

Editorial

The Methodological Tools of Innovativeness, Proactiveness, and Internationalisation towards the Prosperity of Global Small and Medium Sized Enterprises (Global SMEs) in an Epoch of Economic Recession

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Dear Readers

The international entrepreneurship field has been predominantly focused on the speed or pace of the firm to the international market. International entrepreneurial firms are considered to be typically smaller firms that from inception go abroad; contrarily, incremental internationalizes spend significant time in the domestic market prior to their initial internationalisation venture. Numerous studies have been addressed the aspect of internationalisation speed, pointing out the dimension of fast pace of the firm to foreign markets as the sole criterion for it to be characterised as international entrepreneurial. In the relevant literature, those fast-to-the-international market small and medium sized enterprises (SMEs) are named as international new ventures (INVs) or born global firms.

These INVs are implicitly associated with higher levels of risk attitude, innovativeness and proactiveness in comparison to incremental internationalizes. This association should be attributed to the fact that when moving rapidly to foreign markets INVs act entrepreneurially through exploiting resources in novel ways in order to evaluate and exploit international opportunities. Therefore, the issues of discovery, enactment, assessment and exploitation of opportunities abroad with the purpose of attaining value play a dominant role to INVs operation. New scientific directions should holistically link firms other than INVs in an international entrepreneurship spectrum. In parallel, since entrepreneurial orientation of the internationalised firm differentiates INVs from incremental internationalizes, a question that arises is whether other types of internationalised smaller firms—being distinguished by a criterion apart from speed to interna-

tional markets—should exhibit different levels of entrepreneurial orientation/opportunity exploitation characteristics. A positive response to the above question should reveal the existence of internationalised firms other than INVs that may qualify as international entrepreneurial firms.

In the aforementioned entrepreneurial context the global SMEs is that firm that has actively sought and achieved market presence in the lead international markets of its industry. It should be inferred that global small SMEs recognise and act upon opportunities in lead industry markets more vigorously and actively than other, even larger, firms that do not keenly look for presence in these lead countries of their industries. Subsequently, the characterisation of an internationalised smaller firm as global refers to the energetic industry-specific lead market presence aspect.

Innovativeness is also utmost importance parameter to a global SME scale of entrepreneurship. There should be brand products for which the average global SMEs market is three times more innovative than intercontinental smaller firms. This phenomenon is also manifested in the patents that global smaller firms acquire for the innovative designs they provide to their customers. Therefore, innovativeness for global smaller firms is reflected in their production methods that comprise appropriate combinations of talented human know-how and mechanical resources. This production innovativeness is predominantly transformed into marketable products' innovativeness that is determined by the product design. On the other hand, intercontinental smaller firms apparently provide more conventional marketable products that, even though have been manufactured of high quality, they lack

in innovative design relative to global SMEs counterparts. The explanation for the shortage of innovativeness by intercontinental SMEs seems to reside in the fact that they choose to sell to market segments that do not highly value design in a specific product. Consequently, these firms are not compelled by their target customers to devise novel designs for their products.

Research in the area of innovativeness may incorporate the energetic international presence in lead markets dimension in addition to speed of internationalisation. In parallel, research activities should balance out the necessity of innovativeness in activities of companies that operate in a traditional non-high-technology pattern; in which international entrepreneurial firms (global SMEs) spend significant time at home before their first internationalisation venture. Hence, the current research should further pave the way for investigation of international entrepreneurial patterns in traditional sectors.

Besides, an important statement regarding the feature of SMEs is that global SMEs are more entrepreneurial than intercontinental SMEs because their differences in terms of proactiveness in relation to opportunities, risk attitude and innovativeness are considerable. Indeed, global smaller firms constitute a suitably distinct body of internationalised SMEs characterised by high levels of proactiveness concerning opportunities, risk attitude and innovativeness. Consequently, not all dimensions may be equally being highly prioritized in order for entrepreneurial orientation to exist. Hence, the international entrepreneurial dimensions for a firm venturing abroad should be treated separately rather than as an aggregate construct.

In a managerial viewpoint, managers of smaller firms are advised to nurture a strong entrepreneurial orientation consisting of proactiveness towards opportunities abroad, risk attitude and innovativeness, which is associated with active presence in lead international markets. Seemingly, the exposition of smaller firms to demands of the most demanding customers worldwide should endanger their prosperity, since it involves production of innovative designs of their products and seeking for networks engaging sophisticated partners. Nevertheless, this is likely to be an entrepreneurial strategy that captures opportunities in the international marketplace in the long-term. It is

also likely that such an entrepreneurial orientation associated with energetic market presence in the lead international countries of the industry can enhance performance abroad, yet the evidence on this association is not conclusive.

Conclusively, the main research question of the aforementioned analysis is whether the global SME that has actively achieved presence in the lead international markets of its industry is distinguished by higher levels of entrepreneurial orientation dimensions than its counterpart that has not actively chosen presence in these markets; where the counterpart of the global smaller firm is named as “intercontinental SME”. The intercontinental SME can be absent from the lead markets of its industry. But even if an intercontinental SME has partial or expanded presence in its lead markets abroad, this is not the end-result of a purposeful, active posture of this firm. The possible existence of global smaller firms and their distinction from intercontinental SMEs would underline the dimensions of importance of the international market selection and presence in international entrepreneurship research; directing the focus of future studies in this field which so far emphasises only the internationalisation speed criterion.

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The reason of the above Editorial introduction to the current issue of *Open Journal of Business and Management* is that the aforementioned analysis has significant implications for research and practice in the context of Business and Management orientation in an epoch of global economic recession. The aforementioned analysis also revealed that the energetic market presence criterion may effectively distinguish international entrepreneurial firms, thus extending the boundaries of international entrepreneurship research. We welcome you at the current issue of the *Open Journal of Business and Management*. We hope that you will find its content fascinating and exciting.

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