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Reframing internationalization: a holistic framework for lusophone African entrepreneurs

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Reframing Internationalization A Holistic Framework for Lusophone African Entrepreneurs

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- This research delves into **international entrepreneurship development**, explicitly focusing on internationalization entry modes embraced by Small and Medium-sized Enterprises (SMEs) from various nations.
 - It provides a critical analysis of **established** internationalization frameworks, emphasizing the challenges and limitations encountered when attempting to portray the nuances of internationalization, particularly in terms of entry mode selection.
 - Drawing from the author's research while investigating 29 Lusophone African SMEs, **this research puts forth an innovative, integrated, and holistic framework designed to shed new light on the endeavors of these entrepreneurs.**
 - This **framework considers the contemporary landscape of information and communication technologies and the pervasive influence of digitalization in the business arena.**
 - It recognizes the pivotal role played by the Internet, web-enabled tools, and platforms, as well as social media and online professional communities of practice.
 - Through synthesizing empirical findings and theoretical insights, **this research contributes to the understanding of international entrepreneurship by proposing a framework that bridges existing research with a new perspective.** By considering the **transformative power of digital technologies** and the experiences of Lusophone African entrepreneurs, this study provides a valuable resource for scholars and practitioners to understand better and support the internationalization journeys of entrepreneurs.



Emergence of Entrepreneurship

- Over the past decade, **Africa** has emerged as **a critical frontier for international business development**, with business opportunities both within and beyond the continent.
- The field of **international entrepreneurship development has received significant attention in the international business literature**, especially in the post-COVID-19 era (Ojong et al., 2021).
- There is a **notable lack of research on international entrepreneurship in Africa** (Ojong et al., 2019; Ojong et al., 2021), and even less so for Lusophone economies.
- There is a dearth of information regarding the varied African economic conditions, fledgling or unstable democracies, and the decision-making processes regarding internationalization. **No existing international entrepreneurship literature explicitly addresses the internationalization of Lusophone economies** (Boso et al., 2019; Goncalves, 2022).
- While various internationalization frameworks have been proposed over the years, **no existing international entrepreneurship literature explicitly addresses the internationalization of Lusophone economies** (Boso et al., 2019; Goncalves, 2022).



Significant Inflows of

- A deeper understanding of the internationalization methods employed by the international business community, investors, scholars, and policymakers is essential for growth in this sector.
- This knowledge is also valuable to local Lusophone African entrepreneurs operating internationally.
- Numerous scholars (Rolfe et al., 2015; Evans & Jing, 2020) have noted a significant **investment (FDI) inflows across Africa**, particularly in the last decade, similar to other global regions.
- Notable examples include Nigerian companies like **Dangote** and **United Bank for Africa** of all African countries (McNamee et al., 2015), and South African companies like **Massmart, Nampak, Standard Bank, Shoprite**, and **SABMiller**, with a presence in other nations (Goncalves, 2015, 2018, 2022).

Main Internationalization Theories Within the Context of LAE

Theory/Frame work	Core Concepts
Monopolistic Advantage Theory (MAT), Hymer's (1960)	<ul style="list-style-type: none"> Costlier overseas production due to significant uncertainty Attention needed to switching costs, and lower market penetration OFDI on perceived benefits from interest rates in domestic market Exploration of market and product imperfections as a source of competitive advantage
International Product Lifecycle Theory (IPLC), export then FDI, Vernon's (1966)	<ul style="list-style-type: none"> All the parts/labor related to product come from within the home country Internationalized production gradually moves away from home country Active comparative advantage PLC phases: introduction, growth, maturity, and decline
Uppsala Model, Johanson, and Wiedersheim-Paul (1975)	<ul style="list-style-type: none"> Originated from behavioral theory Processes of SME's internationalization expansion Gradual four sequential and successive internationalization steps Widely adopted by researchers in explaining SME's internationalization
The OLI Model, (Dunning, 1979)	<ul style="list-style-type: none"> OLI influences internationalization FDI occurs if SME possess firm-specific or ownership advantages The close linkage between "O" and "I" advantages type O advantage needs to be internalized "L" advantages can be adequately explained by competitive advantage
Resource-based View, Wernerfelt (1984) and Barney (1986, 1991)	<ul style="list-style-type: none"> Firm with abundant resources and know-how in use is more successful Originated from the monopolistic advantage theory Capabilities help firm transform its resources into competitive advantage FDI, as wholly owned subsidiaries considered default
International New Ventures, Born Global, McDougall and Oviatt (1994)	<ul style="list-style-type: none"> International from the very beginning. International awareness and networking by management Firms attempt to achieve competitive advantage through internationalization Operate purposely in various foreign markets
CAGE Distance Framework, Ghemawat (2001)	<ul style="list-style-type: none"> Even in the face of extensive globalization, distance still matters Distance manifested in four major dimensions (Cultural, Administrative, Geographic, Economic) Cultural distance presents a significant barrier to internationalization Demonstrated quantitatively via gravity models)
Network Theory, Håkansson, and Johanson (1992), Cumberland (2006), Johanson and Vahlne (2009)	<ul style="list-style-type: none"> The nature of business activities is collaborative Competitiveness by internal resources, interaction with external resources Business networks as "webs of connected relationships" Relationships among actors are invisible and fluid
Internalization Theory, (Rugman & Collinson, 2012)	<ul style="list-style-type: none"> International markets' selection is based on SMEs' internalization When a foreign market competition is perfect, low-cost alternatives such as exporting or licensing, are very useful, else internalizations are preferred Markets are naturally imperfect

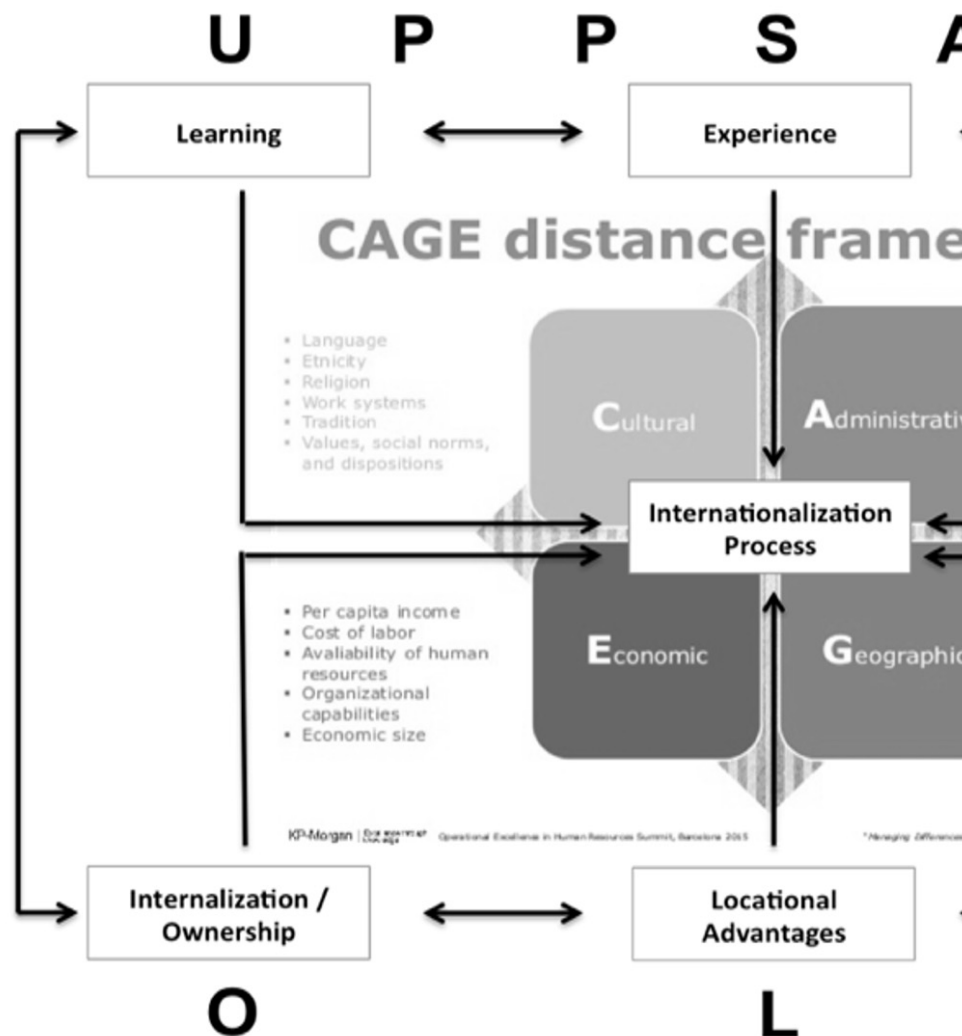
Source: Goncalves, 2023.

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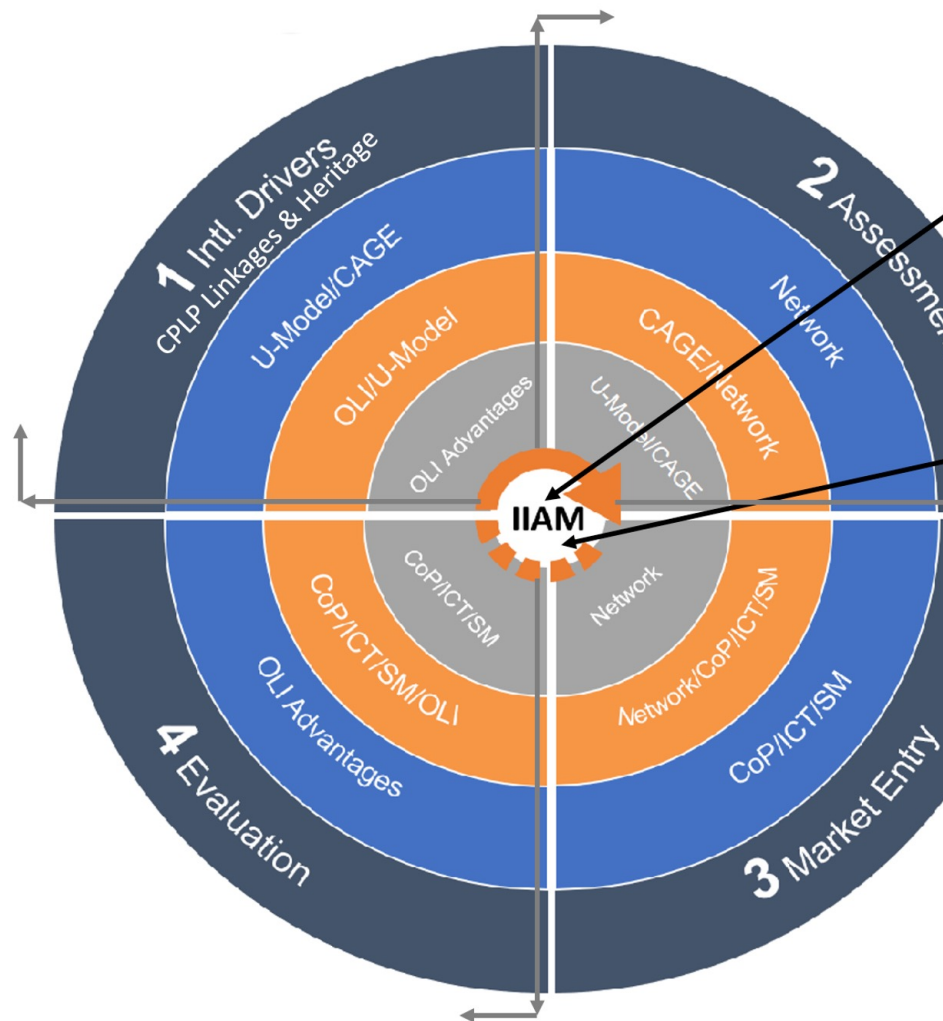
- Mixed-method research (primarily qualitative) conducted during
- 716 interview invitations were emailed to prospective entrepreneurs in Mozambique, which resulted in 65 survey respondents and 30 interviews
- Research criteria: at least three years in business, internationalization within six months of interview, local capital (no FDI), and a minimum of 10 employees
- 29 Semi-structured interviews with LAE in greater Luanda (Angola) and 10 in Mozambique after excluding five interviews.
- A juxtaposed amalgamation of four internationalization frameworks (UPPS and Networks) for proper data analysis

Research Methods: Amalgam

Main Internationaliz



A Holistic Approach Internationalization Approach



Thank You!



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