

## **DETERMINANTS OF ENTRY MODES AND PERFORMANCE OF ENTREPRENEURIAL BORN-GLOBAL FIRMS**

Kalanit Efrat, Ruppin Academic Center, Israel  
Aviv Shoham, University of Haifa, Israel

### **ABSTRACT**

This paper focuses on “Born Globals” (BGs) – small and entrepreneurial firms that become international soon after inception (Aspelund, Madsen, and Moen 2007; Kuivanlainen, Sundquist, and Servais 2007). Knight and Cavusgil (1996:11) defined BGs as “small, technology-oriented companies that operate in international markets from the earliest days of their establishment”. The closeness between inception and first foreign market entry is the unique trait of BGs and defines the constraints they face. Although differences between BGs and Gradually Globalizing firms (GGs) have been researched, most studies have concentrated on the internationalization process and the factors contributing to it. Less is known about the factors influencing BGs internationalization, and market selection, as well as their post-inception international operations, two aspects which are the focus of this conceptual paper. Previous research provided a model identifying three factor groups influencing firms' international strategy and performance (Aaby and Slater 1989). Based on this model we outline several propositions regarding the impact of three environmental factors, namely psychic distance, competition, and country risk, on BGs choice of entry mode, and on their performance as their outcome.