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BUILDING THE BORN GLOBALS: EVIDENCE FROM BULGARIAN MANUFACTURING FAMILY FIRMS

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The purpose of the paper is to explore the internationalisation of family firms in the manufacturing sector of the Bulgarian economy, answering the questions: *why* and *how* these firms internationalise. A qualitative approach was adopted for the study and data were collected via face-to-face interviews with the owner-managers of family firms. The derived information was coded so that the case firms would be analysed using the same approaches. Research findings show that the early internationalisation of the case firms makes them fall into the category of born globals. The main reasons for the early internationalisation of the studied firms were found to be rooted mostly in the protective behaviour of their owners-managers, their personal characteristics and contacts, the specificity of the transitional context and the market limitations among others. This study is pioneering in transition contexts and is expected to be useful for academics, practicians and policy decision-makers.

Keywords: internationalisation, SMEs, born globals, exporting, family firm, entrepreneurs, manufacturing sector, Bulgaria.

«РОЖДЕННЫЕ ГЛОБАЛЬНЫМИ»: ИНТЕРНАЦИОНАЛИЗАЦИЯ СЕМЕЙНЫХ ПРОИЗВОДСТВЕННЫХ ПРЕДПРИЯТИЙ БОЛГАРИИ

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Цель данной статьи — раскрыть особенности процесса интернационализации семейных производственных предприятий Болгарии и ответить на вопросы о том, *почему* и *как* эти фирмы интернационализируются. Сбор данных осуществлялся путем прроведения интервью с владельцами — менеджерами семейных компаний. Для анализа данных использовался качественный подход. Полученная информация кодировалась, что позволило анализировать компании с одинаковых позиций. Результаты исследования демонстрируют, что ранняя интернационализация рассматриваемых компаний позволяет отнести их к категории «рожденные глобальными». Основные причины ранней интернационализации связаны главным образом с защитным поведением владельцев-менеджеров, их личностными характеристиками и контактами, а также со спецификой окружающей среды в странах с переходной экономикой и рыночными ограничениями. Данное иссле-

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дование, проведенное в контексте переходной экономики, является новаторским и будет полезно ученым, практикам, а также тем, кто разрабатывает экономическую политику.

Ключевые слова: интернационализация, малые и средние предпринимательские фирмы, «рожденные глобальными», экспорт, семейная фирма, предприниматели, производственный сектор, Болгария.

INTRODUCTION

The economies of Central and Eastern Europe (CEE) have undergone significant transformation post-1989 [Svejnar, 2006]. Comparative studies in the 1980s and the early 1990s identified the existence of a big structural "hole" of various magnitudes in CEE countries that was manifested in a lack of small and medium-sized firms [Gibb, 1993]. The subsequent economic restructuring in the transition period from centrally planned to market-led economic system has gradually filled in this "hole" via privatisation of former conglomerates and emergence of small and medium-sized enterprises (SMEs) [Uvalic, 2003]. Many of the contemporary SMEs in CEE are family-owned firms [Jaskiewicz, Combs, Rau, 2015]. Their emergence and internationalisation are keys to economic growth of the CEE region [Dana, Wright, 2004].

There is scarce research on the internationalisation of family-owned firms in general [Benavides-Velasco, Quintana-García, Guzmán-Parra, 2013], in the CEE [Dana, Ramadani, 2015] and in Bulgaria. While SMEs are almost 99 percent of all Bulgarian firms, the family-owned ones comprise about 50 per cent of them [Madgerova, Kyurova, 2015].

In 2010, Bulgarian family-owned firms amounted to 156,122 and generated more than Bulgarian leva 38 billion (Euro 19 billion). Many of them were manufacturing firms with the highest level of internationalisation in comparison to all internationalised Bulgarian firms. More than two-thirds of the family-owned manufacturing firms in Bulgaria are managed by their owners [Най-много…, 2011].

Despite their indisputable prominence in the national economy, research on the internationalisation of Bulgarian family-owned firms is rare. Using a sample of 190 Bulgarian SMEs, including 83 family firms, T. Davidkov and D. Yordanova [Davidkov, Yordanova, 2015] have studied the internal factors for their internationalisation. Their findings suggest that SMEs with foreign ownership are more prone to internationalise, while there is no distinction between family-owned and non-family-owned firms. Furthermore, SMEs' propensity for internationalisation and entrepreneurial orientation [Cruz, Nordqvist, 2012] are explored to find that these are key to the internationalisation of Bulgarian small firms [Davidkov, Yordanova, 2016, forthcoming]. The authors of Manolova, Manev, and Gyoshev [2010] have previously studied Bulgarian entrepreneurial new ventures suggesting that domestic personal networks have positive effects on their internationalisation.

Following the above studies, this paper explores the ways in which the internationalisation of Bulgarian family-owned and managed manufacturing firms has been induced in view of *propensity to internationalise*, and *speed, direction and scope of internationali-*

sation. Consequently, the key questions asked relate to why and how owners-managers induce the internationalisation of their firms, when internationalisation starts and why, which foreign markets are targeted and what the reasons are behind these choices.

From the above brief overview, it becomes clear that there is scarce research on the internationalisation of family firms in general and especially in the volatile context of transition economies which is the case of the CEE region overall and Bulgaria in particular. The role of the context is particularly important as indicted in an earlier study by P. Poutziouris, K. O'Sullivan, and L. Nicolescu [Poutziouris, O'Sullivan, Nicolescu, 1997] in which the authors compare the Bulgarian and Romanian entrepreneurial experience of family firms in the early years of the transition period with the one in Greece indicating the role of the context. Concerning the role and impact of institutions in Bulgaria on entrepreneurship N. Williams and T. Vorley [Williams, Vorley, 2015] have uncovered that "institutional asymmetry" between formal and informal institutions hinders the growth of productive entrepreneurship.

The purpose of the paper is to investigate the internationalisation via exporting of family firms in the manufacturing sector of the Bulgarian economy through answering the questions of *why* and *how* these firms internationalise.

The following part of the paper is devoted to a literature review, followed by a methodology section addressing the issues of data collection and data analysis. Then the results from the study are presented and analysed. The latter sector is followed by a discussion and a section on conclusion containing also research limitations and directions for future research.

LITERATURE REVIEW

Internationalisation in relation to family firms has recently attracted research interest in understanding internationalisation characteristics [Li, 2012]. These are important aspects in comprehending how family firms internationalise as they experience important obstacles due to limited resources and capabilities [Graves, Thomas, 2004; Fernández, Nieto, 2005]. Ownership specifics make the internationalisation of family firms dissimilar compared to the internationalisation of non-family firms of the same size (e.g., [Graves, Thomas, 2004; Abdellatifa, Amanna, Jaussaudb, 2010]). A fundamental issue is the inseparability of ownership and control as the owner has a decisive role in the governance of the firm [Cuervo-Cazurra, 2006] and exerts major influence on firm internationalisation. Extant literature claims that 100 per cent family ownership has a harmful impact on family firm internationalisation (e.g., [Sciascia et al., 2012]). Similarly, Z. Fernández and M. Nieto [Fernández, Nieto, 2006] assert that export becomes more intensive with the diminishing share of family ownership. Nevertheless, A. Calabrò with co-authors [Calabrò et al., 2012] assert that the participation of family members in firm management, combined with assisting external influences, could exercise positive impact on family firm internationalisation.

The propensity of family firms to internationalise concerns their predisposition to serve overseas markets. It is studied from various perspectives. For example, applying the Eclectic Paradigm [Dunning, 1981] to Chinese family firms, C. Erdener and D. Shapiro [Erdener, Shapiro, 2005] conclude that they are rooted in the Chinese Confucian culture and are distinct from other firms in terms of ownership, location and internalisation (OLI) advantages. C. Graves and J. Thomas [Graves, Thomas, 2006] identify managerial capabilities as important for the internationalisation of family firms, while network theory suggests that network attachments support company internationalisation [Graves, Thomas, 2004]. In this regard, the authors of [Schweizer, Vahlne, Johanson, 2010] extend the Uppsala process model [Johanson, Vahlne, 1977] by arguing that firms can internationalise because an actual or potential partner is found across national borders and thus target overseas countries while modes of foreign market entry are only of secondary consideration. Internationalisation propensity is related to the size of family firms and the size of the domestic market. Accordingly, Z. Fernández and M. Nieto [Fernández, Nieto, 2005] argue that family firms seek international business growth to gain a competitive advantage in new markets while the owner has overall decision-making power using his/her authority [Gedajlovic, Lubatkin, Schulze, 2004]. Meanwhile, concentration of ownership and control leads to a long-term internationalisation orientation underpinned by the desire to sustain the business [Moss, Payne, Moore, 2014].

The speed of internationalisation is measured by the time span between the establishment of the firm and its first international sales. The challenge of substantial fixed, sunk costs of operating internationally [Pedersen, Shaver, 2011] presents a large impediment to family-owned firms that are usually small and with restricted financial resources. As a result, they may need substantial time to accumulate resources used in overseas operations. Accordingly, G. Hall, and C. Tu [Hall, Tu, 2004] uncover that fixed costs associated with international expansion (e.g. obtaining quality certificates and patents or search for markets) may be too high for family firms due to liability of smallness [Aldrich, Auster, 1986]. The focus on the family means that the owners-managers usually adopt a long-term perspective on internationalisation [Moss, Payne, Moore, 2014] that can develop over time [Olivares-Mesa, Cabrera-Suárez, 2006], making family firms late internationalisers [Gallo, Garcia Pont, 1996; Jaskiewicz, Combs, Rau, 2015]. Y. Yamakawa and co-authors of [Yamakawa et al., 2013] argue that, in order to overcome their latecomer position and resource deficiencies, SMEs from emerging economies "have the capability to do more with less" [Yamakawa et al., 2013, p. 183] by using social contacts. The intention of family firms to enter foreign markets may be hindered by the perceived lack of knowledge, nonetheless Y. Xie and T. Suh suggest "the decisions are made through the lenses of perception (or interpretation), rather than an accurate and systematic assessment of reality" [Xie, Suh, 2014, p. 17]. Hence, the owner's individual cognitive structures could be associated with attention and interpretation patterns reflecting individual propensities, not environmental constraints [Levy et al., 2007; Obloj, Obloj, Pratt, 2010].

The direction of internationalisation is manifested by internationalising towards developed or emerging, neighbouring or distant countries, driven by market and firm characteristics. For instance, firms favour international locations enabling them to exploit their distinctive capabilities [Dunning, 1988] or/and assisting them to overcome their liability of foreignness [Luo, Shenkar, Nyaw, 2002]. Y. Yamakawa and co-authors of [Yamakawa, Peng, Deeds, 2008] argue that SMEs from emerging economies choose to enter developed countries in order to enhance reputation and gain knowledge. Analysing direction of internationalisation, the authors of [Jaskiewicz, Combs, Rau, 2015] argue that family-owned firms are averse to going into new emerging markets due to the family structure of their management in which the livelihood of the whole family is entrusted. Similarly, E. Banalieva, and K. Eddlesston [Banalieva, Eddlesston, 2011] indicate that firms with family leadership have home region focus, whereas firms with outside leadership are with broader international focus.

The scope of internationalisation is about its breadth or span. While high risk of failure overseas may limit the scope of family firm internationalisation [Zahra, Hayton, Salvato, 2004], such firms internationalise via exchanging information and knowledge [Zahra, Sharma, 2004]. Thus, social capital can impact positively identification [Kontinen, Ojala, 2010] and utilisation of opportunities for international expansion. A family firm's access to information resources, that it often lacks internally, is crucial for its aptitude to internationalise [Tolstoy, Agndal, 2010]. Finding contacts or following network partners can be of critical importance for obtaining information about potential opportunities and for the internationalisation scope of family firms. Thus, customers and suppliers can be key sources of market knowledge [Coviello, Munro, 1997]. Key network attachments could be at the core of the understanding of internationalisation and the ability of the owner to identify and develop it across national borders as part of the entrepreneurial process of the firm [McDougall, Oviatt, 2000]. This is of special value for firms from emerging economies, where trust-based relational exchanges could provide support, indirect experiential learning and information for firm internationalisation [Zeng, Williamson, 2007].

METHODOLOGY

This study is based on the supposition that firm family ownership and management has a substantial impact on the decisions related to the internationalisation.

The firms in this study were selected by using 'criterion sampling' [Patton, 2002], where cases had to meet a set of predetermined criteria to be considered eligible. Firstly, the firms had to be SMEs, i.e., with fewer than 250 employees and turnover of less than Euro 50 million [OECD, 2005]. Secondly, in line with the meaning of family firms (e.g., [Gallo, Sveen, 1991]), only SMEs with full family ownership and family management control were selected. Thirdly, from those, only internationalised manufacturing firms were chosen, all of which were with 100 per cent Bulgarian capital and managed by their

founder-owner. Finally, at the time of the interviews, all firms had at least 10 years of international experience. The sample was created on the basis of the list of the 1,500 most successful Bulgarian firms in 2014 with the application of the above criteria. The firms were contacted and asked if they would be willing to participate in the study. The choice of cases was made on the basis of replication logic [Yin, 2013]. Ten interviewed firms from cities in various parts of Bulgaria are analysed [Eisenhardt, 1989] as the use of more than 10 cases can result in "death by data asphyxiation" [Pettigrew, 1990, p. 281]. In all cases at least 50 per cent of firm revenue was generated by export sales and each firm exports were shipped to at least sixteen foreign countries (see Table).

T. Kontinen and A. Ojala recommend a more exhaustive use of the case study approach to studying the internationalisation of family businesses as it allows for "in-depth investigation and explanation of cause-and-effect relationships, and the application of replication logic, so that researchers can identify the subtle similarities and differences across a collection of cases" [Kontinen, Ojala, 2010, p. 99].

Data Collection. Data were collected using semi-structured interviews with owners-managers, i.e., informants with controlling decision-making power [Welch et al., 2002]. Taking into account the fact that firm internationalisation is an ongoing process, the collection of data had a starting point in the beginning of the internationalisation and an end point — the time when the interviews were conducted [Melin, 1992]. Face-to-face interviews were held with each owner-manager lasting between 1,5 and 2 hours in October–November 2015. Prior to data collection, an interview guide containing a list of open-ended and structured questions was developed [Kvale, Brinkmann, 2009] and e-mailed to the interviewees. The structured questions were designed to capture background information for classification purposes (e.g. firm size, age, exports, and current markets). All interviews were recorded and transcribed verbatim [McLellan, MacQueen, Neidig, 2003]. For reasons of anonymity, company names are replaced with pseudonyms. To avoid validity problems associated with the separation of data collection and coding [Miles, Huberman, Saldana, 2014] the authors performed data collection and transcribing the interviews themselves. Agreements from interviewees were obtained for recording the interviews. All interviews were conducted in Bulgarian, a native language for both interviewers and interviewees. Transcripts from the interviews were given to the interviewees for approval. We cross-check data obtained from the interviews with the content of secondary sources such as company reports, internal memos, webpages as suggested by R. Yin [Yin, 2013].

Data Analysis. Structured steps suggested by M. Miles and A. Huberman [Miles, Huberman, 1994] were used to analyse the data. Initially, case descriptions [Yin, 1981] were developed and structural codes were used in order to identify the data most related to the research questions [Saldana, 2013]. Next, data were analysed using a combination of inductive and deductive coding techniques [DeCuir-Gunby, Marshall, McCulloch, 2011]. While theoretical-driven coding ensured that the analysis was theoretically informed, the data-driven inductive coding ensured that interpretation remained open to the data [Roulston, 2011]. Finally, the data were coded for causal and intervening

Table. **Companies and their internationalisation characteristics**

Firm	Established in year	Year of the first export	Number of years between firm establishment and start of internationalisation	Number of years being international	Number of export countries	Number of employees	% of turnover from exports, the end of 2014	Export destinations
MF1	1996	1997	1	18	63	125	67	Europe, Africa, Asia, South America
MF2	1991	1993	2	22	36	12	87	Europe, Africa, Asia
MF3	1990	1991	1	24	24	136	56	Europe
MF4	1990	1996	6	19	18	93	55	Europe
MF5	1997	1997	0	18	39	62	60	Europe, Middle East, Asia
MF6	1996	1998	2	17	16	138	88	Europe, Asia, Africa
MF7	2004	2005	1	10	22	73	62	Europe, Africa, Asia
MF8	2001	2002	1	13	18	115	76	Europe, South America
MF9	1993	1995	2	20	32	65	70	Europe, Asia
MF10	1994	1995	1	20	18	60	68	Europe and North America

conditions by looking for words that cue relations such as 'since', 'due to', 'when' and 'because' [Strauss, Corbin, 1998]. By doing this, it was possible to make a 'conceptual leap' and enrich the understanding of how owners-managers shaped firm internationalisation propensity, spread and scope [Klag, Langley, 2013]. Because case study research benefits from the use of multiple sources of evidence [Ghauri, 2004], attempts have been made to triangulate the multiple perceptions generated from the respondents during the interviewing process with documentary evidence and on-site visits.

RESULTS

Selected quotations are used on inducement of internationalisation by the owner-manager, propensity to internationalise, speed, direction and scope of internationalisation. Findings are drawn from the ten manufacturing family-owned firms (MF1, MF2, MF3, MF4, MF5, MF6, MF7, MF8, MF9, MF10). Data show that all firms have internationalised within 0–2 years of establishment, with the exception of MF4, which internationalised 6 years after creation. This fact classifies all firms as early internationalisers. Hence, their propensity to internationalise is very high from inception. Owners-managers share that the Bulgarian market is small (MF1, MF2, MF6, MF7, MF8) and did not doubt the need to go abroad "to find more clients" (MF2); "to maintain sales" (MF6), to increase revenue, profits and ensure that the business venture is sustained over time (MF7, MF8, MF9), "we cannot survive selling only in Bulgaria" (MF4, MF8), and "to grow" (MF1, MF2, MF3, MF5, MF6, MF7, MF10). The respondents speak about their determination to export as something they do not question, as their responsibility and destiny using words such as "I must…" (MF1, MF4, MF6, MF7), "We have to export…" (MF5), "The firm was established to operate in foreign markets" (MF8), "Exporting was on the agenda from the beginning", and "We wanted to export…" (MF2; MF10). Even in case MF9 where the respondent states "We had an accidental start of exporting", further on, he claims that "Exporting was on firm agenda as I believed we could do it" (MF9). The beliefs and determinations are supported by self-awareness and self-confidence in statements such as "It was a hurdle I had to jump over" (MF1), "I knew I could find clients" (MF2), "I found international clients and perhaps I could find even more" (MF4), "We are real professionals determined to succeed" (MF9). Moreover, the respondents do not see a domestic alternative only for their firms, although they may have started successfully and gained a competitive position in the domestic market (MF2, MF8, MF9, MF10), while the rest of the interviewees see international markets as an inseparable part of their original business design.

It is noteworthy that all interviewees wanted to succeed, but several of them were explicit in relating the growth of the firm and its exports to their responsibility towards their family and their employees (MF7, MF10).

Data confirm that the high predisposition for internationalisation is associated with a need to look for and find foreign clients. The search for overseas markets and

clients is present in all firms from inception except for MF9. The specific approaches to finding foreign clients vary and can be "unintended" or reactive — "a company came to us" (MF1), a multi-targeted search — "participation in a trade fair" (MF2), and a more specific target focused search — "I found a client" (MF10).

None of the respondents stated risks or difficulties/obstacles associated with internationalisation as undermining their will to internationalise or deterring the firm from international growth, rather risks were seen as critical issues to deal with. In all cases, the owner-manager has induced fast internationalisation of the firm and has sought its speedy development being determined to export so that the firm can grow and succeed. Therefore, it has been uncovered that the case firms have been early rather than late internationalisers despite initially facing liabilities of smallness and newness [Stinchcombe, 1965].

The direction of internationalisation is analysed in terms of where the exports go to. Data indicate that all case firms have internationalised in both neighbouring and distant European markets, while a number of them in countries on other continents. Although there is not a single pattern emerging across all firms, many of them (MF1, MF4, MF6, MF7, MF9, MF10) initiated their international activities in neighbouring countries because of geographic and cultural proximity that facilitated finding relevant contacts. Subsequently, quickly they started exporting to distant European countries. It is obvious that the entry of Bulgaria into the European Union (EU) has created favourable conditions for exports to EU member states. Then, some firms began exporting to Asia, Africa and Latin America. Some cases diverge from this pattern. Thus, MF2 and MF3 started exporting to physically and psychologically distant countries as Japan and the USA. Later, MF2 expanded exports into other developed countries, whereas MF3 directed export operations first to neighbouring countries and subsequently into distant EU countries. MF5 has alternated between distant EU, neighbouring and far away export destinations, whereas MF10 started exporting to another continent, afterward locating exports to neighbouring countries first and then expanding into distant EU countries. The above illustrations show that the direction of internationalisation of the case firms has been divers. Some of the firms have followed a waterfall sequential expansion to new markets (MF4, MF6, MF8. For example, the owner-manager of MF8 states: "We started with one big client, then another one, then another one and so on". The other firms (MF1, MF2, MF3, MF5, MF7, MF9, MF10) have started with a sprinkler internationalisation entering as many markets as possible in a short time, e.g., the owner-manager of MF1 says: "At the end of the first four years of our internationalisation we had 25 different export markets".

Business-to-business firms internationalising to Germany are proud of their fast adaptability and technical skills. They bring evidence about the high technical expertise and quality control acquired from their German clients (MF5, MF8). Firms selling products to neighbouring countries declared acquisition of market growth, product information and regular exports (MF2, MF6, MF10). None of the case firms distinguishes between emerging and developed markets. The owner-manager of MF7

notes: "We export to African destinations in ship containers, whereas most of our exports to Europe are figuratively in shopping baskets". Firms with high value-added (exporting end products) and low value-added (original equipment manufacturers) have significant exports to developed markets. Consequently, for these markets owners-managers underline quality, reliability, timed delivery, meeting standard requirements, flexibility and working to tight deadlines as key determinants. The owners-managers of MF1, MF3, MF5, MF6 and MF7 stress that the Russian market is not attractive to them due to high market entry barriers and extreme bureaucracy. Respondents also comment that they work well with African (MF7) and Far Eastern (MF1, MF2, MF5, MF6, MF9) contacts, as well as with contacts in Germany, the UK and the Balkan-region countries (all firms, except MF4).

The spread of internationalisation of the studied firms clearly points to a healthy span across numerous countries and continents. Data specify that the overall number of countries to which each family firm exports ranges from 16 to 63, with an average number of 28,6 countries per firm. Only MF3 and MF4, with the lowest internationalisation intensity, measured by the percentage of export sales in the overall revenue of the firm, are present in Europe only. MF3 has almost equal sales revenue from the domestic and foreign markets, while MF4 has not been as proactive as the other firms in gaining international market position.

A key issue that comes out in each interview is the inducement of the internationalisation process through a system of contacts and the role of social ties in providing access to these key contacts. It is clear that internationalisation is contact driven in all case firms. Contacts are secured by owners-managers, family relatives, friends or previous connections: "A relative linked me to the first contact abroad. Then I developed it" (MF1); "It is my father and I that find clients and develop contacts with them. Friends help us" (MF2); "I contact friends living abroad, they help…then it is a friend of a friend who comes bringing new contacts… my close family tries to help" (MF7); "It is me and my wife developing the business and looking for clients, apart from the initial export we had. Since then, we search for international clients and develop relationships with them" (MF9).

In certain cases, overseas connections are initiated by the managers of another firm in the same municipality: "The management of a big plant outside our city helped me get the first foreign contact, a firm they were working with, and then new contacts just came to us" (MF8); or diaspora: "I rely on my friends abroad. They secure contacts in the European markets as friendship never dies. These relationships are of mutual worth. That is how our shared trust extends" (MF3). In some cases, external actors (individuals or firms) approach the owner-manager at different stages of firm internationalisation seeking contacts for possible partnerships and subsequent exporting: "Initially foreign clients found me, then I was looking for clients abroad and I started going to international trade fairs" (MF4); "When we had a few clients in Africa, others came as they heard about us" (MF7); "The internationalisation decisions are strongly facilitated by our

relationships with a large firm that came to us when we were setting up the firm. They provided us with orders that kicked-off the business. This partner has brought other firms wanting to become our clients" (MF5); "After starting the firm I went to a neighbouring country where I worked and learned a lot about my business and developed contacts. Coming back to Bulgaria I started manufacturing products that I sold to my foreign contacts" (MF6).

An important trait of the data is the recognition that contacts can be provided by various sources. Nevertheless, it is always the owner-manager who develops the contacts ensuring their longevity. Trust and reliability of contacts are consistently emphasised as factors of major importance for the international success of all firms.

DISCUSSION

C. Graves and J. Thomas [Graves, Thomas, 2008], using Bell's classification, identify family firms as born-global, re-born global and traditional internationalisers. This paper brings evidence that the internationalisation of Bulgarian family-owned manufacturing firms that internationalised within the first 2 years of their establishment can be classified as born-global. The initiation of their internationalising may well not be uniform in terms of internationalisation inducement, direction and scope.

Contrasting previous findings (see e.g., [Gallo, Garcia Pont, 1996; Jaskiewicz, Combs, Rau, 2015]), this study shows that family firms can be early internationalisers regardless of their resource limitations. The small size of the domestic market and the volatility of the home country environment increase owners-managers' resilience to 'hurdles of internationalisation' and almost eliminate the perception of risk when internationalising, thus reinforcing their determination to internationalise as early as feasible.

Research findings confirm that the inseparability of family ownership and control exerts key influence on firm internationalisation [Ramasamy, Yeung, Laforet, 2012], nonetheless unlike previous research (e.g., [Mensching et al., 2016]) this paper points to its positive rather than negative influence of family ownership. Thus, it is not only the resources and capabilities of the firm that determine its internationalisation inducement, but more so the determination of the owner-manager to find ways to internationalise the firm. Thus, the firm owner-manager meets, interacts and is aligned with domestic contacts and foreign partners that facilitate the inducement of family firm internationalisation. The speed, direction and scope of internationalisation emerge as consequences of such alignments. In the case of proactive owner-manager behaviour, intent feeds into determination to internationalise that is followed by a multi- or specific targeted search for identifying clients. A reactive behaviour is observed when clients approach the owner-manager of a family firm, which can be at a stage of no intent, intent and determination to internationalise, when a multi- or specific targeted search for clients is under way or even when the firm has already had international sales (see Figure).

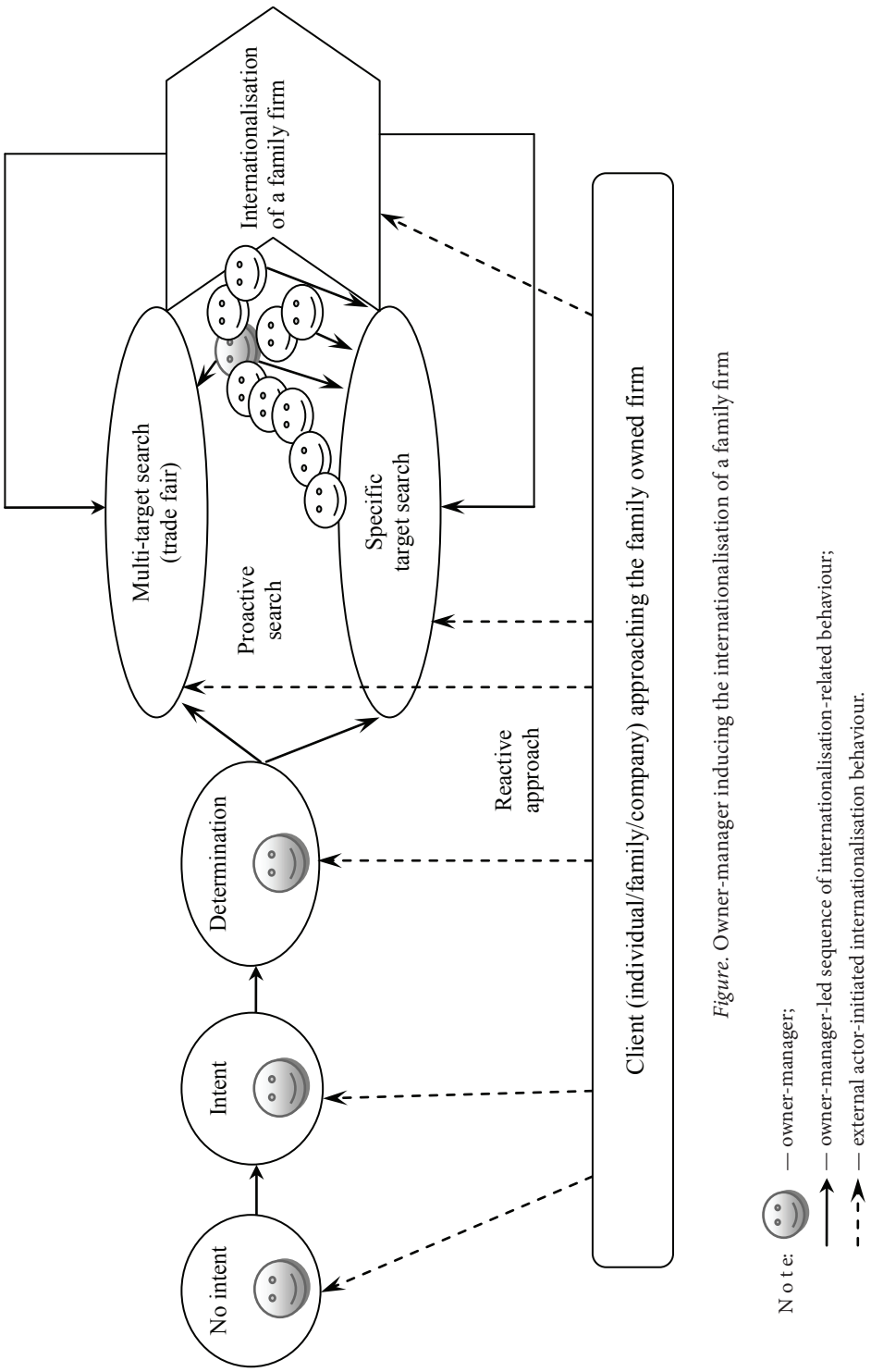

Figure. Owner-manager inducing the internationalisation of a family firm

With the development of international activities a combination of these approaches is used to develop a diverse network of contacts across markets.

While previous research posits that the internationalisation of family firms is restricted due to shortages in managerial, technological and marketing capabilities [Dhanaraj, Beamish, 2003; Leonidou, 2004], these limitations do not appear to be of much significance in the Bulgarian case firms. Their internationalisation is induced by the owners-managers and it critically depends on their social spaces [Wellman, 1988]. Data reveal that owners-managers proactively seek clients through a range of family, friend and local community-based relational ties, and at professional trade fairs (Figure). Thus, the internationalisation of family firms is enabled by the social space of the owner-manager that is complemented by the social spaces of his/her family, friends, local social or business community actors in the social space of which contacts for internationalisation are found.

CONCLUSION

The paper contributes to the understanding of the inducement, speed, direction and scope of internationalisation of family firms in a transition context. It shows that Bulgarian family-owned manufacturing firms are early internationalisers and as such they exhibit mostly proactive behaviour in finding international clients. It is the internationalisation intent and determination of the owner-manager that induce speedy internationalisation through contacts in own, family or community social spaces. In family firms, owners-managers have a positive impact on firm internationalisation despite the fusion of ownership and control as suggested by A. Calabrò with co-authors [Calabrò et al., 2012] regardless the unfavourable pressures of the volatile home country environment. The owner-manager has no limiting effect on the direction for internationalisation to neighbouring and distant, developed and emerging markets. These findings do not support E. Banalieva and K. Eddlesston [Banalieva, Eddlesston, 2011] as well as the authors of [Gomez-Mejia, Makri, Larraza Kintana, 2010] who claim that family firms selling abroad tend to target culturally close countries or have a regional focus only.

The importance of the paper for policy makers is related to the recognition that family firms, which contribute substantially to the economy, should be supported to develop their social spaces through encouraging and enabling linkages between socio-economic actors that can expand the bounded sociality of the firm [Gelbuda et al., 2014]. Such a support may spur proactive search of contacts by owners-managers of family firms and effectively create a greater scope of internationalisation. Moreover, nurturing of intent and determination for internationalisation requires investment of state resources to create self-awareness and entrepreneurial spirit in next generations of family firm entrepreneurs. The lack of state and institutional support in the internationalisation process of family firms from transition economies can be overcome via changes in government and institutional policy.

This paper makes a contribution to the existing body of literature pointing out that the context specifics in transition economies as well as personal specifics of small and medium-sized family firms in a transition context can exhibit specifics in their internationalisation that are not in line with the findings of the internationalisation of family firms in non-transition contexts. The early internationalisation of family firms identifies that the transition context, small size of the market, low purchasing power of clients in the domestic market serve as a boost in the inducement of internationalisation.

The first limitation of this study relates to the inclusion of firms from one industry only, which restricts the generalisability and external validity of the study to other industries and type of firms. A second limitation relates to the type of manufacturing the firms in the sample perform as the inclusion of more firms from various manufacturing sectors may provide more comprehensive results. A third limitation is the incomplete regional diversity of the sample, as it does not include companies from Eastern and Western Bulgaria.

Future research can expand the scope of the study including other sectors of the economy to uncover the role of sectors on the internationalisation specifics. A comparative study can be made between born globals and slower internationalising family firms in one transition context or among various transition contexts to investigate the reasons for various speed of internationalisation.

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