Preface

This book aims to become the reference edition for all those interested in the Internationalization of Entrepreneurial Innovation in the Global Economy. The subject area is a combination of Internationalization and Entrepreneurial Innovation in the global context. The emphasis on Internationalization, Entrepreneurship and innovation provides a particular value proposition and allows characteristics of flexibility and adoption to diverse audiences.

Globalization imposes new business approaches to achieve high levels of competitiveness. Entrepreneurs and researchers require a framework for internationalization of entrepreneurial innovation in an exigent and competitive global market. The book is timely in responding to the high demand for content about internationalization, entrepreneurship and innovation. The key characteristic of the book is that it brings together experts on international business, entrepreneurship and innovation promoting a sound contribution to the Business field as demanded by real users.

BOOK COVERAGE

The book is divided in five sections according with the contents of the chapters. The chapters of the book address the following key topics.

Section 1: Internationalization of Entrepreneurial Innovation - Macroeconomic Studies, Public Policies, and Culture

Chapter 1 explores the topic of entrepreneurship and national culture and discusses how cultural differences among countries explain entrepreneurial activity. Based on the analysis of 44 countries, the direct relationship between national cultural and entrepreneurship activities is analyzed in this chapter. Data-sets from 2012 and 2013 Global Entrepreneurship Monitor (GEM) report are used to characterize three types of entrepreneurship: early-stage entrepreneurial activity (TEA); necessity-driven entrepreneurship (NDE) and opportunity-driven (ODE) entrepreneurship. Data sets on national cultural values are used to analyze five dimensions of Hofstede’s work on cultural values (power distance, individualism/collectivism, masculinity/femininity, long/short term orientation, and uncertainty avoidance). For that the authors used the Values Survey Module 2013, which has been adapted from Hofstede’s previous work from 2010 and 2008, setting aside the indulgence versus restraint dimension. The main conclusion is that the three types of entrepreneurship analyzed in this chapter are differently explained by the cultural
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and expanded models. If the country of origin and the type of economy are useful to explain TEA, they are of no added value to explain necessity-driven or opportunity-driven entrepreneurship. Moreover, different cultural variables can be used to explain the different types of entrepreneurship addressed.

Chapter 2 discusses innovation policies and barriers to innovation in Spain. Innovation is an important source of economic growth and a key to the competitiveness of firms, which are the main agents of innovation systems. The main objective of this chapter is to analyze entrepreneurial innovation in Extremadura (Spain) exploring, specially, the barriers that firms find and the actions (public policies) that firms demand from Government to reduce such obstacles. Results show that although innovation is considered an essential source of competitiveness, there is an important unwillingness to innovate in non-innovative firms. Both innovative and non-innovative firms detect the presence of barriers to innovation highlighting the perceived lack of support from government.

Chapter 3 explores in-depth the relationship between the venture capitalist and the venture-backed company and accounts for how this relationship unfolds over time. The chapter presents evidence from three process case studies based on two rounds of focused interviews with the entrepreneurs and the venture capitalist. This research shows that several factors play a role, with confidence in the VC (Venture Capital) being essential to beginning the relationship and trust between the parties being essential to continuing it successfully. This relationship is a learning experience for both parties: while the entrepreneur becomes acquainted with the tools for daily, as well as strategic management, the venture capitalist learns how to effectively scout new attractive business ideas.

Chapter 4 introduces the topic of new product development, attending to the internationalization challenges. The internationalization of firms has reached levels never seen before. As a consequence and in order to face the new competitive challenges of globalized markets, industrial small and medium-sized enterprises must be able to adapt to new organizational approaches, to innovate and to further develop their networks. Based on a case study, this chapter reviews the literature on internationalization and networks and addresses a less researched topic of supplier-clients relationships in the value chain referring to the importance of the networks, resources and collaborative new product development on the internationalization process of firms. The chapter reports on a successful ex-small technical textile company that leveraged its competitive strategy based on technology-based paths and is thriving in both domestic and international markets.

Chapter 5 examines the obstacles to Portuguese immigrant entrepreneurship in Andorra. Nowadays the world is in constant and successive changes and to follow these changes one necessarily has to be prepared to act throughout life with initiative, innovation and value creation. However, obstacles to entrepreneurship are numerous, and those who seek these challenges in foreign countries have to face even greater problems.

In order to understand the difficulties found by Portuguese emigrant entrepreneurs in Andorra, the authors conducted a survey in 2012 with 51 Portuguese entrepreneurs residing in that country. It was found that the main obstacles to setting up a business are mostly bureaucratic in nature, due to legislation not adjusted to reality, suggesting, first and foremost, the urgency of an intense work yet to be done in this field, both by governmental bodies and by other institutions directly related with these entrepreneurs.
Section 2: Internationalization of Entrepreneurial Innovation - Sector Studies

Chapter 6 introduces the issue of the tourism sector and entrepreneurship in Italian companies and identifies the key drivers on tourism, as a consequence of changes in the environment. The Italian tourism sector is one of the most important to the Italian economy. The market seems to be particularly susceptible to external pushes linked to the socio-demographic, cultural, political and economic context, which impact the tastes and desires of individuals.

Chapter 7 presents a study applied to innovation in healthcare organizations. This chapter analyzes innovation in healthcare sector and identifies its critical success factors. The study followed a quantitative approach, combining statistical and documental analysis, through the Community Innovation Survey (CIS). The healthcare sector reveals dynamism in introducing products that are new to the market and the company, mainly through a closed innovation process. External cooperation is essentially R&D-oriented, and there is a low involvement of market agents in R&D activities, through partnerships. However, these are seen as an important source of information and organizations seek to meet their needs. Different types of organizations adopt different innovation strategies, depending on their market and current situation.

Chapter 8 introduces the topic of innovation in the Indian banking industry. The purpose of the chapter is to discuss the evolution of the Indian banking industry and the role of innovation within the industry. It explores the motivations for innovation, types, actors involved, investments made and protection issues of banking innovations. The study showcases the current situation while also instigating future possibilities of research for the topic. To meet the objective, data was obtained via interviews with management representatives of 5 Indian banks. Given the changes witnessed by the Indian banking industry since independence and after the liberalization phase in 1991, innovation in Indian banking is seen as a fit solution for addressing the increased competition in this sector. Innovation is seen as important to create differentiation and respond to evolving consumer needs.

Chapter 9 explores the issues of entrepreneurship and innovation in a hospitality group. Innovation and entrepreneurship are important topics associated with management studies. Research into the hospitality companies, especially within the fields of entrepreneurship and innovation continue little studied mainly with respect to the development of empirical studies applied to hospitality companies. This chapter use a case study methodology to study hospitality in a Portuguese group. The results suggest that the search and identification of opportunities, people, and resources are related to each other, establishing a balance that positively influences entrepreneurial activity in the hospitality groups.

Chapter 10 presents an interesting analysis of business models in start-ups and spin-offs in the biotechnology sector in Poland. This chapter concerns the research-developmental activity of biotech spin-offs in Poland with particular reference to the strategy, determinants of their development and determinants of their financial standing. The chapter analysed the determinants of biotech spin-offs and start-ups’ development in Poland in the light of the research commercialisation cooperation on the universities-business line. The literature overview contains the definition of a process for the commercialisation of the results of research and development (R&D) activity and components of companies’ business models. The chapter defined key activities in the development of business models in the context of the commercialisation process and the life cycle of the company, especially at the start up and early stage. Quality-quantitative analysis includes the business models of seven biotechnology spin-offs traded on the alternative market of the Warsaw Stock Exchange, especially the structure of their intellectual capital, R&D expenses in relation to received subsides and grants, third-party shares in start up equity, and the ability to realise the “Go Global” strategy.
Section 3: Internationalization and Social Innovation in the Public Sector and NGOs

Chapter 11 presents a comparison of the degree of the internationalization of public higher education institutions in Portugal and Spain. In this research, these countries’ university is modeled as an open system in which the institutional and national levels are highlighted. The regional and global levels are indirectly considered through the influence they have on the national and institutional levels. This chapter conducted a two-fold analysis: first, a preliminary qualitative one about the present situation of both Spanish and Portuguese public universities internationalization, based on the available official data sources; second, the quantitative analysis of the results got in the responded questionnaires. This study may contribute for understanding the nature of Portuguese and Spanish public universities’ internationalization process as well as the guidelines that may better contributes to reinforce their internationalization.

Chapter 12 presents a case of internationalization in Polish higher education institutions and proposes a framework for the implementation of knowledge transfer and innovation using the example of the Polish - Czech cooperation.

Internationalization of higher education in Poland is a relatively new subject that has been gradually gaining its importance. The economic and political transformation of Poland opened new opportunities for Polish universities. The accession to the European Union enabled the educational and research units to apply for European funds in this respect. Despite numerous difficulties, the universities reform their strategies and search for new solutions to increase the level of internationalization and thus their competitiveness. These actions are necessary and crucial for their further development. The chapter describes general issues of internationalization of Polish higher education and shows that various forms of cross-border cooperation may achieve the level of internationalization successfully. Polish-Czech cooperation in the field of knowledge transfer and innovation carried out by two partner universities located in the Polish-Czech borderland is a case study illustrating this process.

Chapter 13 provides an important insight about management of social innovation in social enterprises. Social innovation (SI) is one of the ways of creating social value via solutions that enhance sustainable social welfare. SI is predominantly disseminated by organizations with a social mission like social enterprise. To verify how the social enterprises work on social innovations, as well as practices adopted by them to generate social innovation, an exploratory study was developed. For primary data collection, the technique of in-depth interviews with semi-structured script was adopted. The SI has the community as an active participant in the process, with successful innovation, in many cases, dependent on the collective capacity of people. The use of this technique for managing the processes of creative generation shows that companies organize themselves to manage the SI. Likewise, benchmarking was used in all three cases, supporting the theory that social innovation is not merely the fruit of originality, but also new applications for existing knowledge.

Chapter 14 discusses the issue of innovation in higher education, highlighting the experience of socially responsible universities. The issue of Corporate Social Responsibility has received an increasing attention over the last few years. Organizations are introducing socially responsible practices in their strategies in order to be more competitive. At the same time, universities are also aware of the importance of the triple organizational vision (economic, social and environmental) and they are taking action to improve their performance. On the other hand, the European Higher Education Area has emerged with the need to make huge and important changes at universities. So, these entities have to know their current state and the future demands from the different stakeholders with the intention of satisfy them. The innova-
tion is necessary, so this chapter states that innovation in Higher Education is an important fact and the authors express the experience on innovation from socially responsible universities. This chapter also links three important topics today: Corporate Social Responsibility, Universities, and Innovation. As a result, this chapter proposes a set of aspects in which universities could innovate by improving their social responsibility.

Chapter 15 examines innovation through Corporate Social Responsibility and presents some insights from Spain and Poland. The current economic, social and even political climate of crisis in Europe does not support the development of the Corporate Social Responsibility (CSR) agenda. However, at present there are some national attempts to be observed which tend to organize companies, professional organizations, employer organizations, as well as non-governmental organizations, academic institutions and government for the joint implementation of CSR. In addition, the awareness that companies need to play an active role in society is growing increasingly in the European Union member states. This chapter addresses institutional efforts in CSR carried out in two big European countries with different backgrounds but the same responsible goal for business and competitiveness, Spain and Poland. To illustrate how CSR pays off we have selected two emblematic cases, one from each country: La Caixa Group and PKN Orlen. Although the degree of implementation of CSR is still different in the European countries in the European Union, and the institutional framework in Spain and Poland is clearly different, the two case-studies presented as best practices suggest promising new developments of CSR in both countries in the near future as that CSR could be considered a vital component of innovation in national economies and a strategic variable of core’s business determining future competitiveness through the social trend.

Section 4: Internationalization, Entrepreneurship, and Innovation in Family Businesses and SMEs

Chapter 16 discusses the process of R&D in family firms. This chapter investigates R&D investment in publicly listed family firms, and highlights the distinctions between these and non-family firms. The empirical study draws on data on German firms and their level of R&D expenditure between 2001 and 2012. The research suggest that family firms spend more on R&D than non-family firms, confirming findings from the literature that long-term business orientation, superior performance, and entrepreneurial success are characteristics of family firms. This research helps to explain the differences between the R&D investment activities of family and non-family firms and contributes to the understanding of R&D activities of family firms, suggesting that family ownership is responsible for their strong entrepreneurial and innovation orientation.

Chapter 17 discusses the topic of innovation in the case of Small and Medium Sized Enterprises and presents some evidence from Turkey. Nowadays, almost all organizations operate in turbulent environments. Therefore, different types of innovation have become vital for them to survive. This chapter investigated the effect of a vision statement’s content on the amount of innovation in Turkish small and medium sized enterprises. With this aim, first, the literature on vision statements and innovation will be reviewed briefly, followed by the methodology and findings.

Chapter 18 studies the internationalization process of innovative SMEs in Lebanon using a conceptual model. This chapter aims to highlight the relationship between innovation and internationalization in the context of international development of Lebanese innovative Small and Medium Enterprises (SMEs). The problem of the commitment of these SMEs in a process of internationalization is relevant in the Mediterranean countries in general and Lebanon in particular. The role of key factors such as size, age,
international cooperation, and strategic planning in the international development of Lebanese SMEs has rarely been comprehensively studied. Motivated by the literature that establishes a positive relationship between innovation and internationalization, this study presents a research proposal on these SMEs to bring out certain variables that characterize them.

Section 5: Internationalization of Entrepreneurial Innovation - Trends and Challenges

Chapter 19 introduces the topic of innovation in experiential services, attending to the trends and challenges. This chapter also provides interesting remarks about experiential services. These services are growing within the service economy. In these companies, the focus is on the experience of the customer, rather than just the functional benefits delivered. These types of services are often designed from the perspective of the customer’s journey rather than as a single transaction; the services are seen as a journey that spans a longer period and consists of multiple components and multiple touch points. Therefore, these types of services have specific characteristics with implications in strategic decisions and innovation management. It is relevant to question how the usual innovation concepts, typologies and models apply to these industries, and because most of these industries usually operate worldwide, innovation management must consider this. The purpose of this chapter is to analyze innovation in experiential services with a focus in internationalized companies, as this poses challenges such as the dichotomy between standardization and local adaptation of services.

Chapter 20 studies the determinants of organizational innovation. This chapter aims to widen the understanding about the determinants of organizational innovation in Portuguese firms. To achieve this objective, a literature review was made on the determinants of organizational innovation, which led to the formulation of research hypotheses tested using the Community Innovation Survey - CIS4, through the estimation econometric models. The determinants identified belong to the domains of the organizational context, sources of knowledge and competitive environment. The results showed a positive relationship between organizational innovation and firm performance, supporting the argument that organizational innovation expands the development of product innovation and process innovation, promotes on increased productivity and economic growth, and is driver of competitive advantage.

Chapter 21 studies organizational innovation beyond technology, attending to an internal market orientation. This chapter illustrates internal market orientation’s philosophy (IMO) and the innovative Internal Marketing practices in competitive firms. The chapter begins with an explanation of the field of innovation in services going beyond technology to IMO research topics. A brief history of Internal Marketing (IM) and main literature contributions are provided. After that, the focus turns to the empirical evaluation of IMO’s dimensions. The analysis is undertaken with data from a survey in Spanish and Portuguese knowledge intensive business services (KIBS). An exploratory factor analysis was performed and eight factors have been extracted from the data set via principal components analysis: Efforts to create a good place to work, Focus on competencies, Dissemination, Awareness of labour market conditions, Focus on individual training and development, Feed-Back communication, Managing the moments of truth, and Internal market research. The chapter concludes with some reflections and suggestions for managers and future research directions are also highlighted.
A key focus of chapter 22 is an analysis of supply chain management identifying innovative suppliers. The main purpose of this chapter is to develop an exploratory proposal for identifying innovative suppliers, creating knowledge in an area not very deeply explored. Based on a literature revision based on innovative supplier identification and management, the study suggests that innovative suppliers are highly specialized and technically competent companies, located nearby their customers and taking part of their client’s improvement program. Based on the literature revision, a framework analyzing client-supplier relationships throughout the supply chain was proposed. The framework uses the strategic alignment concept between clients and suppliers.

Chapter 23 discusses the aspects associated with management of intrapreneurial employees in internationalized services. One of the most relevant sources of innovation for services is related to bottom-up informal processes that might originate anywhere in the organization, resulting from the autonomous behavior of individuals – i.e. intrapreneurial behavior. On the one hand, intrapreneurial behavior is particularly relevant for service firms because of the strategic importance of employee-client interactions. On the other hand, there is growing recognition in the literature as to the potential role played by a multinational workforce in innovation and organizational learning. The goal of this chapter is to provide the reader with insights on how strategic human resources management policies and practices are essential to provide the necessary environment for intrapreneurial behavior to emerge in service firms, and how these policies and practices have to take into account the circumstances of a multinational workforce.

All of the above-mentioned chapters work together to present a combined image of the internationalization, entrepreneurship and innovation in global market today.

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