



HAL
open science

Internationalization of the SME: Towards an integrative approach of resources and competences

Simin Lin

► **To cite this version:**

Simin Lin. Internationalization of the SME: Towards an integrative approach of resources and competences. 1er Colloque Franco-Tchèque: "Trends in International Business", 2010, France. pp.117-135. halshs-00692465

HAL Id: halshs-00692465

<https://shs.hal.science/halshs-00692465>

Submitted on 4 May 2012

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

Internationalization of SMEs: Towards an integrative approach of resources and competences

Simin LIN

Ph.D student in Management Science
IAE - Université Jean Moulin Lyon 3
6 cours Albert Thomas – 69008 Lyon
B.P. 8242 – 69355 Lyon cedex 08
lyncn@hotmail.fr

Abstract:

Small and medium-sized enterprises (SMEs) constitute an important part of economic growth and dynamics not only for advanced industrialized countries but also for developing economies. Three approaches explaining the behaviors of SMEs' internationalization are proposed in the literature: the stage approach, the network approach and the international entrepreneurship approach. The purpose of this article is to review and assess each approach with the aim to better understand the internationalization process of SMEs. We will try to figure out the interrelationships among these approaches by looking into their points of view in common. Then we will make an effort to combine the important dimensions proposed by each approach towards an integrative approach based on the concept of resources and competences.

Key words:

Internationalization, resources and competences, SME, stage model, network, international entrepreneurship

Introduction

Small and medium-sized enterprises (SMEs) constitute an important part of economic growth and dynamics not only for advanced industrialized countries but also for developing economies. During the last decades, SMEs has been the object of increasing research interest in international management as the number of SMEs operating on international markets has been growing and the process of their internationalization has been accelerating (Torrès, 1999; McDougall and Oviatt, 2000; Fillis, 2001; Ruzzier et al., 2006).

Traditional internationalization theories focused mainly on big multinational enterprises (MNEs) and were less pertinent to SMEs (Dana, Etemad and Wright, 1999). Several theories and concepts have been suggested to explain the internationalization process of SMEs. The

analysis of the literature on SMEs' internationalization theory enables us to identify three dominant approaches: the stage approach, the network approach and the international entrepreneurship approach.

The purpose of this article is to review and assess each approach with the aim to better understand the internationalization process of SMEs. We will try to figure out the interrelationships among these approaches by looking into their points of view in common. Then we will make an effort to combine the important dimensions proposed by each approach towards an integrative approach based on the concept of resources and competences.

1. Theoretical approaches of SMEs' Internationalization

The internationalization process of enterprises has been a subject for theoretical and empirical research for more than twenty years. Three major approaches explaining the behaviors of SME's internationalization are proposed in the literature: the stage approach, the network approach and the international entrepreneurship approach.

1.1 The stage approach

The stage models regard internationalization as a linear and sequential process composed by a series of distinctive stages (Coviello and McAuley, 1999; Melin, 1992). Two major schools supporting the stage approaches can be identified: the Uppsala model (U-Model) (Johanson and Vahlne, 1977) and the Innovation-Related Internationalization Model (I-Model) (Bilkey and Tesar, 1977; Cavusgil, 1980; Czinkota, 1982; Reid, 1981). Both streams conceptualize internationalization as a gradual and sequential export development by stages, based on a series of incremental commitment decisions depending on perceptions, expectations, experiences, managerial capabilities, etc.

1.1.1 The Uppsala Model (U-Model)

The Uppsala model (U-model) is initially developed by Johanson, Wiedersheim-Paul and Vahlne (1975, 1977), describing internationalization as a process of gradual learning through experiences gained from foreign markets. Two fundamental concepts are considered as the

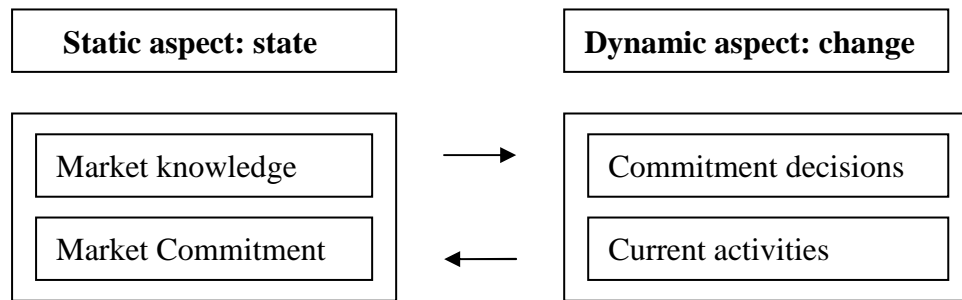
main contribution of the U-model: the learning process and the psychic distance.

The U-Model takes managerial and organizational experiences as key elements of internationalization and accentuates on the learning theory in this process. According to Johanson and Vahlne (1977), the process of internationalization is an acquisition, integration and utilization of knowledge in international operations and an incremental participation in international markets. By integrating the knowledge gained from international experiences, enterprises make easier their decision process. In this way, internationalization can be regarded as the result of a series of incremental decisions (Laghzaoui, 2009).

Johanson and Vahlne (1977, 1990) have created a model which explained the dynamic characteristics of the internationalization by integrating the changes and the cycle of events into one mechanism. This model is constructed on two essential elements: the amount of resources committed and the degree of commitment. The internationalization process is understood by Johanson and Vahlne (1990) as an interaction between the successive knowledge development on foreign markets and the gradual resources commitment to international markets.

The following figure describes the interaction between the two aspects of internationalization: the static aspect and the dynamic aspect. The static aspect refers to the resources committed to the target market and the knowledge related. The dynamic aspect concerns the influence of the resources upon the decision making in time and the decisions related to the progress of on-going activities (Khayat, 2004). The elements of the static aspect will affect the decision making of commitment in terms of resources distribution in international activities. The enterprise will increase the degree of international market entry with the knowledge improvement on foreign markets. Thus, internationalization is a process of successive commitment in foreign markets.

Figure 1 The internationalization process of the enterprise (Johanson and Vahlne, 1977)



Under the influence of the interaction between these two aspects, SMEs will gradually increase its commitment to international market by converting itself with more sophisticated strategies due to the knowledge and experiences acquired from the international performance. The U-Model indicates that internationalization is realized by small incremental steps. Four steps are identified by Uppsala school as key components in the sequential process of internationalization:

- Irregular export activities;
- Export through independent agents;
- Establishment of an overseas sales subsidiary;
- Overseas production or manufacturing units.

The second contribution of Uppsala school is the concept of psychic distance. Psychic distance refers to the sum of cultural, political and linguistic differences as well as other differences which will influence the information circulation (Joffre, 1986 ; Khayat, 2004) and the decision making in international transactions (Laghzaoui, 2009). Johanson and Vahlne (1977) develop this concept to explain that the psychic proximity is a significant factor for enterprise to choose the international market entry. They suggest that the diminution of the psychic distance will make the enterprise get closer to the market in foreign countries. The psychic distance separating SMEs from new foreign market will decrease with the accumulation of international experiences and knowledge.

1.1.2 Innovation-Related Internationalization Model (I-Model)

The Innovation-Related Internationalization Model (I-Model) views internationalization as a process in which the steps are analogous to that of a new product adoption (Roger, 1962).

This model is supported by a number of researchers (Bilkey and Tesar, 1977; Cavusgil, 1980; Czinkota, 1982; Reid, 1981) who consider the decision of internationalization as an innovation for enterprise and therefore provide another perspective of the incremental development of internationalization.

For Bilkey and Teasar (1977), Cavusgil (1980) and Reid (1981), each subsequent step of the process is an innovation for the enterprise. To some extent, their models are developed on the basis of Uppsala model (Andersen 1993), focusing on the learning sequence in connection with the adoption of innovation. Thus, in I-models, internationalization is viewed as a development by steps and an innovation for enterprise.

The decision to start the international activities and the motivation of exporting the products are interpreted differently in the models of Bilkey and Tesar (1977) and Czinkota (1982) from the models of Cavusgil (1980) and Reid (1981). According to different points of view in I-Models, the decision of internationalization is affected either by “push” or by “pull” force. The mechanism of “push” is an external change which initiates the export decision and the mechanism of “pull” is an internal change which explains the shift from one step to another.

Different steps of the I-Model are related to the export ratio in proportion to the turnover of the enterprise. This relation represents the degree in which the enterprise engages itself to export (Gankema, Snuif and Zwart, 2000). Leonidou and Katsikeas (1996) consider that the different processes in I-Models can be essentially generalized into three main stages:

- Pre-export stage: The enterprise interests only in domestic market; the enterprise searches for information and evaluates the feasibility of export activities; the enterprise has already exported on limit basis but exports no more.
- Export trail stage: The enterprise starts to export irregularly when it has the potential to extend its activities in foreign markets.
- Advanced export stage: The enterprise exports regularly with extended experiences to foreign markets and conceives other forms of commitments to international markets.

The I-Model explains how the process of internationalization begins, the role of the decision-makers and the factors influencing the decisions (Collinson and Houlden, 2005). Reid (1981) indicates that the attitude, the experiences, the motivation and the expectations of the decision-makers will exert a significant impact on the internationalization process. Reuber and Fischer (1997) also perceive that the knowledge level and the international experiences of the entrepreneur (or the management team) may help SMEs to jump over the first two steps of internationalization. The participation into the international market and the export activities can thus be considered as the innovation inside the enterprise.

Based on the examination of Cavusgil's model (1980), Gankema, Snuif and Zwart (2000) suggest that the degree of SMEs' international commitment will increase in time but the differences exist significantly from case to case. Some SMEs jump over the steps immediately and others may stop the internationalization process before arriving at the final step in order not to be too dependant on the international market. Torres (1999) indicates that SMEs export more and more in an early stage and the internationalization process can be observed in SMEs during the time of their establishment or even at the beginning of their creation.

Although most researchers believe that the stage approach can be widely applied in explaining SMEs' internationalization process and different stage models can be served as examples for SMEs to follow in their export process, more and more researchers have began to question the generality of the stage approach as exceptions have been successively found with the evolution of the economic environment and in-depth studies on these models (Gankema, Snuif and Zwart, 2000; Axinn and Metthyssens, 2002 ; Torrès, 2004). According to Julien, Léo and Philippe (1995), some SMEs enter the foreign markets directly and their international development does not necessarily follow the progressive process model of internationalization. These researchers argue that the stage models of export, particularly the U-Model, need to be adapted to explain the internationalization process of SMEs (Gankema, Snuif and Zwart, 2000). Some researchers also point out that the I-Model is built on a one-way pattern of development which neglects the dependency of the business actors. In addition, the I-Model does not hold for SMEs that are international from inception

(McDougall & Oviatt, 1994). The increased discrepancies of the stage approach in explaining certain international behaviors of SMEs require the introduction of other internationalization approaches, particularly the network approach and the international entrepreneurship approach.

1.2 The Network approach

The network approach is developed in the work of Uppsala school. By improving their original model (1977), Johanson and Vahlne (1990) indicate the importance of putting the enterprise in its network. Based on the concepts of their original model (knowledge, commitment, on-going activities, decision-making), they try to explain the motivations and the modes of internationalization by placing the enterprise in a multilateral framework by mobilizing the intra and inter organizational relations (Laghzaoui, 2009).

In discussing the internationalization process of SMEs, Coviello and Munro (1997) point out that SMEs show a pattern of externalizing their activities during the internationalization process by relying themselves on network relations to select the market and the mode of entry. They propose that a rapid process of internationalization can be launched by relations in existing networks, particularly by international networks in which the main partners do not only initiate the internationalization process but also influence the mode of investment in market. They also declare that the relations in network will facilitate the international growth of the enterprise.

For Johanson and Mattson (1988), internationalization is a process developed inside the network through commercial relationships with other countries by three steps: extension, penetration and integration. Extension is the first step carried out by the enterprise to construct the network, either by itself or by attaching itself to an existing network. The enterprise will involve itself into new types of immaterial investment like information, contractual relationship and partnership that will connect the enterprise to its foreign partners. Penetration refers to the development of the enterprise's position in the network and the increase of resource commitment. Integration implies an advanced step in which the

enterprise links itself to several networks and the coordination between the different networks.

The network is defined by Cook and Emerson (1978) as a junction of a group of relationships. By establishing financial, technological and market relationships with other members of the network, the enterprise extends its connection with other enterprises and gradually increases its activities across the national borders until it becomes international. Coviello and Munro (1997) pointed out that the degree and the form of internationalization are influenced by different types of relationship developed in the network. If enterprises are studied by individual, complementariness and competitiveness can be observed in the process of internationalization. Enterprises in the network are mutually dependent through cooperative and competitive relationships.

Johanson and Mattson (1988) regard internationalization as an accumulative process in which the relationships with foreign partners are established, developed and maintained in a continuous way in order to fulfill the international development of the enterprise. In Johanson and Mattson’s model (1988), progressive learning and knowledge development through interactions inside the network take great importance because the enterprise can be considered as international if other enterprises in its network are international. The position of the enterprise in the network is an accumulated result of its activities in formal or informal networks. Based on the perspective comprising these two aspects, they identify four situations of internationalization in which the enterprises’ internationalization strategies are linked to the need of knowledge development and the relationship adjustment in network.

Figure 2 The Network approach of internationalization (Johanson and Mattson,1988)

		Degree of internationalization of the market	
		Low	High
Degree of internationalization of the enterprise	Low	The early starter	The late starter
	High	The lonely international	The international among others

The early starter has limited relations with other foreign enterprises and thus has limited

knowledge about international markets. Generally, they appeal to more experienced local agents and distributors in order to enter new foreign markets. The enterprise often starts international operations by export, which is frequently taken by its partners but it will accumulate useful experiences for the future. The resources adjustment is important in this stage because the enterprise needs, on one hand, to increase the production capability for new market demand, and on the other hand, to improve the psychic distance and knowledge development on new markets.

The lonely international is highly international though the market where it located is not. The enterprise can get access to new networks and extend its activities by its experiences. The late starter has an internal network which will generate the pull force for its international development. The enterprise is often attracted to internationalization by other members of the international network (customers, suppliers, etc). Therefore, resources adjustment and activity coordination to internationalization are necessary. For the international among the others, it belongs to a developed and competitive network in which the members operate mostly on international markets. The enterprise and its network are highly international.

In general, the network approach provides a complementary perspective to other internationalization models and assumes that internationalization strategies stipulated by the enterprises are influenced by their position and condition in the network. In consequence, the relations with the network can drive, facilitate or even accelerate the internationalization process of the enterprises.

1.3 The international entrepreneurship approach

The approach of international entrepreneurship is developed in the work of McDougall and Oviatt (Oviatt and McDougall, 1994; McDougall and Oviatt, 2000), which explains the internationalization of the enterprises. The concept of international entrepreneurship is initially defined as the development of new international activities by new enterprises (McDougall, 1989). Wright and Ricks (1994) consider international entrepreneurship as an important emerging research domain in studying new activities of the enterprise across the

national borders.

If the stage approach can be applied specifically to analyze SMEs' internationalization, it is confronting more and more exceptional cases of "born global (BGs)" enterprises and "international new ventures" (INVs). These cases have brought a new perspective on SMEs' rapid international development, which is contradictory to the stage approach of internationalization. In this respect, internationalization became a presupposition or an entrepreneurial decision led by an entrepreneur or a management team possessing a strong capability to learn new concepts and ideas, a high level competence to manage complicated networks and an aptitude to adapt with different cultural contexts.

The network approach offers a model that reasonably summarizes the relationships between networks and the internationalization of SMEs (Johanson and Mattson, 1988; Bell et al.2003). Empirical studies conducted among BGs and INVs have showed that these enterprises tend to follow their domestic clients into the international market regardless of the "psychic distance" (Bell, 1995). Evidence of inter-enterprise relationships supported by network theories also demonstrated that such internationalization behavior is particularly prevalent among SMEs (Coviello and McAuley, 1999). To some extent, in the network approach, the internationalization is viewed as an entrepreneurial process embedded in an institutional and social web which supports the enterprise in terms of access to information, human capital, finance and so on.

The researches on BGs and INVs have showed early and rapid international expansion by SMEs (Knight and Cavusgil, 1996; McDougall and Oviatt, 1994). A common characteristic of these SMEs is that the entrepreneur or the management team adopts a global vision from the inception of the enterprise and embarks on rapid internationalization. This type of internationalization behavior observed within SMEs, combined with the limits of the stage approach and the entrepreneurial perspective of the network approach, calls for the emergence of the international entrepreneurship approach.

Based on their first work of international entrepreneurship, McDougall and Oviatt (1997, 2000) described international entrepreneurship as “a combination of innovative, proactive, and risk-seeking behavior that crosses or is compared across national borders and is intended to create value in business organizations”. This approach provides an iterative learning perspective of internationalization by studying the proactive role of the entrepreneur in the dynamic process of resources and competences construction to conquer the foreign markets.

The entrepreneur will bring to the new company two principal assets: the experiences and the networks (Birley and Westhead, 1993). The process of constructing resources and competences for internationalization is largely mobilized by networks which do not only contain the most important source of exchange and opportunities (Ucbasaran et al, 2001) but also trigger innovation and creativity (Julien et al, 2004). The contacts in network can become an important resource in recruiting qualified employees (Hellmann and Puri, 2002) and establishing relations with investors who are sometimes indispensable for advanced performances of the enterprise (Shane and Cable, 2002). For Fletcher (2004), international entrepreneurship is a prediction of future opportunities for products, services and organizational transformation through transnational coordination realized in the personal network of the entrepreneur. A number of studies have showed that the network of the entrepreneur will facilitate the acquisition of resources and competences in terms of team formation, funding, information and partnership opportunities, etc.

2. Resources and competences: towards an integrative approach

In different works dealing with the internationalization of SMEs, we have indentified three major approaches: the stage approach, the network approach, and the international entrepreneurship approach. In spite of their prominent contributions, a number of researchers have also pointed out their limitations and thus call for new studies which could enrich the understanding of the internationalization process of SMEs. Faced by diversified theoretical approaches explaining SMEs’ internationalization behavior and process, it shall be worthwhile to figure out an integrated framework combining the contributions of different approaches by taking into account the specificities of SMEs (Coviello and McAuley, 1999).

From the perspective of enriching the previous works, we will make an effort in this article to integrate the similar aspects of different approaches towards an approach based on the concept of resources and competences (Penrose, 1959; Hamel and Prahalad, 1990).

2.1 The concept of resources and competences

The concept of resources and competences can trace its origin in the work of Penrose (1959) and later on in the work of Wernerfelt (1984), Barney (1986), Hamel and Prahalad (1990). Based on the research of Penrose (1959), several researchers tried to develop a theory based on the resources. Koenig (1999) identified four different but complementary approaches: the resources approach (Wernerfelt, 1984; Barney, 1991), the core competence approach (Hamel and Prahalad, 1990), the theory of dynamic capabilities (Teece, Pisano and Shuen, 1997) and the evolutionary theory (Nelson and Winter, 1982).

A majority of the researchers tend to define the resources of the enterprise as tangible assets and intangible assets that are combined, transformed and put into value on the market by the competences inside the enterprise (Hébert, 2002; Julien, 2005; Pantin, 2005). Thus, acting as two central concepts of the enterprise, the resources and the competences are actually indispensable for each enterprise.

For Barney (1991), the resources of the enterprise include all what possessed by the enterprise, such as assets, capabilities, organizational process, information, knowledge, etc. He classified the resources identified by different researchers into three categories: the physical capital resources (Williamson, 1975), the human capital resources (Becker, 1964), and the organizational capital resources (Tomer, 1987). The physical capital resources include the technology utilized in enterprise, the geographic location and the access to raw material. The human capital resources refer to the education, experiences, relationships, and the judgment of managers and employees. The organizational capital resources contain the reporting system, formal and informal planning, the control and coordination system, as well as the informal relations in and outside the enterprises.

According to Patin (2005), internationalization is a collective process brought by a team of competences that construct this strategic process. He distinguishes essential or necessary competences to enter the foreign market (for example, the knowledge of regulations in foreign countries) from the distinctive or central competences corresponding to know-how by action. Bigler and Nyffler (2006) identified three key competences of the management team: strategic competences, operational competences and technical competences. These competences are determinants in different steps of SMEs' internationalization process. They could explain the path from one step to another, the acceleration or stagnation or even the retroversion to the previous step.

2.2 The approach of resources and competences: towards an integrative approach

In different approaches of internationalization, a series of factors (financial capability, material capability, relation with others, learning capability, etc.) are involved in varied degrees depending on different contexts. Actually, internationalization is a process that requires the mobilization of an overall collection of resources and competences in enterprise (Ruzzier et al., 2006; Pantin, 2005). The approach based on the concept of resources and competences provides an integrative vision on internationalization by taking into consideration the most essential aspects in different approaches described above.

The resources and competences approach constitutes, first of all, a framework to compensate the insufficiencies of the stage approach by explaining how and why SMEs can pass certain steps in their internationalization. The SMEs possessing sufficient knowledge in international market or having efficient capability of knowledge assimilation could pass through some intermediate steps (Gankema, Snuif and Zwart, 2000). The relationships established in network could facilitate SMEs' acquisition of information and useful resources in international markets. The network together with its relationships will help SMEs to interact with foreign partners to internationalize their activities. The entrepreneurial resources (McDougall and Oviatt, 2000), especially the financial and technological resources (Dhanaraj and Beamish, 2003), brought by the entrepreneur, are also important for SMEs to seize the opportunities in foreign markets.

The stage approach favors learning by experiences that reduce the psychic distance between the enterprise and the foreign markets in the process of internationalization. The enterprise must learn to manipulate and capitalize its resources and competences in order to make value of experiential knowledge acquired from foreign markets and apply the knowledge to new foreign markets where the psychic distances have already been diminished.

The network approach contains in its framework the social relationship defined by Granovetter (1973) as a dominant element in explaining the internationalization. Normally, SMEs in network possesses highly specialized and transferable resources that are necessary for its existence in the network (Vesalainen, 1999). However, SMEs may not be able to exploit the resources in the network if it does not have the competences. In case of lacking competences, SMEs will take incremental and progressive steps in internationalization. From the perspective of resources and competences, the relationships in the network can be regarded as intangible assets or relational resources (Julien, 2005).

The international entrepreneurship approach explains the internationalization of the enterprises from the perspective of the entrepreneur, together with the experience and the networks of the entrepreneur. Since the social capital is defined as “the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit” (Nahapiet and Ghoshal, 1998), it encompasses the variety of resources accessible through the network. Thus, every tie held by the entrepreneur within the network reflects the stock of social capital possessed by the enterprise. Serving as an instrumental resource (Brush et al., 2001), entrepreneur’s social capital will facilitate the development of the resources for internationalization.

Different internationalization approaches have showed that all theoretical approaches explaining the dynamic process of SMEs’ internationalization converge more or less into the approach based on the concept of resources and competences. The concept of resources and competences primarily concerns three specific domains of the SMEs: the entrepreneur, the enterprise and the environment.

- The entrepreneur (or the management team): the central role of the entrepreneur in SMEs' internationalization has been proven by a number of researchers in the literature of internationalization (Philippe, 1995; Leonidou and Katsikeas, 1996; Chetty and Campbell-Hunt, 2003; Etrillard, 2004; Hutchinson et al., 2006; Pantin, 2005; Pla-Barber and Escriba-Esteve, 2006). Ageron and Huault (2002) showed the complexity of the internationalization process of SMEs and indicated that the internationalization is a process combining both marketing and industrial dimensions in which the entrepreneur appears as the decision-maker to develop and choose the resources and competences for the international development of the enterprise. The competences of the entrepreneur and the management team are essential for the coherence of a number of internationalization factors. The entrepreneur's international experience (Leonidou and Katsikeas, 1996), value system (Chetty and Campbell-Hunt, 2003), attitude and perceptions of the international market (Suarez-Ortega and Alamo-Vera, 2005) consist the indispensable elements in SMEs' internationalization process.

- The enterprises: the productive, financial and technological capabilities are considered as important characteristics for SMEs (Suarez-Ortega and Alamo-Vera, 2005; Doole, 2006; Pla-Barber and Escriba-Esteve, 2006). Several researchers have studied the relations between the size of the enterprise and its organizational capability linked with international development (Dass, 2000; Kalafsky, 2004). Three dimensions in internationalization are found to be under the influence of the enterprise's size: the international operation (St-Pierre, 2003), the internationalization strategy (Wolff and Pett, 2000) and the entry mode (Koch, 2001).

- Environment: The environment in which SMEs are embedded can be considered as the place composed by different elements: the market, the technology, the suppliers, the customers, the actual and potential competitors, etc (Fourcade, 2002). The capability of SMEs to organize these elements in the network composed by different enterprises and institutions will facilitate its internationalization process (Philippe, 1995; Ruzzier et al., 2006). The environment will provide SMEs with the infrastructure of communication and specialized supports offered by

other enterprises and organizations. In the way, SMEs can take from the environment the resources and competences (organizational learning, market information, productive resources, specific knowledge, etc.) they need to develop international activities in foreign markets.

In sum, the concept of resources and competences plays a central role in SMEs' international development. They can influence all levels of decision making in SMEs' internationalization process: the selection of international development strategies (Wolff and Pett, 2000; Pett, Francis and Wolff, 2004; Dhanaraj and Beamish, 2003), the selection of entry mode (Pett and Wolff, 2004; Rasheed, 2005) and the selection of market (Hébert, 2002).

Conclusion

The internationalization of SMEs can be considered as a process that combines different resources and competences grasped by the enterprise. Each enterprise has its own internationalization process realized by the construction of resources and competences in different paces: certain SMEs progressively combine the resources and competences, going to foreign markets by steps; others grasp the combination of resources and competences from the very beginning of their foundation and therefore become international immediately and rapidly.

The approach of resources and competences not only relies on the exploration of enterprise's internal resources but also takes into account the specific characteristics of the external environment. According to this approach, SMEs' internationalization process depends both on enterprise's available resources and the exploitation of resources by the competences inside the enterprise. From this perspective, the international development of SMEs is rather proactive and voluntary than reactive and passive.

The research on the approach of resources and competences as an integrative approach to explain SMEs' internationalization process is rich with possibility and opportunity, and the full extent of its scope can be further explored. As it appeared quite suitable to study the international behaviors of SMEs with limited resources and competences, the approach based

on the concept of resources and competences has been appreciated by more and more researchers in analyzing and explaining the internationalization process of SMEs (Marchesnay, 2002; Khayat, 2004; Pantin, 2005; Laghzaoui, 2009). In this article, we only explored a small portion of the possibility concerning the legitimacy and applicability of this approach as an integrative one to explain the internationalization of SMEs. Surely many interesting research questions on this approach remain to be asked and investigated. We expect more discussions could be followed after the efforts made in this article, as it is worthwhile to find a more pertinent approach to explain the internationalization of SMEs.

References

- Ageron, B., Huault, I., (2002), Complexité du processus d'internationalisation de la PME: vers un enrichissement de l'analyse behavioriste, *Management International*, vol.6, no.2, p.43-53.
- Andersen, O., (1993), On the internationalization process of firms: A critical analysis, *Journal of International Business Studies*, vol.24, no.2, p.209-231.
- Axinn, C.N., Metthyssens, P., (2002), Limits of internationalization theories in an unlimited world, *International Marketing Review*, vol.19, no.5, p.436-449.
- Barney, J.B., (1986), Strategic factor makers: Expectation, luck, and business strategy, *Management Science*, vol.32, no.10, p.1231-1241.
- Barney, J.B., (1991), Firm Resources and Sustained Competitive Advantage, *Journal of Management*, vol. 17, no.1, p.99-120.
- Beker, G.S., (1964), Human capital, New York: Columbia.
- Bell, J., (1995), The Internationalization of Small Computer Software Firms: A Further Challenge to "Stage" Theories, *European Journal of Marketing*, vol.29, no.8, p.60-75.
- Bell, J., McNaughton, R., Young, S., Crick, D., (2003), Towards an integrative model of small firm internationalization, *Journal of International Entrepreneurship*, vol.1, p.339-362.
- Bigler, J-M, Nyffeler, N., (2006), Processus d'internationalisation de la PME: la nécessité d'une approche intégrative, Communication à la 8ème CIFEPME, 25-26 et 27 Octobre, Fribourg
- Bilkey, W., Tesar, G., (1977), The export behavior of smaller sized Wisconsin manufacturing firms, *Journal of International Business Studies*, vol.8, no.1, p.93-98.
- Birley, S., Westhead, P., (1993), A comparison of new businesses established by 'novice' and 'habitual' founders in Great Britain, *International Small Business Journal*, vol.12, no.1, p.38-60.
- Brush, C.G., Greene, P.G., Hart, M.M., (2001), From initial idea to unique advantage: the entrepreneurial challenge of constructing a resource base, *Academy of Management Executive*, vol.15, no.1, p.64-78
- Cavusgil, S. T., (1980), On the internationalization process of firms, *European Research*,

vol.8, no.6, p.273-281.

- Chetty, S., Campbell-Hunt, C., (2003), Paths to internationalization among Small to medium sized firms, A global versus regional approach, *European Journal of Marketing*, vol. 37, no.5/6, p. 796-810.
- Collinson, S., Houlden, J., (2005), Decision-making and market orientation in the internationalization process of small and medium sized enterprises, *Management International Review*, vol.45, no.4, p.413-436.
- Cook, K. S., Emerson, R.M., (1978), Power, dependence and commitment in exchange networks, *American Sociological Review*, vol. 43, October, p.721-739.
- Coviello, N.E., McAuley A., (1999), Internationalization and the Small Firm: A Review of Contemporary Empirical Research, *Management International Review*, vol.39, no.3, p.223-237.
- Coviello, N.E., Munro, H.J., (1997), Network Relationships and the Internationalization Process of Smaller Software Firms, *International Business Review*, vol.6, no.4, p.361-384.
- Czinkota, M., (1982), *Export Management*, New York: Praeger Publishers
- Dana, L-P., Etemad, H., Wright, R.W., (1999), The Impact of Globalization on SMEs, *Global Focus*, vol.11, no.4, p.93-105.
- Dass, P., (2000), Relationship of firm size, initial diversification, and internationalization with strategic change, *Journal of Business Research*, vol.48, no.2, p.135-146.
- Dhanaraj, C. A., Beamish, P. W., (2003), Resource-based approach to the study of export performance, *Journal of Small Business Management*, vol. 41, no 3, p. 242-261.
- Doole, I., Grimes, T., Demack, S., (2006), An exploration of the management practices and process most closely associated with levels of export capability in SMEs, *Marketing Intelligence & Planning*, vol. 24, no.6, p.632-647.
- Etrillard, C., (2004), L'internationalisation des PME : pour une relecture en termes de stratégies entrepreneuriales, dans Actes du 7ème Congrès International Francophone en Entrepreneuriat et PME, 27, 28 et 29 Octobre, Montpellier.
- Fillis, I., (2001), Small firm internationalization: an investigative survey and future research direction, *Management Decision*, vol.39, no.9, p 762-783.
- Fletcher, D., (2004), International entrepreneurship and the small business, *Entrepreneurship and Regional Development*, vol 16, July, p.289-305.
- Fourcade, C., (2002), Le territoire comme atout des processus d'internationalisation des PME : Le concept de milieu internationalisant, in Actes du XXVIIIème Colloque de l'ASRDLE, Trois-Rivières, Québec.
- Gankema, H. G. J, Snuif, H. R., Zwart, P. S., (2000), The internationalization process of small and medium sized enterprises: An evaluation of stage theory, *Journal of Small Business Management*, vol.38, no.4, p.15-27.
- Granovetter, M., (1973), The Strength of Weak Ties, *American Journal of Sociology*, vol.78, p.1360-1380
- Hamel, G., Prahalad, C.K., (1990), The core competence of the corporation, *Harvard Business Review*, vol.68, may-june, p.79-91.
- Hébert, L., (2002), Stratégies internationales et développement d'un leadership mondial, *Gestion*, vol. 27, no.1, p. 78-85.
- Hellmann, T., Puri, M., (2002), Venture Capital and the Professionalization of Start-Up Firms:

- Empirical Evidence, *Journal of Finance, American Finance Association*, vol.57, no.1, p.169-197
- Hutchinson, K., Quinn B., Alexander, N., (2006), The role of management characteristics in the internationalization of SMEs, Evidence of from the UK retail, *Journal of Small Business and Enterprise Development*, vol. 13, no.4, p. 513-534.
- Joffre, P., (1986), PME : L'enjeu international, Le rôle de la taille ne doit pas être surestimé, *Revue française de gestion*, janvier-février, p.68-76.
- Johanson, J., Mattson, L.G., (1988), "Internationalization in industrial systems – a network approach", In Hood, N., and Vahlne, J. E. (Eds), *Strategies in Global Competition*, Croom Helm, New York, p. 287 -314.
- Johanson, J., Wiedersheim-Paul, F., (1975), The Internationalization of the Firm – Four Swedish Cases, *Journal of Management Studies*, vol.12, no.3, p.305-322.
- Johanson, J., Vahlne, J.-E., (1977), The internationalization process of the firm: a model of knowledge development and increasing foreign market commitments, *Journal of International Business Studies*, Spring/Summer, p.23-32.
- Johanson, J., Vahlne, J.-E., (1990), The Mechanisms of Internationalization, *International Marketing Review*, vol.7, no.4, p.11-24.
- Julien, P- A., P.-Y. Léo et J. Philippe, (1995), PME et grands marchés, Paris: L'Harmattan.
- Julien, P.-A., Joyal, A., Deshaies, L., Ramangalahy, C., (2004), Networks, weak signals and technological innovations among SMEs in the land-based transportation equipment sector, *Entrepreneurship and Regional Development*, vol 16, no 4, p.281–300.
- Julien, P.-A., (2005), *Entrepreneuriat et économie de la connaissance*, Presses de l'Université du Québec.
- Kalafsky, R., (2004), Export activity and firm size: an examination of the machine tool sector, *Journal of Small Business and Enterprise Development*, vol.11, p.59-165.
- Khayat, I., (2004), L'internationalisation des PME: vers une approche intégrative, 7^{ème} Congrès International Francophone en Entrepreneuriat et PME, octobre 2004, Montpellier.
- Knight, G., Cavusgil, S.T., (1996), The born global firm: a challenge to traditional internationalization theory, *Advances in International Marketing*, vol.8, p.11-26.
- Koch, A.J., (2001), Factors influencing market and entry mode selection: developing the MEMS model, *Market Intelligence and Planning*, vol.19, no.5, p.351-361.
- Koenig, G., (1999), Les ressources au principe de la stratégie, dans Koenig, G. (coordonné par), *De nouvelles théories pour gérer l'entreprise du XXI^e siècle*, Economica.
- Laghzaoui, S., (2009), Internationalisation des PME : apports d'une analyse en termes de ressources et compétences, *Revue Management & Avenir*, vol.2, no.22, p.52-69.
- Leonidou, L. C., Katsikeas, C. S., (1996), The export development process: An integrative review of empirical models, *Journal of International Business Studies*, vol.27, no.3, p.517-551.
- Marchesnay, M., (2002), Pour une approche entrepreneuriale de la dynamique Ressources-Compétence, Essai de praxéologie, Les Editions de l'ADREG.
- McDougall, P.P., (1989), International Versus Domestic Entrepreneurship: New Venture Strategic Behavior and Industry Structure, *Journal of Business Venturing*, vol.4, no.6 p.387-399.
- McDougall, P.P., Oviatt B.M., (1994), Toward a theory of international new ventures, *Journal*

- of International Business Studies*, vol.25, no.1, p.45-64.
- McDougall, P.P., Oviatt, B.M., (1997), International entrepreneurship literature in the 1990s and directions for future research, In D. L. Sexton & R. W. Smilor (eds.), *Entrepreneurship 2000*, p.291-320, Chicago: Upstart Publishing
- McDougall, P.P., Oviatt B.M., (2000), International Entrepreneurship: The intersection of Two Research Paths, *Academy of Management Journal*, vol.43, p. 902-908.
- Melin, L. (1992), Internationalization as a Strategic Process, *Strategic Management Journal*, no.13, p.99-118.
- Nahapiet, J., Ghoshal, S., (1998), social capital, intellectual capital, and the organizational advantage, *The Academy of Management Review*, vol.23, no.2, P242-266.
- Nelson, R., Winter, S., (1982), *An evolutionary Theory of economic change*, Harvard University Press, Cambridge, M.A.
- Oviatt, B.M., McDougall, P. P., (1994), Toward a theory of international new ventures, *Journal of International Business Studies*, vol. 25, no.1, p.45-64.
- Oviatt, B.M., McDougall, P.P, (1999), Accelerated internationalization: Why are new and small ventures internationalizing in greater numbers and with increasing speed, *Research in Global Strategic Management*, In Richard Wright, (Ed.), Stamford, CT: JAI Press.
- Pantin, F., (2005), La conduite de processus d'internationalisation par l'équipe dirigeante : entre compétences stratégiques et compétences opérationnelles, XIVième Conférence Internationale de Management Stratégique, Angers, France.
- Penrose, E. T., (1959), *The Theory of the Growth of the Firm*, New York: John Wiley.
- Pett, T., Francis, J., Wolff, J., (2004), Examining SME internationalization motives as an extension of competitive strategy, *Journal of Business and Entrepreneurship*, vol.16, no.1, p.46-65.
- Philippe, J. (1995), Stratégies de développement à l'international, dans Julien, P.-A., P.-Y., Léo et J. Philippe (dir.), *PME et grands marchés*, Paris, L'Harmattan.
- Pla-Barber, J., Escriba-Esteve, A., (2006), Accelerated internationalization: evidence from a late investor country, *International Marketing Review*, vol. 23, no.3, p. 255-278.
- Rasheed, H., (2005), Foreign Entry Mode and Performance: The Moderating Effects of Environment, *Journal of Small Business Management*, vol. 43, no.1, p.41-55.
- Reid, S.D., (1981), The decision-maker and export entry and expansion, *Journal of International Business Studies*, vol.12, no.2, p.101-112.
- Reuber, A.R., Fischer, E., (1997), The Influence of the Management Team's International Experience on the International Behaviors of SMEs, *Journal of International Business Studies*, vol.28, no.4, p.807-825.
- Roger, E.M., (1962), *Diffusion of Innovations*, New York: Free Press
- Ruzzier, M., Hisrich, R.D., Antonic, B., (2006), SME internationalization research: past, present and future, *Journal of Small Business Enterprise Development*, vol.13, no.4, p.476-497.
- Simon, H., (1996), *Hidden Champions: Lessons from 500 of the World's Best Unknown Companies*, Boston: Harvard Business School Press
- Shane, S., Cable, D., (2002), Network ties, reputation, and the financing of new ventures, *Management Science*, vol.48, no.3, p.364-381.

- St-Pierre, J., (2003), Relations entre l'exportation, le développement organisationnel et la situation financière des PME canadiennes, *Revue Internationale PME*, vol.16, no.2, p.61-82.
- Suarez-Ortega, S., Alamo-Vera, F., (2005), SMEs' Internationalization: firms and managerial factors, *International Journal of Entrepreneurial Behavior & Research*, vol.11, no.4, p. 258-279.
- Teece, D.J., Pisano, G., Shuen, A., (1997), Dynamic capabilities and strategic management, *Strategic Management Journal*, Vol. 18, no.7, p.509 - 533.
- Tomer, J.F., (1987), *Organizational capital: The path to higher productivity and well being*, New York, Praeger.
- Torrès, O., (1999), *Les PME*, Edition Flammarion, collections Dominos.
- Torrès, O., (2004), *Essai de théorisation de la gestion des PME: de la mondialisation à la proxémie*, Rapport d'Habilitation à Diriger des Recherches, Caen.
- Ucbasaran D., Westhead, P., and Wright, M., (2001), The focus of entrepreneurial research: contextual and process issues, *Entrepreneurship Theory and Practice*, Vol 25, No 4, p.57-80.
- Vesalainen J., Varamaki E., Pihkala T., (1999), Virtual organization and the SMEs: A review and model development, *Entrepreneurship and Regional Development*, vol.11, p.335-349.
- Wernerfelt, B., (1984), A Resource-based View of the Firm, *Strategic Management Journal*, vol.5, no.2, p. 171-180.
- Williamson, O., (1975), *Markets and hierarchies*, New York: Free Press.
- Wolff, J. A., Pett, T. L., (2000), Internationalization of small firms: An examination of export-strategy approach, firm size, and export performance, *Journal of Small Business Management*, vol.38, no.2, p.34-47.
- Wright, R.W., Ricks, D.A., (1994), Trends in international business research: Twenty-five years later, *Journal of International Business Studies*, vol.25, p.687-701.