) indicated having a high level of competence and knowledge as a factor conducive to internationalization. The same percentage of indications (21%) applied to having a clear strategy that optimized the operations of the company, ensuring the best possible result in the process of the internationalization. Relations with foreign partners was another factor with an equal percentage of indications (21%). Under this concept the company understood that it was important to build a network of partners, providing them with knowledge of the product, sales training, selection and the service range. Firms indicated that in some mar-

kets such as Russia only a replacement of a Polish expatriate manager with a local counterpart resulted in the expected positive effects. In 16% of the researched companies important factors were references, branch know-how, the will of the board to expand on foreign markets and a solid technical and labour background in the firm.

Figure 1: Factors conducive to the internationalization of enterprises.

Source: author's elaboration based on own survey

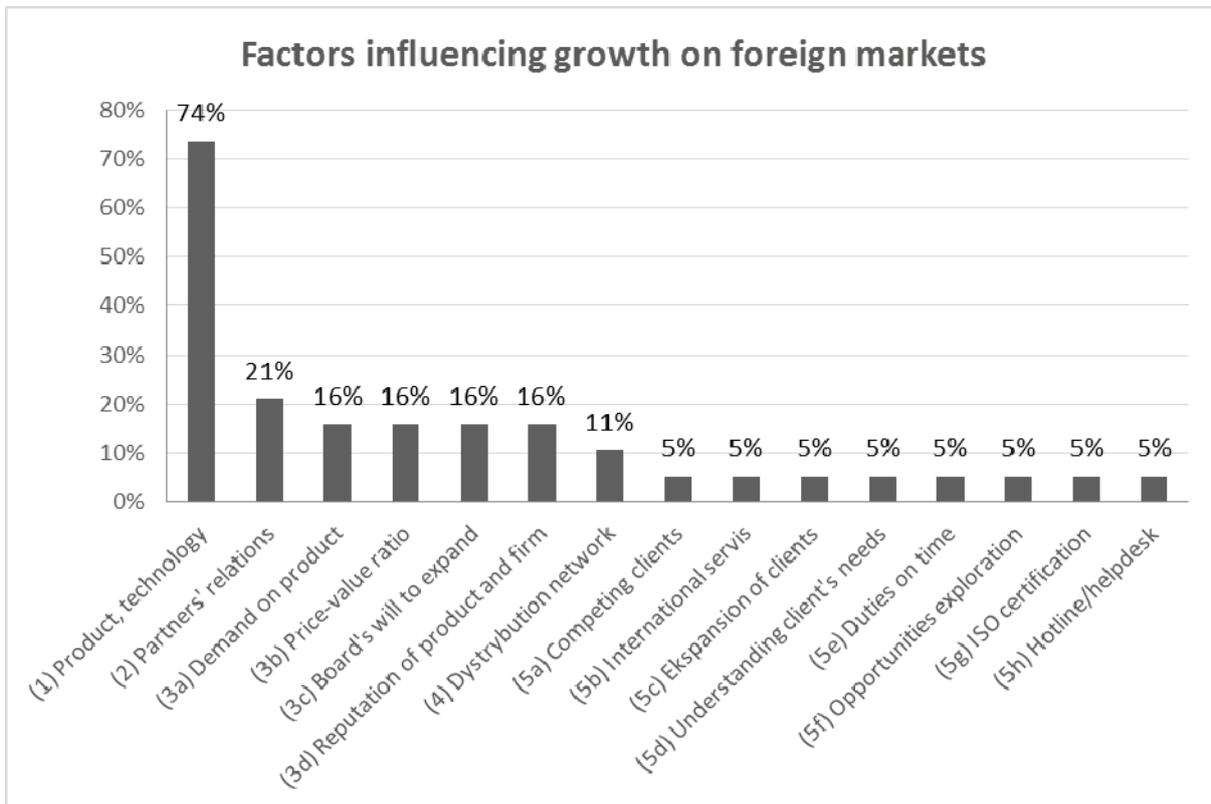


In relation to references, it should be noted that these referred to formal credentials in the form of e.g. clinical trials, whether as reference letters or comments on firms products. In some cases, references referred also to globally recognized customers as in the case of Solaris (studied bus producer), which obtained very good references from an urban transport company in Berlin, which opened the company doors to other important and difficult markets. Branch know-how allows for faster, more effective and efficient organization of work in a foreign market, leading to the success of the internationalization process. It often constituted the basis for experimenting with internationalization (PGF, Info Vide Matrix). A solid technical and labour backyard in the firm constituted undoubtedly an important factor influencing positively internationalization, thanks to which the company could take orders which constituted a technical or organizational challenge. The next group of factors (11% of responses) include flexibility in the individualization of orders, the possession of international certificates and marks

of quality, possession of a well-perceived brand and an efficient distribution system. In terms of flexibility, it should be noted that in the case of Solaris, for example, the family character of the company and the possibility of individualized contracts were important and prompted the customer to cooperate with the company or place an order. Openness and respect for other cultures, internationalization of customers of surveyed companies on foreign markets as well as moderate and competitive prices accounted for the last group of factors (5 % of responses).

To the question: "Which factors have to the greatest extent determined the growth in foreign markets?" the responses were as follows. As the most important factor the surveyed companies have recognized high quality and innovative products (74 % of the surveyed companies). A consecutive factor in the number of indications was to build and maintain the relations with foreign partners (21%). Under this concept, the company understood building a network of partners, providing them with knowledge of the product, sales training, selection and service range. Attention was also drawn to the partners' care of their products' image, regular fulfilment of the payment duties, and the creation of an effective distribution network.

Figure 2: Factors influencing firms' growth on international markets.
 Source: author's elaboration based on own survey



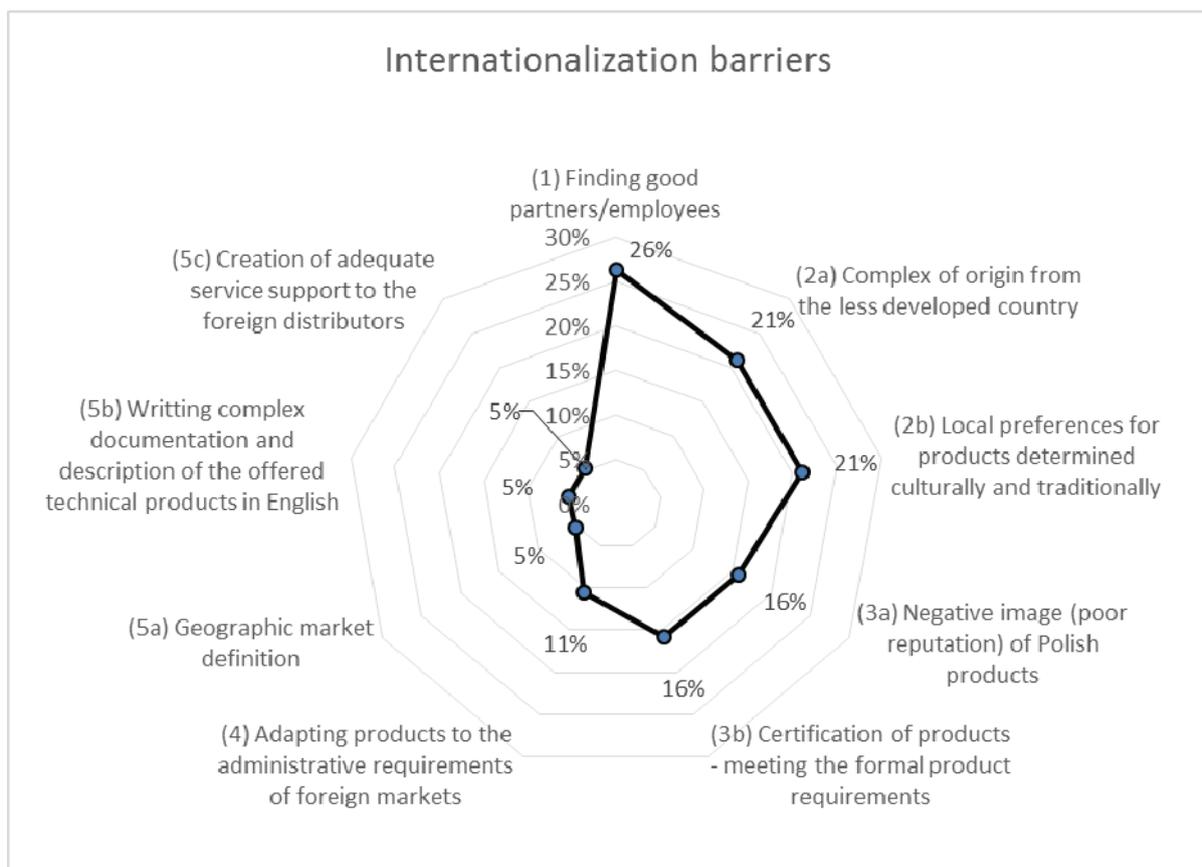
The next most important factors were (16%): the demand for a certain product in foreign markets, favourable price-value ratio of the product, the board's will to expand to foreign markets and the reputation of the product and the company. Referring to the demand, it was the specific demand for a particular product type the company has offered within a chosen time, which clearly contributed to the increase of sales of the surveyed companies in foreign markets. The notion of a favourable price-value ratio meant to the respondents a favourable combination of product attributes such as quality and innovativeness in relation to the prices of competing products on the foreign market. Mentioning the reputation of the product and the company it should be stressed that the company initiating foreign sales had already built a reputation for its products and the company in the domestic market or on other foreign markets. But it was of importance to develop and strengthen the reputation further on the new market.

Subsequently, the studied firms pointed to building an efficient distribution network (11%), competition between customers as a factor which increased demand on their products as a result of their superior quality and functionality (5%), an international service discovered by one customer and needed by the competitor to be able to compete further on the market (5%), customer expansion into new markets (5%), understanding the customer and their needs (5%), timely fulfilment of obligations relating to both orders and to discharging of the duties (5%), the use of market opportunities which emerged on the foreign market (5%), possessing ISO certification by the company (5%) and a good international hotline / helpdesk (5%). The question could be raised about which of the above revealed and described factors support general growth and which are specifically relevant for growth on the international market. According to this criteria the above mentioned factors can be divided into three groups: factors supporting the growth generally, factors supporting specifically the international growth of companies, and factors supporting both international and general growth. There are the following factors in the first group (support of growth generally): high quality and innovative products, favourable price-value ratio of the product, the board's will to expand, understanding the customer and their needs, the use of market opportunities which have emerged on the foreign market, an international hotline / helpdesk. The following factors can be found in the second group (support of international growth specifically): relations with foreign partners, demand for a certain product in foreign markets, efficient distribution network, competition between customers, customer expansion into new markets. The third group is represented by the following factors (support of both international and general factors): reputation of the product and the company, international service, timely fulfilment of obligations relating to both orders and to discharging of the duties, the use of market opportunities which emerged on the foreign market (branch dependent – in some branches this contributes to general growth in some to specifically international growth). It is worth considering that some of the factors are difficult to assign strictly to support of general

or international growth. The above presented division reflects that a particular factor contributes in a higher degree to one or another group, like e.g. customer expansion into new markets, which on the one hand is strictly related to foreign markets, but on the other case may lead to increased orders on internationalizing client. It brings growth until the firm as supplier will not be replaced by local counterpart. Therefore, it is necessary to notice that the division is not so acute as somebody would like to have it.

Figure 3: Internationalization barriers.

Source: author's elaboration based on own survey



Answering the question "What was the most difficult in the process of internationalization?" most companies (26%) indicated: to find good partners and employees who are reliable, conscientious, fulfilling the company's promise, pursuing mutually agreed plans and trustworthy. An important barrier to internationalization was also the complex issue of a company's country of origin's (21%). The complex referred here refers to a sense of inferiority, undervaluing of a firms' products and performance only because these firms originate from a less developed country, and suffer from a lack of confidence whether the company and the product is ready to expand into foreign markets, often more developed than the local market. An equally important barrier was the local preferences for products determined culturally and traditionally. Another significant barrier to the internationalization of the surveyed enterprises was the negative image (poor

reputation) of Polish products (16%). In particular, the poor reputation was related to EU markets, but not related to Russia, Asian markets and South America (Mexico, Argentina) and the North (USA), where Polish products exhibited a relatively good reputation. The certification of products (16%) accounted for an equally significant barrier to growth in foreign markets. For example, one of the investigated companies had to fulfil the requirement to have a civil liability insurance policy for the amount of 5 million EURO, which no Polish insurance company had in its offer. Other barriers mentioned by the companies were: the adaptation of products to the administrative requirements of foreign markets (11%), difficulty in defining the geographic market (5%), the need to write complex documentation and description of the offered technical products in English (5%) and the creation of adequate service support to the foreign distributors. In the latter case, it was pointed out that internationalization can be a barrier because of its organizational side, both on the part of the internationalizing firm and its partners. For example, one firm mentioned the maintenance of the distribution network, the coordination of requests from different countries or differentiation by the foreign distributors of the specificity of goods or parts, differing in minor details, and the execution of erroneous orders.

It is also interesting how the studied companies overcame the above mentioned barriers. Referring to the problem of finding good partners and employees, firms claimed that they focus more on personal contacts with potential partners i.e. they derive partners from fair shows, conferences, or events. Firms have created a mechanism to filter out good distributors. On the one hand, firms are open to new distributors, and on the other they verify their credibility by checking their performance (difference between declarations and performance), checking the fulfilment of financial obligations (payment on time), keeping some strategic declarations e.g. network development after reaching certain level of sales, or also checking if the partner somehow cooperates with direct or indirect competitors.

The barrier of the country of origin complex was overcome by the studied companies in different manners and with different outcomes. Firstly, every success on the foreign markets raised belief in the company's own value, the value of firms' products and in time if there were enough "successes" the firm could overcome these barriers. Secondly, frequent foreign trips of management allowed to verify the mind-set and the undervaluing position of the firm, and undervaluing views on product values are dispelled after confrontation with the products of the competition. Thirdly, some firms bought foreign brands known already on particular market or established a new brand with a name which disorientated buyer as to where the acquired products or producer came from. The names of brands either sounded Italian, English or German depending on what the company wanted to achieve. However, also some firms have difficulties to overcome this barrier and it reflects on their expansion performance and results.

Referring to the barrier of poor reputation, firms try to overcome this problem by exposing the high value of their own products; secondly by providing profound research results which backup the quality of the products, it effects e.g. health; thirdly by introducing the disorientating name of the brand to induce better customer perception. The problem of products' certification is solved mostly financially. Behind this there is always the worry if the investment in certification pays off. Therefore, not every company overcomes this barrier. The other barriers also have very often a financial background (complex documentation, adequate service support, adaptation of products to the administrative requirements) and a firm very often doesn't take measures to address this because of the mentioned worry of whether this investment will pay off.

7. Conclusions and discussion

The analysis of the research results shows a large variety of factors mentioned by the companies as both conducive to the internationalization and growth in foreign markets, as well as forming their barrier. The answers of almost every company to three questions put to them contain a different set of factors. Only one factor, resulting from the answer to the first and second question, drew the attention of a significantly higher number of companies (63% and 74 %) and a number of the factors have been indicated only by single companies. The indications of the factors most mentioned by the researched companies varied between 5 to 21 %.

Twofold conclusions can be drawn from this fact. The first conclusion is that the set of factors influencing positively internationalization and the growth in foreign markets can be an individual matter to particular companies, even dependent on their current stage of development, or the foreign market in which they operate. This does not mean that it is impossible to create for the fast growing enterprises a "list" of fundamental factors in terms of internationalization and growth in foreign markets, whether or not they constitute a barrier to both. This proves rather the fact that in this list of most important factors, each company selects those of them that are at a given time and a given situation crucial for the internationalization and growth of the company or its limitation in a given foreign market. Secondly, it is also highly possible that the companies did not point to some factors as crucial, considering them obvious and fundamental conditions in the context of the foreign markets, and focused on current challenges.

Because of the clear indications of the researched companies, both in terms of factors contributing to their internationalization and in terms of the factors supporting growth in foreign markets, their product and technology must be concluded as the most important factors. The products should be innovative, and characterized by a high quality and superior attractiveness in comparison to competing products. As important as the product is the technology behind the product, and together they are a key factor in the success of the internationaliza-

tion of enterprises. In consequence, this means that companies should very consciously compare their products to international competitors and emphasize those factors most affecting the attractiveness of the product, and thus their innovation, quality, and ergonomics, but also technological solutions. Governments should take this result into consideration while it means that the level of education is the prerequisite for better products and technologies. Moreover, international research projects are very important for the development of innovation, which is often associated with modern technology. Public institutions and programmes which promote the innovations of enterprises are of high importance because they clearly indicate that support for innovation and technology development can have a direct impact on export growth and the foreign expansion of Polish companies.

Comparison of the responses to the first two questions allows to draw further conclusions. Despite many similarities in the scope and importance of individual factors contributing to the internationalization and affecting growth in foreign markets there can be observed also some fundamental differences. The first fact that draws attention is that the equivalent of one of the most important factors of growth in foreign markets – the favourable price-value ratio – namely, a moderate and competitive price, was important only to 5 % of the surveyed companies while considering key factors contributing to internationalization. Secondly, another important factor for growth in foreign markets – the demand for the product in the foreign markets – is not mentioned at all among the factors favouring the internationalization of enterprises. The same situation concerns the next factors affecting growth in foreign markets, namely the competition between customers, international service, understanding customers' needs and having an international helpdesk. The appearance of these factors among responses to the second question, provides the argument that certain issues become important only at subsequent stages of the internationalization. These observations demonstrate the validity of the detachable treatment of both questions and the necessity to identify both the key factors contributing to internationalization, so actually to initiate this process, and the key factors of growth in the foreign markets of an already internationalized company even to the low degree. Moreover, despite many similarities there can be observed also differences in the set and weight of factors conducive to the internationalization and the factors affecting the growth of enterprises in foreign markets.

A comparison of the responses to the first and third questions allows to note that most of the companies that recognized foreign partners as a factor conducive to internationalization, pointed to finding a good partner and employees abroad as an important barrier to effective internationalization. Similarly, companies that have recognized international quality marks and certificates as a factor contributing to internationalization, indicated their product's certification and the meeting of formal requirements by the product as a barrier to internationalization. In

turn, most of the companies that showed branch know-how to be a key factor contributing to internationalization, indicated local culturally and traditionally based preferences for products as a barrier to internationalization. This demonstrates the consistency and reliability of the responses and the awareness of the respondents about which factors are important in their international expansion and which activities or factors are particularly difficult. An interesting observation is the fact that most of the companies which have recognized “clear strategy” as a factor supporting internationalization, acknowledged also factor “finding good partners and employees” as a barrier to such internationalization. There was a relationship observed that companies that recognize the flexibility for customization of orders as factor conducive to internationalization, drew attention to the complex of a company's originating from a less developed country, as its barrier. Especially the last observation induces to consider to what degree the complex of a company's origin being from a less developed country can motivate companies to be more flexible in terms of the customization of their orders and can contribute to their expansion. On the other hand, all the companies that have highlighted the complex of their origin from a less developed country as a barrier to internationalization, stressed the importance of the high quality and innovativeness of their product as a factor conducive to internationalization.

Referring to the second and third question in the survey the attention is drawn to the fact that all the companies that indicated the board's will to expand to foreign markets, a favourable price - value relation of the product, the demand for the product, building of the reputation of the company and product in foreign markets, or building an efficient distribution network as factors contributing to the growth of foreign markets, also recognized the product and technology as key in this field. In turn, 75 % of companies that recognized the complex of their origin being from the less developed country as a barrier to internationalization, indicated product and technology as important factor for growth in foreign markets. At the same time, the same factor was cited only by 30 % of companies who have recognized that the poor reputation of Polish products is a barrier to internationalization. The result of this may be that the complex of the company's origin being from a less developed country motivates companies to improve the quality of their product and applied technology more than the conviction of the poor reputation of Polish products on foreign markets. Companies that recognize the complex due to their origin from a less developed country and the lack of conviction about the value of their products as a barrier to internationalization also indicated that an important factor in the growth of internationalization is building the reputation of the company and product in a foreign market and building an effective distribution network.

The results of the research on such barriers to internationalization as the complex of the company's originating from a less developed country or the poor reputation of Polish products and the growth factor on foreign markets in a form of

a favourable relationship between price and value of the product, in the context of the additional expression of the surveyed companies, leads to further conclusions. Firstly, the advantageous price – value ratio of the product, a conscious pricing policy relying on proper positioning of prices compared to the prices of competing products on the foreign market – can be an effective way to break the barriers indicated by the surveyed companies resulting from an unfavourable image (poor reputation) of the Polish products on foreign markets, particularly in the EU markets. Secondly, the good reputation emphasized by the studied companies of Polish products on the Asian markets and in Russia, elucidated with good trade relations with Poland during the socialist period, suggests that the involvement of the government in trade agreements and economic cooperation is of great importance and can produce good results even after many years. In addition, a good reputation of Polish products in South America, where they are highly appreciated and perceived as similar to the German quality but having lower prices, can mean that among others the poor reputation of Polish companies and products in the markets of the European Union is not always apparent from real reasons, but also from the fact that they are in direct competition with broadly understood neighbouring markets. As generally known, the image of the country and products derived from it are important elements of long-term sales strategy and the competitive struggle, to which individual countries try to exert influence through various methods. Thirdly, an important research result for the state administration is that the second largest indicated barrier of internationalization was the complex of a company's originating from a less developed country. It is definitely a reason to intensify the promotion of Poland and Polish products not only in foreign markets but also among domestic producers, whose faith and belief in the success of Polish values indicate and stimulate the success in foreign markets. Therefore it appears necessary not only to support the enterprises by the state in areas such as participation in trade fairs abroad, help in overcoming language barriers, such as in the creation of all kinds of products' documentation, or the promotion of Polish products and the Polish image in the EU, but also through the promotion of patriotism and national pride, in order to get rid of the often unjustified complexes blocking successful foreign expansion.

An interesting observation is the fact that the studied fast growing Polish companies did not consider any aspect of the European antitrust rules as a factor affecting their growth in foreign markets. This may be due to the fact that most of the surveyed enterprises belonged to small or medium-sized companies, which in some areas are an exception to the rules of competition law. In addition, fast growing companies may be unaware of the limitations which may arise from the antitrust laws because they are often young companies, focusing on growth and development, and not on any limitations which may arise from gaining market power. The lack of expectations of support from the state, which could be in any way inconsistent with competition policy, can attest to the fact that Polish com-

panies are not accustomed to assistance from the state and therefore do not expect it – and that their success is independent of any state help.

As it is clear from the foregoing, the present study has allowed to gather answers to the earlier questions referring to those factors stimulating internationalization and growth on foreign markets and those on the other hand impeding internationalization. The provided findings shed additional light on these factors but there remain many unresolved issues that require further research. These should include an analysis of the long term perspective which does examine what are the factors positively influencing growth on foreign markets and what are the barriers to the internationalization to the fast growing firms coming from the developed and undeveloped countries. Moreover, it would be also interesting to examine how those factors which help and on the other hand impede internationalization of fast growing firms look in the neighbouring and more distant countries (other continents), and what are the barriers to the expansion of more and less technologically advanced products. An important direction of research could be also to investigate the relationship between the need to protect competition on the market and the striving of enterprises to enhance their international competitiveness and also on the desired range of state aid in the area of overcoming barriers to internationalization; however, not harming the competitive process. At the end, a very important and desired research direction is to compare all the above mentioned aspects of factors influencing the internationalisation of fast growing firms with factors influencing the internationalisation of the rest of the Polish companies doing business on foreign markets, because this could provide important conclusions and indications about those factors causing that some companies perform better on foreign markets than others.

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