

A born global's radical, gradual and nonlinear internationalization: A case from Belarus*

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This paper contributes to the literature on internationalization processes by showing that a born global can experience nonlinear internationalization (de- and re-internationalize) after radical/fast initial growth, and use some subsidiaries as bases for further gradual expansion. After studying a case of a Belarusian door producer that has invested to seven and exported to 11 more countries, we conclude that a home country's political/economic environment can be a crucial 'push' factor for a firm's fast internationalization but, thereafter, it can internationalize gradually due to lacking knowledge or other resources, and de- and re-internationalize due to various internal and/or external reasons.

Key words: internationalization, born globals, de-internationalization, Belarus, case study (JEL: M16, F23, F20)

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Introduction

Internationalization processes have received considerable research attention since the 1970s. Most authors have focused on early internationalization stages and studied either 1) very fast/radical internationalizers – born globals¹ and international new ventures (Oviatt/McDougall 1994; Bell 1995; Madsen/Servais 1997; Cavusgil/Knight 2009; Coviello 2015; Knight/Cavusgil 2015) – or 2) slow, gradual internationalizers (Johanson/Wiedersheim-Paul 1975; Johanson/Vahlne 1977, 1990; Bilkey 1978).

There is still not enough evidence on firms' later internationalization stages: for instance, on born globals' longitudinal development (Trudgen/Freeman 2014; Welch/Paavilainen-Mäntymäki 2014; Zander/McDougall-Covin/Rose 2015). This topic needs more research attention as such firms cannot grow very fast/radically forever. Consequently, born globals that have slowed internationalization down, exited or re-entered markets (Jones/Coviello/Tang 2011; Freeman/Deligonul/Cavusgil 2013; Nummela/Saarenketo/Loane 2016; Sleuwaegen/Onkelinx 2014) or done this several times like serial nonlinear internationalizers (Vissak/Francioni 2013; Vissak/Masso 2015) still need considerable research attention.

Due to differences in foreign countries' economic/political environments, firms cannot use the same strategy on all markets (Dikova 2012; Drummond 2012; Xu/Meyer 2012). Also, the home context affects both internationalization motives and processes (Dikova/Jaklič/Burger/Kunčič 2016; Zander et al. 2015). Thus, many authors (see Meyer/Peng 2005; Meyer/Gelbuda 2006; Svetličič/Jaklič/Burger 2007; Vissak/Ibeh/Paliwoda 2007; Gelbuda/Meyer/Delios 2008; Ninan/Puck 2010; Nowiński/Rialp 2013; Musteen/Datta/Francis 2014; Vissak 2014; Dikova et al. 2016) have emphasized the need of studying firms from CEE as due to the region's complicated history, they could follow untraditional internationalization paths. Moreover, according to Nowiński and Rialp (2013: 192), there is a deficit of “studies concerning early internationalization of SMEs from transition economies and particularly from Central and Eastern European (CEE) countries”. Also, only a few authors have studied if the ability of internationalizers from emerging economies to operate successfully in their home country's unfavourable business environment can help them to operate elsewhere (Anil/Tatoglu/Ozkasap 2014). Thus, it is especially interesting to study Belarusian born globals' internationalization as, due to a complicated political/economic situation (Welter/Smallbone/Slonimski/Slonimska 2008;

¹ In defining born globals, we follow Kuivalainen/Sundqvist/Servais (2007) that they achieve at least a 25% export share and enter culturally distant foreign countries during the first three years since establishment, Madsen and Servais (1997: 579) that they “derive significant advantages from /.../ the sale of outputs to multiple countries/continents right from their legal birth“ and Coviello (2015) and Knight and Cavusgil (2015) that they mainly prefer exporting. Thus, a born global should enter at least one other continent in three years or less since establishment and achieve a 25-percent or higher export share during this period.

Liuhto/Heikkilä/ Laaksonen 2009; Zashev/Ehrstedt 2010; Weiss/Welsh 2013) they could experience unique internationalization paths both in early and later internationalization stages.

This paper aims to contribute to the literature on internationalization processes – especially the literature on born globals and nonlinear internationalizers – by showing that a born global can experience nonlinear internationalization (de- and re-internationalize) after radical/fast initial growth, and use some subsidiaries as bases for further gradual expansion. It is based on case study data of a Belarusian door producer. The paper starts from an overview of internationalization literature. After the method section, case study results are analysed and, thereafter, discussed. The paper ends with managerial and research implications.

Literature review

Different factors can simultaneously cause and affect internationalization (Benito 2015; van Tulder 2015). Below we will give a short overview of the literature on internationalization pathways and factors affecting its speed, but also exits and re-entries.

The internationalization literature focusing mainly on growth. In this literature, two internationalization paths have received the most attention². According to studies on born globals and international new ventures (Oviatt/McDougall 1994; Bell 1995; Madsen/Servais 1997; Cavusgil/Knight 2009; Knight/Cavusgil 2015), some internationalizers enter distant countries soon after establishment and often, view the world market similarly to their home country. Moreover, they achieve a relatively high export share soon after foundation. Fast internationalizers can compensate their initial lack of experience, knowledge and other resources with active networking, innovativeness, flexibility and adaptability (Knight/Cavusgil 2004, 2015; Svetličič et al. 2007; Freeman et al. 2013). They can also use internationalization for learning (Dikova et al. 2016) and capability-building (Benito 2015; Meyer 2015). Moreover, some firms tend to use effectuation logic: react flexibly to market changes and experiment in market entry instead of following a systematic plan (Andersson 2011; Nowiński/Rialp 2013). Sometimes, the host country's economic/political environment also matters. For instance, Kahiya (2013: 3) stated that “rapid internationalization ensues from positive managerial orientation and lack of confidence in the host market”.

According to studies on slower internationalizers (Johanson/Wiedersheim-Paul 1975; Johanson/Vahlne 1977; Bilkey 1978; Johanson/Vahlne 1990; Morgan/Katsikeas 1997; Ninan/Puck 2010), the first foreign market entry takes more time and firms start internationalizing from closest and/or more familiar markets because they lack contacts, knowledge and other resources to enter more distant

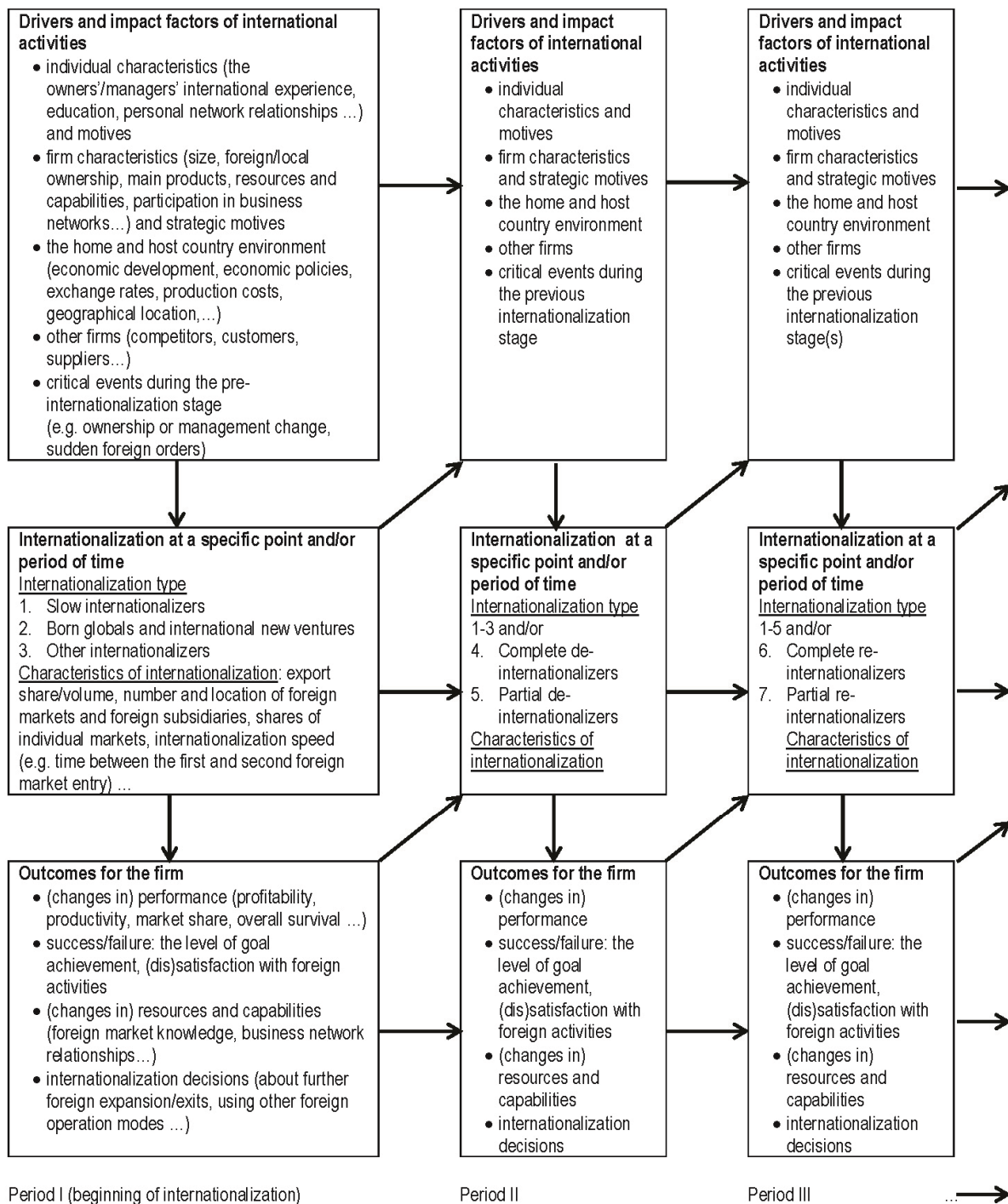
² As our case firm did not resemble a born-again global/late starter (Johanson/Mattsson 1988; Bell et al. 2001; Sheppard/McNaughton 2012), we will not give an overview of this literature here.

and/or less similar markets first. They will gradually enter such countries only after acquiring foreign market knowledge and other resources and creating necessary contacts. Moreover, firms tend to start internationalization from exporting and invest abroad later. Still, some authors have stated that market knowledge, but also other resources, can be acquired through acquisitions (Luo/Tung 2007; Elango/Pattnaik 2011) or network linkages (Musteen et al. 2014): this can speed up internationalization. Thus, for instance, emerging market multinationals “are often not path dependent nor evolutionary in selecting entry modes and project location” (Luo/Tung 2007: 482).

The internationalization literature focusing on fluctuations in international involvement. The above-mentioned growth-oriented approaches tend to overlook fluctuations in internationalization (Freeman et al. 2013; Vissak/Francioni 2013). Several authors have stated that internationalization does not always mean constant growth. For instance, Macharzina and Engelhard (1991) found that some internationalizers experience periods of “leaps” and also some stable international development periods, Kutschker, Bäurle and Schmid (1997) distinguished between evolution (slow and minor changes), episodes (rapid and considerable changes) and epochs (consisting of both) while Bell, McNaughton, and Young (2001: 177) noted that “firms may experience ‘epochs’ of rapid internationalisation, followed by periods of consolidation or retrenchment”. Finally, Olejnik and Swoboda (2012: 486) found that “committed internationalising firms may slow down their internationalisation and focus on their home market” and Trudgen and Freeman (2014: 557) stated that born globals “may also undertake non-linear internationalisation and move back and forth between stages as they de- and re-internationalise”.

During de-internationalization – reducing geographic scope and/or foreign market penetration (Turner 2012) – some firms withdraw from all foreign markets completely (Oviatt/McDougall 1995; Crick 2004; Welch/Welch 2009) but some continue with foreign operations in one or more countries (Calof/Beamish 1995; Benito/Welch 1997; Swoboda/Olejnik/Morschett 2011). Moreover, some firms retain activities in all countries but in partially reduced form (Vissak/Francioni 2013). During re-internationalization – advancing steps after de-internationalization (Luostarinen 1994) – some firms re-enter all markets completely (Welch/Welch 2009; Javalgi/Deligonul/Dixit/Cavusgil 2011) but some enter different markets (Pauwels/Matthyssens 1999; Crick 2004; Matthyssens/Pauwels 2004; Javalgi et al. 2011; Freeman et al. 2013). Some firms – serial nonlinear internationalizers – de- and re-internationalize several times (Vissak/Francioni 2013; Vissak/Masso 2015) and use combinations of entry and exit strategies (Axinn/Matthyssens 2002).

Figure 1: The process perspective of international activities



Changes in a firm’s internationalization path can be caused by the need to adapt its strategy due “to changes in the firm and in the external environment” (Trudgen/Freeman 2014: 557) including changed economic policies and conditions (Akhter/Choudry 1993; Turner 2012; Figueira-de-Lemos/Hadjikhani 2014; Gnizy/Shoham 2014; Vissak 2014): for instance, competition (Javalgi et al. 2011), demand or exchange rates (Welch/Wiedersheim-Paul 1980). Moreover, they can be affected by the firm’s resources – including its network relationships

(Hadjikhani 1997; Welch/Welch 2009; Turner 2012) and foreign market knowledge and/or experience (Gnizy/Shoham 2014) – and capabilities (Javalgi et al. 2011; Cuervo-Cazurra/Narula/Un 2015; Dikova et al. 2016). Managers' attitudes (Benito/Welch 1997), perceptions regarding the market's importance (Sleuwaegen/Onkelinx 2014) and the firm's (dis)satisfaction with its internationalization (Javalgi et al. 2011; Swoboda et al. 2011) and home market situation (Cuervo-Cazurra et al. 2015) can also affect internationalization decisions. For some firms, de-internationalization or other changes in internationalization are strategic choices (Benito 2005; Freeman et al. 2013; Vissak/Francioni 2013), but some are forced by political pressure (Akhter/Choudry 1993) or, in some cases, cultural differences (Crick 2002).

From the above we conclude that internationalization processes can differ considerably: some firms experience fast international growth while some expand slowly, some de- and re-internationalize once, but some do it several times. Changes in internationalization can be voluntary or forced and they can be caused by several internal and external factors and actors (see also Figure 1).

After the method section, we will explain which factors influenced a Belarusian firm's nonlinear internationalization. Thereafter, we will discuss the results.

Method

We selected the case study method as it enables to combine previously developed theories with new empirical results and, resultantly, expand them; investigate complex phenomena and processes within their contexts and develop new and empirically valid theoretical and practical insights (Eisenhardt 1989, 1991; Yin 1994; Dubois/Gadde 2002; Ghauri 2004; Eisenhardt/Graebner 2007; Welch/Piekkari/Plakoyiannaki/Paavilainen-Mäntymäki 2011). Moreover, several authors have suggested this method for studying internationalization due to the complexity of this phenomenon and the necessity to use a longitudinal perspective (Eckert/Mayrhofer 2005; Welch/Welch 2009; Vissak/Francioni 2013).

This paper is based on a single case study. This increases observer bias and the risk of misjudging single events or even (accidentally) distorting important evidence (Leonard-Barton 1990; Eisenhardt 1991; Voss/Tsikriktsis/Frohlich 2002) and reduces the generalizability of the results – for instance, based on one firm, we cannot assume that all others internationalize similarly and are affected by the same factors – but it allows presenting the richness of the results and retaining the depth of the study (Dubois/Gadde 2002; Eisenhardt/Graebner 2007; Piekkari/Welch/Paavilainen 2009). The latter is necessary for understanding the complexity of the case firm's internationalization and the factors affecting it. Moreover, even a single case can be used for theory-building (Dyer/Wilkins 1991).

To find an information-rich case, X. Zhang used purposeful sampling (Patton 2001). According to Banalieva and Dhanaraj (2013: 99), a “ten-year period is sufficiently long to capture the evolutionary nature of internationalization”. Initially, he also explored some other firms, but the selected case firm’s owners were ready to provide more information about its internationalization activities by countries since its foundation in 2000.

In total, X. Zhang conducted 8 hours of interviews via Skype and phone in June 2014, 1 hour in October 2014, 0.5 hours in January 2015, 0.5 hours in May 2015 and 0.5 hours in January 2016. He selected several major informants – two founders and a sales manager – from the firm to investigate multiple viewpoints and to reduce the likelihood of misinterpretation (Ghauri 2004). He conducted all semi-structured interviews with open-ended questions (see Appendix 1) in Russian. All the interviewees received questionnaires at least four days before interviews. In addition to interview materials, he used the case firm’s financial data from its annual reports for validating the conclusions made based on interviews (Eckert/Mayrhofer 2005). Due to the sensitive nature of the case and the requirement of the case firm’s owners, he could not disclose the firm’s name.

The data analysis followed three phases proposed by Miles and Huberman (1994): data reduction (writing summaries and discarding irrelevant data); display (creating figures and tables to draw conclusions) and the verification of the initial conclusions through further data collection. In the discussion section, we will also compare the results with other studies’ conclusions.

Case evidence

An overview of the case firm. Two Belarusian entrepreneurs established the firm in 2000. It produces doors and door-frames from metal, wood and PVC-U. In 2015, its turnover was 20.55 million USD. It exported to 18 countries and had 219 employees (see Table 1) in eight countries. Below we will explain how and why this firm internationalized.

The founders’ background. The owners studied economics and business administration in Belarus and thereafter, worked in the public sector for four years. As in the end of the 1990s, a construction boom started in Minsk, they decided to start doing business. They used their savings and borrowed from their parents to acquire second-hand machines from Germany and Poland. Their first customers were local decoration companies.

Motives for initial internationalization. Although the owners did not aim to internationalize since the beginning, already in 2001 they decided to do it as according to one of them, “*there is no stability for private business in this country*” and “*as many foreign markets were growing, it was much more profitable for us to sell there.*” Moreover, the other owner stated that in Belarus, “*the government has very strict control on foreign currency exchange and sometimes a company*

needs U.S. dollars to purchase materials, but it cannot buy currency from the bank”, so they needed to export to earn foreign currency. In addition, both owners wanted to grow their business without the risk that the government would take over their firm as “*here, even a large privately owned firm can be suddenly taken over*” and they had already started attracting ‘governmental attention’. Thus they felt that staying only in Belarus would become more risky as turnover growth would increase the possibility of governmental takeover. Still, they did not want to move the whole business abroad as “*after all, we are Belarusians*”.

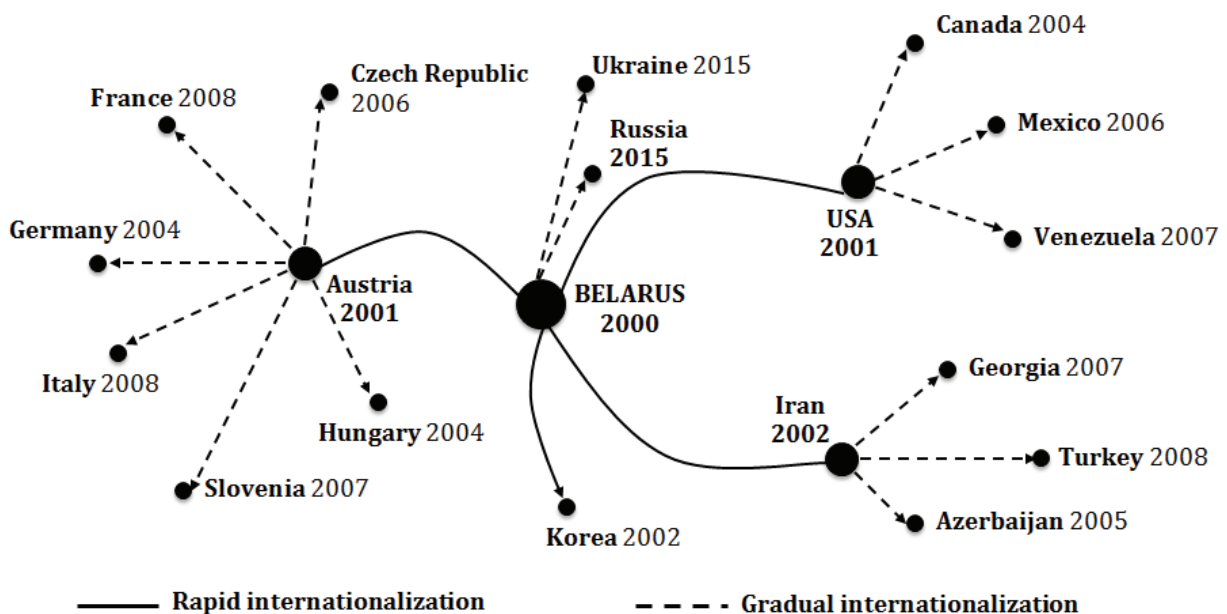
Table 1: The firm’s turnover, export share, net profit growth/decline and number of employees by countries in 2000-2015, million USD

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Turnover	0.15	0.33	0.98	1.26	1.93	2.47	2.68	3.57	5.00	5.75	6.62	8.42	10.29	11.66	12.28	20.55
Belarus	0.15	0.12	0.15	0.20	0.10	0.15	0.23	0.18	0.18	0.22	0.15	0.11	0.16	0.12	0.10	0.23
USA		0.11	0.28	0.32	0.50	0.43	0.65	0.73	0.95	1.12	1.00	1.15	1.38	1.95	2.03	2.60
Austria		0.10	0.30	0.45	0.46	0.50	0.52	0.48	0.45	0.51	0.70	0.66	0.68	0.92	1.12	1.33
Iran			0.17	0.20	0.29	0.52	0.18	0.55	0.68	0.65	0.73	0.71	0.77	0.75	0.39	0.89
South Korea			0.08	0.09	0.08					0.12			0.15			0.09
Germany					0.23	0.35	0.42	0.55	0.52	0.52	0.79	1.00	1.25	1.32	1.56	3.03
Canada					0.19	0.22	0.22	0.23	0.18	0.38	0.52	0.69	0.80	1.01	0.99	1.91
Hungary					0.08	0.10	0.09	0.05	0.20	0.09	0.12	0.19	0.22	0.29	0.29	0.25
Azerbaijan						0.20	0.15	0.32	0.38	0.50	0.55	0.60	0.62	0.68	0.70	0.72
Mexico							0.13	0.19	0.22	0.21	0.52	0.68	0.93	0.53	0.62	0.66
Czech Rep.							0.09		0.15	0.11		0.19	0.23	0.52	0.35	0.44
Slovenia								0.10	0.16			0.36	0.56	0.53	0.58	0.61
Georgia								0.10	0.20	0.22	0.29	0.45	0.32	0.48	0.61	0.83
Venezuela								0.09	0.11	0.19	0.20		0.35	0.38	0.33	0.44
Turkey									0.30	0.50	0.38	0.56	0.82	0.88	1.12	1.78
France									0.21	0.30	0.48	0.68	0.55	0.82	0.89	1.52
Italy									0.11	0.11	0.19	0.39	0.50	0.48	0.60	1.28
Russia																1.55
Ukraine																0.39
Export share, %	0.0	63.6	84.7	84.1	94.8	93.9	91.4	95.0	96.4	96.2	97.7	98.7	98.4	99.0	99.2	98.9
Net profit growth/decline (-) compared to the previous year, %	n.a.	35.8	33.2	12.5	36.9	23.5	10.6	18.7	27.2	20.2	-10.1	10.3	20.4	19.8	18.3	17.8
Number of full-time employees	19	36	45	45	62	85	112	103	147	160	156	183	190	212	215	219

Initial fast internationalization. As one of the owners had contacts abroad, the firm started exporting to Austria and USA in 2001 and to Iran and South Korea in 2002. After direct exports, the owners decided to establish sales subsidiaries in Austria and USA in 2003 and in Iran in 2004 although they lacked knowledge. One of the explained: “*We did not know that much about these markets... and we only had a few contacts. We decided to establish sales subsidiaries in Austria and USA to understand their market situation. We also established a subsidiary in Iran in 2004 as their government promoted trading with Belarus and as we needed to learn due to huge cultural differences.*”

The reasons for slowing internationalization down. After the initial fast internationalization, the owners decided to slow the further process down so that they could focus on renewing their production technology and learning about foreign markets. They formed profitable partnerships with one customer in USA in 2002, two in Austria in 2003 and one in Iran in 2004. One of the owners stated: “*We needed to stabilize these relationships, this way we could plan our production quite well and gain stable profit to support our firm’s development. This gave us time for deciding where to go next.*” In 2004, they decided to use their sales subsidiaries in Austria, USA and Iran not only for learning how to operate there, but also for gradually entering their neighbouring countries (see Figure 2). The owners had three main reasons.

Figure 2: The firm’s internationalization process



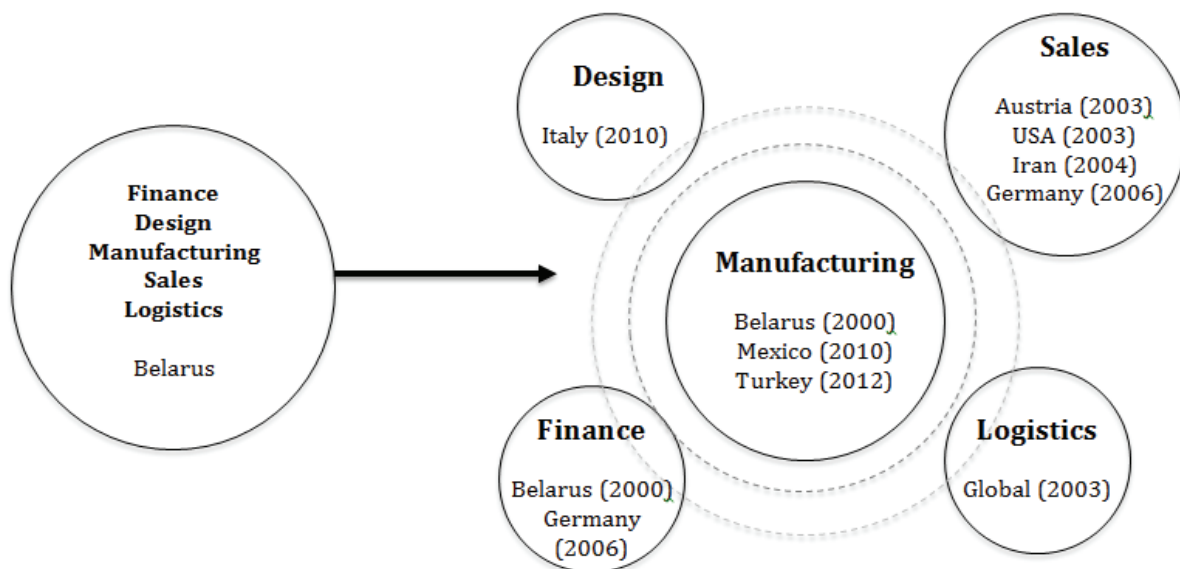
1. They had difficulties in finding new customers in their initial markets. One of the owners explained: “*We entered our first markets fast, but did not understand them well. We realized that finding new customers was much harder than we had initially thought. Still, as our sales were quite stable, we decided to find*

more customers in their neighbouring countries.” Moreover, the sales manager of the firm’s American subsidiary stated: “Stability in the first three markets gave us opportunities to learn about nearby foreign markets. In USA, we found many potential customers from Canada and Mexico.”

2. They wanted to diversify risks. According to one of the owners, *“Our government is still able to cut off our export channels. Very often, it has conflicts with American and European governments. So, to be more secure, we needed to export to as many markets as possible. However, taking into account our resources and knowledge, we tried to expand slowly.”*

3. They wished to achieve long term development. One of the owners stated: *“Entering a new market is like reading a new book: you learn something. In the future, we plan to move most of our company abroad, but we have to do it slowly and we do not want our government to notice us: it is risky to grow large in Belarus because you will attract our government’s attention.... Thus, we are gradually entering new markets to understand where to relocate.”*

Figure 3: Changes in the firm’s structure in 2000-2015



The reasons for relocating activities and establishing new subsidiaries. Relocation of some subsidiaries (see Figure 3) was not only motivated by the country’s political environment but also by the owners’ wish to lower production and logistics costs, improve product quality and quicken innovation. In selecting locations for their subsidiaries, they followed the principle *“let the country do the job it is good at”*. Thus, in 2006 they established both a sales and a financial subsidiary in Germany.³ Relocating some financial functions to Germany was

³ In terms of sales, it focused only on a few most important customers, while the Austrian subsidiary continued co-ordinating most of the firm’s exports to Germany.

reasonable as they found a partner there; moreover, they could keep capital in Euros (according to one of the owners, “*we needed foreign currency both for our business and personal life and we needed freedom for using our funds*”). Only some employees were retained in Belarus to handle some production operations and serve local customers.

In 2010, the owners opened a new manufacturing subsidiary in Mexico. It serves customers from USA, Canada, Mexico and Venezuela. One of the owners explained: “*We entered Venezuela, as our countries are on friendly terms*”. In 2012, they also established a new manufacturing subsidiary in Turkey to serve European and Eurasian customers. One of the owners stated: “*Moving manufacturing abroad was risky, yet it was strategically important. We are glad with this decision as we reduced logistics and raw material costs; moreover, now we have much more freedom.*” The other owner added: “*We still kept a part of production in Belarus, as labour costs were still low and we were not totally certain how well our foreign manufacturing subsidiaries would start operating. Of course, we still also try to avoid our government’s radical attention. As long as the situation in Belarus stays fine, we will keep a part of production here, but if anything will go wrong, we will still survive.*”

The owners also established a design subsidiary in Italy and hired five Italian designers. They did it because of the economic crisis in 2009-10 and due to the wish to serve premium customers, thus they needed to improve product quality and design. According to one of the owners, “*If we tell our customers that our doors are produced in Belarus, this does not sound attractive to them, especially to premium customers. Thus, we hired Italian designers to add value to our products.*” The other owner added: “*We plan to hire more people to the design subsidiary in Milan, not only for designing doors, but also for developing new materials and components. This will enhance our future competitiveness.*” In 2015, the firm also started exporting doors to Russia and Ukraine. Standard doors were produced and designed in Belarus while doors for premium customers were designed in Italy.

The reasons for unstable sales in some countries. In South Korea, sales have been unstable. The firm started exporting there in 2002. While in 2003 and 2004, sales continued and the firm found another customer there, in 2005-8, 2010-11 and 2013-14 it did not export anything. One of the owners explained: “*As our company was growing rapidly, we had no time to really explore this market. Also, Korea is culturally very different: they have a different taste regarding door design and materials.*”

The firm started exporting to the Czech Republic in 2006, but the customer did not order anything in 2007. At that time, the firm did not regard it an important market. However, the Austrian sales subsidiary started developing new contacts there, thus they exported to this country again in 2008 and 2009. In 2010, they

did not export again, as the customer had bought enough doors in 2009. In 2011, the Austrian subsidiary found new customers and sales continued.

Exports to Slovenia started in 2007 and continued in 2008 but then, the firm lost both customers due to a price war. Developing new networks and sales channels took two years. In 2011, sales continued.

In 2007, the firm also started exporting to Venezuela. It did not export anything there in 2011 due to problems with a partner that was responsible for logistics. In 2012, sales continued. As the Belarusian government promotes trade with Venezuela and as competition is low due to high entry barriers, orders have been relatively stable recently.

Future plans. In the future, the owners plan to establish a sales subsidiary in Brazil and, through that, expand activities in South America. Still, they are not certain yet when they will be ready for that as *“We were there... It is attractive, but currently we are not sure that we can compete there as local competitors have considerable advantages in terms of access to raw materials, lower production costs and due to corruption.”*

They also visited China in 2015 to explore expansion opportunities but found that demand and customer preferences differed considerably from region to region and competition was high: local Chinese manufacturers had focused on mass market products while American and German firms had already started offering premium products. However, in Dalian, a Chinese firm proposed partnership. Both founders are considering this offer.

In addition, they wish to achieve a leading position in Russia and Ukraine, and buy a production unit close to Moscow. They did not enter these countries earlier due to *“the Belarusian government's direct and indirect control of firms' activities in Russia and Ukraine”*. As these countries' current situation is unstable and their currencies are weak, they will buy the property through their German or Italian subsidiary as then they can hide their actions from the Belarusian government and, also, in the future, gain from a higher brand value as the customers *“prefer 'real European' brands”*. They also plan to establish an independent financial company in USA to gain more freedom in using their capital. In the future, they will keep entering some new markets sporadically to learn from them and not necessarily export there every year (like in cases of Slovenia and South Korea): they will mainly focus on their main markets and wish to achieve stable growth there.

Discussion

From the above we can conclude that the case firm internationalized like a born global (Oviatt/McDougall 1994; Bell 1995; Madsen/Servais 1997; Kuivalainen/Sundqvist/Servais 2007; Cavusgil/Knight 2009; Coviello 2015; Knight/Cavusgil 2015) in the beginning as it entered countries outside Europe

soon after establishment but, thereafter, its internationalization slowed down and became more systematic. The firm started expanding further from its three foreign subsidiaries to their neighbouring countries (using them as “springboards” (Luo/Tung 2007)). Thus, these subsidiaries followed behaviour that is more characteristic to the Uppsala model and innovation-related internationalization models (Johanson/Wiedersheim-Paul 1975; Johanson/Vahlne 1977; Bilkey 1978; Johanson/Vahlne 1990; Morgan/Katsikeas 1997; Ninan/Puck 2010). Moreover, lack of knowledge slowed down this firm’s internationalization and this is also characteristic to these two models. On the other hand, its entry mode choice did not completely fit these models as it invested abroad soon after starting exporting. Consequently, we can state that this firm represents an internationalization path that has not yet acquired a specific name in the literature (see Table 2).

Table 2: Classification of internationalization processes

		internationalization in the early years since foundation	
		slow or none	fast
further internationalization	slow or none	slow, gradual: like described in the Uppsala model and innovation-related internationalization models (Johanson/Wiedersheim-Paul 1975; Johanson/Vahlne 1977; Bilkey 1978; Johanson/Vahlne 1990; Morgan/Katsikeas 1997; Ninan/Puck 2010)	fast at first, then slow: has not attracted full focus from any literature stream yet, except, to some extent, some studies on “epochs” and “episodes” (Eckert/Mayrhofer 2005; Kutschker et al. 1997) and also, shortly, in Olejnik and Swoboda (2012) and Freeman et al. (2013)
	fast	slow or none at first, fast after that: like described in the literature on born-again globals (or born-again internationals) and late starters (Johanson/Mattsson 1988; Bell et al. 2001; Sheppard/McNaughton 2012)	very fast: like described in the literature on born globals (or born internationals) and international new ventures (Oviatt/McDougall 1994; Bell 1995; Madsen/Servais 1997; Cavusgil/Knight 2009; Coviello 2015; Knight/Cavusgil 2015)

Taking into account the firm’s nonlinear internationalization path – not only slowing down its internationalization, but also not exporting to some countries in all years – we can support the findings of Bell et al. (2001: 177) that “firms may experience ‘epochs’ of rapid internationalisation, followed by periods of consolidation or retrenchment” and Macharzina and Engelhard (1991) and Kutschker et al. (1997) that periods of “leaps” can be followed by more stable international development periods. As the firm reduced exports to some markets and, in some years, did not export to South Korea, Czech Republic, Slovenia and Venezuela, we can state that it de-internationalized (Calof/Beamish 1995; Benito/Welch 1997; Swoboda/Olejnik/Morschett 2011; Turner 2012) and as it continued exporting there later, it also re-internationalized (Welch/Welch 2009;

Javalgi et al. 2011). As it did this several times, we can call it a serial nonlinear internationalizer (Vissak/Francioni 2013; Vissak/Masso 2015).

The firm's internationalization was affected by its home country's situation/context (Cuervo-Cazurra et al. 2015; Dikova et al. 2016; Zander et al. 2015), including its political environment (Akhter/Choudry 1993; Welter et al. 2008; Turner 2012; Kahiya 2013; Figueira-de-Lemos/Hadjikhani 2014; Gnizy/Shoham 2014; Vissak 2014). The owners were afraid that the government would take over the firm. Moreover, they had to consider other internal and external factors: for instance, lack of foreign market knowledge and experience (Gnizy/Shoham 2014) and cultural differences (Crick 2002).

Table 3: The firm's internationalization process

	2000-2003/4	2003/4-2015
Speed of internationalization	Very fast	Relatively fast
Factors leading to/affecting internationalization	<ul style="list-style-type: none"> • Avoiding domestic market risks • Gaining high profits fast to survive • Good contacts in some foreign markets • Needing subsidiaries abroad for future development 	<ul style="list-style-type: none"> • Avoiding attention from the Belarusian government • Lack of knowledge about foreign markets • The economic crisis • Need to improve the firm's image: reduce the "Made in Belarus" effect
Internationalization strategy	<ul style="list-style-type: none"> • Entering first foreign markets – Austria, USA, Iran and South Korea – with exports fast (in 2001-2002) • Achieving a substantial export share – 84.7% – already by 2002 • Achieving stable sales in the first three foreign markets through partnerships with a few key customers • Establishing sales subsidiaries in both Austria and USA in 2003 and in Iran in 2004 	<ul style="list-style-type: none"> • Using the first three foreign subsidiaries as "springboards" for gradually entering neighbouring countries – from Austria to Hungary, Germany (2004), Czech Republic (2006), Slovenia (2007), Italy and France (2008), from USA to Canada (2004), Mexico (2006) and Venezuela (2007) and from Iran to Azerbaijan (2005), Georgia (2007) and Turkey (2008) – with exports but also for learning • Moving some of the firm's operations – logistics (global 2003), sales (Austria, USA 2003, Iran 2004, Germany 2006), finance (Germany 2006), production (Mexico 2010, Turkey 2012) and design (Italy 2010) – partially or fully abroad • Having sporadic activities in less important countries (like Slovenia and South Korea), but using this experience for learning
Commitment to internationalization	High	Very high

As the owners perceived some markets less important than others (Sleuwaegen/Onkelinx 2014), they took this into account in developing the firm's internationalization strategy (Trudgen/Freeman 2014). The case firm's internationalization was rapid in 2000-2003/4 (see Table 3) as the owners wished to reduce domestic market risks and earn profits to survive and develop further. Moreover, they used their contacts (Hadjikhani 1997; Welch/Welch 2009; Turner 2012; Musteen et al. 2014) in their first target markets. Finally, they partially used effectuation logic in the initial internationalization (Andersson 2011; Nowiński/Rialp 2013) as they did not always have a clear plan where to expand. Thus, we can agree with Benito (2015) and van Tulder (2015) that different factors can simultaneously cause and affect internationalization.

In 2003/4, the owners slowed down the firm's internationalization and turned the process more gradual. Such a strategic decision allowed them to learn about their first markets, investigate these countries' neighbouring markets and plan the firm's future development. Thereafter, they increased their foreign market commitment and started using more complicated foreign operation modes. Thus, we can state that in further expansion, capabilities (Javalgi et al. 2011; Cuervo-Cazurra et al. 2015; Dikova et al. 2016) can be very important and that flexibility, adaptability, innovativeness and active networking can help firms to overcome their initial resource constraints and internationalize successfully (Knight/Cavusgil 2004; Svetličič et al. 2007; Freeman et al. 2013; Musteen et al. 2014; Knight/Cavusgil 2015). Moreover, internationalization can be useful for learning (Dikova et al. 2016) and capability-building (Benito 2015; Meyer 2015). Finally, we can conclude that changes in internationalization can be caused by the owners'/managers' attitudes (Benito/Welch 1997), they can be voluntary (Benito 2005; Freeman et al. 2013; Vissak/Francioni 2013) and, to some extent, also forced (Akhter/Choudry 1993) as the owners were afraid of governmental takeover.

Conclusions and implications

The paper showed that a born-global's internationalization can slow down and that it can experience nonlinear internationalization. These aspects have still not received considerable attention in the literature on internationalization processes. We also explained which factors caused or affected this firm's international activities in different markets. As it was established in Belarus, its owners always had to consider their home country's political and economic environment. They could not grow too much in Belarus; otherwise, the government would have taken over the firm, so they had to internationalize as this enabled them to reduce this risk. In addition, the firm's internationalization was affected by its owners' contacts, foreign market knowledge and attitudes: they were flexible and able to adapt to local and foreign market changes fast, but, on the other

hand, they regarded some markets less important than others, so they did not try to export there every year.

Based on the above case, we developed several managerial implications. Despite of a slow-down of internationalization after the initial fast expansion and several fluctuations in its foreign activities, the firm's international development has been successful and its net profits have increased in all years except in 2010. Thus, other companies' managers should not always regard such internationalization a failure. A firm has to react to changes in its economic and business environment but also take into account its resources and capabilities. Thus, making adjustments in the pace of internationalization – including not exporting to all markets in every year – can be reasonable. Still, such internationalization should not be also regarded as a goal in itself. Moreover, based on the firm's experience we suggest that managers should have a global vision and they should pay considerable attention to improving their firm's resources and capabilities. Also, actively acquiring foreign market knowledge and creating contacts can be important. In this case, it is possible to continue growing even during economic recession and survive if the home country's political/economic environment is extremely unfavourable. Finally, managers should understand that “many developments inside and outside corporation cannot be anticipated and cannot be fully controlled by top-management” (Kutschker et al. 1997: 110). Thus, following the above suggestions will not guarantee success as to some extent every firm's situation is unique.

Future research could develop in several directions. For example, it could be studied how this firm will develop further on each market – if it will continue using its subsidiaries as “springboards” and its export markets as learning bases – and more data could be collected on its activities in each market. Similar firms from Belarus but also from some other (CEE) countries should be investigated as this would increase the generalizability of the results. In addition to collecting case study data, surveys should be conducted as this enables collecting more evidence about factors leading to or influencing such internationalization. This should also help to provide more detailed managerial advice. Finally, data from some countries' statistical databases should be used to find out how frequently such internationalization processes occur and if these firms differ from others in terms of export market or entry mode selection, subsidiary size, ownership, export or import structure, productivity or other indicators as this information would be also relevant for policy-makers.

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Appendix 1: The main interview questions

How did your business start and why? Which obstacles did you face? How did you overcome them?

How does starting and doing business in Belarus differ compared to other countries? How has the Belarusian political/economic environment affected your local or foreign activities? How have you overcome the obstacles?

What were/currently are your main strengths and weaknesses compared to your foreign competitors?

When, how and why did your firm enter its first, second, third... foreign market?

When, how and why did your firm establish foreign subsidiaries? How do you manage these subsidiaries? Which obstacles have you faced? How have you overcome them?

Have you exited or re-entered any markets temporarily or permanently? Why?

How satisfied are you with your firm's internationalization so far? Why?

How do you plan to develop in the future (in terms of internationalization (including exits and re-entries), production, brand, organizational management...)? Why?