INTERACTION ACROSS BORDERS

As globalization facilitates trade across geographical borders, more and more small and medium-sized enterprises (SMEs) take the opportunity to internationalize, sometimes even immediately after their start-up. To enhance our understanding of how SMEs internationalize, this dissertation investigates different means of interaction that SMEs employ in foreign business relationships to develop the experiential knowledge needed for further internationalization. The investigated interaction means are high-commitment internationalization modes, low-commitment internationalization modes, business network relationships, personal network relationships, and personal interaction. Based on qualitative, longitudinal data from eight born global SMEs in the biotech field and a questionnaire survey of 188 SMEs from various industries, results show how different groups of firms apply different interaction means to develop experiential knowledge and internationalize. In particular, the results show that differences in the backgrounds of founders and managers strongly influence the means that different groups of SMEs use when interacting with foreign business counterparts. Moreover, interaction of high quality and quantity, in the form of personal interaction, reduces uncertainties and supports the development of trust and experiential knowledge in internationalizing SMEs. Personal interaction is also shown to be an especially important interaction means for firms that develop new products or new technologies in collaboration with foreign customers. Building on these results, the dissertation contribute to the development of theory about the influence of interaction on the experiential knowledge development and internationalization of SMEs in general and rapidly internationalizing SMEs in particular.